

THE NEHEMIAH PROJECT

(a charitable company limited by guarantee)

Company No. 3255850

Charity No. 1058536

Registered Office

7/8 Grays Inn Square

Grays Inn

London WC1R 5JQ

ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 2010

BEGBIES CHETTLE AGAR

Chartered Accountants

& Registered Auditors

Epworth House

25 City Road

London EC1Y 1AR

THE NEHEMIAH PROJECT

REPORT OF THE TRUSTEES

The trustees are pleased to present their report and the financial statements of the charity for the year ended 31st December 2010.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: The Nehemiah Project **Charity Number:** 1058536 **Company Number:** 3255850
Principal Office: 47 Tooting Bec Gardens, Streatham, London, SW16 1RF
Registered Office: 7/8 Gray's Inn Square, Gray's Inn, London, WC1R 5JQ
Auditors: Begbies Chettle Agar, Epworth House, 25 City Road, London EC1Y 1AR
Bankers: NatWest Bank plc, 145 Clapham High Street, London SW4 7SN
Solicitors: Cooke Matheson, 7/8 Gray's Inn Square, Gray's Inn, London, WC1R 5JQ

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees that served during the year are as follows:

Mr. J. M. P. Colman (Chair)
 Mr. G. Q. Topping (Secretary) (until 14/12/2010)
 Mr T. Nell (from 14/12/2010)

The Hon. Mrs. M. Rank
 Mrs K. P. Hunter Johnston (until 14/12/2010)
 Mrs P. Parker (from 14/12/ 2010)

Management Committee

Mr. R. McGill (Acting CEO (until 31/7/2010)
 Mr. R. Oberman
 Mr. A. Kilbride

Mrs K. P. Hunter Johnston: CEO (from 1/8/2010)
 Mr. S. Coy

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Nehemiah Project is a charitable company limited by guarantee and governed by its Memorandum as amended and adopted by Special Resolution dates 2009 and Articles of Association dated 27th September 1996. It is also registered as a charity with the Charity Commission. In the event of winding up members' liabilities are limited to £1 each.

Appointment, Induction and Training of Trustees

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

Organisation Structure

The trustees meet quarterly through the year and ad hoc as events dictate. They receive quarterly financial reports as well as monthly updates on the charity's activities and fundraising. They are responsible for the overall legal, financial and strategic direction and development of the charity.

Day-to-day management, including finance, HR and operations, is the responsibility of the CEO. He/she is supported by the other members of the management committee, who meet weekly, and who take responsibility for the assets of the charity, the supported housing and prison programmes and fundraising.

Risks

The management committee review the charity's main risks on a regular basis. They are responsible for overseeing the implementation of any changes to procedures, training or other actions to mitigate the risks the charity faces. The Risk register is reviewed by the trustees bi-annually. This process has been undertaken in 2010: current risks were identified and appropriate action taken to minimise these risks e.g.

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the implementation of additional training of staff to achieve NVQ 3 in Health & Social Care where possible.

Related Parties

One of the charity's move-on homes, 16 The Chase, and the associated staff accommodation, are owned by Sanctuary Housing, with the contract managed by Adullam Homes. The provision of these properties on a peppercorn rent is a valuable asset and has enabled the charity to support many more vulnerable adults recovering from drug/alcohol addiction.

OBJECTIVES AND ACTIVITIES

The Nehemiah Project aims to support vulnerable adults whose lives have been devastated by the impact of addiction to drugs or alcohol, or where there is a pattern of criminal behaviour. Its objective is to enable these individuals to achieve real and lasting change by dealing with the root causes of their problems such as family breakdown, addiction, poverty or unemployment. We offer both rehabilitation through a prison programme and re-integration into society through the provision of supported housing in the community.

The charity operates a programme called 'A New Direction' for offenders in prison, as well as two residential homes in South London; 47 Tooting Bec Gardens and 16 The Chase. A third will be added next year. The charity meets its objectives by providing two types of vital and life changing assistance:

Effective Rehabilitation in an Independent Community in Prison – *enabling men trapped by substance misuse to find lasting freedom from their habits*

- The New Direction programme is a six month programme which has been helping 18 offenders at any given time in Wandsworth prison. Over the last eighteen years the charity has developed a unique and intense programme of rehabilitation which challenges men's criminal and addictive thinking, and enables them to make better life choices. This focuses on every aspect of the individual's life and uses teaching, group work and key working to help participants through the process of healing and recovery.
- In prison a supportive environment is created through activities such as eating lunch communally, and by developing an environment where men hold each other accountable for their attitudes and behaviour.
- Every programme graduate leaves with an emerging personal plan for their future, aiming for work or further education if needed.
- *"I came to prison a broken man, full of anger, resentment and self pity, and with suicidal thoughts. I had lost all hope and faith. Now I see things differently. This course is the best thing that has ever happened to me".*

Re-integration through Supported Communities - *providing safe and supportive accommodation in the community*

- The charity has provided accommodation for eight residents at 47 Tooting Bec Gardens and for seven residents in 16 The Chase.
- Graduates of the New Direction programme receive support in prison prior to their release. They may also be offered a place in one of these homes. By building up trust and a relationship prior to release, this helps to build a bridge between their time in prison and their return to society.
- Graduates of other rehabilitation programmes are also able to live at the two move-on homes. They receive support and guidance while they continue to re-build relationships and find their feet in work or education. The charity provides work opportunities for developing their

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vocational skills as well as partnering with organisations providing specialist job training for the homeless and ex-offenders.

- Both homes are decorated to a high standard, and every resident plays a part in their maintenance as part of each community.

The life skills, character and relationships developed by the above help to build the vital foundations for a life free from drugs and/or alcohol and/or crime. The charity aims to make an impact on the rising tide of substance misuse in today's society and on the radical way it affects the community, breaking up families, inciting crime and increasing unemployment. By tackling these problems today the charity is building a better society for tomorrow.

Volunteers

The charity relies on volunteers in all aspects of its work, including the valuable contribution of all those who raise funds through sponsored events.

PUBLIC BENEFIT

The trustees consider that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission.

ACHIEVEMENTS AND PERFORMANCE

- The charity has continued to run the New Directions Programme in Wandsworth Prison. This is a full 6-month programme, run for up to 18 men at a time in a dedicated wing of the prison. The prison has been committed to supporting A New Direction and has made a significant investment in resources to support it.
- The prison programme has continued to be developed with a view to obtaining national CSAP accreditation. This is essential for further expansion, so as to reach many more vulnerable men and their families, desperately in need of support.
- Following completion of a pilot programme, the charity reopened both 47 Tooting Bec Gardens and 16 The Chase as move-on homes.
- During the year we have built on the charity's existing links with local authorities so as to increase the number of referrals to both houses and to secure the requisite funding.
- The charity continues to be grateful to its supporters for their commitment to its work. They have helped to make real and lasting changes to the lives of many struggling with substance misuse both in prison and in the community, as well as their families. The charity has employed an external fundraiser so as to ensure that it continues to enjoy a strong financial footing and grows its fundraising base.

PLANS FOR THE FUTURE

- The charity was notified in December 2010 that A New Direction would be terminated in HMP Wandsworth on 18 February 2011, as part of the reorganisation and reclassification of the prison as a remand and short sentence prison. The charity intends to find another prison in the south of England where it is able to continue to run its programme for the most suitable client group.

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- The first assessment before the relevant CSAP sub panel took place in February 2011. The written report has identified a number of areas that will need to be addressed, and the charity is committed to pursuing these so that the panel's requirements are fully met before the programme is submitted for final approval.
- The charity will continue to run its supported housing programme in the two houses in Streatham and Clapham. It is anticipated that a further property, with an additional four beds, will become vacant during the year. This will bring the total number of possible residents to nineteen.
- Further work will be Carried out to improve links with local authorities, referring agencies and other national organisations with whom the charity might be able to build partnerships for the future.
- The fundraising base will be grown and strengthened as fundraising is brought back in-house. Fundraising targets will be increased for 2011, so that with funding from housing benefit and events, the charity will achieve financial stability again during 2011.

FINANCIAL REVIEW

The charity had a total income of £230,661 in 2010. This represents a drop in income from 2009 of £52,396. Fortunately the charity carried forward into 2010 sufficient reserves to cover the operating deficit of £150,715.

Whilst the charity funds were in deficit for the year, this was mostly due to a lack of fundraising and the temporary suspension of the residential programme for restructuring. In the final quarter of the year, with the homes near to capacity and new fundraisers in place the charity, a surplus of nearly £17,000 was achieved. For this reason the trustees consider that the charity is financially viable in the longer term.

However, expansion to new prisons and new areas for supported housing will require significant additional fundraising, and the trustees hope that once the current national financial crisis eases, the government may release some funding as an investment for the rehabilitation and reintegration of offenders, rather than continuing to carry the huge social and financial cost of their continued criminal behaviour.

Reserves Policy

The trustees aim to retain reserves of approximately equivalent to 6 months of salary costs. The level set recognises salaries as the major area of expenditure and takes account of the fact that very vulnerable people are dependent on the services supplied, and the charity is dependent on voluntary gifts and donations in order to meet the costs of providing these services.

At the year end the charity had dipped below the level that the trustees aim to hold in reserves. It is hoped that the reserve levels will have recovered to their desired level by 31st December 2011.

The charity ended the year with £40,163 of restricted funds and £784,511 of unrestricted funds. Of these the charity has £129,500 designated for the necessary reserves, including an operational reserve to provide six months of estimated salary costs and also £690,481 invested in the charities rehabilitation home.

The trustees are confident that these provisions will enable the charity to continue in the event of a significant drop in funding.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Law applicable to charitable company's in England and Wales requires the trustees to prepare financial statements which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make sound 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 charity will continue in operation.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity. These are also to enable them to ascertain the financial position of the charity and ensure that the accounts comply with applicable law. Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's trustees, we certify that:


- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the trustees of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The trustees have agreed to re-appoint Begbies Chettle Agar as the charity's auditors during the year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special Section 419(2) of the Companies Act 2006 relating to small companies.

Approved by the board on 20 Jun 2011 and signed on its behalf.


Mr. J. M. P. Colman
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF

THE NEHEMIAH PROJECT

We have audited the financial statements of The Nehemiah Project for the year ended 31st December 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in our auditor's 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The trustees' (who are also the directors of The Nehemiah Project for the purposes of company law) are responsible for the preparation of the directors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charitable company is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charitable company's risk management and control procedures.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statement. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF

THE NEHEMIAH PROJECT

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard – Provisions Available for Small Entities, in the circumstances set out below:

In common with many other charities of this size we assist in the preparation of the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view of the state of affairs of the charitable company as at 31st December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Director's report is consistent with the financial statements.



Robert Maples
Senior Statutory Auditor

For and on behalf of Begbies Chettle Agar
Chartered Accountants
& Statutory Auditors

Epworth House
25 City Road
London EC1Y 1AR

15/8/11

THE NEHEMIAH PROJECT

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STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST DECEMBER 2010

	Notes	Unrestricted Fund £	Restricted Funds £	Y/E 31/12/2010 £	Y/E 31/12/2009 £
Incoming resources					
Grants, donations and other similar income received through fundraising		107,739	82,160	189,899	216,598
Legacies		3,000		3,000	31,536
Income support, residents' support and housing benefit		29,920		29,920	269
<i>Activities to generate funds to further Project's objects:</i>					
Fund raising and publicity		7,505		7,505	32,728
Bank interest received		337		337	1,926
Total incoming resources		<u>148,501</u>	<u>82,160</u>	<u>230,661</u>	<u>283,057</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	3	(34,775)		(34,775)	(12,673)
Costs of operating fundraising events	3	(2,746)		(2,746)	(8,762)
Charitable expenditure:					
Drug and alcohol rehabilitation	2	(268,231)	(67,748)	(335,978)	(425,639)
Governance costs	4	(7,876)		(7,876)	(8,104)
Total resources expended		<u>(313,628)</u>	<u>(67,748)</u>	<u>(381,376)</u>	<u>(455,178)</u>
Net income/(expenditure) for the year		(165,127)	14,412	(150,715)	(172,122)
Net movement in funds		<u>(165,127)</u>	<u>14,412</u>	<u>(150,715)</u>	<u>(172,122)</u>
Balance brought forward		949,638	25,751	975,389	1,147,511
Balance carried forward	9	<u>784,511</u>	<u>40,163</u>	<u>824,674</u>	<u>975,389</u>

Company number: 3255850

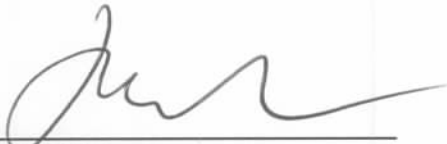
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BALANCE SHEET
AS AT 31ST DECEMBER 2010

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	Notes	Y/E 31/12/2010 £	Y/E 31/12/2009 £
Fixed assets			
Tangible fixed assets	7	828,763	831,527
Current assets			
Stock			5,514
Other debtors		660	
Prepayments and accrued income		62,280	8,303
Cash at bank and in hand		77,048	282,907
		<u>139,988</u>	<u>296,724</u>
Creditors - amounts falling due less than one year:			
Loan instalments	8	(11,000)	(11,000)
Other creditors		(20,057)	(20,130)
		<u>(31,057)</u>	<u>(31,130)</u>
Net current assets		<u>108,931</u>	<u>265,594</u>
Total assets less current liabilities		<u>937,694</u>	<u>1,097,121</u>
Creditors - amounts falling due between two and five years:			
Loans	8	(113,020)	(121,732)
Net assets		<u><u>824,674</u></u>	<u><u>975,389</u></u>
Represented by:			
Restricted Funds	10	40,163	25,751
Unrestricted Funds	9	784,511	949,638
Accumulated income funds		<u><u>824,674</u></u>	<u><u>975,389</u></u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008) relating to small companies.

These accounts were approved by the directors on 20 June 2011 and signed on their behalf.


 Mr. J.M.P. Colman
 Director

Notes 1 to 13 form part of these accounts.

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention and Companies Act 2006. In preparing the accounts the charitable company has followed best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) issued in March 2005.

Incoming resources

Donations, legacies, grants etc. are accounted for when due to the charity, where applicable, with their associated tax recoverable element. No income is recorded net of any expenses except where these are beyond the control or knowledge of the trustees. The charity has been donated the use of one of the residential homes by Adullam Homes. Adullam rent the property from its owners on a peppercorn rent. Due to the difficulties in valuation of this donation in kind, no amount is included in the accounts for the property other than the running costs.

Depreciation

Tangible fixed assets costing more than £500 are capitalised and carried at cost.

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives at the following rates:

Computer equipment	33% straight line
Motor vehicles	33% straight line
Furniture & fittings	25% straight line

The fixed assets are used in direct furtherance of the charity's objects.

The freehold property has not been amortised since its residual value is believed to be in excess of its carrying value and the amortisation charge and accumulated amortisation is deemed to be immaterial.

Taxation

The charitable company is exempt from corporation tax on its charitable activities.

Housing and other benefits

Housing and incapacity benefits are accounted for when receivable by the charity.

Cost apportionment

Costs have been apportioned between the different activities of the charity where they are separately identifiable or based on an estimate of time allocated to each activity for staff costs. Governance costs are purely those necessary for the charity to meet the administrative requirements of the Charity Commission.

The charity is not VAT registered and all irrecoverable VAT is included in the category to which the cost relates.

Stock

Stock reflects unused fundraising materials held at the year end.

2. CHARITABLE EXPENDITURE

Analysed by activity

	Unrestricted Funds £	Restricted Funds £	Y/E 31/12/2010 £	Y/E 31/12/2009 £
Drug and Alcohol Rehabilitation	103,040	9,434	112,474	155,652
Prison	98,680	58,314	156,994	181,411
Support costs	66,511	-	66,511	88,577
	<u>268,231</u>	<u>67,748</u>	<u>335,978</u>	<u>425,639</u>

3. FUNDRAISING AND PUBLICITY etc

	Unrestricted Funds £	Restricted Funds £	Y/E 31/12/2010 £	Y/E 31/12/2009 £
Staff costs	8,842		8,842	4,388
Cost of running events	2,746		2,746	8,762
Support costs	25,933		25,933	8,286
	<u>37,522</u>	<u>-</u>	<u>37,522</u>	<u>21,435</u>

4. SUPPORT COSTS

	Governance	Charitable Expenditure £	Fundraising Costs £	Y/E 31/12/2010 £	Y/E 31/12/2009 £
Auditors remuneration - audit work	4,113			4,113	4,830
Auditors remuneration - non-audit work	8,058			8,058	1,984
Advertising	1,100	800	400	2,300	4,635
Legal and professional costs	1,350	3,108	16,750	19,858	15,832
Staff costs		42,273		42,273	12,336
General expenses	(6,745)	19,936	8,783	28,719	63,894
Bank charges and fees		395		395	165
	<u>7,876</u>	<u>66,511</u>	<u>25,933</u>	<u>105,715</u>	<u>103,676</u>

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2010

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5. TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other costs	Y/E 31/12/2010	Y/E 31/12/2009
	£	£	£	£	£
Drug and Alcohol Rehabilitation	62,590	2,766	47,118	112,474	155,652
Prison	145,440		11,553	156,994	181,411
Fundraising and publicity etc	8,842		28,680	37,522	21,435
Support & governance costs	42,273		32,114	74,387	96,680
	<u>259,145</u>	<u>2,766</u>	<u>119,464</u>	<u>381,376</u>	<u>455,178</u>

6. STAFF COSTS

	Y/E 31/12/2010	Y/E 31/12/2009
	£	£
Salaries	<u>259,145</u>	<u>253,101</u>
	<u>259,145</u>	<u>253,101</u>

During the year no employee earned over £60,000 p.a. One director was paid a salary of £23,750 for acting as CEO for the year and was reimbursed £2,500 for petty cash expenses incurred on behalf of the charity. Of this amount £1,755 was outstanding at the year end. The trustees consider that these payments are allowed under the provisions of the Charities Act 2006.

The average monthly number of employees, including directors, was 10 (2009: 11)

On average four staff worked on the prison programme, five on the residential programme and one in fundraising and administration. National insurance of £23,199 was paid during the year (2009: £25,698).

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Motor Vehicles £	Computer Equipment £	Furniture & Fittings £	Total £
Cost:					
At 1st January 2010	827,600	27,191	61,153	124,088	1,040,032
Additions					
Disposals	-	(16,618)	(29,640)	-	(46,258)
At 31 December 2010	<u>827,600</u>	<u>10,574</u>	<u>31,513</u>	<u>124,088</u>	<u>993,775</u>
Depreciation:					
At 1st January 2010		27,191	60,278	121,036	208,505
Charge for the period			875	1,889	2,764
Disposals	-	(16,618)	(29,640)	-	(46,258)
At 31 December 2010	-	<u>10,574</u>	<u>31,513</u>	<u>122,925</u>	<u>165,012</u>
Net Book Value:					
At 31 December 2010	<u>827,600</u>			<u>1,163</u>	<u>828,763</u>
At 1st January 2010	<u>827,600</u>		<u>875</u>	<u>3,052</u>	<u>831,527</u>

8. LOANS

	Y/E 31/12/2010	Y/E 31/12/2009
	£	£
The Britland Charitable Trust	90,000	90,000
The Charity Bank	<u>34,020</u>	<u>42,732</u>
Total loans	<u>124,020</u>	<u>132,732</u>
Loan instalments due within one year	<u>(11,000)</u>	<u>(11,000)</u>
Loans due between two and five years	<u>113,020</u>	<u>121,732</u>

The loan from The Britland Charitable Trust is unsecured, non interest bearing and has no fixed repayment date.

The loan from The Charity Bank bears interest at 6% and is repaid by equal monthly instalments over the next four years. It is secured upon the property owned by the charitable company.

THE NEHEMIAH PROJECT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2010

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9. UNRESTRICTED FUNDS

	<i>Opening Balance £</i>	Incoming £	Outgoings £	Transfers £	Closing Balance £
General Fund					
Income fund	4,157	148,501	(313,628)	125,500	(35,470)
Rehabilitation Home Capital Fund	690,481				690,481
	<u>694,638</u>	<u>148,501</u>	<u>(313,628)</u>	<u>125,500</u>	<u>655,011</u>
Designated Funds:					
Operational Reserve	190,000			(60,500)	129,500
Wandsworth Programme	25,000			(25,000)	
Prison Expansion	10,000			(10,000)	
Repairs/Dilapidations planned	15,000			(15,000)	
Move-On Fund for Residents	15,000			(15,000)	
	<u>255,000</u>			<u>(125,500)</u>	<u>129,500</u>
Total	<u>949,638</u>	<u>148,501</u>	<u>(313,628)</u>		<u>784,511</u>

Name of Unrestricted Fund

Rehabilitation Home Capital Fund
Operational Reserve
Wandsworth Programme
Prison Expansion
Repairs/Dilapidations Reserve
Move-On Fund for Residents

Purpose of Fund

Income invested in the charity's residential rehabilitation home
This provides a reserve of 6 months of salary costs
Monies assigned to launch the prison programme into a Wandsworth prison
Monies assigned to launch the prison programme into further prisons.
To fund planned major maintenance to the 3 properties used by the charity
Funds assigned to support graduates of rehabilitation to integrate into society

10. RESTRICTED FUNDS

	<i>Opening Balance £</i>	Incoming £	Outgoings £	Transfers £	Closing Balance £
A New Direction	22,939	75,500	(60,313)		38,126
Household equipment		660			660
CSAP Accreditation		5,000	(5,000)		
Project Promotion		1,000	(1,000)		
Move-On Fund	2,812		(1,435)		1,377
	<u>25,751</u>	<u>82,160</u>	<u>(67,748)</u>		<u>40,163</u>

The restricted funds represent income funds expendable at the discretion of the trustees in furtherance of the charity's pursuits in accordance with the conditions imposed. The purpose of each fund is set out below.

Name of Restricted Fund

A New Direction
Household equipment
CSAP Accreditation
Project Promotion
Move-On Fund

Purpose of Fund

For the Prison Programme in any prison.
To fund the purchase of various peices of houshold equipment
For funding the costs to obtain accreditation for the prison programme
For funding the promotion of the project
To provide funds for maintenance and equipment for the move-on house.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund £	Restricted Funds £	Y/E 31/12/2010 £
Tangible fixed assets	828,763	-	828,763
Cash at bank	36,885	40,163	77,048
Other net current liabilities	31,883	-	31,883
Long term liabilities	(113,020)	-	(113,020)
	<u>784,511</u>	<u>40,163</u>	<u>824,674</u>

THE NEHEMIAH PROJECT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2010

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12. GRANTS RECEIVED

The following grants of £5,000 and above were received from companies and charitable trusts during the year:

29th May 1961 Charitable Trust	10,000	
Lloyds TSB Foundation	10,000	
Church Urban Fund	5,000	
Hinchley Charitable Trust	10,000	
The AB Charitable Trust	5,000	
Abel Trust	5,000	
Goldsmiths Trust	5,000	
The Henry Smith Trust	<u>25,000</u>	
		75,000
Grants below £5,000 and donations from individuals and churches		<u>114,899</u>
Total grants, donations and other similar income received through fundraising		<u><u>189,899</u></u>

13. RELATED PARTY TRANSACTIONS

During the year The Nehemiah Project received the continuing support of a loan from the Britland Trust a related party to Mr J.M.P Colman.

THE NEHEMIAH PROJECT
EXPENDITURE DETAIL

FOR THE YEAR ENDED 31ST DECEMBER 2010

	Care		Prison		FR	Support Care	Support Prison	Governance	Total	Total 2009
	U	R	U	R	£	£	£	£	£	£
Fundraising events					2,746				2,746	8,762
Fundraising office materials					5,831				5,831	8,286
Office Costs										2,702
Re-Hab Programme Costs	932								932	3,650
Wages inc NIC - from red books	55,590	7,000	92,126	53,314	8,842	21,136	21,136		259,145	253,101
Staff expenses/gifts etc	527								527	3,278
Severance payment	13,269								13,269	30,000
Rates - general & water	3,301								3,301	4,513
Rent			1,059						1,059	756
Light and heat	8,243								8,243	12,038
Motor expenses	2,596		263			309	309		3,477	4,942
Travel										1,835
Printing, postage and stationery	3,473	1,000	1,640		1,400	1,010	1,010	40	9,574	5,429
Telephone	1,897		1,373		164	510	510		4,453	4,897
Advertising & recruitment					400	400	400	1,100	2,300	4,635
Professional fees	695		1,899	5,000	16,750	1,554	1,554	1,350	28,802	15,832
Programme rights and consultancy										22,500
Audit								4,113	4,113	4,830
Auditors other fees						4,029	4,029		8,058	1,984
Equipment hire										158
Repairs and renewals	4,102	1,434							5,536	21,581
Computer expenses	479		134		528	284	284		1,709	1,837
Cleaning	1,385				800	197	197		1,385	2,318
Bank charges									1,194	165
Loan interest paid	2,344								2,344	2,796
Depreciation	2,766								2,766	15,922
Subscriptions	73					39	39		151	761
Training costs					60	3,438	1,063	126	4,687	825
Insurance	7,010		186			1,535	1,535	1,147	11,413	10,561
Food	355								355	3,904
Sundry	468								468	2,744
Profit on sale of motor vehicle	(6,650)								(6,650)	(7,500)
Residents' needs etc	186								186	5,136
	103,040	9,434	98,680	58,314	37,522	34,443	32,068	7,876	381,376	455,177