

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 2020

The  **Nehemiah** Project

THE NEHEMIAH PROJECT

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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 2020

The Trustees present their report and accounts for the year ended 31 December 2020.

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 resilience 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.

The Board and 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 establishing a new foundation on which to build their future. We support each man to reach his potential, and we celebrate their success.

2020

In the past twelve months we:

- Opened our fifth house, a second-stage 6-bedroom house in Croydon
- Undertook substantial refurbishment works at 47 Tooting Bec Gardens, Streatham, our freehold first-stage house and main office
- Remained operational, supporting 41 men despite Covid-19 and ongoing restrictions.

2021

Our priorities are to:

- complete the refurbishment 47 Tooting Bec Gardens
- implement our strategy for growth and development towards "Nehemiah Vision 100" (see page 7)
- determine the location and timing of our next phase of growth
- improve programme delivery and aftercare with the introduction of peer mentoring and an online programme to be delivered to other organisations.
- Respond appropriately to Covid 19

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

1 - Overview of 2020

We achieved our 2020 objectives with the following outcomes:

- We remained operational, supporting Residents despite the Covid-19 pandemic.
- We fully reviewed and updated 'A New Future', our core programme and are now able to deliver significant parts of it online.
- In partnership with The British Association of the Sovereign Order of Malta we opened our fifth house, a second-stage property in Croydon, providing six more spaces for vulnerable men, we now provide a total of 29 spaces across the charity.
- We commenced refurbishment works at 47 Tooting Bec Gardens, Streatham, our first stage house and office.
- We entered into a partnership with the charity Clean Sheet to deliver 'Nehemiah Works' employment and training programme for all Residents.
- We secured funding to upgrade our IT systems and facilitate more online service delivery.
- We continued exploring our potential to operate beyond London, seeking additional properties. This is a complex area of work for us as we seek to achieve our ambition to have 100 rooms by 2030.

2 – Performance Delivery

Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency. In 2020 we endeavoured to continue to improve our services and our outcomes.

	2014	2015	2016	2017	2018	2019	2020
No. of Residents completing the first stage of the programme or still with us	19	14	21	28	26	31	27
No. of men worked with	28	40	31	37	39	48	41
Percentage of men remaining abstinent for one year	68%	64%	74%	75%	71%	71%	52% *
Residents obtaining full time employment	14	11	9	11	7	11	7
Residents in work, vocational training or voluntary work	12	19	10	8	20	14	21
No of Residents reoffending or recalled (2 in 2019) within one year of leaving Nehemiah	1	1	1	2	0	4	4**

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 houses, 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 learning to resolve conflict. This has helped build resilience to increase the men's ability to cope with the day-to-day social, emotional and practical pressures.

* This decrease is a direct result of Covid-19 (see the following page for more details on Covid-19)

** All were recalls of new Residents who did not settle into Nehemiah and relapsed in the first week; we have reviewed these and we suspect that this relates to the substantial changes to the prison regime (23-hour lockups with no programmes running within prisons since March 20). As a consequence the applicants are adjusting to this sudden change on release and this is further compounded by Nehemiah staff not being able to interview candidates in person prior to entry. Therefore, we have adjusted our entry process to try to ensure that candidates are better prepared for what Nehemiah involves, and a Meet and Greet system is helping new Residents to settle in.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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 overall income by 24%
- We maintained tight financial control with regular reporting to Trustees.

In 2020 the Charity had a total income of £949,516 and a total expenditure of £786,793, showing a surplus of £162,723. Total funds held by the Charity at the year end stood at £1,037,511. Our income and expenditure in the year significantly exceeded that of 2019, due to income received for the opening of our fifth house, and capital grants received for the refurbishment of 47 Tooting Bec Gardens. In 2020, we maintained a tight control on expenditure and will continue to do so in 2021.

Nehemiah held £153,972 in restricted funds at the end of 2020, of which £72,000 comprised capital monies carried forward for the refurbishment of 47 Tooting Bec Gardens in 2021, and £48,000 comprised a grant for a new IT system.

The Charity's trustees annually review pay, including that of key management personnel, in order to remain appropriate for the sector and work undertaken.

Designated funds include the £761,050 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. Unless the property is sold or re-mortgaged, these funds are not directly accessible.

In 2020, we repaid an outstanding loan from The Charity Bank, which was secured against 47 Tooting Bec Gardens, with monies received through a government Bounce Back Loan which carries a lower interest rate. 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 in 2000.

Nehemiah had £122,489 of general unrestricted funds at the end of 2020, an increase of £74,523 from 2019. 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:

- Terry Waite held an online meeting for Residents and staff on 16th September and told us about his experiences in captivity and isolation, relating this to present-day Covid restrictions and prison.
- Three Resident Graduations took place, two during lockdown, complying with Covid-19 restrictions.
- We continued to be active members of Prisons Week.
- As a Charity we continued to benefit from the Lloyds Enhance programme.

The Impact of Covid-19

The Nehemiah Project continued operating throughout lockdown due to Covid-19 and all staff worked hard to maintain our high standard of recovery support. Our staff and Residents adapted quickly to the new conditions and we delivered our daily programme via Zoom with a few staff present in each of our houses, observing strict social distancing and other Covid prevention measures. We developed strategies for dealing with suspected cases of Covid, and to limit the possibilities of staff or new Residents bringing the virus into a house; we now have the appropriate testing measures in place. We held three graduations, the first in February, which was well-attended, then one in the summer and one in the autumn. We opened a new second stage move-on house at Croydon in November and the same month we decanted our first-stage house and office in Streatham in order for the contractors to start work on the property's refurbishment. The pandemic has changed our way of working, supporting our Residents both electronically and face-to-face, with all staff electronically connected to the Charity, making sure that Residents continued with their recovery at the same time as keeping everyone at Nehemiah safe.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The majority of our Residents had completed the recovery programme or were close to completion when the first lockdown started in March, and this meant that the houses were able to maintain a good level of stability at what was a very stressful time for everyone. Whilst in lockdown, we introduced a Rent Deposit Scheme as an incentive to help our Residents concentrate on their recovery with a clear focus towards the future. The past year has been one of the most challenging for Residents, staff, and the Charity as a whole. Fewer employment opportunities were available for Residents. We have supported men who because of Covid have additional mental ill health problems, and have not benefited from the usual support programmes provided by prisons. Despite this, we are seeing some exceptional individual results of men who have completely changed their lives and have a new future and hope.

In late 2020 we started working with a part time Counselling Psychologist to assist with the increased mental health problems of Residents as a result of Covid 19.

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 £200,000 available cash reserves (three months' operating costs), which will be made up of restricted and unrestricted funds. The Charity's reserves at 31 December 2020 were represented by the fixed assets, at £851,050.

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

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

Nehemiah 2021

Strategic Overview

In 2021, with the support from our partners, our aim is for our new move-on house next-door to Frederick Gardens to become fully operational, as we were using it flexibly during the refurbishment of our Streatham House. We will complete the full refurbishment of our existing property at Streatham, enhancing the accommodation for Residents and staff, and aim to have it fully occupied by May. 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.

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 2021 is to identify premises in areas of need, where there is a demand for our service close to a cluster of releasing prisons.

2 - Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency with our average abstinence rate over five years of 69%.

In 2021 we intend to continue to improve our services and the outcomes we deliver. To achieve this, we will:

- Continue to 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 delivered in partnership with Clean Sheet charity.
- Develop a new peer mentoring programme through which former Nehemiah Residents support new Residents, especially at evenings and weekends.
- Develop an online recovery programme accessible to the community and other partner organisations.
- 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.

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TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

- Enhance the IT infrastructure and equipment, including a new database and digital summary of programme modules.
- Integrate into our work the results of our three-year independent research programme.

3 - Financial Prudence and Sustainability

The aim of our growth is to increase the number of men we help annually, and to develop our sector influence. At the same time we wish to ensure the Charity remains 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 2021 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 Sovereign 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.

4 - Develop and initiate planning to implement "Nehemiah Vision 100"

- **Where we wish to go**
 - We have used the disruption of Covid 19 to develop 'Vision 100' which seeks to offer 100 bed spaces by no later than 2030
 - When we reach that target, we will be helping a possible 300 residents every year and we believe that growth beyond that is possible
 - We seek to increase our reach by refining 'remote' delivery of our course in partnership with others who provide accommodation.
- **What gives us the confidence to attempt this?**
 - We have a stable platform which has withstood the ravages of the pandemic, lockdown and social distancing
 - 'A New Future' produces a high proportion of positive outcomes (independently assessed and evaluated)
 - Our product is replicable and is cost-effective (it costs c.£10k per successful graduate compared with the cost of keeping someone in prison of £45k per person p.a.)
 - We have an experienced management team supported by a board with wide and relevant experience
 - We are encouraged and supported by the British Association of the Sovereign Order of Malta.
- **Our priorities in implementing Nehemiah Vision 100**
 - New houses in the London area and in new areas outside London
 - at least one freehold property to add to our portfolio
 - Supporters and funders in those new areas
 - Individuals who will promote us in our target areas
 - Access to local referral organisations, local officials, community leaders, churches and charities who are willing to help us at national, regional and local level.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Nehemiah's approach to fundraising

Our supporters are key to everything we do. Each year they enable us to 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 7% of revenue 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 2020 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 where 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 drafted to streamline the procedural running of the Charity, but had no effect on the Charity's existing objects or purpose. The Nehemiah Project is a registered Charity with the Charity Commission of England and Wales. 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	Mrs. K.P. Hunter Johnston
Mr. W. Ansell	Mr. A.T.R. Nell (Chair)
Mr. R. Atwater	Mr. A.P. Watson
Mr. G. Boyle	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 electronically on a monthly basis due to Covid-19. Trustees have continued to receive regular financial reports and updates on Nehemiah's activities and fundraising despite the move to primarily electronic operation. The Board of Trustees is 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 Charity Commission.

Management Team

- Dr J. Patience, Chief Executive Officer
- 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.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

Risks

The Trustees review Nehemiah's main risks quarterly. 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. 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 between March 2020 and Aug 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 and lockdown restrictions on the admission of new Residents. This enabled the Charity to manage cash flow better during the crisis.
- **A second wave of Covid-19 has caused 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.

From October 2020 to February 2021 all risks were assessed to be of medium severity.

Relationship with other charities

Two of the Charity's move-on homes, The Chase and Pountney Road, both in South London, are owned by Sanctuary Housing. Since 2013 Nehemiah has been Managing Agent for these properties. As such the Residents are Sanctuary Housing Licensees, managed by Nehemiah. The Charity's fourth and fifth houses, 1-3 Frederick Gardens and 98 Lodge Road, Croydon, are owned by Croydon Churches Housing Association (CCHA). The Charity has signed a five-year lease with CCHA for these properties terminating in January 2024. This has enabled Nehemiah to support more vulnerable adults recovering from drug/alcohol addiction.

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: 22 April 2021

THE NEHEMIAH PROJECT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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 the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also 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.

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 2020 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 2020 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.


THE NEHEMIAH PROJECT

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE NEHEMIAH PROJECT

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


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


9 Bonhill Street
London
EC2A 4DJ

THE NEHEMIAH PROJECT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	2	154,741	502,483	657,224	570,209
Charitable activities	3	292,204	-	292,204	192,414
Investments- bank interest		88	-	88	235
Total income		447,033	502,483	949,516	762,858
<u>Expenditure on:</u>					
Raising funds	4	51,976	-	51,976	52,567
Charitable activities	5	330,082	404,735	734,817	633,254
Total resources expended		382,058	404,735	786,793	685,821
Net incoming resources before transfers		64,975	97,748	162,723	77,037
Gross transfers between funds		12,209	(12,209)	-	-
Net income for the year/ Net movement in funds		77,184	85,539	162,723	77,037
Fund balances at 1 January 2020		806,355	68,433	874,788	797,751
Fund balances at 31 December 2020		883,539	153,972	1,037,511	874,788

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 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income from:</u>				
Donations and legacies	2	135,920	434,289	570,209
Charitable activities	3	192,414	-	192,414
Investments		235	-	235
Total income		<u>328,569</u>	<u>434,289</u>	<u>762,858</u>
<u>Expenditure on:</u>				
Raising funds	4	<u>52,567</u>	<u>-</u>	<u>52,567</u>
Charitable activities	5	<u>219,355</u>	<u>413,899</u>	<u>633,254</u>
Total resources expended		<u>271,922</u>	<u>413,899</u>	<u>685,821</u>
Net income for the year/ Net movement in funds		56,647	20,390	77,037
Fund balances at 1 January 2020		<u>749,708</u>	<u>48,043</u>	<u>797,751</u>
Fund balances at 31 December 2020		<u><u>806,355</u></u>	<u><u>68,433</u></u>	<u><u>874,788</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

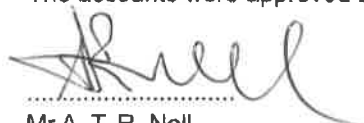
BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	8		851,050		848,389
Current assets					
Debtors	9	79,522		18,542	
Cash at bank and in hand		410,454		240,996	
		<u>489,976</u>		<u>259,538</u>	
Creditors: amounts falling due within one year	10	(167,682)		(109,121)	
Net current assets			322,294		150,417
Total assets less current liabilities			1,173,344		998,806
Creditors: amounts falling due after more than one year	11		(135,833)		(124,018)
Net assets			<u>1,037,511</u>		<u>874,788</u>
Income funds					
Restricted funds	15		153,972		68,433
<u>Unrestricted funds</u>					
Designated funds	16	761,050		758,389	
General unrestricted funds		<u>122,489</u>		<u>47,966</u>	
			883,539		806,355
			<u>1,037,511</u>		<u>874,788</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 April 2021



Mr A. T. R. Nell
Trustee

Company Registration No. 3255850

THE NEHEMIAH PROJECT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	21		179,483		170,069
Investing activities					
Purchase of tangible fixed assets		(12,209)		(25,473)	
Interest received		88		235	
Net cash used in investing activities			(12,121)		(25,238)
Financing activities					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(47,904)		(10,403)	
Net cash generated from/(used in) financing activities			2,096		(10,403)
Net increase in cash and cash equivalents			169,458		134,428
Cash and cash equivalents at beginning of year			240,996		106,568
Cash and cash equivalents at end of year			410,454		240,996

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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.

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.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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
	2020	2019
	£	£
Donations and gifts	43,058	61,028
Grants towards ongoing operations	609,633	518,439
Less: deferred income	(10,000)	(39,050)
Other	14,533	29,792
	<u>657,224</u>	<u>570,209</u>

Note 20 contains details of donations by related parties.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and legacies

(Continued)

	Total	Total
	2020	2019
	£	£
Grants receivable for core activities		
Allchurches Trust	5,000	
Bernard Sunley Foundation	25,000	
Cicely Northcote	14,600	10,000
Charles Hayward Foundation	25,000	25,000
CRASH	10,602	
Croydon Relief in Need	10,000	
Drapers' Charitable Funds	20,000	20,000
Hinchley Charitable Trust	30,000	
Lloyds Bank Foundation	25,000	25,000
Sir Jeremiah Colman Gift Trust	-	5,000
Tara Getty Foundation	-	5,000
The 29th May 1961 Charitable Trust	5,000	5,000
The Chris Taylor Family Trust	-	5,000
The Clothworkers' Foundation	20,000	
The Global Fund for Forgotten People	113,068	137,885
The Edward Gostling Foundation	5,000	
The Henry Smith Charity	58,100	86,750
The Leathersellers' Company Charitable Fund	15,000	-
The London Community Response Fund	74,963	-
The Merchant Taylors' Livery and Freemen Fund	9,900	10,000
The Jerusalem Trust	40,000	40,000
The Albert Hunt Trust	5,000	-
The Garfield Weston Foundation	30,000	-
The Mabs Mardulyn Charitable Foundation	-	10,000
The Mackie Foundation	-	30,000
The Tangle Trust	-	30,000
The Swire Charitable Trust	-	9,800
The Souter Charitable Trust	5,000	
The Worshipful Company of Mercers	20,000	20,000
The Worshipful Company of Vintners	10,000	5,000
The Tony and Sheelagh Williams Charitable Foundation	-	10,000
Repayment of unused grants	-	(20,000)
Other £3,000 and below	33,400	49,004
	<u>609,633</u>	<u>518,439</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Charitable activities

	Supported housing income 2020 £	Supported housing income 2019 £
Housing benefit and other rental income	292,204	192,414

4 Raising funds

	2020 £	2019 £
Seeking donations, grants and legacies	5,818	9,691
Staff costs	46,158	42,686
Depreciation and impairment	-	190
Costs of operating fundraising events	51,976	52,567

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Charitable activities

	Supported Housing Programme 2020 £	Supported Housing Programme 2019 £
Staff costs	330,665	323,158
Depreciation and impairment	9,548	5,983
Staff and volunteer expenses, recruitment and training	119	1,035
Rent and rates	76,708	64,029
Repairs and renewals	125,336	22,783
Light and heat	24,262	16,938
Motor and travel	568	1,674
Residents needs	5,497	3,282
Consultancy, clinical supervision and other professional fees	15,281	16,548
Subscriptions and licences	630	426
Cleaning materials and refuse disposal	3,508	2,164
Food	1,378	1,740
Special projects	10,987	9,435
Insurance	15,520	17,321
Programme costs	2,347	5,302
Sundry costs	332	371
Temporary & agency staff costs	7,892	27,678
	<u>630,578</u>	<u>519,867</u>
Share of support costs (see note 6)	92,938	101,677
Share of governance costs (see note 6)	11,301	11,710
	<u>734,817</u>	<u>633,254</u>
Analysis by fund		
Unrestricted funds	330,082	219,355
Restricted funds	404,735	413,899
	<u>734,817</u>	<u>633,254</u>

Consultancy fees includes £4,616 connected to the leasing of the additional residential home for the 2020 expansion plan, £4,980 of programme monitoring and evaluation and £2,033 of HMO licencing costs.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Staff costs	51,413	-	51,413	50,200
Printing, postage and stationery	9,924	-	9,924	10,918
Telephone	7,847	-	7,847	5,607
Staff recruitment	790	-	790	2,666
HR support and professional fees	7,357	-	7,357	17,459
Computer expenses	10,060	-	10,060	8,435
Loan interest	2,722	-	2,722	3,484
Sundry expenses	918	-	918	360
Training costs	1,907	-	1,907	2,548
Audit fees	-	5,880	5,880	6,240
Accountancy	-	2,520	2,520	2,070
Legal and professional	-	2,901	2,901	3,400
	<u>92,938</u>	<u>11,301</u>	<u>104,239</u>	<u>113,387</u>
Analysed between				
Charitable activities	<u>92,938</u>	<u>11,301</u>	<u>104,239</u>	<u>113,387</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 £5,880 (2019- £6,240) for audit fees and £2,610 (2019- £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 2020

7 Employees

Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
13	13

Employment costs

	2020 £	2019 £
Wages and salaries	387,188	375,606
Social security costs	34,253	33,880
Defined contribution pension costs	6,795	6,558
	<u>428,236</u>	<u>416,044</u>

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

	2020 Number	2019 Number
£60,001-£70,000	1	1

8 Tangible fixed assets

	Land and buildings £	Leasehold improvements £	Fixtures, fittings & equipment £	Computers £	Total £
Cost					
At 1 January 2020	827,600	15,845	143,400	37,639	1,024,484
Additions	-	-	11,680	529	12,209
At 31 December 2020	<u>827,600</u>	<u>15,845</u>	<u>155,080</u>	<u>38,168</u>	<u>1,036,693</u>
Depreciation and impairment					
At 1 January 2020	-	3,169	137,696	35,229	176,094
Depreciation charged in the year	-	3,169	5,164	1,216	9,549
At 31 December 2020	<u>-</u>	<u>6,338</u>	<u>142,860</u>	<u>36,445</u>	<u>185,643</u>
Carrying amount					
At 31 December 2020	<u>827,600</u>	<u>9,507</u>	<u>12,220</u>	<u>1,723</u>	<u>851,050</u>
At 31 December 2019	<u>827,600</u>	<u>12,676</u>	<u>5,702</u>	<u>2,411</u>	<u>848,389</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Other debtors	64,077	5,094
Prepayments and accrued income	15,445	13,448
	<u>79,522</u>	<u>18,542</u>

10 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	12	4,167	13,886
Other taxation and social security		28,276	11,192
Deferred income	13	10,000	39,050
Trade creditors		57,151	8,595
Other creditors		1,319	20,000
Accruals		66,769	16,398
		<u>167,682</u>	<u>109,121</u>

Accruals includes a provision of £53,811 for the costs of the refurbishment of 47 Tooting Bec Gardens carried out at the balance sheet date, and trade creditors includes a further £38,211. During the year the charity entered into an agreement for the refurbishment with a total cost of £144,278. Including the provision, these accounts contain £92,002 of refurbishment costs towards this agreement. It is anticipated that further refurbishment work will be contracted as funds allow.

11 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	12	45,833	34,018
Britland Charitable Trust loan		90,000	90,000
		<u>135,833</u>	<u>124,018</u>

12 Loans and overdrafts

	2020 £	2019 £
Bank and trust funding	140,000	137,904
Payable within one year	4,167	13,886
Payable after one year	135,833	124,018

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Loans and overdrafts

(Continued)

The long-term Charity Bank loan was 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.

During the year the charity repaid the Charity Bank loan with a NatWest Bounce Back loan. The loan has a fixed interest rate of 2.5% and is repayable over six years, with no interest or repayments for the first twelve months. The Bounce Back loan is unsecured.

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

	2020 £	2019 £
Grants for a future time period	10,000	39,050

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 £6,795 (2019 - £6,558)

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	Balance at 1 January 2019 £	Movement in funds		Balance at 1 January 2020 £	Movement in funds		Transfers	Balance at 31 December 2020 £
		Incoming resources £	Resources expended £		Incoming resources £	Resources expended £		
Family support programme	1,056	9,800	(3,923)	6,933	-	(6,933)	-	-
Salaries Fund	-	157,700	(157,700)	-	205,184	(197,317)	-	7,867
A New Future supported housing	-	53,000	(53,000)	-	46,900	(46,900)	-	-
The Global Fund for Forgotten People	36,987	137,885	(174,872)	-	41,951	(18,885)	(11,533)	11,533
One Man's Recovery	-	10,000	(10,000)	-	-	-	-	-
Under 25's and over 65's education and training	10,000	(10,000)	-	-	-	-	-	-
Property repairs and refurbishments	-	65,904	(4,404)	61,500	120,368	(109,775)	-	72,093
Nehemiah Works	-	5,000	(5,000)	-	9,600	(9,600)	-	-
Loan repayments	-	5,000	(5,000)	-	-	-	-	-
IT costs	-	-	-	-	50,000	(1,005)	(529)	48,466
13 Frederick Gardens	-	-	-	-	10,000	(10,000)	-	-
Residents needs	-	-	-	-	4,250	(3,247)	-	1,003
Counselling	-	-	-	-	14,230	(1,220)	-	13,010
	48,043	434,289	(413,899)	68,433	502,483	(404,882)	(12,062)	153,972

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Restricted funds		(Continued)
Family Support Programme	To fund work with families.	
Salaries Fund	To fund the cost of specific salaries and posts.	
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	
Nehemiah Works	An employment and training programme	
Loan repayments	Contributions towards the Charity Bank loan	
IT costs	To fund IT improvements	
13 Frederick Gardens	House specific funding	
Residents needs	Personal grants and other items for residents	
Counselling	To fund the costs of a professional counsellor	

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 2020

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					
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Resources expended	Transfers
	£	£	£	£	£	£
Property capital fund	739,090	25,473	(6,174)	758,389	(9,549)	12,209
	<u>739,090</u>	<u>25,473</u>	<u>(6,174)</u>	<u>758,389</u>	<u>(9,549)</u>	<u>12,209</u>
	<u>739,090</u>	<u>25,473</u>	<u>(6,174)</u>	<u>758,389</u>	<u>(9,549)</u>	<u>12,209</u>

Property capital fund - Income invested in the charity's residential homes, furnishings and equipment. The Britland Trust loan was made to the charity to fund the purchase of 47 Tooting Bec Gardens and has been allocated to this fund to identify where resources are used.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Analysis of net assets between funds

Fund balances at 31 December 2020 are represented by:

Tangible assets

Current assets/(liabilities)

Long term liabilities

	Unrestricted free reserve 2020 £	Property capital fund 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted free reserve 2019 £	Property capital fund 2019 £	Restricted funds 2019 £	Total 2019 £
Tangible assets	-	851,050	-	851,050	-	848,389	-	848,389
Current assets/(liabilities)	168,322	-	153,972	322,294	81,984	-	68,433	150,417
Long term liabilities	(45,833)	(90,000)	-	(135,833)	(34,018)	(90,000)	-	(124,018)
	122,489	761,050	153,972	1,037,511	47,966	758,389	68,433	874,788

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 annually 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 three years of rental charge.

98 Lodge Road is occupied from September 2020 under a 4 year three month lease. The agreed prevailing rent stands at £34,000 and at the year end the charity was committed to a further four years of rental charge. The charity has also committed to redecoration of the property at the end of the lease to a maximum cost of £10,000.

During 2017 the charity signed a lease agreement for photocopier and telephone system rental. At the year end there were 7 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 £2,300 (2019- £950) in giving from Trustees. These funds were not subject to any restrictions to activities beyond those normally undertaken by the charity.

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.

	2020 £	2019 £
Aggregate compensation including pension and employers' national insurance	75,755	74,832

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 2020

21 Cash generated from operations	2020 £	2019 £
Surplus for the year	162,723	77,037
Adjustments for:		
Investment income recognised in statement of financial activities	(88)	(235)
Depreciation and impairment of tangible fixed assets	9,548	6,173
Movements in working capital:		
(Increase)/decrease in debtors	(60,980)	22,501
Increase in creditors	97,330	35,543
(Decrease)/increase in deferred income	(29,050)	29,050
Cash generated from operations	179,483	170,069
22 Analysis of changes in net funds		
	At 1 January 2020 £	Cash flows At 31 December 2020 £
Cash at bank and in hand	240,996	410,454
Loans falling due within one year	(13,886)	(4,167)
Loans falling due after more than one year	(34,018)	(45,833)
	193,092	360,454