

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 2017

THE NEHEMIAH PROJECT

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THE NEHEMIAH PROJECT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Mr J M P Colman (Chair)
Mr T B Aikens
Mr W. Ansell
Mrs K. P. Hunter Johnston
Mr A. T. R. Nell
The Hon. Mrs. M. Rank
Mr A. P. Watson
Ms Joanna Whitaker (Appointed 5 July 2017)
Mrs M. Pizzey (Resigned 10 August 2017)

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 2017

The trustees present their report and accounts for the year ended 31 December 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's [governing document], 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 2016)

Objectives and activities

The Nehemiah Project is a registered charity working in South East England with vulnerable adult men with a history of drug and alcohol addiction, most of whom are ex-offenders. Nehemiah has over 20 years' experience of helping people address their addiction and change their lives.

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 are able to deal with unexpected and challenging life events without resorting to old types of behaviour and to equip them with coping strategies that then help them avoid relapse and recidivism.

During their time with us, we work with Residents to address fundamental issues, based on evidence-based factors that contribute to desistance, similar to those identified by the National Offender Management Service (NOMS). These are: Motivation and taking responsibility; Self-care and living skills; Managing money and personal administration; Social networks and relationships; Drug and Alcohol misuse; Physical health; Emotional and mental health; Meaningful use of time; and Managing tenancy and accommodation.

Services provided in 2017

The transfer from custody to community is a critical time for vulnerable men, when positive changes can either be cemented or lost. Without employment, financial support, housing or effective family connections, there are endless opportunities for the men to slip back into previous patterns of substance misuse and crime. In our supported houses, we provide our Residents with every form of practical and emotional support they require, giving them a greatly increased chance of staying free from drugs and crime.

Our Supported Housing Programme is split into two stages.

- The first stage is based in our house in Streatham, in which we care for eight Residents who stay for four months. During this time they will complete our regularly updated 12week programme 'A New Future'. This is a Cognitive Behavioural Therapy-based 12-week course which addresses the root causes of addiction and teaches men how to sustain their abstinence, giving them the tools to take responsibility for their own actions and avoid lapsing into past harmful behaviour patterns.
- Once the men have completed the programme and reached the necessary level of independence, they move to one of our two 'Move-on houses' in Clapham where they can stay for up to a year. There are nine rooms available. This gives them the opportunity to develop sufficient independence to integrate safely into the community
- We continued to build on our Families Programme, reconciling men with estranged family and supporting the re-establishment of family relationships.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

In 2017 we had six major objectives:

1 - Growth - new houses in 2017- through partnership

Outcomes –

- We are making progress in securing a two-year lease on a fourth property which is situated in Clapham. This will increase the number of stage-one beds from eight to seventeen. Finding a property with appropriate licences and permissions and clearing relevant planning and regulatory hurdles has absorbed staff time and resources. We are recognising the need to start early and allow time in our search for a fifth property
- Our partnership with The Sovereign Order of Malta has continued to develop, and their support will help us to expand by establishing new houses. The Order of Malta also provides financial and voluntary support.

2 - Develop our fundraising capability – secure additional income streams in line with our plans for growth and ahead of 2019/20 Welfare Benefit change. To appoint a Development Director (funded by the Order of Malta for three years) to develop our approach to major donors and to stabilise and develop giving from individuals and churches, while retaining our core focus on grant-making trusts

Outcomes -

- During 2017 we have retained our core focus on raising funds from trusts
- Our new Development Director took up post in the first quarter of 2018

3 - Optimise our services – put Nehemiah in a box (to make what we do replicable to enable us to reach more men). In preparation for growth our main objective was to optimise our services.

Outcomes -

- We appointed a Housing Team Administrator to improve our data collection and support the team in boxing up systems
- Reviewed our policies, in particular our Safeguarding policy and procedures.

Kept updated on GDPR (General Data Protection Regulation) ready for its introduction in May 2018. We also initiated a marketing campaign to improve referrals, with the referral system being reviewed by an external consultant in early 2018. This will streamline our referrals system, and enable the team to process more referrals and admit more men to Nehemiah, in order to fill and maximise the use of the new house and to achieve higher overall occupancy rates.

4 - Package and present ourselves to become the 'go to' service

Outcomes –

- Work is in progress to 'box up' Nehemiah and formalise and update our processes.
- We have been approached by Balfour Beatty in response to our involvement in Rehabilitation by Design, and asked to provide them with advice if they are successful in their tender.

5 - Academic partnership to improve the measurement of impact and outcomes

Outcomes –

- We identified two research teams to quantify and measure our outcomes more effectively. These projects will help us to define and analyse our KPIs. We received a proposal from an independent research agency, who specialise in working with churches and charities. They will evaluate Nehemiah's impact by producing objective evidence to quantify our achievements by January 2019 and on an annual basis over the next three years.
- We have submitted a joint bid, with Associate Professor Dan Frings of South Bank University Addiction Centre, to win funding for research on how social identity changes in recovery.

6 – Sustainability Nehemiah's growth is contingent on its sustainability strategy. Our aim is to use funding from the Order of Malta to acquire properties on a regular (preferably annual basis) and cover initial set-up costs. The Development Director will then develop local support and buy-in from major donors, trusts, churches and individual supporters in each new area to sustain the continuation of each house.

Outcome -

- In 2017 we worked with an external fundraising consultant to realign our fundraising strategy to accommodate growth in anticipation of potential Housing Benefit changes in 2019/20 (now postponed). The Development Director will continue to refine and grow this strategy.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

2017 Programme Outcomes

Performance Indicators

Nehemiah worked with a total of 37 men for two or more weeks in 2017, six more than in 2016.

The average length of stay for those who joined in 2017 was 12 weeks (although this ranged from just over one week, to 28 weeks in total), whilst for those who were with us from the start of the year the average stay was 64 weeks.

28 men engaged with the first stage of our programme 'A New Future' in 2017:

- Of the 28, 11 successfully graduated from Stage One, of whom nine moved into our move-on houses, one moved into a hospice suffering from cancer and sadly passed away, and one moved on directly to independent living
- Of the 28, 14 progressed to living independently during the year, and at the year-end three were still living with Nehemiah
- Of the 28, seven have recently started, or are about to start, taking part in A New Future.
- Seven of the 28 chose to leave the programme before graduation but are now living independently and are maintaining their abstinence
- Our Move-on accommodation housed 20 men during the year, 18 of whom had completed A New Future (some in previous years), and two are about to graduate in 2018
- Of the 20, six are still living with us (engaged in work, education or training), two have moved into other supported housing and are living independently, and 12 others are living completely independently
- The average length of stay of those who moved out during the year was 325 days (46 weeks), and of those six still with us 352 days (50 weeks)
- Of the 14 who left, six were asked to leave for violations of our housing terms, one has subsequently returned, and one was recalled to prison

	2010	2011	2012	2013	2014	2015	2016	2017
No. of Residents completing the first stage of the programme or still with us	12	26	22	20	19	14	21	28
No. of men worked with	27	42	28	31	28	40	31	37
% of Residents completing the first stage of the original programme	44%	62%	79%	65%	-	-	-	-
% of Residents completing the first stage, 'A New Future'				4	12	12	11	11
Residents obtaining full time employment	n/a	n/a	n/a	11	14	11	9	11
Residents in work, vocational training or voluntary work	12	23	15	21	12	19	10	8

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2017

A New Future runs three times a year. It is a 12-week programme delivered each weekday morning at 47 Tooting Bec Gardens, focusing on recovery and resettlement through process groups and education sessions. We encourage the participating cohort to work through issues together, sharing experiences, challenging one another and resolving conflict. This has helped build resilience to increase the men's ability to cope with the day-to-day social, emotional and practical pressures.

Other 2017 Achievements

Nehemiah Staff were trained in De-escalation and Breakaway techniques, learning how to keep themselves safe in the workplace when dealing with volatile behaviour. This training was supported by our Lone Working and Safety at Work policies.

We continued to benefit from the participation of an Enactus team from BBP University, London. For three successive years, Enactus have provided teams of students who look for move-on training opportunities for our Residents and also worked with 24 men individually on CVs and how to complete online forms.

A team of five cyclists represented Nehemiah in the Prudential Classic100 sponsored bike ride at the end of July, raising over £10,000 for the Charity. Four came from the Order of Malta and one works for Gleeds Worldwide, who are great supporters of Nehemiah.

We have been collaborating more closely with Wandsworth Community Chaplaincy and in the past year have developed closer links with Isis/Thameside to provide referrals.

As a charity we have benefited from the Lloyds Enhance programme.

Financial Review

In 2017 the Charity had a total income of £428,118 and a total expenditure of £428,790. Our expenditure in the year significantly exceeded that in 2016. This relates mainly to staffing up in readiness for expansion of our services and expenditure related to seeking new property ready for expansion of our services. There was a deficit of £672. Due to changes in the reporting process of two trust funds, over £40K of secured income expected in the year has since been received in 2018. In 2017, we maintained a tight control on expenditure and will continue to do so in 2018.

Reserves Policy

Some of our funding of operating costs comes from donations and grants for which we are very thankful. Budgeting for these is not easy in terms of amounts and timing of receipts. For liquidity purposes the trustees would like to attain available cash reserves which will be made up of restricted and unrestricted funds.

Only if needed will we borrow against our current main asset which is the freehold property at 57 Tooting Bec Gardens while taking account of promised funding. The trustees are confident that given the freehold value of the charity's home, these provisions will enable the charity to continue in the event of a significant drop in funding.

Our current aspirational target is £92,000.

The reserves figure is monitored and reported on as a monthly KPI.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

Objectives 2018

The objectives in 2018 are a consolidation and further development of those initiated in 2017.

1 - Growth

To continue our pursuit of new houses in partnership with The Order of Malta and other agencies such as Housing Associations, with the aim of having an additional house in Clapham operational, and the identification of another suitable property in 2018. Nehemiah has found acquiring a new property to be a lengthy process, due to securing the appropriate licences and permissions from the relevant Local Authority. In 2018 we will:

- Finalise the work of Nehemiah 'in a box'
- Continue to work with The Order of Malta and churches as potential sources of property
- Build our relationships with key Housing Associations in London
- Plan and start to search for additional properties in 2019 and 2020, and look at the broader implications of this growth, such as organisation, funding and controls.

2 - Performance Delivery

Nehemiah has an excellent record of both reducing reoffending and reducing drug and alcohol dependency. In 2018 we intend to continue to improve our services and the outcomes we deliver. To achieve this, we will:

- Continue and complete our review of policies and procedures
- Continue to engage with our identified research agencies to enable better reporting of outcomes and to help the team identify areas of improvement
- Continue to improve our referrals system with the services of an external consultant
- Extend the level of service offered when a Resident moves out of Nehemiah's accommodation
- Build closer relationships with key prisons and local authorities.

3 - Financial Prudence and Sustainability

Maintaining financial prudence is a key element of the success of any charity. To achieve this in 2018 we will:

- Continue to build on our relationship with The Order of Malta as a key benefactor
- Work to build stronger relationships with key funders
- Optimise occupancy, thereby minimising the potential loss of Housing Benefit.
- Maintain tight financial control with regular reporting to Trustees.

Structure, governance and management

The charitable company is a company limited by guarantee and governed by its Memorandum as amended and adopted by special resolution in 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.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr. J. M. P. Colman (Chair)

Mr W. Ansell

Mr A. T. R. Nell

Ms J.S. Whitaker (Appointed 5 July 2017)

Mr T. B. Aikens

Mrs K. P. Hunter Johnston

The Hon. Mrs. M. Rank

Mrs M. Pizzey (Resigned 10 August 2017)

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

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. They receive regular financial reports and updates on Nehemiah's activities and fundraising. They are responsible for the overall legal, financial and strategic direction and development of Nehemiah.

Management Team

- Dr J. Patience, CEO
- Mrs L. Hawthorne, Fundraising Manager
- Miss A. Sissuh, Supported Housing Manager
- The Development Director will join the Management Team upon appointment

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

Risks

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

Relationship with other charities

The Charity's two move-on homes, The Chase and Pountney Road, are owned by Sanctuary Housing. In June 2013 Nehemiah became Managing Agents for these properties. As such the Residents are Sanctuary Housing Licensees, managed by Nehemiah. This has enabled Nehemiah to support more vulnerable adults recovering from drug/alcohol addiction.

THE NEHEMIAH PROJECT

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of trustees' responsibilities

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

Company Law requires the trustees to prepare accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

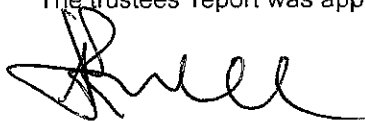
Auditor

In accordance with the company's articles, a resolution proposing that Begbies be reappointed as auditor of the company will be put at a General Meeting.

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: 18 June 2018

THE NEHEMIAH PROJECT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE NEHEMIAH PROJECT

Opinion

We have audited the accounts of The Nehemiah Project (the 'charitable company') for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet, and the notes to the accounts, 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 accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2017 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 accounts is not appropriate; or
- the trustees has not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees is responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

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 accounts are prepared is consistent with the accounts; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

THE NEHEMIAH PROJECT

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE NEHEMIAH PROJECT

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 accounts 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 accounts 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 accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

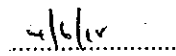
Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit 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 accounts.

A further description of our responsibilities for the audit of the accounts 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.

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 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<u>Income from:</u>					
Donations and legacies	2	128,019	136,656	264,675	261,592
Charitable activities	3	163,409	-	163,409	163,702
Investments	4	34	-	34	202
Total income		291,462	136,656	428,118	425,496
<u>Expenditure on:</u>					
Raising funds	5	30,846	-	30,846	33,209
Charitable activities	6	280,206	117,738	397,944	334,389
Total resources expended		311,052	117,738	428,790	367,598
Net (expenditure)/income for the year/ Net movement in funds		(19,590)	18,918	(672)	57,898
Fund balances at 1 January 2017		760,278	16,568	776,846	718,949
Fund balances at 31 December 2017		740,688	35,486	776,174	776,847

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

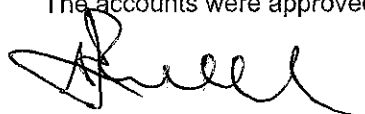
BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		831,076		834,052
Current assets					
Debtors	10	22,998		20,638	
Cash at bank and in hand		105,751		101,805	
		<u>128,749</u>		<u>122,443</u>	
Creditors: amounts falling due within one year	11	<u>(39,480)</u>		<u>(26,339)</u>	
Net current assets			89,269		96,104
Total assets less current liabilities			920,345		930,156
Creditors: amounts falling due after more than one year	12		(144,171)		(153,309)
Net assets			<u>776,174</u>		<u>776,847</u>
Income funds					
Restricted funds	15		35,486		16,568
<u>Unrestricted funds</u>					
Designated funds	16	833,076		836,052	
General unrestricted funds		<u>(92,388)</u>		<u>(75,773)</u>	
			740,688		760,279
			<u>776,174</u>		<u>776,847</u>

These accounts 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 18 June 2018



Mr A. T. R. Nell
Trustee

Company Registration No. 3255850

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102 - Charity SORP (FRS 102) Revised, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charitable company is a Public Benefit Entity as defined by FRS 102.

The accounts 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 accounts 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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 accounts.

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 2017

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 by the charity to the extent that they are expected to be recoverable.

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 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
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 2017

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 2017

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

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Donations and gifts	63,027	-	63,027	44,231
Grants towards ongoing operations	60,300	136,656	196,956	203,775
Sponsorships	4,692	-	4,692	13,586
	<u>128,019</u>	<u>136,656</u>	<u>264,675</u>	<u>261,592</u>
For the year ended 31 December 2016	<u>116,592</u>	<u>145,000</u>		<u>261,592</u>
Grants receivable				
Drapers' Charitable Funds	10,000	-	10,000	
Lloyds Bank Foundation	-	25,000	25,000	
Maurice & Hilda Lang Charitable Trust	12,500	-	12,500	
Sir Jeremiah Colman Gift Trust	10,000	-	10,000	
The Global Fund for Forgotten People	-	66,506	66,506	
The Henry Smith Charity	-	18,000	18,000	
The Leathersellers' Company Charitable Fund	10,000	-	10,000	
The London Community	-	13,000	13,000	
The Merchant Taylors' Livery and Freemen Fund	-	5,000	5,000	
Other below £5,000	17,800	9,150	26,950	
	<u>60,300</u>	<u>136,656</u>	<u>196,956</u>	

Unrestricted income from related parties

£10,000 of unrestricted income was received in total from related charities.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Charitable activities

	2017 £	2016 £
Housing benefit and other rental income	163,409	163,702

4 Investments

	2017 £	2016 £
Interest receivable	34	202

5 Raising funds

	2017 £	2016 £
<u>Costs of operating fundraising events</u>		
Seeking donations, grants and legacies	3,781	3,996
Fundraising agents and consultants	2,761	-
Staff costs	24,304	29,213
Costs of operating fundraising events	30,846	33,209

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Charitable activities

	2017 £	2016 £
Staff costs	203,376	198,544
Depreciation and impairment	2,976	2,976
Staff and volunteer expenses and recruitment	6,094	409
Rent and rates	42,670	34,314
Repairs and renewals	7,325	10,948
Light and heat	9,277	11,622
Motor and travel	262	626
Residents needs	1,871	1,039
Consultancy, clinical supervision and other professional fees	12,816	1,030
Subscriptions and licences	448	447
Cleaning materials and refuse disposal	1,203	1,342
Food	1,472	2,225
Insurance	13,378	10,490
Programme costs	5,279	2,638
Temporary & agency staff costs	12,259	-
	<u>320,706</u>	<u>278,650</u>
Share of support costs (see note 7)	71,478	48,629
Share of governance costs (see note 7)	5,760	7,110
	<u>397,944</u>	<u>334,389</u>
Analysis by fund		
Unrestricted funds	280,206	
Restricted funds	117,738	
	<u>397,944</u>	
For the year ended 31 December 2016		
Unrestricted funds		177,797
Restricted funds		156,592
		<u>334,389</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

7 Support costs	Support costs	Governance costs	2017	2016
	£	£	£	£
Staff costs	41,360	-	41,360	20,031
Printing, postage and stationery	8,624	-	8,624	5,943
Telephone	4,952	-	4,952	5,212
Staff recruitment	613	-	613	1,519
Consultancy and professional fees	2,316	-	2,316	1,657
Computer expenses	6,696	-	6,696	7,067
Loan interest	4,748	-	4,748	5,336
Sundry expenses	1,043	-	1,043	200
Training costs	1,126	-	1,126	1,664
Audit fees	-	5,040	5,040	5,040
Accountancy	-	720	720	2,070
	<u>71,478</u>	<u>5,760</u>	<u>77,238</u>	<u>55,739</u>
Analysed between				
Charitable activities	<u>71,478</u>	<u>5,760</u>	<u>77,238</u>	<u>55,739</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 £5,040 (2016- £5,040) for audit fees and £720 (2016- £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 2017

8 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
	9	9
	<u>9</u>	<u>9</u>

Employment costs

	2017 £	2016 £
Wages and salaries	246,065	228,967
Social security costs	21,498	18,821
Defined contribution pension costs	1,477	-
	<u>269,040</u>	<u>247,788</u>

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

	2017 Number	2016 Number
£60,001-£70,000	1	1
	<u>1</u>	<u>1</u>

9 Tangible fixed assets

	Land and buildings £	Fixtures, fittings & equipment £	Computers £	Total £
Cost				
At 1 January 2017	827,600	136,077	33,952	997,629
At 31 December 2017	<u>827,600</u>	<u>136,077</u>	<u>33,952</u>	<u>997,629</u>
Depreciation and impairment				
At 1 January 2017	-	131,251	32,326	163,577
Depreciation charged in the year	-	2,163	813	2,976
At 31 December 2017	<u>-</u>	<u>133,414</u>	<u>33,139</u>	<u>166,553</u>
Carrying amount				
At 31 December 2017	<u>827,600</u>	<u>2,663</u>	<u>813</u>	<u>831,076</u>
At 31 December 2016	<u>827,600</u>	<u>4,827</u>	<u>1,625</u>	<u>834,052</u>

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Debtors		2017	2016
Amounts falling due within one year:		£	£
Other debtors		10,956	11,122
Prepayments and accrued income		12,042	9,516
		<u>22,998</u>	<u>20,638</u>
11 Creditors: amounts falling due within one year		2017	2016
	Notes	£	£
Bank loans	13	13,886	13,886
Other taxation and social security		7,690	5,978
Other creditors		9,547	-
Accruals and deferred income		8,357	6,475
		<u>39,480</u>	<u>26,339</u>
12 Creditors: amounts falling due after more than one year		2017	2016
	Notes	£	£
Bank loans	13	54,171	63,309
Britland Charitable Trust loan		90,000	90,000
		<u>144,171</u>	<u>153,309</u>
13 Loans and overdrafts		2017	2016
		£	£
Bank and related party loans		158,057	167,195
Payable within one year		13,886	13,886
Payable after one year		144,171	153,309

The long-term Charity Bank loan is secured on the property owned by the charitable company. 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 with a review after five.

The 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.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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 £2,800 (2016 - £0)

15 Restricted funds

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

	Movement in funds			Balance at 31 December 2017
	Balance at 1 January 2017	Incoming resources	Resources expended	
Family support programme	4,600	-	(3,544)	1,056
Financial stability and independence	-	3,150	-	3,150
Supported housing programme salaries	11,968	43,000	(54,968)	-
A New Future supported housing	-	11,000	(11,000)	-
The Global Fund for Forgotten People	-	66,506	(48,226)	18,280
The London Community Foundation	-	13,000	-	13,000
	<u>16,568</u>	<u>136,656</u>	<u>(117,738)</u>	<u>35,486</u>

Family Support Programme	To fund work with families.
Financial stability and independence	To fund personal household finance workshops with residents
Supported housing programme salaries	For funding the cost of specific salaries in the supported housing programme.
A New Future supported housing	For funding the cost of the first stage core rehabilitation programme.
The Global Fund for Forgotten People	For funding programme expansion into additional residential units.
The London Community Foundation	To fund a specific range of expenses within programme and core costs.

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

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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:

	Balance at 1 January 2017 £	Movement in funds		Balance at 31 December 2017 £
		Incoming resources £	Resources expended £	
Property capital fund	744,052	-	(2,976)	741,076
Operational reserve	92,000	-	-	92,000
	<u>836,052</u>	<u>-</u>	<u>(2,976)</u>	<u>833,076</u>

Property capital fund - Income invested in the charity's residential home, furnishings and equipment. This equates to the tangible fixed assets less The Britland Trust loan.

Operational reserve - This provides a reserve of approximately 3 months of core operating costs.

17 Analysis of net assets between funds

	Unrestricted free reserve £	Property capital fund £	Operational reserve £	Restricted funds £	Total £
Fund balances at 31 December 2017 are represented by:					
Tangible assets	-	831,076	-	-	831,076
Current assets/(liabilities)	(38,217)	-	92,000	35,486	89,269
Long term liabilities	(54,171)	(90,000)	-	-	(144,171)
	<u>(92,388)</u>	<u>741,076</u>	<u>92,000</u>	<u>35,486</u>	<u>776,174</u>

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 Poutney Road are rented from Sanctuary Housing Trust on an annually reviewed leases. The agreed prevailing rent is £25,028 and £10,948 respectively. There is no long term commitment to rent the properties should they no longer be required.

During the year the charity signed a lease agreement for photocopier and telephone system rental. At the year end there were 19 quarterly instalments remaining of an initial 5 years and 3 months agreement, with a total cost of £22,680 including VAT.

THE NEHEMIAH PROJECT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Related party transactions

During the year The Nehemiah Project received the continuing support of a loan of £90,000 from the Britland Trust a related party to Mr J.M.P Colman.

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 or benefits from the charitable company during the year.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation including pension and employers' national insurance	70,618	68,868

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