

Charity Registration No. 1058536

Company Registration No. 3255850 (England and Wales)

THE NEHEMIAH PROJECT
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

THE NEHEMIAH PROJECT

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THE NEHEMIAH PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number	1058536
Company number	3255850
Registered office	47 Tooting Bec Gardens London SW16 1RF
Auditor	Begbies 9 Bonhill Street London EC2A 4DJ
Bankers	NatWest plc NatWest Bank Plc 145 Clapham High Street London SW4 7SN

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees present their report and accounts for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The Nehemiah Project has over 25 years' experience of working with men with a history of addiction. Our clients are arguably some of the most marginalised and excluded individuals in society, with multiple and complex needs.

Vision

A centre of excellence for rehabilitating men from crime and addiction through the transformation of their lives to become fulfilled, valuable members of the community.

Mission

- To enable vulnerable men who are ex-offenders to break free from crime and addiction and to help them rebuild their lives
- To offer men, once outside the prison walls, the resources to enable them to set new goals and give them hope for the future
- To assist in their reintegration into the community through the provision of supported housing immediately after release and beyond as well as the provision of rehabilitation programmes

A key aim is to build recovery in our Residents so that when they move on they can deal with unexpected and challenging life events without resorting to old behaviours, and to provide coping strategies to avoid relapse and recidivism.

All Nehemiah staff believe that anyone can change their life, and this underpins all our work. Our holistic, peer group approach to recovery creates a safe place where men can go through the painful process of reviewing their lives and building a foundation on which to build their future. We support each man to reach his potential, and celebrate their success.

2019

In the past twelve months we:

- Opened our fourth house, a new first-stage house in Croydon
- Launched 'Nehemiah Works' employment and training programme
- Launched a Family Support Programme

2020

Our priorities are

- To enhance our housing provision by securing move-on accommodation in Croydon and refurbishing 47 Tooting Bec Gardens.
- To review our present strategy for growth and development.
- To determine the location and timing of our next phase of growth. To consider as part of this the work that we have already undertaken in Bury St Edmunds and invitations to develop work in other regions.
- To improve programme delivery and the men's journey through move-on, with the extra input from the Family Support Programme and Nehemiah Works.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

1 - Overview of 2019

We achieved our 2019 objectives with the following outcomes:

- In partnership with The British Association of the Sovereign Order of Malta we opened our fourth house, a first stage property in Croydon, providing six more spaces for vulnerable men
- We launched a Family Support Programme, including a families group
- We launched 'Nehemiah Works' employment and training programme for all Residents
- We worked with an independent research agency to better understand both success and men's paths through the charity. We had the benefit of our 'Success Mapping' report that followed ten successful Resident journeys and made a number of recommendation based on the success they had achieved. This research is ongoing and will continue to run for at least another two years
- We continued exploring our potential to operate beyond London, seeking additional properties in Suffolk, following an invitation to explore a gap left by the closure of another charity, whilst looking at the broader implications of this growth, such as organisation, funding and controls. This is a complex area of work for us and will continue into 2020 and beyond.
- We benefitted from the expertise of a small team from CLARASYS, who provided systems analysis of our referrals process and advice in the implementation of new and more efficient systems

2 – Performance Delivery

Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency. In 2019 we aimed to continue to improve our services and our outcomes.

	2014	2015	2016	2017	2018	2019
No. of Residents completing the first stage of the programme or still with us	19	14	21	28	26	31
No. of men worked with	28	40	31	37	39	48
Percentage of men remaining abstinent for one year	68%	65%	74%	76%	71%	71%
Residents obtaining full time employment	14	11	9	11	7	11
Residents in work, vocational training or voluntary work	12	19	10	8	20	14
No of Residents reoffending or recalled (2 in 2019) within one year of leaving Nehemiah	1	1	1	2	0	4

In 2019 of those we have worked with, 38% were from BAME communities, compared with 26% in the prison population; 58% of staff are also from BAME communities'

A New Future is a rolling programme and men can join at any point and complete the twelve modules. It is a 12-week programme delivered each weekday morning at our first-stage house, focusing on recovery and resettlement through process groups and education sessions. We encourage the participating cohort to work through issues together, sharing experiences, challenging one another and resolving conflict. This has helped build resilience to increase the men's ability to cope with the day-to-day social, emotional and practical pressures.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

3 – Financial Prudence and Sustainability

Maintaining financial prudence is a key element of the success of any charity:

- We built stronger relationships with key funders and increased income from Charitable Trusts, by size of average grant amount and by number of grants secured from new Trusts and Foundations.
- We increased our income by 52%.
- We maintained tight financial control with regular reporting to Trustees

In 2019 the Charity had a total income of £762,858 and a total expenditure of £685,821, showing a surplus of £77,037. Our income and expenditure in the year significantly exceeded that in 2018 due to income received for the opening of our fourth house and Trust income received for the refurbishment of 47 Tooting Bec Gardens. In 2019, we maintained a tight control on expenditure and will continue to do so in 2020.

Nehemiah held £68,433 in restricted funds at the end of the year, the majority of which was capital monies carried forward for the future refurbishment of 47 Tooting Bec Gardens.

Designated funds include the £758,389 property capital fund, which is our investment in the freehold of the Charity's main property in Streatham. It is anticipated that these funds will remain invested in the property for the foreseeable future. Until the property is sold or remortgaged, these funds are not directly accessible.

There is an outstanding loan from The Charity Bank /CAF against 47 Tooting Bec Gardens of £34,018. There is a further, interest-free loan to the Charity outstanding from The Britland Trust, of £90,000. There is no fixed repayment date and this loan has been held by the charity since the purchase of 47 Tooting Bec Gardens.

Nehemiah had £47,966 of General unrestricted funds at the end of 2019, an increase of £37,347 from 2018. Management will focus over the next two years on building these reserves to meet the desired level of three months' operating funds.

Other events of note:

- CCLA generously hosted an event for us on 3rd April for Nehemiah supporters and prospective donors.
- Our Ambassador, Monsignor Roger Reader, officially opened our Croydon house on 9th June.
- A team of four riders represented Nehemiah in the Prudential Classic100 sponsored bike ride at the end of July, raising £15,000 for the Charity. Nine people ran in the Virgin London Marathon for Nehemiah raising over £16,000.
- In September, the Charity adopted new Articles to streamline the procedural running of the Charity. They do not in any respect change our objectives or purpose, but enable the Charity to operate more effectively.
- Reverend Jonathan Aitken presented Graduation certificates to Residents on 3rd October from our Croydon house for the first time.
- Nehemiah as a supporting organisation of 'Prisons Week', attended and helped to organise the annual lecture at Southwark Cathedral on 17 October.
- As a charity we continued to benefit from the Lloyds Enhance programme.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Reserves Policy

The majority of our funding for operational costs comes from grants and donations, for which we are grateful. Budgeting for these is difficult as it depends on unpredictable timescales. For liquidity purposes, the trustees would like to attain £158,000 available cash reserves, which will be made up of restricted and unrestricted funds. The Charity's reserves at 31 December 2019 were represented by the fixed assets, at £848,389.

Only if needed will we undertake further borrowing against our main fixed asset which is the freehold property at 47 Tooting Bec Gardens while taking account of promised funding. The Trustees are confident that given the freehold value of the charity's home, these provisions will enable the charity to continue in the event of a significant drop in funding.

The Charity has a strategy to continue to build its reserves when that becomes possible.

Nehemiah 2020

Strategic Overview

In 2020, with the support from our partners, our aim is to build on our current growth in Croydon by opening a move-on house adjacent to our first stage house at Frederick Gardens. At the same time, we want to refurbish fully our existing property at Streatham, enhancing the accommodation for Residents and staff. The needs of the men coming to Nehemiah are complex, and we wish to continue to offer an improved programme with a variety of services to give them the best recovery for themselves, their families and the wider community.

Objectives 2020

The objectives in 2020 are a consolidation and further development of those initiated in 2019. In 2020 we will:

- Establish a move-on house at Croydon
- Develop a robust plan for growth over the next five years
- Improve programme delivery and Residents' aftercare
- Refurbish 47 Tooting Bec Gardens, which we own, and which constitutes our core asset. The house has served the Charity well, but is in need of renovation, recognising the changing needs of the group that we serve, as well as our staff
- Continue to develop Nehemiah Works

1 – Growth – enhance our housing provision

Nehemiah's growth strategy has been to seek to add one new house per year. Our immediate focus in 2020 is to establish a move-on house at Croydon. In light of the Covid-19 pandemic, our plans to open further houses beyond that will depend on funding and our confidence to continue along our growth path.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

2 - Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency with our average abstinence rate over five years at 71%.

In 2020 we intend to continue to improve our services and the outcomes we deliver. To achieve this, we will:

- Refine Nehemiah's recovery programme enabling at least 50 men to recover their lives by the end of 2021.
- Provide Family Support to 100% of our Residents so they can reconnect with their families and to establish an external support group for family members.
- Provide 100% of Residents with an opportunity to secure meaningful employment or training through the 'Nehemiah Works' employment and training programme.
- Continue to develop a programme for staff wellbeing that will create resilience and effectiveness in our staff, resulting in a positive, rewarding, and creative work environment.
- Enhance the IT infrastructure and equipment, including a new database and digital summary of programme modules.
- Complete Year 3 of our independent research programme and evaluate factors identified by the success mapping, for integration into our work.

3 - Financial Prudence and Sustainability

The aim of our growth will be to grow the number of men we help annually and to increase our sector influence. At the same time we wish to make the Charity financially sound while recognising the need for continued external funding. Maintaining financial prudence and developing sustainability is a key element of the success of Nehemiah. To achieve this in 2020 we will:

- Monitor and achieve our quarterly revenue and expenditure targets to sustain our growth
- Prepare for a new donor CRM (Customer Relationship Management) database to be introduced in 2021 to steward our donors more effectively and improve our communications.
- Continue to work effectively with The British Association of the Order of Malta to achieve our joint objectives
- Continue to build longer-term and multi-faceted relationships with core funders, as well as recognising the contribution of our individual donors
- Raise the profile of Nehemiah through a variety of communication channels with a view to recruiting further supporters

The impact of Covid-19

Since the commencement of lockdown measures Nehemiah has supported Residents remotely through individual daily phone calls and through group sessions using Zoom on-line.. The priority is to protect the health of all staff and that of our Residents, many who have underlying health issues. We are fortunate in that the majority of our Residents had completed the recovery programme or were close to completion when we had to lock down. Whilst in lock down, a rent deposit scheme was introduced as an incentive to help our Residents remain focused on their recovery with a clear focus towards the future.

Acquiring the move-on house in Croydon adjacent to our first stage house is crucial to the return to work strategy and the intake of new Residents. It is anticipated that the refurbishment of 47 Tooting Bec Gardens and the acquisition of a move-on house in Croydon will still go ahead this year as planned, and will be completed before the end of 2020.

Nehemiah has responded well to this challenging time and we feel will emerge from the period much more resilient. The decision was taken early on not to furlough staff; instead, the recruitment of two vacant positions was delayed to help save costs. Nehemiah, has however, been impacted financially, both in terms of income from grants, individuals and churches and from reduced Housing Benefit. Our aim is to review our position at the end of 2020, and to determine the pace of growth going forward.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Nehemiah's approach to fundraising

Our supporters are key to everything we do. Each year they enable us to directly help vulnerable men recover their lives. We are committed to being fully transparent and accountable about how their gifts are used.

Our fundraising costs are kept to a minimum with 8% of funds being spent on the cost of raising funds. All fundraising is done in-house with no third party involvement.

We are members of the Fundraising Regulator and as members we follow the Code of Fundraising Practice and the policy of dealing with vulnerable people.

In the financial year ending 31 December 2019 we did not receive any complaints about our fundraising.

We keep up to date on changing regulation and ensure we comply with it by changing processes if necessary.

Structure, governance and management

The Nehemiah Project is a Company Limited by Guarantee, governed by its Memorandum as amended and adopted by Special Resolution in 2009, and Articles of Association dated 4th September 2019. The new articles adopted in 2019 were to streamline the procedural running of the charity. These changes had no effect on the charities existing objectives or purpose. The Nehemiah Project is a registered Charity with the Charity Commission. In the event of winding up, members' liabilities are limited to £1 each.

The Trustees, who are the Directors for the purposes of company law, and who served during the year were:

Mr T. B. Aikens (Resigned 17.1.2019)	Mrs. K.P. Hunter Johnston
Mr. W. Ansell	Mr. A.T.R. Nell (Chair)
Mr. R. Atwater	The Hon. Mrs. M. Rank (Resigned 04-09-2019)
Mr. G. Boyle	Mr. A.P. Watson
	Ms J.S. Whitaker

Trustees are appointed by resolution of the existing Trustees. Most new Trustees will be familiar with the practical work of Nehemiah and all Trustees attend information events to keep up-to-date. New Trustees receive all relevant information relating to Nehemiah, and undergo a thorough induction covering decision-making processes, key employees and future plans and objectives. They are also advised of their legal obligations as Trustees.

The Trustees meet quarterly and ad hoc as events dictate. Since March 23rd 2020 the Board has met on a monthly basis electronically due to Covid-19. Trustees have continued to receive regular financial reports and regular updates on Nehemiah's activities and fundraising despite the move to primarily electronic operation. Responsible for the overall legal, financial and strategic direction and development of Nehemiah.

Public Benefit

The trustees consider that they have complied with the duty to have due regard to public benefit guidance published by the Commission.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Management Team

- Dr J. Patience, CEO
- Mrs L. Momoh, Development Director
- Mrs L. Hawthorne, Operations Director
- Miss A. Sissuh, Supported Housing Manager

Day-to-day management, including finance, HR and operations, is the responsibility of the CEO. He is supported by the other members of the management team, who meet monthly, and who take responsibility for the assets of Nehemiah, supported housing and fundraising.

Risks

The Trustees review Nehemiah's main risks on a regular basis. They are responsible for approving and then overseeing the implementation of any changes to procedures, training or other actions to mitigate the risks Nehemiah faces. The Risk Register is reviewed by the Trustees quarterly. All areas are RAG rated, with high priority areas separately highlighted and reported.

A Risk Register is maintained and presented at each Directors' Meeting. Two risks were identified as High as of June 2020; both of these were direct result of Covid-19:

- Predicted financial shortfall in 2020 due to the effects of Covid-19 on occupancy and the funding environment. An immediate review of the 2020 budget was undertaken, expenditure was cut and fundraising, and Housing Benefit revenue revised downwards to account for the changing level of activity in the fundraising environment. This will enable the Charity to better manage cash flow during the crisis. The Board has considered and will consider various options for addressing the shortfall. These options will be considered and reviewed as the year progresses.
- A second wave of Covid-19 causes additional restrictions in London. The potential impact will be on our plans to return to a more normal operational capacity. This could also disproportionately affect our staff and Residents. We have sought to mitigate this by following best practice in infection control, and constantly monitoring for expert advice on response to the virus. We have plans and resources to improve our electronic infrastructure and communications.

Relationship with other charities

The Charity's two Move-on homes, The Chase and Pountney Road, are owned by Sanctuary Housing. In June 2013 Nehemiah became Managing Agents for these properties. As such the Residents are Sanctuary Housing Licensees, managed by Nehemiah. The Charity's fourth house, 1-3 Frederick Gardens, is owned by Croydon Churches Housing Association (CCHA). The Charity has signed a five year lease with CCHA for this property. This has enabled Nehemiah to support more vulnerable adults recovering from drug/alcohol addiction.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Trustees' responsibilities

The Trustees, who are also the directors of The Nehemiah Project for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

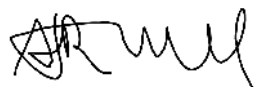
Auditor

In accordance with Nehemiah's Articles, Trustees will appoint suitably-qualified Auditors.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



.....
Mr A. T. R. Nell (Chairman)

Trustee

Dated: 2 July 2020

THE NEHEMIAH PROJECT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE NEHEMIAH PROJECT

Opinion

We have audited the financial statements of The Nehemiah Project (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE NEHEMIAH PROJECT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE NEHEMIAH PROJECT

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charitable company for the purpose of company law, is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees is responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Katherine Dee FCA (Senior Statutory Auditor)
for and on behalf of Begbies
Chartered Accountants
Statutory Auditor

.....07/07/2020.....

9 Bonhill Street
London
EC2A 4DJ

THE NEHEMIAH PROJECT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

Current financial year

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	2	135,920	434,289	570,209	373,823
Charitable activities	3	192,414	-	192,414	184,053
Investments- bank interest		235	-	235	66
Total income		<u>328,569</u>	<u>434,289</u>	<u>762,858</u>	<u>557,942</u>
<u>Expenditure on:</u>					
Raising funds	4	<u>52,567</u>	<u>-</u>	<u>52,567</u>	<u>47,338</u>
Charitable activities	5	<u>219,355</u>	<u>413,899</u>	<u>633,254</u>	<u>489,026</u>
Total resources expended		<u>271,922</u>	<u>413,899</u>	<u>685,821</u>	<u>536,364</u>
Net income for the year/ Net movement in funds		56,647	20,390	77,037	21,578
Fund balances at 1 January 2019		<u>749,708</u>	<u>48,043</u>	<u>797,751</u>	<u>776,174</u>
Fund balances at 31 December 2019		<u><u>806,355</u></u>	<u><u>68,433</u></u>	<u><u>874,788</u></u>	<u><u>797,752</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE NEHEMIAH PROJECT

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

Prior financial year

		Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes			
<u>Income from:</u>				
Donations and legacies	2	99,747	274,076	373,823
Charitable activities	3	184,053	-	184,053
Investments		66	-	66
Total income		283,866	274,076	557,942
<u>Expenditure on:</u>				
Raising funds	4	47,338	-	47,338
Charitable activities	5	227,507	261,519	489,026
Total resources expended		274,845	261,519	536,364
Net income for the year/ Net movement in funds		9,021	12,557	21,578
Fund balances at 1 January 2019		740,688	35,486	776,174
Fund balances at 31 December 2019		749,709	48,043	797,752

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE NEHEMIAH PROJECT

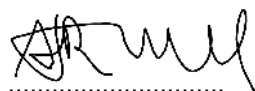
BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	8		848,389		829,090
Current assets					
Debtors	9	18,542		41,043	
Cash at bank and in hand		240,996		106,568	
		<u>259,538</u>		<u>147,611</u>	
Creditors: amounts falling due within one year	10	<u>(109,121)</u>		<u>(44,528)</u>	
Net current assets			150,417		103,083
Total assets less current liabilities			<u>998,806</u>		<u>932,173</u>
Creditors: amounts falling due after more than one year	11		(124,018)		(134,421)
Net assets			<u>874,788</u>		<u>797,752</u>
Income funds					
Restricted funds	15		68,433		48,043
<u>Unrestricted funds</u>					
Designated funds	16	758,389		739,090	
General unrestricted funds		<u>47,966</u>		<u>10,619</u>	
			806,355		749,709
			<u>874,788</u>		<u>797,752</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 22 June 2020.....



Mr A. T. R. Nell
Trustee

Company Registration No. 3255850

THE NEHEMIAH PROJECT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	21		170,069		11,884
Investing activities					
Purchase of tangible fixed assets		(25,473)		(1,383)	
Interest received		235		66	
Net cash used in investing activities			(25,238)		(1,317)
Financing activities					
Repayment of bank loans		(10,403)		(9,750)	
Net cash used in financing activities			(10,403)		(9,750)
Net increase in cash and cash equivalents			134,428		817
Cash and cash equivalents at beginning of year			106,568		105,751
Cash and cash equivalents at end of year			<u>240,996</u>		<u>106,568</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

The Nehemiah Project is a private company limited by guarantee incorporated in England and Wales. The registered office is 47 Tooting Bec Gardens, London, SW16 1RF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2019 are the first financial statements of The Nehemiah Project prepared in accordance with revised FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2018. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the next 12 months. Thus the Trustees' continue to adopt the going concern basis of accounting in preparing the accounts.

The free reserves of the charity are low. However the charity has cash available to meet day to day activities due to the structure of long term borrowing. The charity also owns the freehold premises at 47 Tooting Bec Gardens which is stated in these accounts at cost. The trustees are of the opinion that were the charity in need of funds, further borrowing could be secured in the short term or the property could be sold.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Designated funds are a category of unrestricted fund set aside by the trustees for a specific purpose. The designated funds of The Nehemiah Project reflect the funds invested in the fixed assets of the charity and not available for day to day use, and the funds set aside by the trustees as detailed in the reserves policy.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Grants are recognised at the point when the charity is notified of the grant and the charity is entitled to the income. Grants shown as donations are only deferred if they relate to a specific future time period as identified by the donor or the charity has received the income, but there is no entitlement to spend the funds at the year end. If the charity is not entitled to the funds without first meeting criteria which are yet to be met at the year end, and the funds have not been received, the funds will not be recognised in the accounts.

Grants are recognised as restricted if they are donated for a purpose more restrictive than the ongoing activities of the charity.

Grants are recognised as unrestricted if the donor either does not state any restriction on use or the restriction is to use funds for the supported housing project, as this is the only activity undertaken by the charity.

Grants that are received for the general operation of the charity, rather than on the basis of a contract for services or for meeting a specified level of services, the grant is shown as a donation.

Were a grant to be received as part of a service level agreement it would be shown as income from charitable activities and would be deferred to the extent the charity has yet to fulfil the service level obligations.

Housing benefits and other rental contributions are accounted for when receivable..

Income from fundraising activities includes ticket sales, receipts from charity auctions and other income which is earned in the course of events run by the charity. Sponsorships for marathons, fun runs and other events are shown in donations as these are in effect gifts.

Income from events is included in the year in which the event has taken place.

1.5 Resources expended

Liabilities for costs are recognised in the statement of financial activities as they are incurred.

The charity has one charitable activity, being the operation of a supported housing programme. The administrative activities are run from one of the supported housing buildings which is owned by the charity, and accordingly there is little general overhead cost. The costs of fundraising activities and reporting to funders are separately identifiable and directly allocated and general office costs are all allocated to the supported housing activity.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets costing over £500 are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	Nil
Leasehold improvements	Over the life of the lease
Fixtures, fittings & equipment	25% straight line
Computers	33% straight line

Freehold land and buildings, representing one of the supported housing homes, is not depreciated as the trustees consider the residual value to be higher than carrying value. The land and property is stated at cost and at the year end the open market value was considered to exceed the carrying value. The value of the home is reviewed annually for impairment.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Total	Total
	2019	2018
	£	£
Donations and gifts	61,028	53,359
Grants towards ongoing operations	518,439	311,626
Less: deferred income	(39,050)	(10,000)
Donated goods and services	-	4,500
Other	29,792	14,338
	<u>570,209</u>	<u>373,823</u>

Donated professional fees with an estimated value of £4,500 have been included in 2018 general donations.

In addition to the above grants, £75,000 has been pledged toward the refurbishment of 47 Tooting Bec Gardens, contingent on specific refurbishment milestones yet to be met or match funding.

Note 21 contains details of donations by related parties.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Donations and legacies

(Continued)

	Total	Total
	2019	2018
	£	£
Grants receivable for core activities		
Cicely Northcote	10,000	-
Charles Hayward Foundation	25,000	-
Drapers' Charitable Funds	20,000	-
Lloyds Bank Foundation	25,000	25,000
Maurice & Hilda Lang Charitable Trust	-	12,500
Sir Jeremiah Colman Gift Trust	5,000	-
Tara Getty Foundation	5,000	-
The 29th May 1961 Charitable Trust	5,000	-
The Chris Taylor Family Trust	5,000	-
The Global Fund for Forgotten People	137,885	105,576
The Henry Smith Charity	86,750	18,000
The Leathersellers' Company Charitable Fund	-	10,000
The Merchant Taylors' Livery and Freemen Fund	10,000	10,000
The Jerusalem Trust	40,000	40,000
The Albert Hunt Trust	-	5,000
The Garfield Weston Foundation	-	15,000
The Mabs Mardulyn Charitable Foundation	10,000	10,000
The Mackie Foundation	30,000	-
The Peter Stebbing Memorial Charity	-	10,000
The Tanglely Trust	30,000	-
The Swire Charitable Trust	9,800	10,000
The Worshipful Company of Mercers	20,000	-
The Worshipful Company of Vintners	5,000	-
Hinchley Charitable Trust	-	5,000
The Tony and Sheelagh Williams Charitable Foundation	10,000	10,000
Repayment of unused grants	(20,000)	-
Other £3,000 and below	49,004	25,550
	<u>518,439</u>	<u>311,626</u>

3 Charitable activities

	Supported housing income 2019 £	Supported housing income 2018 £
Housing benefit and other rental income	<u>192,414</u>	<u>184,053</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Raising funds

	2019	2018
	£	£
Seeking donations, grants and legacies	9,629	8,439
Fundraising agents and consultants	62	150
Staff costs	42,686	38,559
Depreciation and impairment	190	190
	<u> </u>	<u> </u>
Costs of operating fundraising events	<u>52,567</u>	<u>47,338</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Charitable activities

	Supported Housing Programme 2019 £	Supported Housing Programme 2018 £
Staff costs	323,158	271,682
Depreciation and impairment	5,983	3,179
Staff and volunteer expenses, recruitment and training	1,035	8,827
Rent and rates	64,029	41,173
Repairs and renewals	22,783	12,486
Light and heat	16,938	10,825
Motor and travel	1,674	920
Residents needs	3,282	3,096
Consultancy, clinical supervision and other professional fees	16,548	21,972
Subscriptions and licences	426	832
Cleaning materials and refuse disposal	2,164	1,848
Food	1,740	2,162
Special projects	9,435	-
Insurance	17,321	15,442
Programme costs	5,302	1,762
Sundry costs	371	-
Temporary & agency staff costs	27,678	1,147
	<u>519,867</u>	<u>397,353</u>
Share of support costs (see note 6)	101,677	83,468
Share of governance costs (see note 6)	11,710	8,205
	<u>633,254</u>	<u>489,026</u>
Analysis by fund		
Unrestricted funds	219,355	227,507
Restricted funds	413,899	261,519
	<u>633,254</u>	<u>489,026</u>

Consultancy fees includes £15,820 (2018: £15,152) of costs connected to assessing the feasibility, locating and leasing of the additional residential home for the 2019 expansion plan. Consultancy fees also includes donated profession fees with an estimated value of £0 (2018: £4,500) in respect of work undertaken on the expansion plan for which the charity would have needed to pay had the time not been donated.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Support costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Staff costs	50,200	-	50,200	46,854
Printing, postage and stationery	10,918	-	10,918	8,277
Telephone	5,607	-	5,607	5,340
Staff recruitment	2,666	-	2,666	415
HR support and professional fees	17,459	-	17,459	6,866
Computer expenses	8,435	-	8,435	7,432
Loan interest	3,484	-	3,484	4,136
Sundry expenses	360	-	360	228
Training costs	2,548	-	2,548	3,920
Audit fees	-	6,240	6,240	5,040
Accountancy	-	2,070	2,070	2,070
Legal and professional	-	3,400	3,400	1,095
	<u>101,677</u>	<u>11,710</u>	<u>113,387</u>	<u>91,673</u>
Analysed between				
Charitable activities	<u>101,677</u>	<u>11,710</u>	<u>113,387</u>	<u>91,673</u>

The charity has a single charitable activity of rehabilitation in supported housing and accordingly there is no further apportionment of support costs.

Governance costs includes payments to the auditors of £6,240 (2018- £5,040) for audit fees and £2,070 (2018- £2,070) for the provision of management accounts during the year.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2019	2018
	Number	Number
	13	12
	<u>13</u>	<u>12</u>

Employment costs

	2019	2018
	£	£
Wages and salaries	375,606	322,959
Social security costs	33,880	28,736
Defined contribution pension costs	6,558	5,400
	<u>416,044</u>	<u>357,095</u>

The number of employees whose annual remuneration, excluding employers' national insurance, was £60,000 or more were:

	2019	2018
	Number	Number
£60,001-£70,000	1	1
	<u>1</u>	<u>1</u>

8 Tangible fixed assets

	Land and buildings	Leasehold improvements	Fixtures, fittings & equipment	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2019	827,600	-	136,889	34,522	999,011
Additions	-	15,845	6,510	3,118	25,473
At 31 December 2019	<u>827,600</u>	<u>15,845</u>	<u>143,399</u>	<u>37,640</u>	<u>1,024,484</u>
Depreciation and impairment					
At 1 January 2019	-	-	135,780	34,142	169,922
Depreciation charged in the year	-	3,169	1,917	1,087	6,173
At 31 December 2019	<u>-</u>	<u>3,169</u>	<u>137,697</u>	<u>35,229</u>	<u>176,095</u>
Carrying amount					
At 31 December 2019	<u>827,600</u>	<u>12,676</u>	<u>5,702</u>	<u>2,411</u>	<u>848,389</u>
At 31 December 2018	<u>827,600</u>	<u>-</u>	<u>1,110</u>	<u>380</u>	<u>829,090</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Other debtors	5,094	18,446
Prepayments and accrued income	13,448	22,597
	<u>18,542</u>	<u>41,043</u>

10 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Bank loans	12	13,886	13,886
Other taxation and social security		11,192	8,267
Deferred income	13	39,050	10,000
Trade creditors		8,595	-
Other creditors		20,000	249
Accruals		16,398	12,126
		<u>109,121</u>	<u>44,528</u>

11 Creditors: amounts falling due after more than one year

	Notes	2019	2018
		£	£
Bank loans	12	34,018	44,421
Britland Charitable Trust loan		90,000	90,000
		<u>124,018</u>	<u>134,421</u>

12 Loans and overdrafts

	2019	2018
	£	£
Bank and trust funding	137,904	148,307
	<u>137,904</u>	<u>148,307</u>
Payable within one year	13,886	13,886
Payable after one year	124,018	134,421
	<u>137,904</u>	<u>148,307</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Loans and overdrafts

(Continued)

The long-term Charity Bank loan is secured on the bank balance held by Charity Bank and the charity's freehold property. The loan bears interest at 6.5% and is repaid by equal monthly instalments. The loan agreement duration is for ten year from November 2013.

The £90,000 Britland Trust loan is unsecured, non interest bearing and has no fixed repayment date. No amounts have been recognised in the accounts for the donation in kind of interest forgone or in respect of discounting to net present value due to no agreed schedule of repayments.

13 Deferred income

	2019 £	2018 £
Grants for a future time period	39,050	10,000

All deferred income reverses within one year

14 Retirement benefit schemes

Defined contribution schemes

The charitable company operates a defined contribution pension scheme for all qualifying employees under an auto enrolment pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,558 (2018 - £5,400)

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 December 2019
	Balance at 1 January 2018	Incoming resources	Resources expended	Balance at 1 January 2019	Incoming resources	Resources expended	
	£	£	£	£	£	£	£
Family support programme	1,056	-	-	1,056	9,800	(3,923)	6,933
Financial stability and independence	3,150	-	(3,150)	-	-	-	-
Supported housing programme and other salaries	-	103,000	(103,000)	-	100,000	(100,000)	-
A New Future supported housing	-	45,500	(45,500)	-	53,000	(53,000)	-
The Global Fund for Forgotten People	18,280	105,576	(86,869)	36,987	137,885	(174,872)	-
The London Community Foundation	13,000	-	(13,000)	-	-	-	-
One Man's Recovery	-	10,000	(10,000)	-	10,000	(10,000)	-
Under 25's and over 65's education and training	-	10,000	-	10,000	(10,000)	-	-
Property repairs and refurbishments	-	-	-	-	65,904	(4,404)	61,500
Improving Lives project	-	-	-	-	57,700	(57,700)	-
Nehemiah Works	-	-	-	-	5,000	(5,000)	-
Loan repayments	-	-	-	-	5,000	(5,000)	-
	<u>35,486</u>	<u>274,076</u>	<u>(261,519)</u>	<u>48,043</u>	<u>434,289</u>	<u>(413,899)</u>	<u>68,433</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Restricted funds

(Continued)

Family Support Programme	To fund work with families.
Financial stability and independence	To fund personal household finance workshops with residents
Supported housing programme salaries	For funding the cost of specific salaries in the supported housing programme.
A New Future supported housing	For funding the cost of the first stage core rehabilitation programme.
The Global Fund for Forgotten People	For funding programme expansion into additional residential units.
The London Community Foundation	To fund a specific range of expenses within programme and core costs.
One Man's Recovery	For funding the cost of the full rehabilitation programme
Under 25's and over 65's	For funding education and training for specific age groups
Property repairs	For the refurbishment of 47 Tooting Bec Gardens and other property expenses
Improving Lives	Funding family and housing support workers
Nehemiah Works	An employment and training programme
Loan repayments	Contributions towards the Charity Bank loan

All funds received for the general purpose of supported housing and rehabilitation are allocated to unrestricted funds as this is presently the charity's sole activity.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Designated funds

The unrestricted income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 31 December 2019
	£	£	£	£	£	£	£	£
Property capital fund	741,076	1,383	(3,369)	-	739,090	25,473	(6,174)	758,389
Operational reserve	92,000	-	-	(92,000)	-	-	-	-
	<u>833,076</u>	<u>1,383</u>	<u>(3,369)</u>	<u>(92,000)</u>	<u>739,090</u>	<u>25,473</u>	<u>(6,174)</u>	<u>758,389</u>

Property capital fund - Income invested in the charity's residential home, furnishings and equipment. The Britland Trust loan was made to the charity to fund the capital purchase and has been allocated to this fund to identify where resources are used.

Operational reserve - This illustrated a reserve of approximately 3 months of core operating costs to match the reserves policy. The designation was been removed in 2018 due to a change in the reserves policy which now focusses on cash holdings.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Analysis of net assets between funds

	Unrestricted free reserve 2019 £	Property capital fund 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted free reserve 2018 £	Property capital fund 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:								
Tangible assets	-	848,389	-	848,389	-	829,090	-	829,090
Current assets/(liabilities)	81,984	-	68,433	150,417	55,040	-	48,043	103,083
Long term liabilities	(34,018)	(90,000)	-	(124,018)	(44,421)	(90,000)	-	(134,421)
	<u>47,966</u>	<u>758,389</u>	<u>68,433</u>	<u>874,788</u>	<u>10,619</u>	<u>739,090</u>	<u>48,043</u>	<u>797,752</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Limited by guarantee

The charitable company's legal structure is that of a company limited by guarantee. In the event of the company winding-up each member is liable to contribute to any deficit to a maximum of £1 per member.

19 Operating lease commitments

Lessee

The 'Move On' house and Pountney Road are rented from Sanctuary Housing Trust on an annually reviewed leases. The agreed prevailing rent is £25,106 and £11,100 respectively. There is no long term commitment to rent the properties should they no longer be required.

Fredrick Gardens is occupied from January 2019 under a five year lease with an annual reviewed rent. The agreed prevailing rent stands at £20,000 at the balance sheet date. The lease does not contain a break clause and so at the year end the charity was committed to a further four years rental charge.

During 2017 the charity signed a lease agreement for photocopier and telephone system rental. At the year end there were 11 quarterly instalments remaining of an initial 5 years and 3 months agreement, with a total cost of £22,680 including VAT of which £11,880 is outstanding at the year end.

20 Related party transactions

Mr R. Atwater is a Trustee of Sovereign Military Hospitaller Order of St John of Jerusalem, of Rhodes and of Malta (the Order of Malta). The Nehemiah Project has received significant financial assistance from The Global Fund for Forgotten People, a fund with close ties to the Order of Malta, but has not received funding from the Order of Malta itself. The Trustees Report contains details of the work carried out with this funding.

During the year the charity received £950 in unrestricted regular giving from Trustees.

The charity purchased trustees liability insurance as part of a combined insurance package and accordingly no cost has been attributed to governance and support costs.

None of the Trustees (or any persons connected with them) received any remuneration, travel expenses or benefits from the charitable company during the year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation including pension and employers' national insurance	74,832	72,666
	<u>74,832</u>	<u>72,666</u>

No financial guarantees have been given or received by related parties.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21	Cash generated from operations		2019	2018
			£	£
	Surplus for the year		77,037	21,578
	Adjustments for:			
	Investment income recognised in statement of financial activities		(235)	(66)
	Depreciation and impairment of tangible fixed assets		6,173	3,369
	Movements in working capital:			
	Decrease/(increase) in debtors		22,501	(18,045)
	Increase/(decrease) in creditors		35,543	(4,952)
	Increase in deferred income		29,050	10,000
	Cash generated from operations		170,069	11,884
22	Analysis of changes in net funds			
		At 1 January	Cash flows	At 31 December
		2019		2019
		£	£	£
	Cash at bank and in hand	106,568	134,428	240,996
	Loans falling due within one year	(13,886)	-	(13,886)
	Loans falling due after more than one year	(44,421)	10,403	(34,018)
		<u>48,261</u>	<u>144,831</u>	<u>193,092</u>