



## **Annual Report and Accounts**

**31 December 2012**

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## THE NEHEMIAH PROJECT

### TRUSTEES' REPORT

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#### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity Name:</b>	The Nehemiah Project	<b>Charity Number:</b> 1058536	<b>Company Number:</b> 3255850
<b>Principal Office:</b>	47 Tooting Bec Gardens, Streatham, London, SW16 1RF		
<b>Registered Office:</b>	7/8 Gray's Inn Square, Gray's Inn, London, WC1R 5JQ		
<b>Auditors:</b>	Begbies, Epworth House, 25 City Road, London EC1Y 1AR		
<b>Bankers:</b>	NatWest Bank plc, 145 Clapham High Street, London SW4 7SN		
<b>Solicitors:</b>	Cooke Matheson, part of Wellers Law Group LLP, 7/8 Gray's Inn Square, Gray's Inn, London, WC1R5JQ		

#### 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 T. B. Aikens (from 12/11/12)
Mr W. Ansell (from 12/11/12)	Mrs K. P. Hunter Johnston
Mr A. T. R. Nell	The Hon. Mrs. M. Rank
Mr T. P. Watson (from 11/11/12)	Mrs M. Pizzey (from 18/03/13)

#### Management Team

Dr J. Patience, CEO  
 Mr S. Coy, Prison Operations Director  
 Miss O. Kilbee, Fundraising Manager  
 Miss A. Sissuh, Supported Housing Manager

#### 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 in 2009 and Articles of Association dated 27 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 regular 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 is supported by the other members of the management team, who meet monthly, 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 quarterly. This was last reviewed in December 2012; all areas are RAG rated, with high priority areas separately reported.

### **Related Parties**

Two of the charity's move-on homes, The Chase, and Pountney Rd are owned by Sanctuary Housing, with the contract managed by The Nehemiah Project. The provision of these properties on a peppercorn rent has been a valuable asset and has enabled the charity to support many more vulnerable adults recovering from drug/alcohol addiction. However, we are currently in negotiations with Sanctuary about changes to this arrangement. It is likely that our property costs will increase as a result of this.

### **OBJECTIVES AND ACTIVITIES**

The Nehemiah Project is a registered charity working in the South East of England with men with drug and alcohol addictions, most of whom are either prisoners or ex-offenders.

Nehemiah has over 20 years experience working alongside people with addictions, having started out by running a residential rehab in South London for many years. The charity's work has now evolved into two strands:

1. A prison programme, 'A New Direction', which is based on attachment theory but draws from cognitive behavioural approaches to address the psychological roots of addictive and criminal behaviour patterns
2. Our Supported Housing Project which provides a structured environment with education and further support for men coming out of prison or rehab

We ensure that every man has a tailored programme of support, with progress regularly monitored by their key worker. We have also built strong relationships with the prison service and drug and alcohol teams to ensure clients in need can be easily referred to our programme.

The short term aims are for the men to re-enter society:

- addiction-free
- equipped to resist relapse
- with a practical life plan of objectives and strategies
- with a significantly reduced likelihood of reoffending
- with a belief that change is possible and sustainable
- with practical and emotional support structures in place to enable sustain their new lifestyles

And the longer-term aims of the programme are:

- firstly, on a beneficiary level, to enable individuals to break free from addiction so that they can rebuild their integrity, rebuild relationships with family and friends, get back into employment or education, play a positive role in the community and have realistic hopes and dreams for the future.
- secondly, on a societal level, to reduce reoffending, encourage further education, and strengthen family units.

### **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**

Enabling vulnerable men who are ex-offenders to break free from crime and addiction and to help them rebuild their lives

To offer men inside and beyond the prison walls the resources to enable them to set new goals and give them hope for the future

We will assist their reintegration into the community through rehabilitation programmes (pre and post release) including the provision of supported housing immediately after release

## **'A New Direction' Prison Programme**

Our prison programme 'A New Direction' is a full time intensive six-month course delivered within the prison. It is based around cognitive behavioural therapy and is designed to enhance rehabilitation and reintegration. The programme enables each participant to gain insight into their thoughts and feelings. This occurs through personal daily journaling, one to one support and group work, where the past, present and future are reflected upon. During the 6-month course we see men dramatically change their lives. The men build trusting relationships with each other and the staff team, so that deeply ingrained patterns of thinking and behaviour can be challenged. New communication skills are learned that will influence their futures and their day-to-day interactions within the prison. As a group they model change through interaction and develop improved reading, writing, and communication skills. Together they acquire living skills and relapse-prevention tools needed to maintain abstinence on release. Clients are helped to develop meaningful life goals and objectives for the present and the future.

An independent evaluation of the prison programme showed that prisoners found that the programme helped them to understand addiction in their daily lives and that the programme guided their reflection and provided them with tools to address their addiction. The author concluded that 'the support provided plays an important part in the process of desistance'.

Participants who have graduated from the course are encouraged to become course helpers, using their experiences for the benefit of those who need support. On leaving prison, they are also encouraged to join the Nehemiah Supported Housing Programme.

## **Supported Housing**

The transfer from custody to community is a critical time when positive changes can either be cemented or lost. Men are often homeless and without money, employment or family support. There are numerous opportunities for them to slip back into previous patterns of crime and drug-use if they are not offered appropriate advice and support. On release from prison, and having completed our rehabilitation programme 'A New Direction', or an equivalent in depth programme to understand addiction, men are referred or self refer to Nehemiah's Supported Housing Programme (SHP) in Streatham.

Our residential programme bridges the gap between release and reintegration into society by providing a structured and supportive environment for the men as they learn to sustain their new lifestyles, and to become independent and self-sufficient. We have three houses around London and we can work with seventeen men at one time. With all of that has been invested into the lives of these men through the prison programme in order to break negative thought patterns and addictive behaviour, once they come out of prison or rehab, it is a crucial time to reinforce what they have learnt rather than flip back into a life of addiction and crime.

In our house in Streatham, we offer a three-month structured and supportive environment for residents. They receive one-to-one practical and emotional support, in order to deal with every aspect of moving back into the 'real world'. Relapse prevention skills are also continually reinforced, as they begin to develop self-awareness which enables a permanent change in negative behaviour patterns. Once men feel they are ready, they move from our house in Streatham to one of our move-on houses in Clapham. Here they can live for another year with continued

## THE NEHEMIAH PROJECT

### TRUSTEES' REPORT

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support. They are given greater freedom and independence, in order to allow them the time they need to successfully re-integrate back into society.

The SHP continues the process begun inside prison of turning around residents' thinking, relationships and self-image. The residents receive support in rebuilding their lives, reconnecting where possible with families and finding volunteering, educational and work opportunities. In their time at the house we encourage men to acquire necessary life skills, such as, communication, decision making, problem solving and social interaction. Each man moves on having set new goals, and with hope, for the future.

### 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. In 2013, the charity intends to develop its volunteer base. Volunteers will need to be managed and provided with training to a high level and so it is hoped that funding will be found for a Volunteer Manager. The Charity has strengthened its Board, who serve as Volunteer Trustees, in the period under review and more recently with the arrival of 3 new trustees, whose experience and contribution is greatly valued.

### 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

- In 2012, 'A New Direction' prison programme was run in HMP Kingston, in Portsmouth. 17 men graduated from the programme during the year. The early findings from the University of Portsmouth evaluation were that 'most of the participant's reported changes in their behaviour after completing the course. In several cases these were substantial and far-reaching...skills gained during the programme were deemed as transferable and applicable to challenging situations in everyday life'
- In 2012, the Supported Housing Programme worked with 28 men; 16 men (73%) completed the 12-week programme, six are still on it and six were unable to complete it. Of the six men failed to complete the 12-week programme; four relapsed (18%) and 2 (9%) went to a detox/rehabilitation programme because they needed to complete a more intense programme before joining us. Of the 22 men who completed the programme; 11(50%) are in employment, three (14%) are doing voluntary work and one (5%) is in training. The remaining seven (32%) are unemployed.
- Since 2010, men who have completed the Supported Housing Programme, **97% have not re-offended and 84% have remained substance free.**
- During the year we have built on the charity's existing links with local authorities so as to increase the number of referrals to our houses and to secure the requisite funding. We are now part of the Lambeth pathway.
- Fundraising is in-house with a small and dedicated team of staff and volunteers.
- The charity continues to be grateful to its supporters for their commitment to its work. This support has helped to make real and lasting changes to the lives of many struggling with substance misuse both in prison and in the community. As a result we have helped alter the lives of our clients as well as the lives of their families.

## **PLANS FOR THE FUTURE**

### **Objectives for 2013-2016**

Six strategic objectives have been set for the next three years. These are summarised below and will enable sustainable growth and development.

#### **Strategic Objective 1: Finance for funding and stability**

Like many charities Nehemiah receives funding from a mix of personal donations, charitable grants and corporate gifts. This element of strategy is about creating short to medium term stability in funding - say over the 12 to 36 month horizon and sets out:

#### **Strategic Objective 2: Resourcing strategy for growth and resilience**

We are all acutely aware of how reliant we are on a small number of key staff to keep Nehemiah going and provide the quality of service we want. This strategy is about moving to place of greater comfort in the strength and capacity of resources. A significant portion of the shorter term strategy has been covered by the Business Aims document.

#### **Strategic Objective 3: Strategy for performance and quality growth**

Nehemiah naturally wants to deliver a quality service consistently and to improve the quality of this service over time. Service quality will be a key requirement for growth and successful long term funding. Much of service delivery quality will depend on the quality of staff. So this element of strategy will need to cover training, development and performance management. As with the previous element of strategy some of this is already covered by the existing Business Aims document.

#### **Strategic Objective 4: Expansion strategy, including funding**

Nehemiah is on the cusp of moving from a 'significant small' charity to a 'small large' charity. As such it needs a clear strategy for growth, what it means and how the resources to achieve the growth are to be delivered. This is probably the most important element after achieving financial stability. All the other elements of strategy will need to link with this.

#### **Strategic Objective 5: Strategy for providing/delivering accommodation**

Accommodation is a key part of what Nehemiah does. Growth will mean growth in accommodation, so this will be important. There is a natural link with the overall growth strategy and the funding strategy

#### **Strategic Objective 6: Work, education, support and aftercare**

As Nehemiah grows we want to be able to develop these services further. They will improve the quality of the overall service and increase the visibility of Nehemiah in the community.

### **Key Business Aims for 2013**

In 2013 the focus will be primarily on improving the quality of what we are already doing: at present we see some men succeeding, some struggling and a few failing. Our aim this year is to look in detail at what works well, what could be improved and what needs to be changed. To better equip and support men in the short time that they are in our project. By better understanding what works well, filling known gaps and strengthening our weaknesses, we can reassess the foundation upon which we are seeking to build. This will involve incorporating the latest evidence-based practice and integrating this within our current operations, so that by the end of 2013 we are clear about what works, why and the cost benefit of each part of the service. This will then provide a basis for growth and replication in 2014/15. Five key business aims have been set for 2013.

### **Key Business Aim 1: Financial Stability**

In the past year much of the charities energy has been expended managing the fluctuating income levels against a fairly stable expenditure. The aim of this objective is to increase the level of income on a monthly basis to a point where greater stability is achieved. Specifically this will target housing and fundraising income.

### **Key Business Aim 2: Up Skill Staff**

Within Nehemiah the emphasis in all our work has been to strongly emphasise 'interpersonal communication' and to ensure that all of our staff can best support men to change their lives. As a charity we want to not only empower

those we meet but also our staff. We aim to do this through sharing information, appraisal and supervision, and bespoke training.

### **Key Business Aim 3: Up Scale Prison Programme**

In the past year the prison programme has substantially influenced prisoner's lives and this has been recognised both locally and nationally. This year we want to build on this success. To consider ways to expand the programme to reach more men. At the same time we want to better understand the impact that the programme is having and as such we will increasingly look to adapt the programmes based on the emerging findings of the University of Portsmouth evaluation. With the closure of Kingston Prison on 28 March 2013, the charity is in discussion with four other prisons to relocate the programme.

### **Key Business Aim 4: Full Supported Housing Programme**

The benefits of the housing programme are best illustrated by the individual stories of success. We intend to considerably develop and expand the breadth of our existing programme to better support housing residents moving towards recovery.

### **Key Business Aim 5: Strategic Health of the Charity**

The charity is fortunate to have a dedicated board and senior management team. It is our intention this year to better integrate the skills of the board members into the day to day life of the charity.

## **FINANCIAL REVIEW**

The charity had a total income of £427,253 in 2012. This represents an increase in income from 2011 of £68,535. There was still a small deficit, in 2012, of £19,469. A grant of £35,000 was received in 2012 but which was restricted to 2013.

### **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 31 December 2013.

The charity ended the year with £32,545 of restricted funds and £726,948 of unrestricted funds. Of these the charity has £162,200 designated for the necessary reserves, including an operational reserve to provide 6 months of estimated salary costs. However, £712,806 of unrestricted funds are invested in the charity's rehabilitation home. The trustees are confident that given the freehold value of the charity's home, these provisions will enable the charity to continue in the event of a significant drop in funding.



## **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:

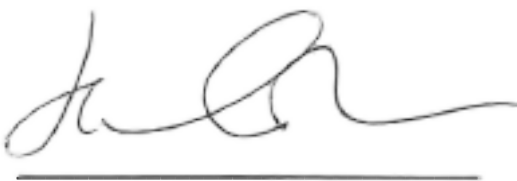
- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the trustees of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's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

## **AUDITORS**

The trustees have agreed to re-appoint Begbies 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 17/6 2012 and signed on its behalf.



**JEREMIAH MICHAEL POWLETT COLMAN**  
 Chairman

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE NEHEMIAH PROJECT**

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We have audited the financial statements of The Nehemiah Project for the year ended 31<sup>st</sup> December 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's member, 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 except or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

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 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year 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.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO  
THE NEHEMIAH PROJECT (CONTINUED)**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Katherine Dee  
Bebies Chartered Accountants and Registered Auditor  
Epworth House  
25 City Road  
London EC1Y 1AR

Date: 7/6/13

## STATEMENT OF FINANCIAL ACTIVITIES

(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31ST DECEMBER 2012

	Notes	Unrestricted Fund £	Restricted Funds £	Y/E 31/12/2012 £	Y/E 31/12/2011 £
<b>Incoming resources</b>					
Grants, donations and other similar income received through fundraising		100,486	179,249	<b>279,735</b>	259,652
Legacies					1,408
Income support, residents' support and housing benefit		113,315		<b>113,315</b>	74,387
Rental income		6,669		<b>6,669</b>	
<i>Activities to generate funds to further Project's objects:</i>					
Fund raising and publicity		27,505		<b>27,505</b>	23,164
Bank interest received		29		<b>29</b>	107
<b>Total incoming resources</b>		<b>248,004</b>	<b>179,249</b>	<b>427,253</b>	<b>358,718</b>
<b>Resources expended</b>					
Costs of generating funds:					
Costs of generating voluntary income	3	(33,533)		<b>(33,533)</b>	(42,879)
Costs of operating fundraising events	3	(3,189)		<b>(3,189)</b>	(7,352)
Charitable expenditure:					
Supported housing programme	2	(129,847)	(132,982)	<b>(262,829)</b>	(201,143)
Prison programme	2	(101,824)	(36,355)	<b>(138,179)</b>	(143,965)
Governance costs	4	(8,992)		<b>(8,992)</b>	(9,096)
<b>Total resources expended</b>		<b>(277,385)</b>	<b>(169,337)</b>	<b>(446,722)</b>	<b>(404,435)</b>
<b>Net income/(expenditure) for the year</b>		<b>(29,381)</b>	<b>9,912</b>	<b>(19,469)</b>	<b>(45,717)</b>
<b>Net movement in funds</b>		<b>(29,381)</b>	<b>9,912</b>	<b>(19,469)</b>	<b>(45,717)</b>
<b>Balance brought forward</b>		<b>756,329</b>	<b>22,629</b>	<b>778,958</b>	<b>824,675</b>
<b>Balance carried forward</b>	9	<b>726,948</b>	<b>32,541</b>	<b>759,489</b>	<b>778,958</b>

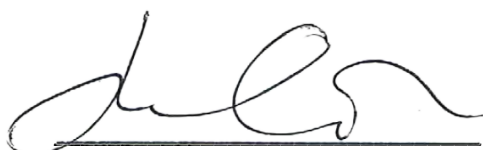
Company number: 3255850

**THE NEHEMIAH PROJECT**  
**BALANCE SHEET**  
**AS AT 31ST DECEMBER 2012**

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	Notes	Y/E 31/12/2012 £	Y/E 31/12/2011 £
<b>Fixed assets</b>			
Tangible fixed assets	7	831,684	834,904
<b>Current assets</b>			
Prepayments and accrued income		7,591	8,001
Cash at bank and in hand		75,204	73,971
		<u>82,795</u>	<u>81,972</u>
<b>Creditors - amounts falling due less than one year:</b>			
Loan instalments	8	(11,000)	(11,000)
Deferred income		(35,000)	
Other creditors		(15,003)	(23,114)
		<u>(61,003)</u>	<u>(34,114)</u>
<b>Net current assets</b>		<u>21,792</u>	<u>47,858</u>
<b>Total assets less current liabilities</b>		<u>853,475</u>	<u>882,762</u>
<b>Creditors - amounts falling due between two and five years:</b>			
Loans	8	(93,987)	(103,804)
<b>Net assets</b>		<u>759,489</u>	<u>778,958</u>
<b>Represented by:</b>			
Restricted Funds	10	32,541	22,629
Unrestricted Funds	9	726,948	756,329
<b>Accumulated income funds</b>		<u>759,489</u>	<u>778,958</u>

Approved by the board on 17/6/2012 and signed on its behalf.



**JEREMIAH MICHAEL POWLETT COLMAN**  
Chairman

**THE NEHEMIAH PROJECT**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2012**

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**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 amounts 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.

**2. CHARITABLE EXPENDITURE**

Analysed by activity

	Unrestricted Funds £	Restricted Funds £	Support Costs £	Y/E 31/12/2012 £	Y/E 31/12/2011 £
Supported housing programme	106,740	132,982	23,107	262,829	201,143
Prison programme	79,064	36,355	22,759	138,179	143,965
	<b>185,804</b>	<b>169,337</b>	<b>45,867</b>	<b>401,008</b>	<b>345,108</b>

**3. FUNDRAISING AND PUBLICITY etc**

	Unrestricted Funds £	Restricted Funds £	Y/E 31/12/2012 £	Y/E 31/12/2011 £
Staff costs	29,592		29,592	17,926
Cost of running events	3,189		3,189	7,352
Support costs	3,941		3,941	24,954
	<b>36,722</b>	<b>-</b>	<b>36,722</b>	<b>50,232</b>

**4. SUPPORT COSTS**

	Governance	Charitable Expenditure £	Fundraising Costs £	Y/E 31/12/2012 £	Y/E 31/12/2011 £
Auditors remuneration - audit work	5,040			5,040	4,113
Auditors remuneration - non-audit work	3,013			3,013	8,943
Advertising		175		175	5,236
Legal, professional and consultancy costs	882	9,022		9,905	29,224
Staff costs		12,821		12,821	58,096
Printing, postage, stationery and telephone			3,265	3,265	
General expenses	57	23,848	460	24,365	30,278
Bank charges and fees			216	216	349
	<b>8,992</b>	<b>45,867</b>	<b>3,941</b>	<b>58,799</b>	<b>136,239</b>

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5. TOTAL RESOURCES EXPENDED	Staff costs	Depreciation	Other costs	Y/E 31/12/2012 £	Y/E 31/12/2011 £
	£	£	£		
Supported housing programme	172,693		67,029	<b>239,722</b>	150,253
Prison programme	109,229		6,191	<b>115,420</b>	92,666
Fundraising and publicity etc	29,592		7,129	<b>36,722</b>	50,232
Support & governance costs	12,821	2,397	30,648	<b>45,867</b>	102,188
	<b>324,336</b>	<b>2,397</b>	<b>110,997</b>	<b>437,730</b>	<b>395,339</b>

6. STAFF COSTS	Y/E 31/12/2012 £	Y/E 31/12/2011 £
Salaries	<b>324,336</b>	271,676
	<b>324,336</b>	<b>271,676</b>

During the year no employee earned over £60,000 p.a

No trustees received payments during the year, however this does not include payments made during the employment of a member of staff who later became a trustee. The average monthly number of employees, including directors, was 11 (2011: 10)

On average three staff worked on the prison programme, four on the residential programme and three in fundraising and administration.

National insurance of £29,584 was paid during the year (2011: £24,399).

7. TANGIBLE FIXED ASSETS	Freehold Property £	Motor Vehicles £	Computer Equipment £	Furniture & Fittings £	Total £
<b>Cost:</b>					
At 1st January 2012	827,600	7,190	31,513	127,424	993,727
Additions	-				
Disposals	-				
<b>At 31 December 2012</b>	<b>827,600</b>	<b>7,190</b>	<b>31,513</b>	<b>127,424</b>	<b>993,727</b>
<b>Depreciation:</b>					
At 1st January 2012		2,397	31,513	124,913	158,823
Charge for the period		2,397		824	3,221
Disposals	-				
<b>At 31 December 2012</b>	<b>-</b>	<b>4,794</b>	<b>31,513</b>	<b>125,737</b>	<b>162,044</b>
<b>Net Book Value:</b>					
<b>At 31 December 2012</b>	<b>827,600</b>	<b>2,396</b>		<b>1,687</b>	<b>831,684</b>
At 1st January 2012	827,600	4,793		2,511	834,904

8. LOANS	Y/E 31/12/2012 £	Y/E 31/12/2011 £
The Britland Charitable Trust	<b>90,000</b>	90,000
The Charity Bank	<b>14,987</b>	24,804
Total loans	<b>104,987</b>	114,804
Loan instalments due within one year	<b>(11,000)</b>	(11,000)
Loans due between two and five years	<b>93,987</b>	103,804

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.

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<b>9. UNRESTRICTED FUNDS</b>	<i>Opening Balance</i> £	<b>Incoming</b> £	<b>Outgoings</b> £	<b>Transfers</b> £	<b>Closing Balance</b> £
<b>General Fund</b>					
Income fund	(92,278)	248,004	(303,785)		<b>(148,058)</b>
Property capital fund	712,806				<b>712,806</b>
	<b>620,529</b>	<b>248,004</b>	<b>(303,785)</b>		<b>564,748</b>
<b>Designated Funds:</b>					
Operational reserve	135,800		26,400		<b>162,200</b>
	<b>135,800</b>		<b>26,400</b>		<b>162,200</b>
<b>Total</b>	<b>756,329</b>	<b>248,004</b>	<b>(277,385)</b>		<b>726,948</b>
<b>Name of Unrestricted Fund</b>	<b>Purpose of Fund</b>				
Property capital fund	Income invested in the charity's residential home				
Operational reserve	This provides a reserve of 6 months of salary costs				

<b>10. RESTRICTED FUNDS</b>	<i>Opening Balance</i> £	<b>Incoming</b> £	<b>Outgoings</b> £	<b>Transfers</b> £	<b>Closing Balance</b> £
Prison programme		68,000	(36,355)		<b>31,645</b>
Household equipment	1,063	1,499	(2,162)		<b>400</b>
Supported housing programme		45,000	(44,500)		<b>500</b>
Supported housing programme salaries	21,566	64,750	(86,316)		
	<b>22,629</b>	<b>179,249</b>	<b>(169,333)</b>		<b>32,545</b>

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.

<b>Name of Restricted Fund</b>	<b>Purpose of Fund</b>
Prison programme	For the prison programme.
Household equipment	To fund the purchase of various pieces of household equipment
Supported housing programme	For funding the costs of operating the supported housing programme
Supported housing programme salaries	For funding the cost of specific salaries in the supported housing programme

<b>11. ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>General Fund</b> £	<b>Restricted Funds</b> £	<b>Y/E 31/12/2012</b> £
<b>Tangible fixed assets</b>	831,684	-	<b>831,684</b>
<b>Cash at bank</b>	42,663	32,541	<b>75,204</b>
<b>Other net current liabilities</b>	(53,412)	-	<b>(53,412)</b>
<b>Long term liabilities</b>	(93,987)	-	<b>(93,987)</b>
	<b>726,948</b>	<b>32,541</b>	<b>759,489</b>

**12. GRANTS RECEIVED**

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

The Drapers' Company	6,000	
CHK	5,000	
The Hinchley Charitable Trust	10,000	
Reed Foundation	2,000	
The Vintners' Company Charitable Foundation	3,500	
Garfield Weston Foundation	10,000	
City Bridge Trust	18,750	
The Rank Foundation	20,000	
The Walcot Foundation	10,000	
The J P Getty Charitable Trust	35,000	
The Tudor Trust	36,000	
Sir Jeremiah Colman Gift Trust	10,000	
The Jerusalem Trust	40,000	
		206,250
Grants below £5,000 and donations from individuals and churches		73,485
Total grants, donations and other similar income received through fundraising		<b>279,735</b>

During the year the charity received £70,000 from the J P Getty Charitable Trust to cover two year's expenditure. The terms of the grant required only £35,000 to be recognised in the current year. A further £35,000 is shown in deferred income.

**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.