



Nehemiah United Churches
Housing Association Limited

Annual Report

Report and Financial
Statements

Year End 31st March 2022

2022



**Nehemiah United Churches
Housing Association Limited**

1 - 3 Beacon Court, Birmingham
Road, Great Barr, Birmingham
B43 6NN

Year End 31st March **2022**



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Officers And Professional Advisers

CHAIRMAN

Bishop W Powell, OBE

Vice CHAIRMAN

Prof M Levermore, MBE, DL

TREASURER

Mr W Weir CPFA

SECRETARY

Ms J Dubidat

CHIEF EXECUTIVE

Bishop L Graham

REGISTERED OFFICE

1 - 3 Beacon Court, Birmingham
Road, Great Barr, Birmingham B43
6NN

REGISTERED NUMBER

25952

BUSINESS ADDRESS

1-3 Beacon Court, Birmingham
Road, Great Barr, Birmingham B43
6NN

BANKERS

National Westminster Bank Plc, 33
Park Street, Walsall, West Midlands
WS1 1ER

Santander UK Plc, Bridle Road,
Bootle, Merseyside L30 4GB

EXTERNAL AUDITOR

Mazars LLP, 2 Chamberlain Square,
Birmingham B3 3AX

INTERNAL AUDITOR

RSM Risk Assurance Services
LLP, St Philips Point, Temple Row,
Birmingham B2 5AF

Snapshot Of Our Business ↓

The principal activity of the Association is the provision of accommodation for people in housing need. Our vision is to be the leading independent BAME housing provider in the UK delivering a range of services which are unsurpassed in the community.

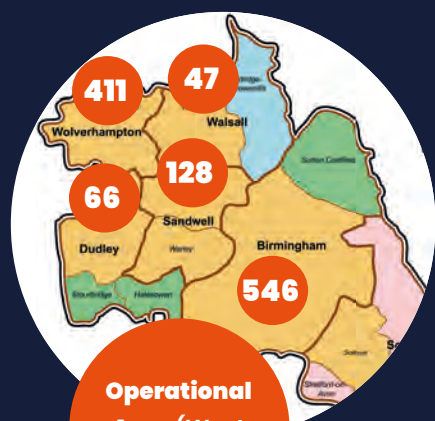
Our mission is to build successful, sustainable and diverse communities by providing housing and well-being services in a culturally sensitive way to current and future customers. We are passionate about empowering people to build communities alongside homes, believing that diversity is a strength in every aspect of our work and the communities around us.



**Colleagues
(Staff and Board
Members):**
42



**Homes owned
and/or
managed:**
1,230



**Operational
Area (West
Midlands)**



**Tenants in
Sheltered
Accommodation:**
25%



**Planned
investment in
year:**
£835k



**Responsive
repairs in year:**
4,087



**Customers
involved to
shape services:**
1266



Chairman's Statement

Wilton Powell OBE
Chairman

I am pleased to report that, despite the uncertainty in the current economic climate, the Association continues to thrive. As we come out of what has been an exceptional two years, it is important that I take this opportunity to thank tenants, staff, the Executive Team and fellow Board members for their resilience. I would also like to recognise those elderly residents in Nehemiah's retirement schemes across the West Midlands who, during the pandemic, faced very difficult and sometimes lonely times when we had to restrict socialisation and services within our retirement schemes. They were a model of courage and fortitude!

This annual report and the review of each of our areas of service - from housing management to tenant engagement - is a tangible demonstration of our progress but there is, of course, further work to do to sustain and improve on what we do. This remains the clear focus of the Board and the Executive Team. This report also shows the many ways in which Nehemiah has adapted to ensure that we continue to serve all our tenants throughout the pandemic and the now-emerging cost of living crisis. Please read this report and see, in more detail, what has been achieved.

In reflecting on the past year, I was taken back to some key events when, at the start of Black History Month in October 2021, we kicked-off celebrations

with the official opening of the newly refurbished and extended retirement scheme in Walsall, Nehemiah Court. The Rt. Hon. Valerie Vaz, Member of Parliament (Walsall South) gave an excellent speech before she unveiled a plaque and planted a Cherry tree as part of the Queen's Green Canopy initiative and the "Plant A Tree For The Platinum Jubilee" scheme.

The event was attended by members of the Board, residents, contractors, consultants, local dignitaries and staff. In a 'Thank You' card received following the event, she wrote: "I just wanted to say thank you and all your staff for such a wonderful day. You are all such wonderful, committed people trying to ensure that, against the odds, you change people's lives. And you have!" Rt.Hon. Valerie Vaz MP.

Those words from Valerie Vaz MP resonated with me and I say, on behalf of the Board and the Executive Team, that we are indeed committed to changing people's lives.

Despite the uncertainty in the current economic climate, the Association has continued to achieve a robust operating performance in what has been a challenging period.

This ensures we are in a good financial position for the future and that we can be relied upon to continue to fulfil our mission.

Importantly, with more new homes for rent needed, we continue to look to develop new homes in partnership with other housing associations and local authorities. I am, therefore, pleased to report that a current 21-unit development in Vine Street (Dudley), in partnership with Midland Heart, is scheduled for completion in Summer 2022.

The last year has been difficult in many respects and life in the U.K. continues to struggle with getting back to 'how things were' but, as we start to normalise social gatherings more, I am looking forward to getting out and about again and meeting tenants and colleagues in-person and, importantly, hearing from them first-hand of the challenges and opportunities that they face.

The year ahead will be a difficult one for many people, but I look forward to working closely with our Board, Executive Team and employees to continue to build on what we have achieved to date.



→ Chief Executive Statement

Llewellyn Graham Chief Executive

This annual report reflects the achievements of the Association in the last financial year and importantly outlines our ambitions and priorities.

The last 12 months has certainly been unprecedented and has seen us, at the start of the year, still living under the shadow of a global pandemic and then the utter shock at the war in Ukraine which began in February 2022. Both have brought challenges and continue to do so, especially as we see the rising costs of food, fuel and heating and disruption to the supply of goods and services in the U.K.

I continue to be extremely proud of the resilience of our tenants, partners, and staff, who continue to rise to the challenge of delivering services and supporting tenants in unprecedented times.

There are, of course, very important humanitarian issues that have arisen due to the conflict in Ukraine. We support the Homes for Ukraine scheme for refugees and we will continue to work with local authorities to assist where we can. We have also made our views clear to the National Housing Federation and Birmingham Social Housing Partnership that a consistent, equitable approach must be developed in response to all refugees and asylum seekers.



The Association does not operate in either Ukraine or Russia but has Gazprom (a Russian gas company) as an energy supplier. The Board's assessment of this highly tragic geopolitical situation is that, whilst the business is not currently impacted, any future Government sanctions on the energy sector will affect the Organisation. The situation remains under review and the National Housing Federation is providing guidance to organisations affected.

Despite a year of challenges, I am pleased to highlight some of our achievements for the year, being;

- The successful outcome from the In-depth Assessment with a G1/V2 grading by the Regulator of Social Housing.
- £2.6M investment in repairs and improvements to support and improve the lives of our tenants as well as extending the economic life of our housing stock.
- Appointment of a dedicated Customer Engagement Officer to execute the delivery of our Customer Engagement Strategy, to ensure tenant involvement and empowerment, and to improve overall tenant satisfaction.
- Awarded the prestigious IIP Gold Standard following our most recent assessment. Gold accreditation means that Nehemiah has clear people development strategies aligned with business goals that are understood, owned and lived out by all employees. This places us in the top 17% of organisations with IIP accredited status in the UK. This award is recognition for all our employees and a reflection of their hard work and dedication.

As we move into 2022/23, we are committed to making Nehemiah's homes the best place to live, raise a family, and retire. We want our homes and the services we provide - whether for young or old - to be something everyone can be proud of. We also want our tenants, regardless of background, to have access to great opportunities, and live healthy, successful lives and age well with independence.

We can look back and be proud of what we have achieved in 2021/22. While the challenges of the pandemic will certainly remain with us over the coming months and beyond, we have a unique opportunity to build on our successes.

I am pleased to be able to reflect in this report how we have continued to develop and grow as a housing association in the West Midlands and on the many achievements we have collectively made.





→ Strategic Report

The logo for Nehemiah HOUSING features a stylized orange icon of three people above the word "Nehemiah" in a blue serif font, with "HOUSING" in a blue sans-serif font below it.

Nehemiah
HOUSING

Supporting BAME communities to thrive

Principal Activity

The principal activity of the Association is the provision of accommodation for people in housing need. The Association's social housing activity is conducted through its management of c. 1,230 properties which are based in 6 Local Authority areas across the West Midlands.

Nehemiah UCHA (hereinafter referred to as Nehemiah Housing) is charitable and operates its social housing through two key business streams, namely: 1) housing for rent; and 2) supported housing (for elders and teenage parents).

Strategic Plan Objectives

"Our vision is to be the leading independent BAME housing provider in the UK, delivering a range of services which are unsurpassed in the community".

The Corporate Strategy 'Growing Stronger Together' has taken into consideration the necessary response to the Social Housing White Paper. We are currently working through an action plan to ensure that our tenants are at the centre of all we do and that we continue to demonstrate accountability to them and that they are involved in the governance structures of the Organisation.

Work has progressed well against our business objectives, with performance being reviewed by the Board on a quarterly basis. Key performance highlights include the following:

- In-depth Assessment: obtaining a G1/V2 grading with the Regulator of Social Housing.
- Board and Committee Succession Plan: October 2021
- Organisational review: December 2021
- IIP Gold: October 2021
- Customer Engagement Strategy: February 2022
- Adopted NHF Code of Governance 2020: April 2022
- Tenant involvement in governance structure – tenant member of Operations Committee: November 2021
- Marketing and Communications Strategy: February 2022
- Pensions Strategy reviewing (commenced): December 2021.

We have also been developing our reporting system to enhance governance effectiveness overall within the Organisation. We are still on this journey of continuous improvement.

We have a strong and committed Board and a staff team who are determined to improve the quality of lives for our customers and communities. Our customers and staff were consulted for their input into this plan.

We will continue to respond appropriately to the challenges and opportunities the future presents us with and strive to comply with the spirit of the various applicable regulatory standards.

We are in business to improve the wellbeing of people through the provision of quality, affordable homes and related services. We are a proud, faith-based organisation. We have a unique foundation from which to understand and contribute to the sustainability of communities and to build a bridge to partnership with local people and agencies.

Our strategic objectives are as follows:

1. To Be Effective And Grow

The overall context of our growth strategy means we must do everything we can to maximise our contribution to dealing with the housing crisis and providing homes for the very many people unable to obtain affordable housing from the expensive commercial rental markets.

Our Corporate Strategy is to provide affordable homes at below market rent levels. Our objective is to ensure that at least 90% of the homes we develop will be for social or affordable rent, which will be genuinely affordable for our customers.

Financially, delivering a minimum of 30 additional homes over the planning period means we will need to be innovative in our arrangements, so that we can realise our plans within our sustainable financial capacity. We will explore different methods to create the capacity and manage the risks that achieving our ambition entails; this may include strategic deals and joint ventures with private developers, local authorities and other housing associations. This may also include acquisitions or indeed mergers, if we believe the conditions are right and that there is compatibility.

With development costs likely to rise in the coming years as a result of multi-faceted influences - including escalating inflation rates, the impact of Brexit and Grenfell Tower and, more recently, the Ukraine/Russian conflict - we will look to be innovative in containing our costs, while continuing to build to high-quality designs and specifications.

We believe that our growth plans will succeed if we continue to focus on the markets we know. We are not intending to expand our operational geography. Maintaining a relatively concentrated geography also helps ensure we can run our housing and property management services effectively and efficiently.

In all of this we recognise that meeting our growth objective involves accepting a somewhat greater level of financial risk. However, we will only take on risks which we are clear we can manage and within our risk appetite levels. All proposed developments will be carefully assessed for risk; only those developments for which the risk is manageable will proceed.

→ **£0.92m**
Surplus for
reinvestment in homes
and communities.

→ Plans for delivery of
21 new
homes
: due August 2022.

→ **£3.5m** in
cash with a further
£4.1m in agreed
loan facilities to fund
new development.

2. Deliver Excellent Customer Services With Respect

We know customer involvement makes us more successful, responsive and helps us understand the risks and challenges in our neighbourhood. The opinions of customers are essential to future proofing our service provision, predicting trends and planning for change.

Through listening, engaging, and developing our relationship with customers and acting on customer opinion, Nehemiah will achieve customer satisfaction and a commercial advantage whilst also delivering value and outcomes for customers in the services that we provide. In the year ended 2021/22, we achieved a customer satisfaction level of 75% against a target of 83%. We will achieve this business objective by delivering our Customer Engagement Strategy which demonstrates real accountability to our customers and enables them to engage with us in a variety of meaningful ways which suit their busy lives.

During the year we appointed an experienced Customer Engagement Officer to lead the efficient delivery of our Customer Engagement Strategy, and to ensure that our customers' voice is heard and that we are held to account in the delivery of our services to ensure service improvements.

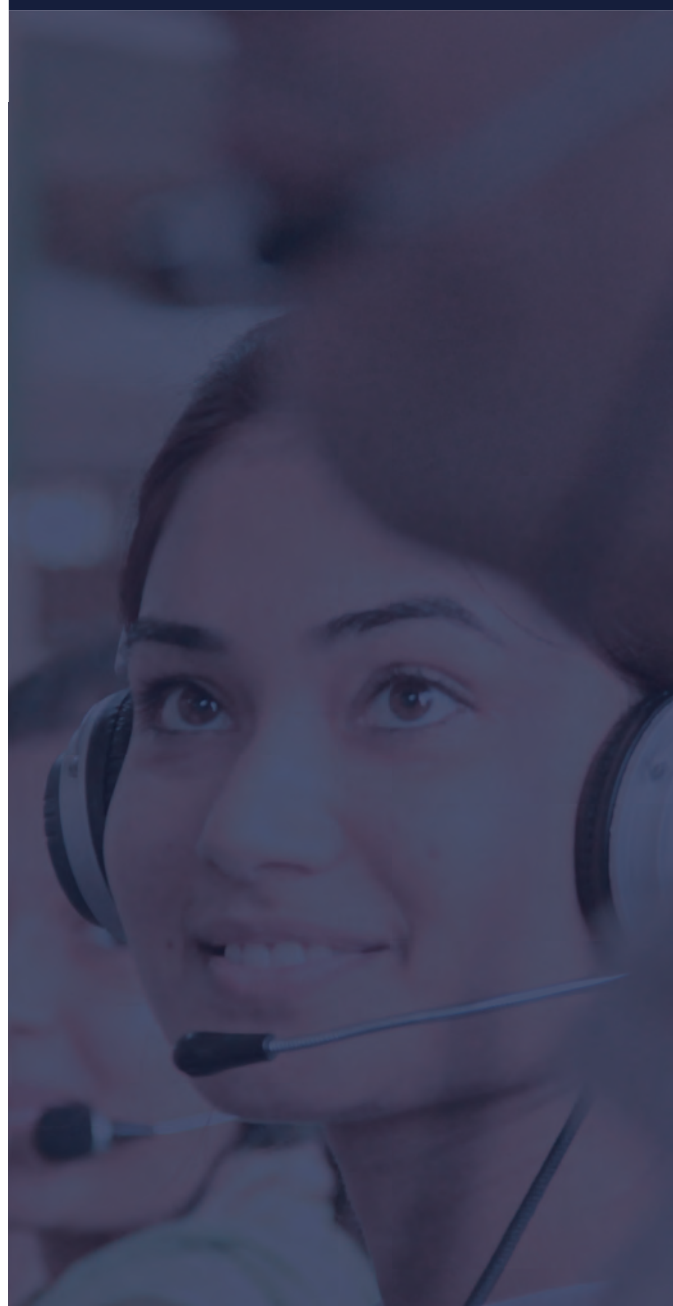
We recognise the Regulator of Social Housing's new approach to consumer regulation coming out of the Social Housing White Paper. We will continue to make strides in responding to these new requirements as they become more apparent. We have an action plan in place to address tenants' dissatisfaction and this will be kept under review by our internal board and committee governance structure

We also confirm our compliance with the Housing Ombudsman self-assessment and have an appropriate complaints procedure in place. During the year there were a total of 31 complaints of which 83% of stage one complaints were resolved in 10 working days and 20% of stage 2 complaints were resolved in 20 working days. The remaining 7% of complaints were resolved over 20 days. No complaints were upheld by the Housing Ombudsman against the Association.

The Association has also signed up to the National Housing Federation's initiative, *Together with Tenants*.



Sheron rang to say thank you for your services and she's really happy with how much you helped yesterday. Her repair has been done."



3. Strong Governance, Finance And Risk Management

The Regulator of Social Housing's Regulatory Framework For Registered Providers expects the delivery of economic standards through strong governance, risk management and value for money. Co-regulation with customers and stakeholders also ensures we work together to ensure that consumer standards specified by the Regulator are met. The Risk Management and Assurance Framework and Strategic Risk Register provides the Board with essential components for Board assurance of effective controls and systems within the Organisation.

The Board receives a dynamic risk management report and risk register which reflects the movements in the operating environment, with the top ten (most impactful) risks presented at each board meeting.

4. Investing In Our Homes

We continue to invest in our homes and neighbourhoods to keep them attractive, well-maintained safe and secure, and ensure they are fit for the future. We will deliver a high-quality responsive repairs service and we will demand high quality services from our contractors.

- Business operations maintained during the aftermath of the pandemic, fallout of BREXIT and difficult economic conditions.
- Regained G1 governance rating.
- Treasury Strategy review.
- Cyber security review and enhancements.
- Board skills review.
- Board, Committee and Executive succession plan.

- £0.835m invested in development and improvement of homes.
- 100% of gas safety checks conducted.
- Plan to improve energy efficiency in tenants homes initiated.

5. People Development & Well-Being

We recognise that the contribution of all staff is fundamental to the achievement of Nehemiah's business objectives and the provision of an excellent service to our customers with respect.

The Corporate Services function is committed to developing and implementing policies and processes that not only support delivery of the Corporate Strategy but also optimise the ability to recruit, develop, retain and reward our staff. Linked to the Nehemiah brand, people development and wellbeing is underpinned by 4 core values. Passionate – we are passionate about empowering people to build communities alongside homes; Diversity – we believe diversity is a strength in every aspect of our work and the communities around us; Integrity – we act with integrity in all that we do even when that is not the easy option; and Sustainable – we believe our actions and their impact must always be sustainable.

The development of a People Development & Well-being Strategy has the clear objective of supporting and enabling Nehemiah to achieve its strategic objectives, and reflects the innovation, dedication and leadership embodied within this vision.

Nehemiah has begun to develop a Leadership Development Programme which will be supported by the 'Nehemiah University', to develop the capabilities and competences for its Executive Team and future leadership potential for the sustainability of the organisation, to support our Executive Succession Plan.

We recognised that the Covid-19 pandemic has had some impact on the mental well-being of individuals and, in addition to our internal support mechanism, the Association has signed up to the Mindful Employer initiative to demonstrate our support for those of our staff who may be experiencing some challenges. We have also utilised the MIND Wellness Action Plan for individuals to use to be mindful of triggers that may adversely impact their wellbeing.

The Strategy is organised into eight main themes: Recruitment and Retention; Performance Management and Reward; Organisational Development; Employee Relations and Engagement; Operational Excellence; Workplace Wellbeing; Equality, Diversity and Inclusion; and Corporate Social Responsibility.

- Achieved IIP Gold standard.
- 2 Kickstart placements leading to 1 permanent recruitment.
- 1 Graduate placement.

Operating & Financial Review

The Board are pleased to report a surplus for the year of £920,000 (2021: £1,330,000) from a turnover (including surplus on disposals of £7,386,000 (2021 - £7,173,000). Details of changes to the Association's fixed assets can be found in Notes 8 and 9 to the Financial Statements.

The surplus of £920,000 for the year to March 2022 highlights our underlying financial strength, resilience and the Association's effective management, allowing us to maintain the delivery of our core operational functions whilst continuing to invest in our homes. During 2021/22 the Association has invested £0.8m in improving the homes of our tenants, equating to 11.3% of turnover. A further £1.75m has been spent on repairs and maintenance.

Operating Margin and Surplus



The operating surplus of £2.0m for 2021/22 is another strong performance when considered against the economic climate and the fallout from the conditions of the pandemic.

The operating margin for the period was 27.1% (33.0% 2020/21) Whilst the surplus is down on the previous year, it compares with average of 27.9% for our peers.



The operating margin on social housing lettings was 25.9% (2021: 33.1%). A picture that is consistent with the overall operating margins of sector peers.

The following variables have contributed to the change in margins between years.

- Reduced activity during 2020/21 resulting from the pandemic and additional work done during the year 2021/22 to catch up on repairs works that were delayed due to lockdowns and/or material shortages in the previous year.
- Supply chain disruption and inflationary pressures across the national economy due to BREXIT and the pandemic impacting annual costs.
- £150k per annum increase on the new repairs and maintenance contract.

The Board recognises that a number of these variables will continue to impact the future trading environment both in terms of our costs and tenants' livelihoods. Void losses in the year were £106k compared to a budget of £122k. Arrears at the end of the financial year were 5.75% compared to 6.3% 2020/21. These compare to pre-pandemic levels of 5% (March 2020). Business plans will continue to budget for higher levels until there are signs of a more stable picture in the economy.

Accounting adjustments to reflect the valuation of the Association's assets in the SHPS pension scheme show a gain of £359,000 for the year. Total comprehensive income for the year to 31st March 2022 is therefore £1,279,000.

The summary primary statements are reported below:

Year Ended 31st March	2022	2021
	£ 000	£ 000
Statement of Comprehensive Income		
Turnover	7,386	7,173
Operating Surplus	2,001	2,370
Surplus for the year	920	1,330
Surplus for the year (after pension charges)	1,279	500
Statement of Financial Position		
Housing properties (net of depreciation)	79,497	79,739
Other tangible assets	1,131	1,146
Net current assets	2,382	2,125
Creditors due after more than one year	65,895	67,173
Revenue reserves	17,115	15,836



Value For Money (VFM)

Introduction

The Association is committed to demonstrating and improving value for money (“VFM”) as an integral part of our corporate strategy. It remains at the centre of our plan to invest, grow and transform. In setting the strategy, the Board has the responsibility to ensure that VFM is embedded in the governance arrangements of the Association via the committee structure. This includes reviews of an annual budget, in-year monitoring of performance and an annual review of our 30-year business plan.

The Board has overall responsibility for direction and governance. To ensure strong governance, the Board challenges and agrees a review of the existing VFM strategy, making sure that the Organisation maintains a healthy environment for the delivery and sustainability of a VFM culture. The responsibility is managed through the Leadership Team, Nehemiah Tenants Panel, the Audit & Risk Committee, the Operations Committee, and the Remuneration and Nomination Committee.

The Association strives to maximise the value of the ‘social good’ it generates by a commitment to an on-going review of its main objectives and how it operates. The challenge of VFM means that Nehemiah Housing commits to a constant review of its ‘efficiency’ and effectiveness. The Association’s current Corporate Strategy “Growing Stronger Together” sets out our objectives to March 2024. A revised Value for Money Strategy 2021-2023 highlights how we will deliver VFM to our stakeholders across the period of the Corporate Plan.

The VFM strategy is centred around 2 main aims:

AIM 1.

Delivering value for customers

- 1) Providing quality landlord services to our customers.
- 2) Maintain our existing homes and neighbourhoods to exceed the Decent Homes Standard.
- 3) Making a positive social impact.
- 4) Being a landlord for life.
- 5) Building and supplying more homes

AIM 2.

Delivering value for money to stakeholders

- 1) Achieving an optimal benefit (maximise margins) to reinvest.
- 2) Operating efficiently.
- 3) Operating cost effectively.
- 4) Achieving VFM ambitions.
- 5) Meeting regulatory requirements



Tenants



Regulator

Our Stakeholders

Board



Staff



Local Authorities



Achieving Value for Money

Achieving VFM is fundamental to the attainment of our mission of creating ‘successful, diverse communities’, shaping how the organisation conducts its business planning, social housing and other activities. To achieve this, the Board and Leadership Team are working to embed VFM principles within the business at all levels through active engagement with staff, residents, and other key stakeholders.

Critical to the success in achieving VFM is benchmarking the Association’s performance with other housing providers. To this end, the Association uses HouseMark’s benchmarking service to compare how the Association performs with other social landlords.

Nehemiah recognises the need to improve both its business performance and its contribution to both the immediate communities it serves and wider communities and stakeholders. The VFM strategy explains the process by which the Association regularly re-examines performance against its mission and objectives, and the way it conducts its business and social operations.

Delivering value for customers

- Worked in collaboration with “Everyone Prospers” to successfully connect with tenants previously considered as hard to reach.
- Used research from MEL Research to prioritise services (i.e. walkabouts at the least satisfied schemes).
- Re-introduction of resident’s meetings and set up new meetings with a focus on repairs.
- Engaged with 1,266 customers to provide feedback on services.
- 105 customer events arranged.
- £835k spent to improve homes.
- £1.756m spent on repairs and maintenance.

Delivering value for money to stakeholders

Financial Framework

The financial framework is a key part of our strategic plans, and performance against it is reviewed monthly and at each Board meeting. In setting out aspirational targets (as well as minimum thresholds for viability), it gives a focus to what the Organisation is seeking to achieve over the coming years. These aspirations and ‘golden rules’ drive the behaviours across the Business to ensure we always provide the best possible service to our customers at the most economically advantageous price while minimising the risk to the Association’s viability.

Description	Aspiration	Golden Rule	Actual	Actual	Actual	Actual
			2018/19	2019/20	2020/21	2021/22
Interest Cover (EBITDA-MRI/Net Interest)	140%	130%	147.8%	149.0%	205.0%	141%
Asset Gearing	60%	55%	38.4%	39.0%	37.2%	35.9%
Liquidity Policy		£500k	3,016	2,857%	2,997	£3,513k

Interest rate management

We use fixed rate borrowings to manage our exposure to increases in interest rates and 97% of our drawn borrowings are at fixed rates (2020 to 2021: 72%). With the current expectation of rising inflation and interest rates, it is clearly advantageous to take advantage of prevailing low interest rates and our newest loans reflect this. Over the next few years there are a number of loans that will revert to a variable interest rate. These will be monitored and managed via the Association's hedging strategy. The Treasury Strategy requires that the fixed to variable loan mix be around the 70% mark.

The average cost of borrowing has been reducing over recent years, which reflects the historically low rates achieved on our loan borrowings which have closed at coupons of 2.25% to 3.67%.

£7m variable rate debt was refinanced in the year with a £5m fixed rate bond. The Association holds a small amount (£0.3m) of high fixed rate legacy debt with rates between 9.0% - 11.5%. The average cost of borrowing for year-end was 4.87%.

Long-Term Liquidity And Funding

Long-term liquidity remains a key focus and our treasury management policies set out a prudent requirement, requiring provision for 18 months of all operational and committed development cashflows.

Total loan facilities (drawn and undrawn) at the year-end were £34.5m. We ended the year with total available funds of £7.6m, comprising of £3.5m of cash and £4.1m of undrawn facilities (all fully secured). With an operating liquidity level requirement of £0.5m, existing cash and liquidity is further complemented by £3.0m of additional funding expected to be completed in a matter of weeks, which allows the Association to pursue development plans with the certainty of future funding.

Delivering value for Stakeholders

- Regain G1 governance rating
- Interest cover 141% against funders covenant requirement of 110%
- Action plan for the delivery of the requirements of the Social Housing White Paper.
- Compliance with Consumer and Economic & Viability Standard.
- Updated communications and marketing strategy
- Tenant involvement in governance structure.
- Board skills review.
- Organisational review.
- Annual treasury strategy review.

Costs & Performance – A Comparison with Other Landlords

Benchmarking performance through comparison with other social landlords is an essential activity for Nehemiah to objectively appraise its costs and service delivery performance. HouseMark's benchmarking service is used to calculate and summarise cost and performance data submitted by a comparator group of social housing providers.

The Association is committed to giving its social housing customers the best service that it can with the resources available, and therefore is actively engaged in securing membership with a most representative peer group within HouseMark by which it can assess its performance and highlight areas for change and improvement.

The use of monthly sector-derived performance data will be used to provide intelligence into emerging trends across our sector.

Value for Money Metrics

Housing associations are required to report in their statutory accounts against the VFM metrics defined by the Regulator.

The tables below details Nehemiah's performance against the VFM metrics that are set out by The Regulator of Social Housing.

They show our 2021/22 results against 2020/21 results for our comparators, the parameters for determining comparators are:

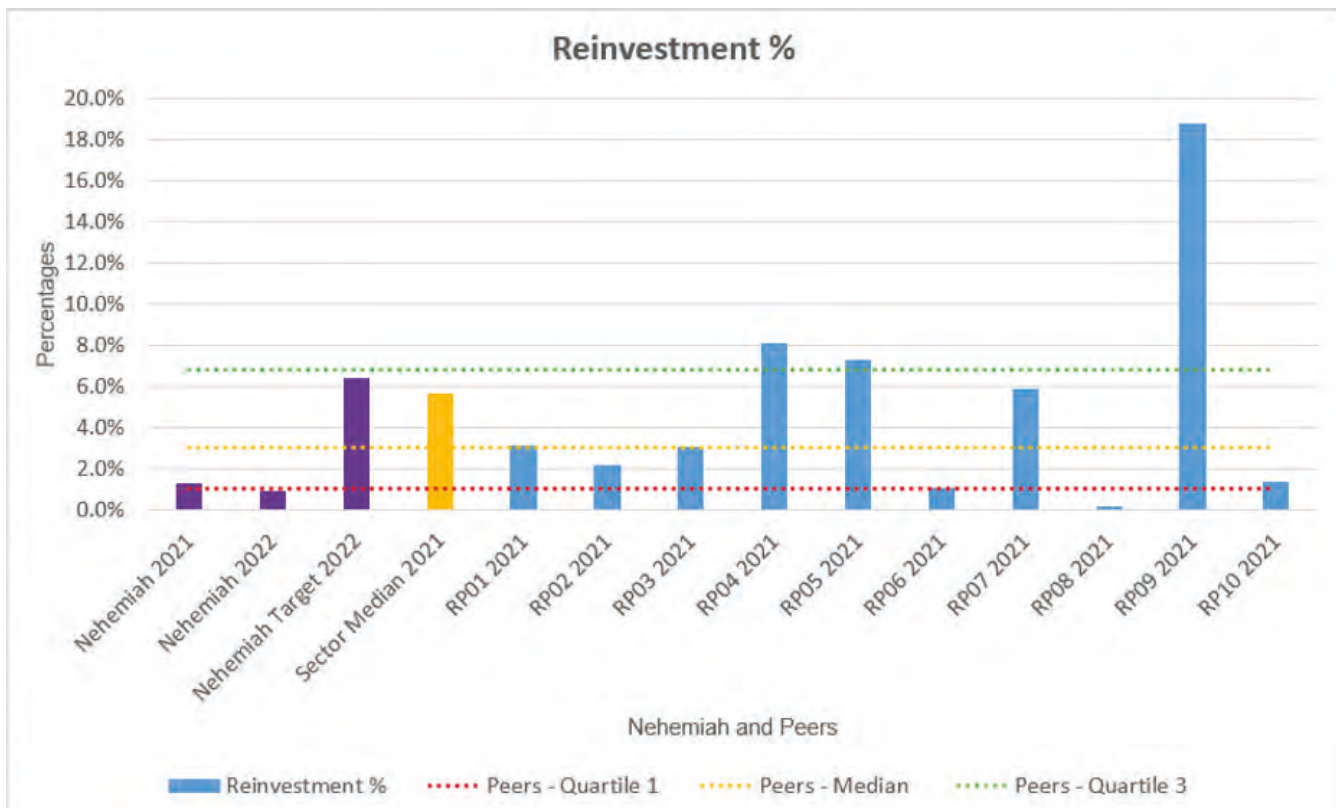
- a) Associations with 1,000 – 1,500 units.
- b) Outside of London and Southwest areas. Together with the Sector medians from the 2020/21 global accounts.



Reinvestment %	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This Metric looks at Nehemiah's investment in properties, including existing stock and new stock. This is calculated as a percentage of total properties.</i>	1.3%	1.1%	6.4%	5.1%	5.7%	6.7%

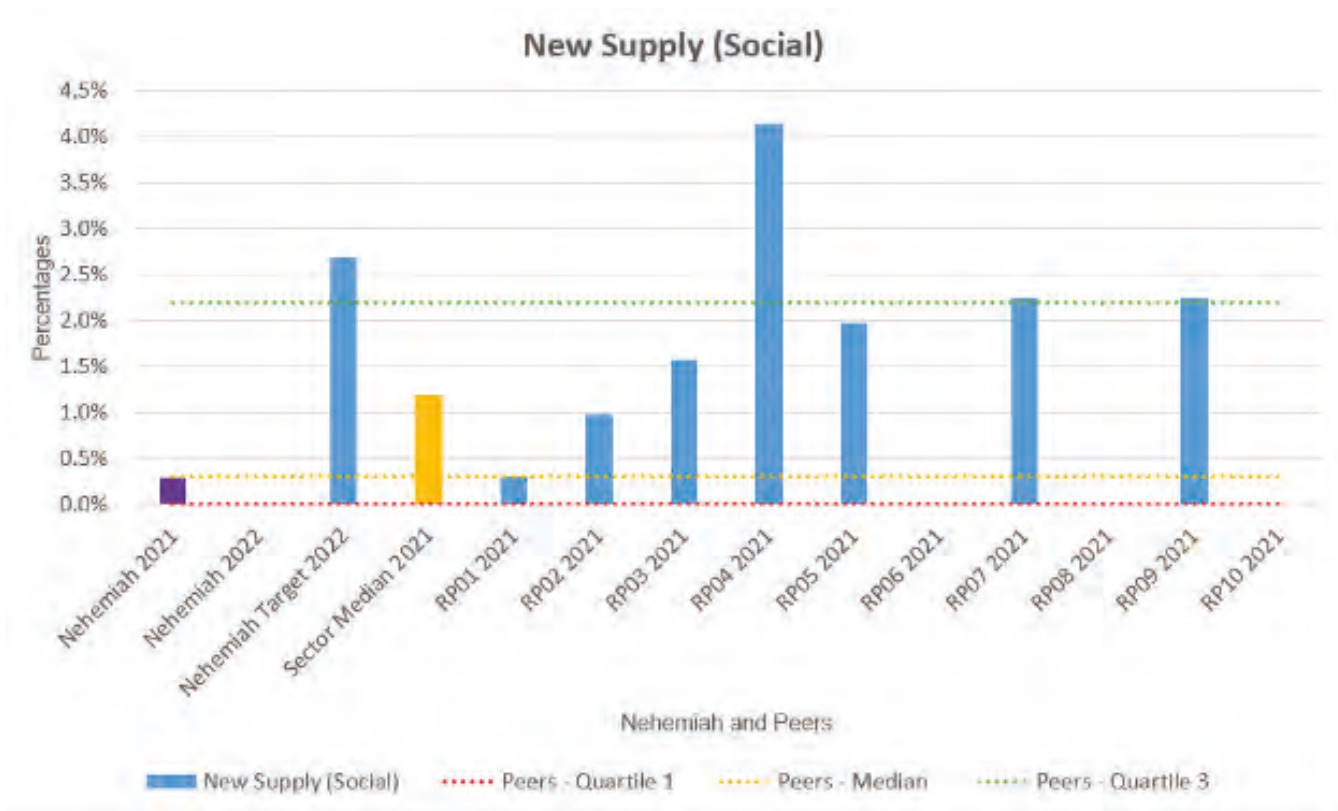
In addition to the normal investment in existing homes, the Association originally had plans for the purchase of 21 new developed homes together with the purchase of 12 homes already managed. Due to development and negotiation delays, completion/ purchase are now expected in August/ December 2022.

The target for 2022/23 will exceed the sector median of 2020/21.



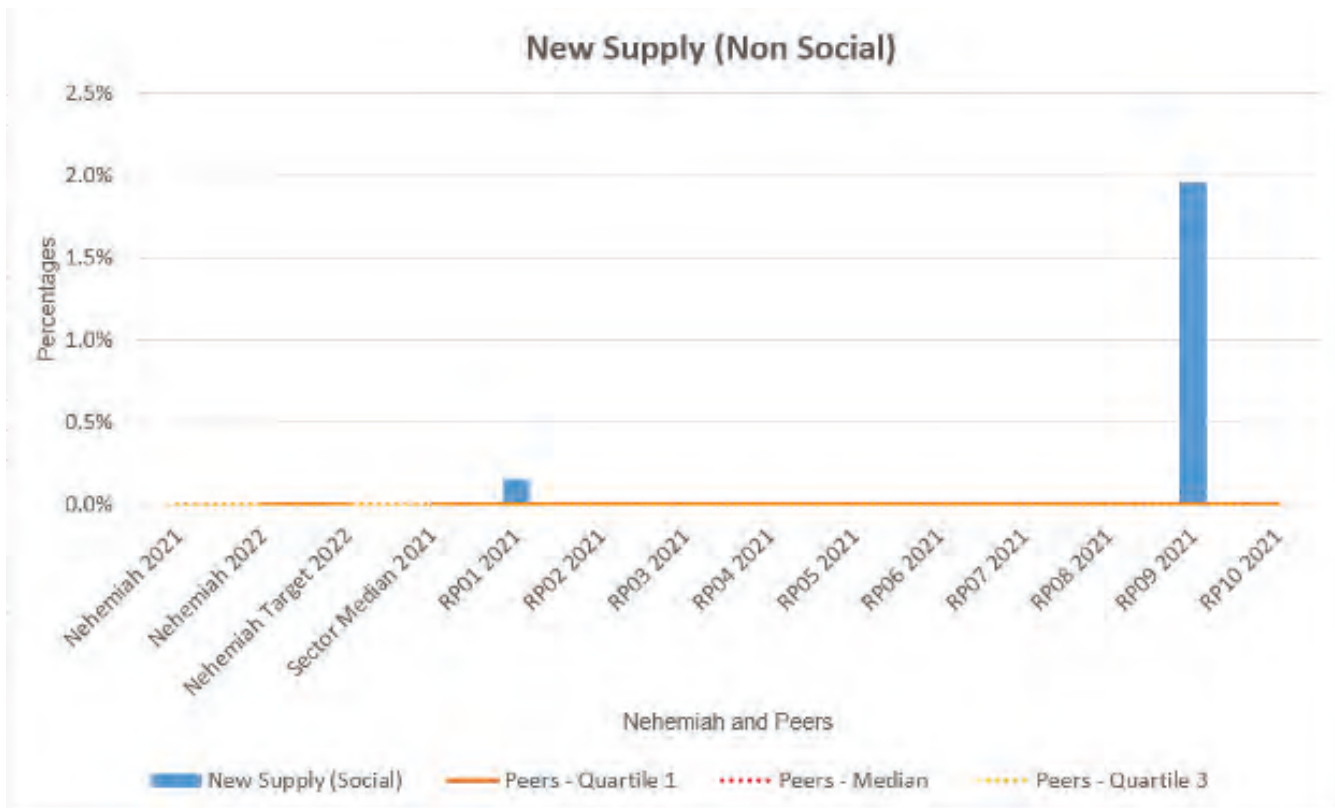
New supply delivered (Social Housing) as a % of total stock	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total units.</i>	0.3%	0.0%	2.7%	1.3%	1.2%	2.7%

Plans for the delivery of 21 new homes planned for Dec 2021 have been pushed back during the year due to economic conditions and supply chain shortages. These are now forecast for August 2022.



New supply delivered (Non-Social Housing) as a % of total stock	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This sets out the number of new non-social housing units that have been acquired or developed in the year as a proportion of total units.</i>	0%	0%	0%	0.21%	0%	0%

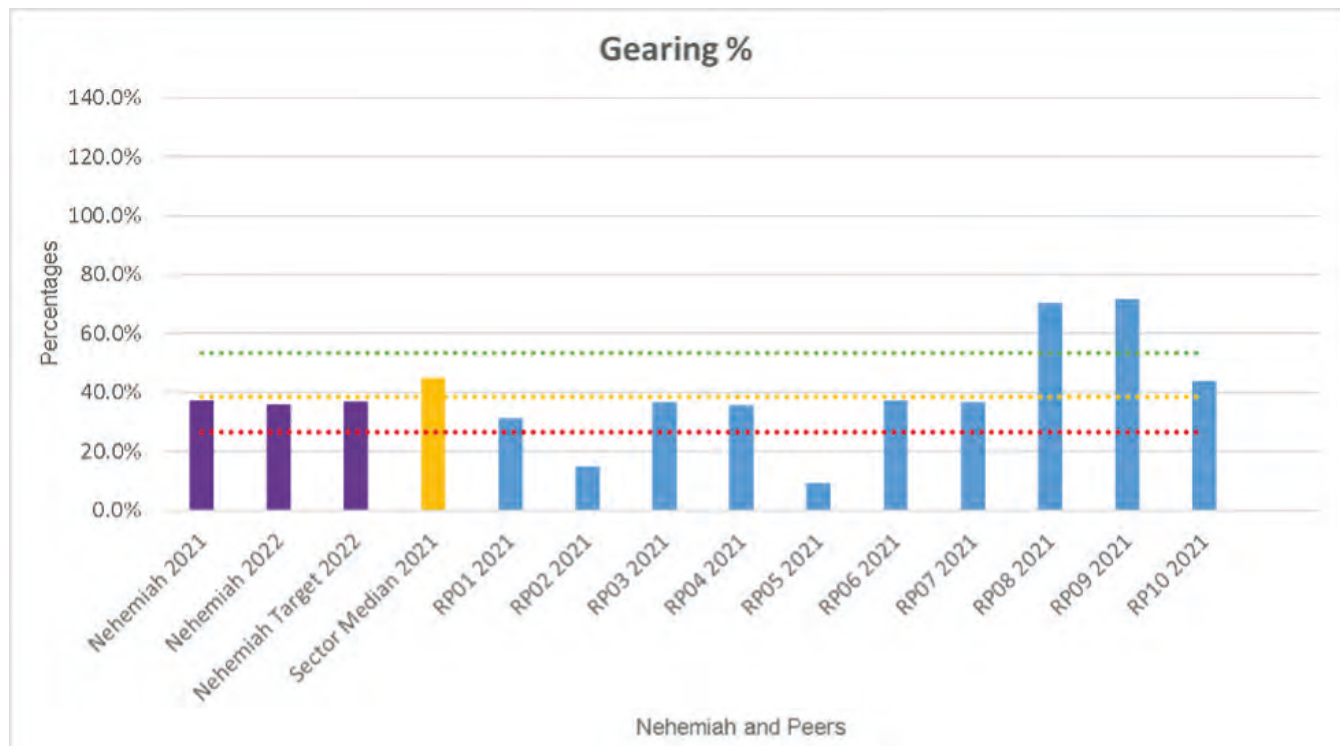
Our priority is the provision of social housing. Therefore, in line with our target and like the rest of our peers, the Association has not made any investment in the provision of non-social housing.



Gearing	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This shows the proportion of our borrowing compared to our assets. High gearing could indicate that we have taken on too much borrowing however low gearing could indicate that we have the capacity to borrow more.</i>	37.2%	35.9%	37.0%	38.8%	44.8%	36.0%

Gearing at 35.9% is lower than the sector median at 44.8% and in line with our target for the year.

Nehemiah currently has £32.1m of drawn loan facilities with a further £4.1m in undrawn facilities and at an advanced stage for a further £3.0m to fund the planned development programme over the next 2 years. Drawdown will increase gearing to a projected 39% in 2023/24 against a gearing covenant of 60%. New developments are to be handed over August 2022. Further developments are planned for April 23 and Dec 2023 but there are currently no named schemes.



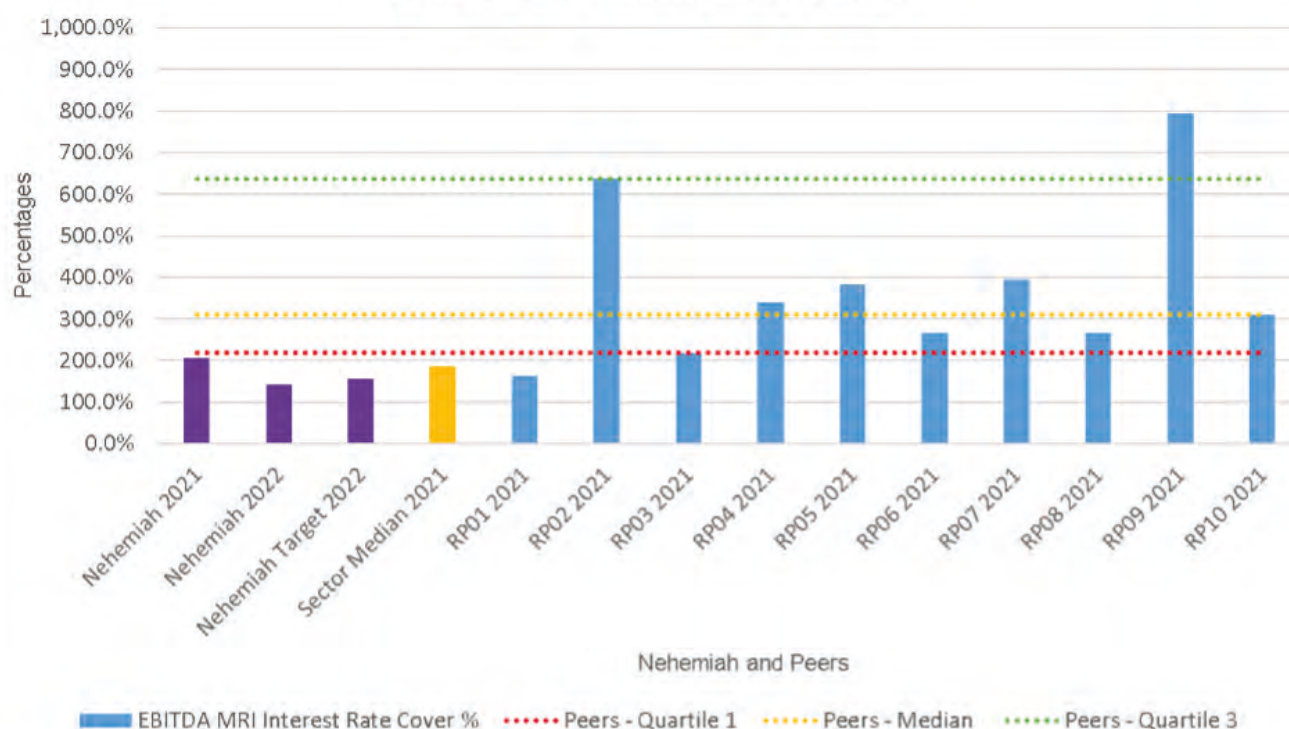
EBITDA-MRI	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This shows how much cash the Organisation is generating compared to interest payments. Any result above 100% means that Nehemiah is generating surplus cash over and above interest payments.</i>	205.0%	141.0%	157.0%	377.7%	186.0%	146.0%

EBITDA -MRI The figure 141.0% for the year, is lower than our target of 157% and our sector median of 186%.

The delays in the development of 21 new homes have impacted on the rental income forecast and the ability to capitalize development interest charges. Board notes that the current disruption in the economy and the incumbent inflationary pressures will present a challenging environment and margins will remain tight.

Board continues to monitor the position regarding covenants and liquidity closely. These feature in all strategic decisions.

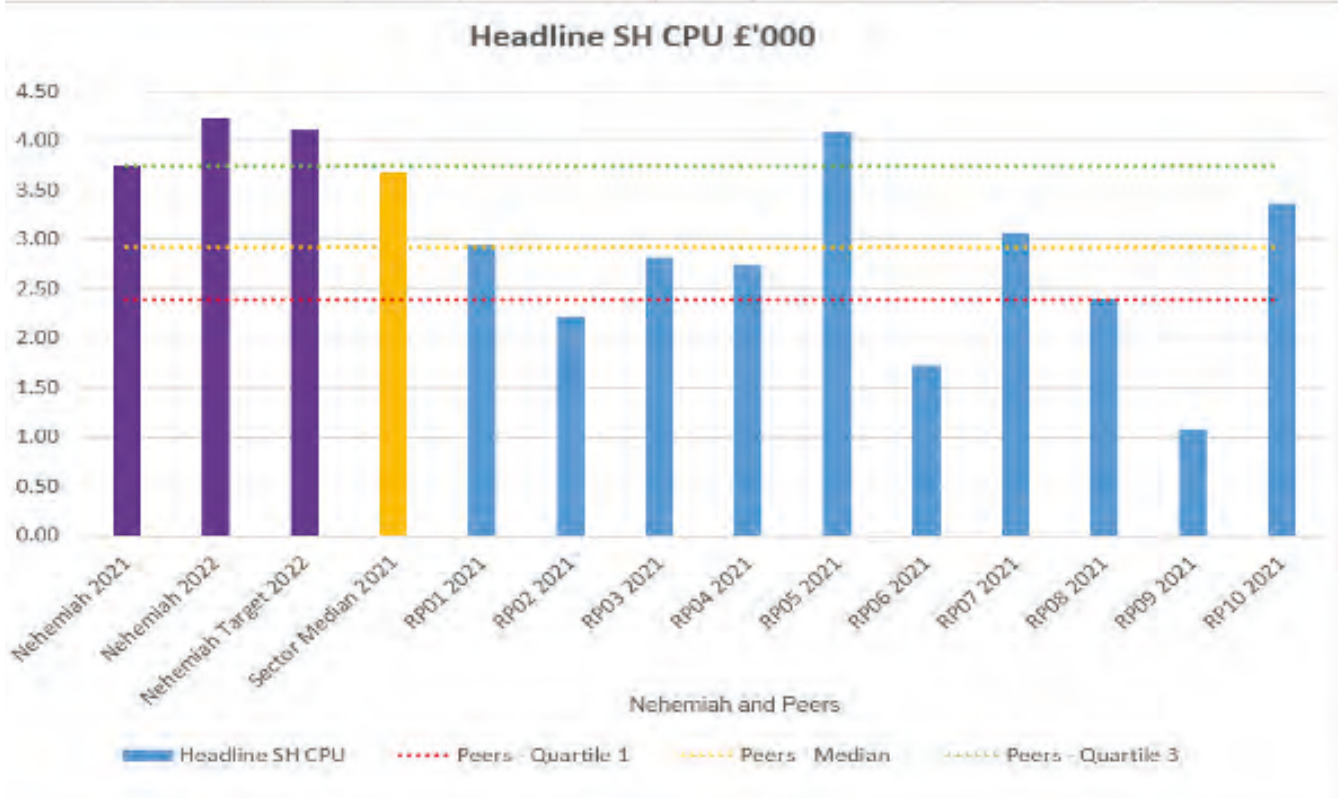
EBITDA MRI Interest Rate Cover %



Headline social housing cost per unit		Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This unit cost metric assesses the headline social housing cost per unit as defined by the Regulator of Social Housing.</i>		3.75	4.38	4.10	2.65	3.68	4.43
a)	Management Cost per unit	1.03	0.90	1.79	0.99	-	
b)	Service charge cost per unit	0.99	1.10	0.61	0.45	-	
c)	Maintenance cost per unit	1.13	1.43	0.95	1.04	-	
d)	Major repairs cost per unit	0.76	0.00	0.46	0.43	-	
e)	Other social Housing cost per unit.	0.06	0.06	0.04	0.07	-	

The Board notes that management costs and service charge costs are higher than comparators. The main factors being the geographical spread of housing stock across 6 Local Authority areas and the added costs of supported housing and housing for older people which represents 25% of our stock. The new contract for responsive repair from April 2021 brought substantial increase of £150k per annum. Cost increases in materials and labour also incurred added costs. Ongoing monitoring of the headline cost disparity will be maintained, but it is understood to be inherent in the nature of the services provided to the target communities.

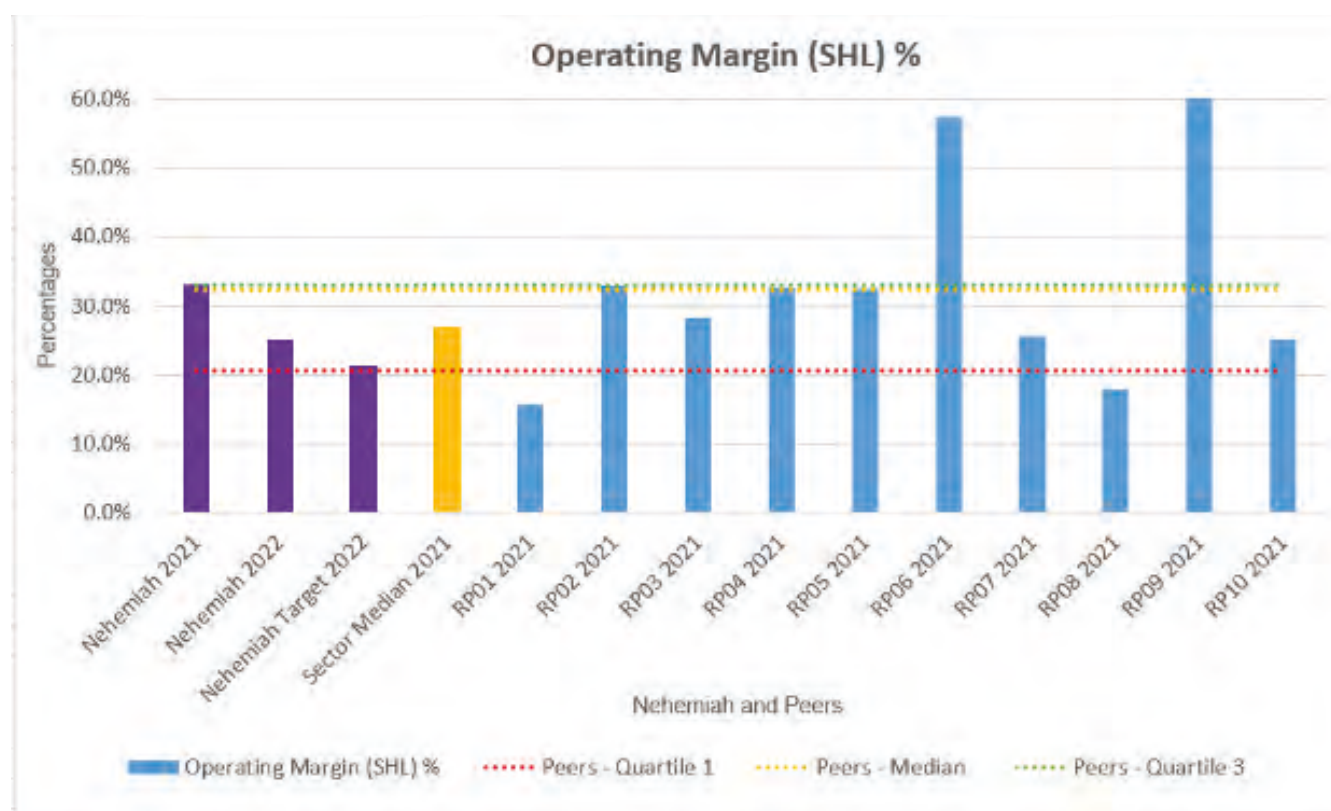
* Sector medians are not provided in the global accounts for these indicators/



Operating Margin % (Social Housing lettings only)	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities from core business activity.</i>	33.1%	25.9%	21.5%	34.7%	26.9%	21.7%

At 25.9% our Operating Margin % (Social Housing lettings only) is broadly in line with the sector median. During 2021/22 £152k planned for responsive repairs was invested in the improvement in homes and this has resulted in an improvement on forecast operating margin.

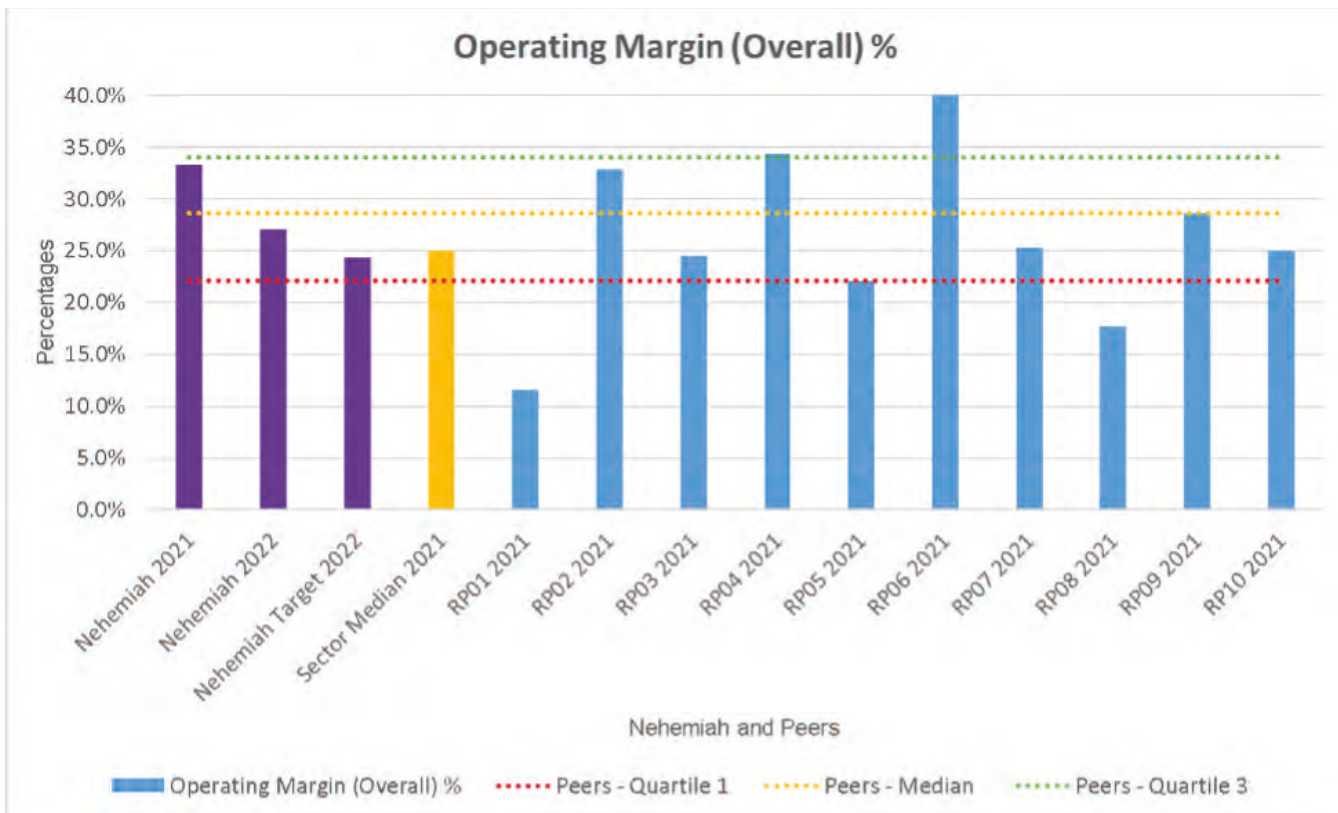
Due to the current economic environment, the Association’s financial plan contains inflationary assumptions of 7 - 8% and a further 4% for repairs & materials. The Board notes that margins will, therefore, be tight for the next 2 years.



Operating Margin % Overall	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities from core business activity. (For 2018/19 social lettings formed 100% of Nehemiah's activity)</i>	33.3%	27.1%	24.3%	27.9%	25.0%	24.5%

The picture with the overall efficiency margin is consistent with “Operating Margin % (Social Housing lettings only)”.

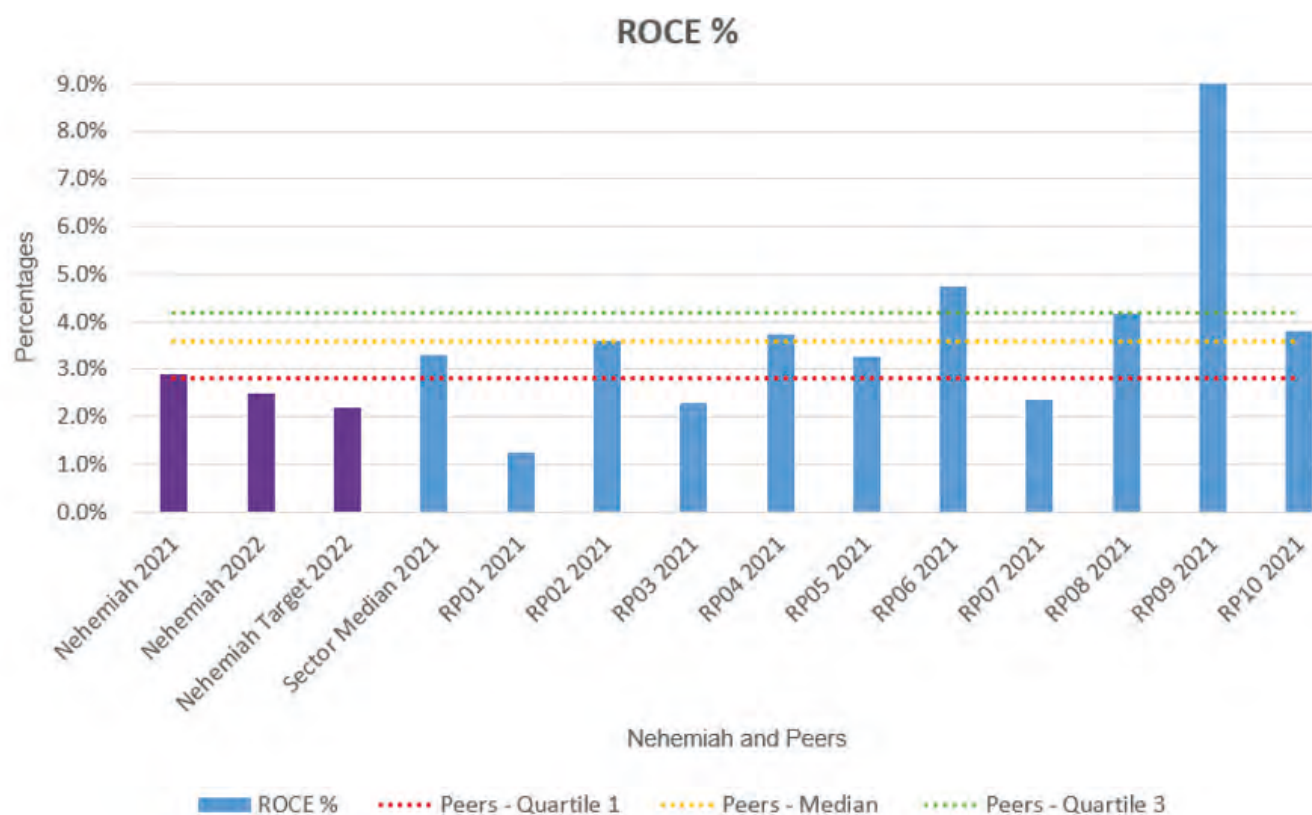
The operating margin in 2021/22 was an improvement on the target due to major repairs costs being capitalised during the year, together with savings in across management overheads.



Return on capital employed (ROCE) %	Nehemiah 2020/21	Nehemiah 2021/22	Target 2021/22	Peers 2020/21	Sector Median 2020/21	Target 2022/23
<i>This metric compares the operating surplus to total assets less current liabilities and assesses the efficient investment of capital resources.</i>	2.9%	2.4%	2.2%	3.8%	3.5%	2.3%

Return on capital in 2021/22 is largely in line with the target for the year. The Board note that ROCE for the Association is lower than our peers and the sector median.

Association has invested £4.8m in recent years on the refurbishment of housing for older people schemes. The investment made to improve homes and secure income streams without generating additional returns mean that margins and returns are expected to be tight over the next few years.



Other Metrics

The following metrics reflect key performance information that reflect our customers satisfaction with the services received from the Association. Information is reported to Operations Committee on a quarterly basis.

Indicator	Target	Achieved
% of emergency repairs completed within target	100%	100%
% of urgent repairs completed within target	95%	94%
% of routine repairs completed within target	95%	85%
% overall satisfaction with the repair service.	90%	83%
% satisfied with last repair	90%	82%
% of schemes/estates inspections completed	100%	71%
% of ASB cases dealt with within response times	100%	100%
% of ASB cases successfully resolved.	100%	95%
Number of customers involved this year	800	1,266
	Target	Achieved
Average repair cost per property	£ 256	£422

The Association also provides value for money through a range of contextual areas:

Value for Money through our Routine Repairs Contract:

Our routine repairs contract, procured with our partner Axis Contractors, has been carefully negotiated to provide added value and contributions to our corporate objectives; namely, Delivering Excellent Services, and People Development and Wellbeing in the following four ways:

1. **Jobs and Apprenticeships:** We support local people into job opportunities that arise from the contract which includes a multi-skilled apprenticeship programme which includes a maintenance operative course. Great emphasis is placed on promoting these opportunities with tenants and members of their family.
2. **Work Placements:** We provide opportunities for our tenants to complete work experience placements with our contractor to give them a 'taste' of what it is like to work in the construction industry.
3. **Schools and college engagement:** We provide an 'inspiration programme' which promotes workshops delivering 'life 'soft' skills and CV writing.
4. **Training:** We currently fund a Sustainability Manager through the contract that delivers training to tenants on fuel efficiency in the home.

Value for Money Through our Partnerships

We are active as community champions within the local authority areas we operate. Below are examples of our added value work we provided to the communities we serve in partnership with organisations with similar corporate values:

1. **Wolverhampton City Council**: We currently provide support services to young parents in Wolverhampton under the age of 18 and coming out of social care. We subsidise the service to ensure that up to nineteen young people develop life skills to maintain tenancies and prepare for life issues once they move on to permanent tenancies.
2. **Coventry Cyrenians**: We currently facilitate a homeless project in Coventry who provide homes and support services to young men in the city with a view to moving them on to permanent accommodation.
3. **Birmingham Mind**: We support two projects in Birmingham providing homes and support to people recovering from mental illnesses. We also provide ongoing support with housing and welfare benefits advice to tenants.

Repairs Performance:

Repairs performance remains strong in relation to repairs turnaround times, investment in our properties, health and safety and compliance. With the introduction of a new contractor and our new social value programme connected to the contract, we aim to improve satisfaction levels further for 2022/23.

Equality, Diversity, And Inclusion

At Nehemiah Housing, we celebrate difference. We believe that diversity and inclusion stimulate creativity, innovation, and success.

Creating a diverse and inclusive environment is a journey of continuous improvement.

Our aim is to understand the needs of our residents, communities, and staff in order to be better placed to meet them. We believe that:

- Good equality and diversity practices improve organizational effectiveness, increase employee motivation and efficiency, and strengthen values within the Organisation.
- Diverse teams are more creative, more innovative and make better decisions which lead to more appropriate services.
- Sound equality, diversity and inclusion practices are an indicator of a modern, forward-thinking organisation that makes its work relevant to all those who need it.

Awards And Recognition

- During the year Nehemiah was an early adopter of the Race Equality Code 2020.
- Nehemiah were successful in achieving the Investors in People Gold standard, which has only been achieved by 17% of accredited organisations.

Approved by the Board on
and signed on its behalf.



JD Dubidat
Secretary



→ Board Report

The Board present their report and the audited financial statements for the year ended 31st March 2022.


Nehemiah
HOUSING

Supporting BAME communities to thrive

Board

The Board

The Board currently consists of ten Members, including the Chief Executive who was appointed to the Board in November 2018. The Association has 1 Committee Member who is not a Member of the Board. There were 6 meetings of the Board held during the financial year.

The following members have held office during the period from 1st April 2021 to the date of this report, unless otherwise stated.



Bishop Wilton Powell OBE

Bishop Wilton Powell, OBE is a leading advocate for international development in a theological context across denominations for the relief of poverty and upholding the dignity of humanity. Chair and founder member of RAFFA International Development Agency Charity, RAFFA was set up to assist and facilitate international denominational links between the Church of God of Prophecy and churches in developing nations.

Bishop Powell is a founding member of Nehemiah and currently serves as Chair. He was also instrumental in the merger of Keynote and Prime Focus housing associations to form Midland Heart. His OBE

was awarded because of his longstanding services to housing. He is a Trustee for Christian Aid International Development, Evangelical Alliance, One People Commission and Queens Theological Foundation for Education.

Bishop Powell is a qualified Mechanical Engineer and Industrial Administrator with a Degree in Engineering, a Master's in Business Administration and is currently completing a Masters in Theology.

Bishop Powell is a well read, well-travelled individual with a passion for people.



Prof. Martin Levermore, MBE DL

Vice-Chair

Prof. Martin Levermore MBE DL is Vice-Chair and Chair of Audit & Risk Committee for Nehemiah and CEO of Medical Devices Technology International Ltd (MDTI). Martin is a Senior Associate of Royal Society of Medicine, a Chartered Member of the Chartered Institute of Securities and Investment, and a Fellow of the Royal Society of Arts.

Prof. Levermore has been published widely in several academic journals and holds an appointment with Birmingham City University (BCU) as Visiting Professor for Health, Education and Life Science and is also an Honorary Consultant for Health Innovations with the Royal Wolverhampton NHS Trust.

Martin also Chairs the Birmingham Commonwealth Association Trade and Business group, Medilink West Midlands (the regions' largest industry body for MedTECh) and is also is an Executive Committee Member of Greater Birmingham Commonwealth Chamber of Commerce.

He is a Member of the British Empire (MBE) for Services to West Midlands' Businesses and Deputy Lieutenant (DL) of the West Midlands.

In May 2021 Martin was appointed by the UK Government as the new Independent Person to advise on the Windrush Compensation Scheme.



Dexter du Boulay MSc, BSc, PG Cert

Dexter du Boulay, Assistant Professor, Coventry University, is a Senior Fellow of the Higher Education Academy (HEA) and an experienced lecturer. His academic and research interests include community development, social housing and social accounting and audit. Dexter is currently the Course Director for Postgraduate Programmes in Career Development.

He is an experienced NGO Director and sits on the Board of two community social enterprises: one supports teenage single

parents through supported housing and the other facilitates disadvantaged people to access the countryside and outdoor activities.

At Nehemiah, Dexter sits on the Operations Committee as well as the Board. He is very committed to Nehemiah being a model of success within the community it serves, being a catalyst for change and development through being an excellent well-run housing association.



Amarjit Singh BSc, MCIQB

Ammo has worked in building and construction for 40 years, focusing on social housing for the past 35 years. This has given him extensive experience at senior level of development and asset management, especially in relationship to major works and property maintenance, including procurement. He is well-practiced in large-scale financial expenditure and contract management. He remains passionate about delivering quality products to the end users by cultivating and communicating a clear vision and values to colleagues, partners,

and stakeholders. With strong strategic, business, financial and risk management skills he has excellent experience of governance in the housing sector and completed the Effective Board Member Programme with the Governance Forum.

Ammo's qualifications include MCIQB (Chartered Institute of Building) and BSc Civil Engineering. He is a Member of the Board at Nehemiah Housing and Chair of the Operations Committee.



Winston Weir B.SC(Hons), IHMS, DMS, CPFA (Treasurer)

Winston Weir has been a non-executive director with Nehemiah since 2016. He sits on the Audit & Risk and Remuneration Committees. He is an experienced NHS Director of Finance and a trustee of a charity which supports children's education and social welfare in Africa.

He is a CPFA qualified accountant by professional background and brings public

and private sector experience to bear in making contributions.

Winston grew up in North West Birmingham but has worked extensively in London and South East England.



Llewellyn Graham BA (Hons), MBA, MAATS

Llewellyn Graham is an experienced Chief Executive Officer who has a proven track record of success in leadership at the highest level within the voluntary, social housing and not-for-profit sectors. He is a visionary leader and social entrepreneur who has the ability to analyse and solve complex organisational problems and implement change successfully. Llewellyn was instrumental in providing leadership and strategic direction

in developing Nehemiah from its embryonic stage to being a successful multi-million-pound social business.

He has and continues to hold several board appointments as a non-executive director, including non-executive directorship at a large Midlands-based social housing group.



Tom Murtha BA (Hons), CIHM

Tom has spent over 45 years in the housing and care sector. He began his career as a community worker in the inner city of Leicester and retired as Chief Executive of Midland Heart, one of the largest housing and care organisations in the UK, in 2012. Tom has served as a chair and non-executive on several housing and care boards and national working parties and groups. He is a previous Chair of HACT,

North Wales HA, Emmaus, and Staffordshire Housing. He is a Trustee of Mayday Trust and a founder member of SHOUT, the campaign for social housing. In 2009, Tom was awarded an Honorary Doctorate by the University of Birmingham for his leadership in the housing sector. Tom received a Lifetime Achievement Award for his work in Housing and Diversity in 2018.



Martyn Hencher CPFA

Martyn is a CIPFA qualified finance director with ten years post-qualification experience in the housing association sector.

He has worked as a Head of Finance at Rooftop Housing Group (6,500 homes) and is now Finance Director at the Pioneer Group (2,500 homes), two housing associations based in the Midlands.

In these roles he has led on treasury management (with loan portfolios up to £300m), internal and external audit, risk and assurance, ICT, business planning and supported an organisation through a Regulator of Social Housing (RSH) In-Depth Assessment inspection process. Martyn serves on the Audit & Risk Committee and the main Board.



Juliana Crowe BA (HONS), MBA

Juliana comes with an extensive background in the social housing sector. She is currently employed as Housing and Communities Director at Rooftop Housing group (a social landlord based in the Midlands). Juliana's experience has given her exposure and responsibilities in delivery of frontline services, housing management, asset management, strategy and policy development and support in a number of RSH In-Depth Assessment inspections.

She has also served in a non-executive capacity in a number of not-for-profit organisations (Raglan, Stonewater, Housing Associations Charitable Trust).

Juliana has a degree in social science and administration, is fellow of the Chartered Institute of Housing and an MBA.

Juliana serves on the Audit & Risk Committee and the main Board.



Tina Mustafa BA (HONS)

Tina has over 30 years' experience in senior leadership roles. Covering a range of roles and organisations, including Walsall MBC, Wolverhampton City Council, Wolverhampton Homes, she is currently Assistant Director Neighbourhoods for Tamworth Borough Council. Tina has substantial transformational and development skills achieved through achieving an MA (Leadership and Change) and is also a

Fellow of Chartered Institute of Housing and Fellow of the Institute Leadership and Management.

She is a member of HQN, HouseMark, the National Housing Federation and ARCH.

She is a member of the Board and sits on the Operations Committee.

Executive Committee



Kevin Fearon

Director of Operations

Kevin has a successful career in social housing spanning over 30 years, working for some of the largest housing associations in the region. He has spearheaded and developed multi-million-pound, innovative housing developments and community-based programmes with a focus on delivering culturally-sensitive housing services,

employment and homes to black and minority ethnic communities. Kevin holds several non-executive directorships within the financial and voluntary service sectors, and always seeks opportunities to support people and organisations in achieving their full potential.



Patrick Bryan

Director of Finance

Patrick has been involved in social housing for over 30 years. After training and working in several audit and accounting firms, Patrick has worked in an executive finance role in a national charity, served as a board member for a regional housing

group and acted as trustee for several academies in the Midlands. Patrick maintains active involvement in several charitable organisations in a non-executive capacity, making contributions to financial governance and strategic management.



Janet Dubidat

Company Secretary

Janet currently works for Nehemiah as Head of Governance & Company Secretary serving in an executive role within the organisational structure reporting directly to the Chief Executive, having responsibility for the provision of the Company Secretariat function in all its various elements. In addition, she is also responsible for the Human Resources function and the Corporate Services functions. Janet serves as a key partner to the Board and Executive Team in these functional areas.

Previous experience includes role of Company Secretary to a National Charity of an international organisation.

Qualifications are a Postgraduate Diploma in Personnel and Development with professional membership as a Chartered Member of the CIPD and MBA qualification. Janet is also a member of the Association of Corporate Governance Practitioners.



Nehemiah Statutory Accounts Governance Report 2021/2022

Governance

During the last twelve months, the Board has engaged in several activities that demonstrate a continued commitment to good governance across the organisation. There are clear and transparent processes in place which contribute to governance effectiveness and the ability to be strategic in the boardroom.

The most recent regulatory judgements conclude that in relation to governance, Nehemiah is G1/V2. Nehemiah continues to be compliant with the Regulator of Social Housing Regulatory Standards. The Board is firm in its commitment to working constructively with the Regulator in the spirit of co-regulation.

Nehemiah complies with its adopted Code of Governance and Conduct (National Housing Federation Code of Governance (2015) and the Code of Conduct (2012)). These guidelines set the tone for how governance systems direct and oversee the way business is conducted within the Organisation. In line with recommendations, Nehemiah has formally adopted the NHF Code of Governance 2020 from April 2022.

During the year, Nehemiah's governance was independently evaluated by Campbell Tickell (a leading business management consultancy). This was an in-depth and robust process allowing the Organisation to assess its governance practices and ensuring that good governance was demonstrable as a 'golden thread' in the business. Nehemiah is working through several recommendations.

Nehemiah is 100% compliant in relation to the Decent Homes Standard.

Board Activity

The primary role of the Board of Nehemiah is to set the strategic direction of the Organisation, to ensure compliance with its mission, vision, values and objectives, and to ensure its long-term success. The Board also has responsibility for the overall control of the organisation and the conduct of its business to ensure that it is:

- Financially viable,
- Well governed; and
- Properly managed.

In addition, the Board's role is to carry out certain functions as set out in the Organisation's Rules, and to delegate any of its powers under written terms of reference to its committees and/or Executive Team, where necessary.

The purpose of the Board is to lead the Organisation within a framework of sound governance, continuous improvement, and prudent control, which enables risks to be properly assessed and managed. The Board also has responsibility for the oversight of equality and performance.

The key activities of the Board and Committees during the financial year have included, but are not limited to:

- Review of its vision, mission, values and business objectives
- Performance review of Corporate Strategy: Growing Stronger Together 2020/23
- Review and embed governance at all levels of the Business
- Approval of Risk Management and Assurance Framework
- Review of Board reporting
- Statutory and regulatory returns
- Internal and external audits
- Financial planning projections and stress testing
- Asset and liabilities register review
- Treasury management
- Asset management
- Approve relevant policies
- Consideration of new approach to reporting of building compliance and health & safety performance to the Board.

Board Members continue to have collective oversight and ownership of the Risk Management Framework and of the systems of internal control and associated assurance. The Board provides clear oversight of the work of the Executive and there remains a good but challenging relationship between the Board and the Executive, the Executive being held to account for delivery of the Organisation's strategy and targets and ensuring that our tenants are at the heart of all that we do.

During the pandemic the Board continued to meet virtually to ensure its ongoing strategic oversight of the Organisation, including reviewing the welfare of its customers and staff.

Board Effectiveness Review (Ber)

The Board Effectiveness Review was undertaken to primarily ensure that the appropriately skilled Board were in place to effectively manage the affairs of the Organisation. Also, that the Board reviews and manages its performance and continues to comply with the NHF Code of Governance.

As part of this year's BER, the activity undertaken has included, but is not limited to:

- Governance Improvement Evaluation
- Review of strategic policies, such as relates to mergers and strategic partnership
- Succession Review for Board and Committee Members
- Appraisals (Board Chair and CEO)
- Committee Meetings Appraisal

Statement Of Internal Control

The systems of internal control within Nehemiah comprise the processes for assuring achievement of our strategic objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies. The following table sets out the key components of the systems of internal control within Nehemiah together with the contribution each component makes.



Control System	Contribution
Governance Arrangements	Nehemiah's governance arrangements, as described in this report, provide regular and significant oversight of and scrutiny over the Business and its performance.
Terms of Reference for the Audit & Risk Committee	Provides for a detailed system of scrutiny and checking of the effectiveness of management processes using both internal and external sources of assurance
Whistleblowing/ anti-fraud measures	Whistleblowing and anti-fraud policies are approved by the Board and their effectiveness monitored by Audit & Risk Committee.
Policy, strategy and procedure sign-off and ongoing review process	Leads to strategies, policies and procedures which are designed to comply with the law and are and remain fit for purpose. This includes the 'Finance Policy: Controls & Procedures' which sets out the levels of financial delegation from the Board to officers.
Performance information - Non-financial (e.g. key performance indicators)	Regular reporting of operational performance information to Board, Committees and Executive Committee allows for review of performance and prompt action to be taken where performance is below target levels. This includes monitoring delivery against targets in Corporate Plan.
Performance information – Financial (e.g. management accounts and budget reports)	Regular reporting of financial performance information to Board, Committees and Executive Committee together with a forecast of financial performance to year end. This allows any deviation from agreed budgets or failure to meet financial KPIs (or any future risk of this occurring) to be quickly identified, and any necessary remedial measures to be agreed.
Value for Money Strategy	The strategy provides a road map to ensure that the Association is delivering services in the most efficient manner whilst meeting the needs of our tenants, other stakeholders, and wider communities. Striking the right balance between costs and quality will inform investment decisions that lead to recurring savings to support the ongoing viability and growth of the Organisation.

Control System	Contribution
Treasury management	Monitoring compliance against obligations to lenders (including in relation to performance against financial and non- financial covenants) and external treasury risk factors, whilst also proactively taking steps to improve the efficiency - and reduce risk - of our loan book. It also ensures we have sufficient cash to meet short-term commitments and access loan facilities sufficient to finance long-term plans and commitments.
Resilience Plan	<p>The Resilience Plan is a framework outlining Nehemiah's response in the event of significant issues threatening the viability or management of the Business. The document has been developed in response to the Regulatory Framework and aligns with Nehemiah's:</p> <ul style="list-style-type: none"> → Risk management and controls framework → Financial forecasting → Business plan stress testing and application of mitigations → Asset and liabilities register
Appraisal of investment decisions	All housing new-build and stock transfer investment decisions and other major commitments are subject to appraisal and approval by the Board.
Internal Audit	Internal audits are carried out in an audit programme focusing on the areas of highest risk within the Business. This is an outsourced service which is delivered by our advisers, RSM UK. The audit areas are determined by Audit & Risk Committee annually by reference to a rolling 3-year programme which aims to ensure all key risk areas are audited at least every 3 years. Audit reports then identify any control weaknesses or areas for improvement and require management to implement corrective actions in relation to those areas of weakness/ improvement.
Quality assurance reports	These look at specific areas of operational performance in our customer services, and the outcome of these are reviewed at Executive Committee and Operations Committee.
Regulatory Standards Compliance	An annual self-assessment report provides evidence of compliance against the RSH Regulatory Standards which is reviewed by Board and enables the Chair, on behalf of the Board, to certify compliance against the Regulatory Standards.
Health and Safety risk monitoring	A Risk Management Group (incorporating Health & Safety) meets quarterly to monitor the extent to which Nehemiah is meeting its Health & Safety responsibilities. Reporting of Health & Safety is reviewed by the Executive Committee, Operations, Audit & Risk Committee and Board to determine if Health & Safety Risks are being adequately managed and where key actions are required.

Key elements from our assurance framework are as detailed below:

- Internal audits
- External audits
- Statutory compliance performance dashboard and report to Board relating to fire risk, asbestos, gas safety, legionella, electrical testing, lift maintenance, health & safety and safeguarding
- Business continuity planning and disaster planning which is independently assessed
- Fraud reporting including annual fraud report submission to the Regulator of Social Housing
- Whistleblowing reporting – register checked on a quarterly basis
- Regulator of Social Housing regulatory judgement - most recently issued in July 2021
- Experienced and qualified staff who can undertake their responsibilities for business functions
- Employee Performance Management Framework – annual appraisal to assess continued performance
- Budgets and financial planning – for the review of prudent financial management on a consistent basis which is supported by relevant narrative.

While the Board is ultimately responsible for ensuring the implementation of an effective system of internal control both the Audit & Risk and Executive Committees acknowledge their respective responsibilities for overseeing and operating an effective system of internal control within Nehemiah.



Audit & Risk Committee

The Audit & Risk Committee is chaired by **Professor Martin Levermore MBE**.

The Audit & Risk Committee is chaired by Professor Martin Levermore MBE and has the primary role to oversee the day-to-day Audit & Risk functions of the Organisation.

The Committee is responsible for six key areas, delegated to it by the Board which are:

- Monitoring the integrity and effectiveness of Financial Reporting and External Audit
- Agreeing and monitoring the delivery of Nehemiah's Internal Audit Programme
- Monitoring the effectiveness of Nehemiah's Risk Management and Internal Control Systems
- Overseeing the effective implementation of Nehemiah's Health & Safety Policy
- Oversight of the compliance with Whistleblowing and Fraud Policies And Procedures
- Compliance with Regulatory Standards and NHF Code of Governance

There were four meetings of the Audit & Risk Committee which were quorate with an average attendance of 93.75% compared to 94.44% for year ended 2021.

The key activities of the Audit & Risk Committee during the last financial year have included (but are not limited to) the review of:

- Financial Reporting
- Registers (fraud, gifts and hospitality, whistleblowing, data breach and health & safety)
- General Data Protection Regulation (GDPR)
- Resilience Plan
- Internal audit plans and reports
- External audit plans and reports
- Internal Controls and Risk Management, including agreeing risk appetite in pursuing business objectives.
- Compliance submissions
- Non-financial covenants
- Report by the Money Laundering Reporting Officer (MLRO)
- Policy review schedule
- Value for Money (VfM)
- Review annual report detailing compliance with relevant laws and regulations

In addition, the Committee:

- Made recommendations to Board for the appointment of external auditing services.
- Held a private meeting with external auditors in reviewing the annual audit.

During the pandemic the Committee continued to meet virtually to ensure unbroken oversight of the effectiveness of internal controls and systems and operational effectiveness, providing assurance to the Board.

Impact of the Committee's work

The work of the Committee has supported the robust discussions and challenge of the Association's policies and procedures, compliance and VfM performance. Internal Auditors have judged that "The Organisation has an adequate and effective framework for risk management, governance and internal control."

The challenge and oversight of this Committee has supported the Association to perform at a high level, delivering high customer satisfaction levels.



	Target	Achieved
% of routine repairs completed within target.	95%	86%
% overall satisfaction with the repair service.	90%	83%

Operations Committee



The Operations Committee is chaired by **Amarjit Singh**.

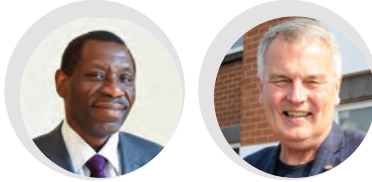
The role of the Operations Committee is to oversee the day-to-day operations of the Organisation's housing and property services functions. The Committee also oversees housing and asset management, monitoring of KPIs, income collection, I.T. and development functions of the Organisation as relates to tenant services. In essence, its purpose is to consider overall operational effectiveness.

The key activities of the Operations Committee during the last financial year have included (but are not limited to) the review of:

- Asset Management Strategy
- Health & Safety Compliance
- Statutory compliance, such as gas servicing, legionella, fire risk assessments and lift maintenance
- Customer Engagement Strategy
- Key Performance Indicators (KPIs)
- Welfare Reform
- Policies (including gas servicing, asbestos, and legionella)
- Housing and Property Services functions
- Internal Audit (including Health & Safety - Electrical and Fire Safety)
- Regulatory Consumer Standards

During the pandemic, the Committee continued to meet virtually to ensure unbroken oversight of operational effectiveness and continued services to customers.

Remunerations & Nominations Committee



The Remunerations & Nominations Committee has been chaired by **Winston Weir** and subsequently **Tom Murtha** until March 2022.

The primary role of the Remuneration & Nominations Committee is to oversee the Organisation's pay and reward strategy for Non-Executives and Executives. The Committee also considers the structures and systems required to effectively lead the Organisation in relation to remuneration, nominations, and associated matters.

The Committee ensures that the Organisation has the appropriate policies and procedures to attract, retain and motivate members of the executive management and the wider staff team.

The Committee is also responsible for making appropriate recommendations on the issues within its terms of reference to the Board.

The key activities of the Remunerations & Nominations Committee during the last financial year have included (but are not limited to):

- Considering the performance review of the Chair
- Consider the performance review of the Chief Executive
- Board and Committee Succession Planning
- Executive Team succession planning
- Board recruitment
- Make recommendations to Board regarding plans for an annual pay review
- Consider plans in the organisational structure review prior to Board sign-off
- Reviewed management KPI's relating to human resources management
- Terms of reference review
- Pay and remuneration
- Executive Team review
- Discussed Leadership Development Programme (i.e. 'Nehemiah University')
- Cyclical review of HR and remuneration policies

The Board will continue to implement robust systems for the appraisal of its work and that of its committees, supported in various aspects with external and independent facilitation, as deemed appropriate. The Board will continue to reflect on the needs of the Organisation and make appropriate changes to HR policies and procedures. Such changes will ensure that work on appraisal processes, skills assessments and succession plans are triangulated, and thus ensure maximum effectiveness in positively influencing corporate performance.



Impact of the Committee's work

Facilitation of strategic pensions review.

Support organisational review.

Review of performance management system.

Pay and remuneration review.



Customer Involvement

Nehemiah recognises that customer involvement is key to ensuring that we take account of their input in the delivery and improvement of our services to satisfy the objective of delivering excellent customer service with respect.

In line with regulatory requirements for the tenant involvement and empowerment standard, Nehemiah involves as many customers as possible, in the spirit of co-regulation and improvement of services with the aim of sustaining tenancies, ensuring services are accessible, delivering a high-quality customer experience and representing value for money.

Our approach is to ensure that, where possible, there is fair and appropriate demographic representation of customers and encouragement is given to promoting diversity, equality and inclusion.

The voice of our customers is facilitated predominantly through a combination of the undertaking of independent transactional survey reviews of all our core services and the Nehemiah Tenant Panel.

As noted earlier in this report, we have reviewed our Customer Engagement Strategy and have an appointed Customer Engagement Officer to ensure that our customers voices are really heard and have a positive impact in delivering improved services.

We have maintained contact with our customers via a suite of social media such as Facebook, Twitter and our website and have posted printed copies of relevant literature to ensure that they were kept up to date. We were also able to signpost individuals to community support networks such as churches, foodbanks and advice services.



Just wanted to text to say thank you so much for your help and support with Severn Trent. They have come to a resolution and will refund us."

Once again, if it was not for your help, this would not have been a weight lifted from our shoulders."

– Bano

Risk And Control

The Risk Management and Assurance Framework has been fully operational from April 2020. Risk Management is a standing meeting agenda item for Board, who receive a dynamic report illustrating movements in risk profiles. The Risk Register is regularly presented to the Board allowing the opportunity to challenge and seek further assurance over the management of risk, as appropriate.

The Audit & Risk Committee undertake significant scrutiny of risk and control matters, but the Board retains overall responsibility for the design and effectiveness of the Risk Management Framework.

Assurance reports provided to Board on key areas of risk have included:

- Management reports, supported with appropriate commentary for clarification
- Quarterly management accounts
- Review of reports against Nehemiah's corporate strategies
- Report on specific activities including Risk Management, Statutory Compliance and Health & Safety.

Top Ten Risks			
Rank	Risk Ref	Details	Current risk profile
1	Strat- 23	Government targets for 'zero carbon' will place unsustainable demands on resources and impact long-term financial plans.	12
2	Strat- 9	Cyber Security breach.	10
3	Strat- 4	Inflation / supply chain disruption due to Brexit, COVID-19 and conflict in the Ukraine.	9
4	Strat- 22	Current plan shows that £9m of loans with Triodos revert to variable terms December 2022. Potential inability to renegotiate new loans on favourable terms.	9
5	Strat- 7	Interest Cover covenant breach.	9
6	Strat- 2	Tenant and staff safety due to COVID 19 outbreak.	6
7	Strat- 3	Health & Safety breach.	6
8	Strat- 18	Rent Settlement agreement changed by Government.	6
9	Strat- 10	Risk Management and Assurance Framework not implemented effectively across the Organisation.	6
10	Strat- 8	Failure to implement effective IT Strategy.	6

The top ten risks above are judged to be those where the Association faces the greatest exposure to events with the potential to adversely impact the delivery of corporate objectives.

Risk have been scored using two main components, impact and likelihood.

- Impact is a reflection of the damage or loss that may be caused by an event.
- Likelihood is an indication of how often we can expect a particular event to occur.

Taken together, they give an indication of our 'exposure' to risk (i.e. how much we can expect to be impacted by unwanted or unplanned events).

The Risk Management Assurance Policy delegates the oversight and monitoring of the Risk Register as follows:

Risk Register	Control and Assurance
Strategic Risks, Finance & Treasury Management, Operations and Compliance	Executive Committee
Strategic Risks	Audit & Risk Committee
Top ten strategic risks	Board

Training, Succession And Induction

A documented, comprehensive induction process supports the induction of new Board Members, including an induction checklist which helps the Board to identify and monitor any training and development needs. The induction includes site visits and presentations from the Executive Team. The induction process also provides the mechanism for the inductee to comment on the process so that appropriate adjustments can be implemented for future inductions.

Regular work is undertaken on succession and skills which helps to inform recruitment campaigns. Board Members are encouraged to attend training and are supplied with details of training opportunities. In addition, training opportunities and knowledge-sharing is also part of board meetings. The following training and conference events have been undertaken by Board members during the last financial year:

- Sector Risk Profile
- NHF Code of Governance 2020
- Social Housing White Paper
- Cyber Security Risk Awareness
- Marketing and Communications Workshop

Nehemiah has adopted the NHF Code of Governance relating to board tenure to encourage a continual refreshing of skills and to ensure that the right skills can be recruited to Board to meet the evolving needs of the Organisation.

Environmental, Social & Governance Performance Review 2021/2022 (Esg)

At Nehemiah, we know that our impact on the world is significant. We're conscious of the need to build more genuinely affordable homes, as well as working hard to ensure that social purpose is built into everything that we do.

We are committed to ensuring our Environmental, Social and Governance (ESG) credentials are strong, investing in the services we consider to be basic human rights. These speak directly to the UN's Sustainable Development Goals – eliminating hunger and poverty, reducing inequalities, enhancing wellbeing, providing shelter, investing in infrastructure, supporting employment and local economies, creating sustainable communities and places, and addressing climate change.

Nehemiah has undertaken its first ESG Performance Review for the year ended 2021/22, utilising an assessment framework composite of the Sustainability Reporting Standards for Social Housing devised by RSM UK.

We will be publishing this report later in the year which will include some key actions for us to further improve our performance. In the meantime, we add our ESG Maturity Matrix below for information.

Increasing ESG Maturity				
	1. Awareness	2. Defining and reporting	3. Managing	4. Maturity
	What you know and how you compare	Defining your ESG values, reporting and your approach	ESG built into business processes / cultural change	Embedded and supporting business decisions
Environmental	Environmental matters are considered at certain levels of the organisation.	A defined Environmental approach at all levels of the organisation.	An established Environmental approach with clear 'thread' throughout the organisation.	Environmental matters directly inform organisation planning and supports decisions.
Social	Social matters are considered at certain levels of the organisation.	A defined Social approach at all levels of the organisation.	An established Social approach with clear 'thread' throughout the organisation.	Social matters directly inform organisation planning and supports decisions.
Governance	Governance matters are considered at certain levels of the organisation.	A defined Governance approach at all levels of the organisation.	An established Governance approach with clear 'thread' throughout the organisation.	Governance directly informs organisation planning and supports decisions.
Culture	Pockets of ESG knowledge and awareness.	ESG awareness raising and growth in understanding.	ESG is defining the organisation's culture, embraced by staff and stakeholders.	ESG culture is defined and lived across the organisation.
Strategy (ESG values)	Strategic considerations and ESG values being discussed.	Strategy in place with clear ESG values.	Strategy and values flow through all policies and procedures.	Linkages between business decisions, strategy, and ESG values.
Monitoring and reporting	Informal discussions and communications. Awareness of reporting requirements.	Defining requirements and processes to support reporting. Consistent approach to data capturing.	Reviewing, challenging, and implementing change. Confidence in reporting approach and quality of data.	Monitoring and reporting informing business change.



Just to say a big thank you for sorting out the draught problems in the bedroom and also the sensor light at the front door at number 7... Much appreciated!"



The Board

The Board consists of 10 Members for the year ended 31 March 2022, including the Chief Executive as an executive board member. The Association has one tenant Committee Member who is not a member of the Board. Six meetings of the Board were held during the financial year. One Board Member resigned during this period.

Mergers And Partnerships

Nehemiah has adopted the National Housing Federations' Merger Code. The principal of this code forms the basis of Nehemiah's Merger and Strategic Partnership Policy and Procedure which provides a framework for Board to undertake appropriate due diligence in evaluating any such proposals.

Diversity (Board)

Gender
25% of the Board Members are female
75% of the Board Members are male
Age
17% of the Board Members are aged between 26 and 40
58% of the Board Members are aged between 41 and 64
25% of the Board Members are aged between 65 and over
Ethnicity
8 Board Members are from BAME backgrounds - 80%
2 Board Members are from a White British background- 20%
Disability
25% of board members indicated a disability

NB. As a BAME-led Organisation, Board membership reflects the communities served.

Members Attendance From 1st April 2021 To 31st March 2022

Board Member	Main Board	Audit & Risk Committee	Operation Committee	Remuneration & Nominations Committee
Total number of meetings	6	4	4	4
Wilton Powell	5	-	-	4
Martin Levermore	5	4	-	2
Amarjit Singh	4	-	4	4
Winston Weir	5	4	-	1
Dexter du Boulay	4	-	4	-
Juliana Crowe	4	3	2	-
Tina Mustafa	3	-	2	-
Tom Murtha	3	-	-	4
Martyn Hencher	4	4	-	-
Llewellyn Graham	5	-	-	-

Overall Board and Committee meeting attendance was 85.32%.

Statement Of Compliance

In preparing the Operating and Financial Review and Board report, the Board has followed the principles set out in the Housing SORP 2014 and FRS 102.

Code Of Governance And Governance Financial Viability Standards

There are no known instances of non-compliance with the NHF Code of Governance. On an annual basis, Nehemiah completes the NHF Checklist which offers the Board assurance on how the Association is complying with the Code.

The Board has formally assessed its compliance against the Governance and Financial Viability Standard of the Regulator of Social Housing and confirms that the Organisation is compliant.

Remuneration

Details of honoraria payments made to non-executive Board and Committee Members during the financial year is as follows:

	£		£
Wilton Powell	5,100	Martyn Hencher	2,550
Martin Levermore	3,060	Tina Mustafa	2,550
Amarjit Singh	2,805	Tom Murtha	2,550
Winston Weir	2,805	Dexter Du Boulay	2,550
Juliana Crowe	2,550	Neelam Samra *	765

** Committee Member resigned January 2022.*

Board Members and Executive Directors

The Board has delegated day-to-day management of the Association to its Executive Directors who are led by the Chief Executive, and these Directors control the operations of Nehemiah Housing. The Executive Directors were as follows at 31st March 2022:

- Llewellyn Graham - Chief Executive
- Patrick Bryan - Director of Finance
- Kevin Fearon - Director of Operations
- Janet Dubidat - Head of Governance & Company Secretary

Responsibility For The System Of Internal Controls

The Board acknowledges that it has the overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness to provide the necessary assurances in accordance with the NHF Code of Governance and the Regulator of Social Housing's Regulatory Standards.

Scope of Assurance

No system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that the key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Association's assets and interests.

Policy for Dealing With Fraud

Nehemiah recognises the importance of protecting the Organisation, its operations, its employees and its assets against financial risks, operational breaches, and unethical activities. Therefore, it is incumbent upon the Board and Officers of the Association to clearly communicate the Fraud Prevention Policy to both internal and external customers, suppliers, and partners with whom the Association is involved. Nehemiah recognises a zero-tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and properly investigated.

Statement Of Board Responsibilities

The Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008 require the Board to prepare financial statements, in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enables it to ensure that the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, and the Statement of Recommended Practice for Registered Social Housing Providers 2018. It is also responsible for establishing and maintaining a satisfactory system of internal control and safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

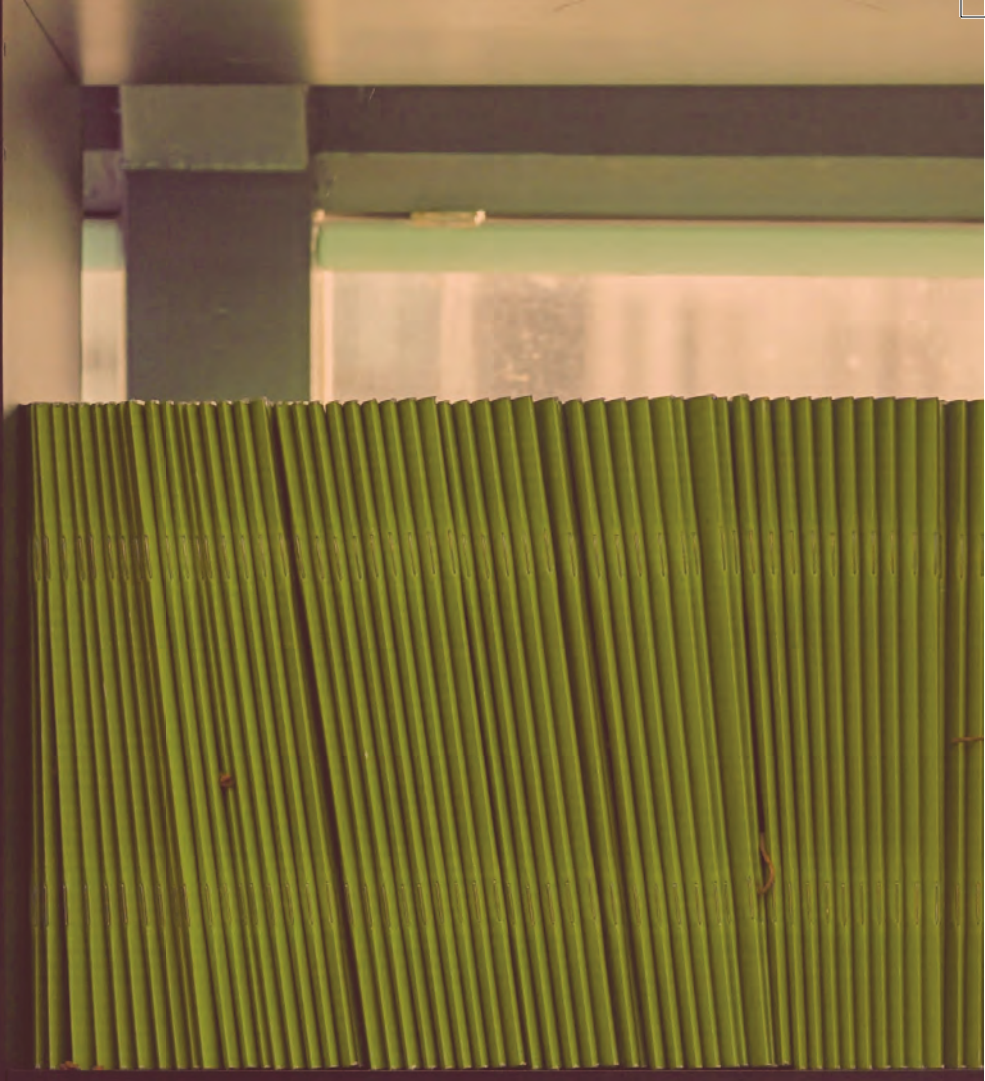
All the current Board members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Association's auditor for the purpose of the audit and to establish that the auditor is aware of that information. The Board members are not aware of any relevant audit information of which the auditor is unaware.


A resolution to appoint the external auditor will be proposed at the forthcoming Annual General Meeting.

Approved by Board on 29 July 2022
and signed on its behalf.



JD Dubidat
Secretary





Independent Auditor's
Report to the Members
of **Nehemiah United
Churches Housing
Association Limited**



Nehemiah
HOUSING

Supporting BAME communities to thrive

Opinion

We have audited the financial statements of Nehemiah United Churches Housing Association for the year ended 31 March 2022 which comprise the Company's statement of comprehensive income, the Company's statement of financial position, the Company's statement of changes in reserves, the Company's statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of the Company's surplus 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 Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

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 financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the Company has not kept proper books of account; or
- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of the Board's responsibilities set out on page 33 and 34, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board is responsible for assessing the 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 Board either intends 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of Nehemiah United Churches Housing Association, its undertakings and their industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate performance and management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquires of the directors and management on whether they had any knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
2 Chamberlain Square
Birmingham
B3 3AX

Date: 8th August 2022



David Hoose
Auditor

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March 2022

	Note	2022 £ 000	2021 £ 000
Turnover	3a	7,197	7,129
Disposal of fixed assets	8	<u>189</u>	<u>44</u>
Operating costs	3a	<u>(5,385)</u>	<u>(4,803)</u>
Operating surplus	3a	2,001	2,370
Finance income		2	3
Interest and financing costs	4	(1,083)	(1,043)
Surplus for the period	5	920	1,330
Other comprehensive income		-	-
Initial recognition of multi-employer defined benefit scheme		-	-
Actuarial gain/loss on pension scheme		359	(830)
Comprehensive Income for the year		<u>1,279</u>	<u>500</u>

STATEMENT OF FINANCIAL POSITION

Year ended 31st March 2022

	Note	£ 000	2022 £ 000	£ 000	2021 £ 000
FIXED ASSETS					
Housing properties - cost less depreciation	8		79,497		79,739
Other property, plant & equipment	9		1,131		1,145
TOTAL FIXED ASSETS			80,628		80,884
CURRENT ASSETS					
Debtors	10	528		666	
Investments	11	-		-	
Cash and cash equivalents		3,513		2,997	
			4,041	3,663	
CREDITORS: amounts falling due within one year	12	(1,659)		(1,538)	
NET CURRENT ASSETS			2,382		2,125
TOTAL ASSETS LESS CURRENT LIABILITIES			83,010		83,009
CREDITORS: amounts falling due after more than one year	13		(65,895)		(67,173)
			17,115		15,836
CAPITAL AND RESERVES					
Non-equity share capital	16		-		-
Revenue reserves			17,115		15,836
ASSOCIATION'S FUNDS			<u>17,115</u>		<u>15,836</u>

STATEMENT OF FINANCIAL POSITION

Year ended 31st March 2022

The notes on pages 57 to 79 form part of these financial statements. The Financial Statements on pages 51 to 56 were approved by the Board on 29 July 2022

Signed on behalf of the Board.



W Powell
Chairman



Winston Weir
Treasurer



J Dubidat
Secretary

STATEMENT OF CHANGES IN RESERVES
Year ended 31st March 2022

	Revenue Reserves 2022 £ 000	Revenue Reserves 2021 £ 000
At 1st April	15,836	15,336
Total comprehensive income for the year	1,279	500
At 31st March	<u>17,115</u>	<u>15,836</u>

STATEMENT OF CASH FLOWS

Year ended 31st March 2022

	Notes	2022 £ 000	2021 £ 000
NET CASH GENERATED FROM OPERATING ACTIVITIES	A	2,606	2,492
CASH FLOWS FROM FINANCING ACTIVITIES			
Net interest & financing costs		(1,081)	(1,040)
Housing loan repayments		(7,160)	(77)
Housing loan received		6,627	-
		(1,614)	(1,117)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of housing properties		-	-
Investment Refurbishment - in existing stock		-	(312)
Investment - New components		(835)	(713)
Purchase of other property, plant & equipment		(21)	(43)
Proceeds from sales of property		380	160
Capital grants received		-	165
		(476)	(743)
NET CHANGE IN CASH AND CASH EQUIVALENTS		516	632
Cash and cash equivalents at the beginning of the year		<u>2,997</u>	<u>2,365</u>
Cash and cash equivalents at the end of the year		<u>3,513</u>	<u>2,997</u>

STATEMENT OF CASH FLOWS

Year ended 31st March 2022

A) RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATING ACTIVITIES

	2022	2021
	£ 000	£ 000
Surplus for the year	920	1,330
Disposal of fixed assets	(189)	(44)
Net interest payable	1,081	1,040
Movement in debtors	137	(121)
Movement in creditors	226	(62)
Depreciation of housing properties	888	852
Depreciation of other property, plant & equipment	36	40
Movement in non finance long term creditors	(105)	(48)
Amortisation of government grants	(342)	(374)
Surplus Employer Pension Scheme Contributions	(46)	(121)
Initial recognition Defined benefit	-	-
Actuarial (gain)\loss on pension scheme	-	-
Net cash generated from operating activities	2,606	2,492

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2022

1. Accounting Policies

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2019, the Statement of Recommended Practice for Registered Social Housing Providers 2018 (SORP) and the Housing and Regeneration Act 2008. Nehemiah Housing is a public benefit entity (PBE), as defined in FRS 102 and applies the relevant paragraphs prefixed "PBE" in FRS 102.

Turnover

Turnover represents rental and service charge income (net of losses from voids), revenue grants from local authorities and Homes England, donations received from fund raising activities and other income.

Housing properties – depreciation and impairment

Freehold land is not depreciated. Depreciation is charged to write down the cost of freehold housing properties to their estimated residual value on a straight-line basis over their expected useful economic lives as follows:

Housing properties:

Structure	100 years
-----------	-----------

Properties held on long leases are depreciated over their estimated useful economic lives or the life of the lease if shorter.

Major components are treated as separable assets and depreciated over their estimated useful economic lives or the lives of the properties to which they relate, if shorter, at the following annual rates:

Roofs	70 years
Kitchens	20 years
Bathrooms	30 years
Boilers	15 years
Electric heating systems	30 years
Windows and doors	30 years
Gas heating systems	30 years

Other property, plant & equipment (PP&E) and depreciation

Other PP&E are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost of other tangible fixed assets over their expected useful economic lives at the following annual rates:

Freehold property	- 1% by equal annual instalments
Computer equipment	- 25% by equal annual instalments
Office equipment	- 20% by equal annual instalments
Furniture, fixtures, and fittings	- 15% by equal annual instalments

1. Accounting Policies (Continued)

Impairment of Social Housing Properties - Impairment Review

Properties held for their social benefit are not held solely for the cash inflows they generate and are held for their service potential.

Our various management review processes mean that there is ongoing consideration of impairment. Specifically looking at housing management, repair & maintenance obligations, stock condition surveys, the social housing regulatory framework together with our horizon scan across the economy and the social housing sector, social housing assets are considered to have indicators of impairment when:

- a) There is a material increase in the level of voids exceeding those originally forecast and which are not anticipated to reverse in future periods without significant additional expenditure being incurred.
- b) There is a change in in Government policy that could have a detrimental impact on the operation of a scheme/property.
- c) There are indications of a reduction in the market value of properties with potential implications for loan security cover or shared ownership arrangements.
- d) Evidence of obsolescence or physical damage with significant repair costs.
- e) Any other evidence that indicates that the economic performance of an asset is, or will be, worse than expected. In this context, economic performance includes operating results and cash flows. A periodic asset grading exercise monitors cashflows performance of each asset relative to the maintenance costs to measure each property's contribution to overheads.

When an impairment indicator is identified, an impairment review is performed at an individual property level and the carrying value (historic cost less depreciation) is compared to recoverable amount, which is considered as Fair value (Existing use Value (EUV-SH) less selling costs.

Should the carrying value of the property be deemed to exceed the fair value, it will be impaired to this lower value, with the movement showing the reduction in value going through the Statement of Comprehensive Income.

An impairment loss is reversed if the reasons for the impairment loss have ceased to apply and included in surplus or deficit in the Statement of Comprehensive Income.

Following these reviews, no impairment was recognised for the Association at 31 March 2022.

Going Concern Assessment

The financial statements have been prepared on a 'going concern' basis which the directors consider to be appropriate for the following reasons:

- The Association prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in April 2022 by the Board. The base plan was subjected to a range of stress tests to assess vulnerability to a range of adverse individual and scenario stresses. As part of the adopted stress testing framework, a resilience plan has been prepared to inform Board's approach to mitigate the impact of cited stress factors.

→ The following stresses have been used to test the business's resilience:

Stresses	Tests Performed
Base Rate movements	High interest rates (testing rates between 0.25% - 1.5% above advised interest rate forecasts).
Property Prices and CPI	High inflation and low property prices – 5.8% above CPI and property value reductions of 17% – 20%
Further Rent Restrictions & Rent Loss	Rent restrictions (i.e. of zero % increase for 3 years) and rent loss related to voids and bad debts of 2-10%.
Further Welfare Reform Adverse Policies	Significant increase in bad debts and arrears following changes in welfare legislation.
Health & Safety Issues	Uninsured losses up to £0.9m plus major repairs costs.
Operating Performance Issues	Operating cost increases not provided for in the Plan, using increments of 2 – 10% management costs.
Corporate Systems Failures (e.g. data breach)	Fine of 4% of annual turnover.
Development issues	Delaying development projects by 12 months.
Decarbonisation costs	Higher-than-planned decarbonisation costs over life of 30-year plan.

→ The Board have thus considered business resilience through multi-variant stress testing:

Stress testing impacts were measured against:

- loan covenants
- peak borrowing level requirements compared to agreed facilities,

Potential mitigating actions have been identified to reduce expenditure.

→ The current plan provides for the following:

- **Rent and Service Charge Receivable** – arrears and bad debts and void periods have been increased to allow for customer difficulties in making payments (i.e. financial projections take account of future rent reductions in lieu of this).
- **Liquidity** – currently available cash (of £3.5m) and unutilised loan facilities (of £4.1m), with arrangements for a further £3.0m of loan facilities being finalised, gives significant headroom in financing operational and capital investment programmes.
- **Repairs and Component Cost Increases** – business plan scenarios have been modelled to take account of cost increases in line with current economic forecasts and delays in future uncommitted development projects.

It is management's view that the Association has sufficient resilience and funding capacity, and therefore expects the business to comply with its debt covenants even in severe but plausible downside scenarios.

After reviewing:

- i) Budgets for 2021/22 and the medium-term financial position, as detailed in the 30-year business plan.
- ii) Forecast changes arising from current economic uncertainty and disruption.
- iii) Severe but plausible risks set out in the stress testing framework

The Board is of the opinion that the Association has adequate resources to continue in business for the foreseeable future.

The Directors are confident that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months after the date of the approval of the financial statements and have prepared the financial statements on a 'going concern' basis.

Social Housing Grants

Grants relating to assets are recognised as income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised as income over the expected useful life of the housing property structure.

Grants received from non-government sources are recognised as revenue using the performance model.

Improvements to Property

The Association capitalises improvement expenditure on housing properties, excluding components where:

- it increases net rental income or where it significantly increases its useful economic life.
- it relates to a major overhaul of the property.

Pension Costs

Multi-employer defined benefit pension scheme – Social Housing Pension Scheme

The Association participates in an industry wide multi-employer defined benefit pension scheme. It is the Association's policy to recognise the gains and losses on its share of the assets within the defined benefit pension scheme as advised by the pensions administrator as well as our obligations as participants of the scheme. The changes that arise because of actuarial assumptions is recognised as Other Comprehensive income. Note 18 reflects the Associations fair share of assets and obligations.

Defined contribution scheme.

The Association also participated in a defined contribution scheme where the amount charged to surplus or deficit in the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

Lease Costs

The Association utilises assets subject to operating leases. Their annual rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Cash And Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

Holiday Pay Accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the year end and is carried forward to future years.

Financial Instruments

Financial assets and financial liabilities are recognised when Nehemiah Housing becomes a party to the contractual provisions of the instrument.

Financial Assets Carried At Amortised Cost.

Financial assets carried at amortised cost comprise rent arrears, trade and other receivables and cash and cash equivalents. Financial assets are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced accordingly.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

If an arrangement constitutes a financing transaction, the financial asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Financial liabilities carried at amortised cost.

Financial liabilities carried at amortised cost.

These financial liabilities include trade and other payables and interest-bearing loans and borrowings.

Non-current debt instruments which meet the necessary conditions in FRS 102, are initially recognised at fair value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs in the Statement of Comprehensive Income. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled, or expires.

Financing transactions

For rent arrears where the arrangement constitutes, in effect, a financing transaction because of extended credit arrangements the arrears are measured at the present value of the future payments discounted at an appropriate market rate of interest.

Loan Arrangement Fees

Loan arrangement fees will be netted off against the relevant loan and charged to revenue over 5 years from the date the charge was recognised (invoice date). Charge to revenue will be made on a straight-line basis.

2. Significant Management Judgements And Key Sources Of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Provisions

Provision is made to recognise certain liabilities and for rent arrears that are considered uncollectable. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. The current pandemic has prompted a review of managements about arrears and potential bad debts. Therefore, the bad debt provision has been maintained at the increased levels set in 2019/20:

	2020/21	2021/22
Provision of Former Tenant arrears going bad	100%	100%
Provision for Current Arrears	50%	50%

At the 31st March 2022 there were no other provisions for potential liabilities or contingencies. The provision for bad debts can be found at note 10.

Defined benefit pension scheme

The Association has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. Variations in these assumptions could significantly impact the liability.

Components of housing properties and useful lives

Major components of housing properties have significantly different patterns of consumption of economic benefits and estimates are made to allocate the initial cost of the property to its major components and to depreciate each component separately over its useful economic life. The Association considers whether there are any indications that the useful lives require revision at each reporting date to ensure that they remain appropriate.

3a. Turnover And Operating Costs

	2022				2021	
	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating surplus/ (deficit)	Operating Costs	Disposal Property, Plant Equipment
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Social Housing Lettings (note 3b)	7,068	(5,241)	-	1,827	(4,650)	-
Other Social Housing Activities						
Other income receivable	18	(2)	-	16	(2)	-
Development administration	-	(77)	-	(77)	(70)	-
Other	111	(65)	189	235	(80)	44
	129	(144)	189	174	(152)	44
	7,197	(5,385)	189	2,001	(4,803)	44

3b. Particulars Of Income And Expenditure From Social Housing Lettings

	General Needs Housing	Supported Housing	Shared Ownership Housing	TOTAL 2022	TOTAL 2021
	£ 000	£ 000	£ 000	£ 000	£ 000
Rent Receivable	5,617	13	10	5,640	5,557
Supporting People Charges	-	-	-	-	-
Service Income	1,002	51	-	1,053	1,024
Net Rental Income	6,619	64	10	6,693	6,581
Amortisation of Government Grants	375	-	-	375	374
Total income from Social Housing Lettings	6,994	64	10	7,068	6,955
Management	1,088	18	2	1,108	1,059
Supporting People	-	-	-	-	-
Service Charge costs	1,319	28	-	1,347	1,218
Routine Maintenance	1,037	22	-	1,059	820
Planned Maintenance	686	11	-	697	594
Major Repairs	-	-	-	-	-
Bad Debts	31	7	-	38	8
Property Leasing Costs	104	-	-	104	100
Depreciation of Housing Properties	888	-	-	888	852
Operating Costs on Social Housing Let- tings	5,153	86	2	5,241	4,650
Operating Surplus on Social Housing Lettings	1,841	(22)	8	1,827	2,305
Rent losses from voids	(35)	(71)	-	(106)	(132)

4. Interest And Financing Costs

	2022 £ 000	2021 £ 000
On loans repayable by instalments, wholly or partly, after more than 5 years	1,083	1,043

Not included in the amounts above are finance lease charges of £ 104,000 (2021 - £ 100,000), as set out in Note 3b

5. Surplus For The Year

The surplus for the year is stated after charging / (crediting)

	2022	2021
	£ 000	£ 000
Depreciation on housing properties	888	852
Depreciation on other PP&E	36	40
Amortisation of government grants	(342)	(374)
Operating leases – land and buildings	-	-
Operating leases – other	14	16
Auditor's remuneration (excluding VAT):		
- as auditors	14	15
	<hr/>	<hr/>

6. Employees

	2022	2021
	£ 000	£ 000
Staff costs during the year		
Salaries	1,121	1,094
Social security costs	111	99
Pension contributions	244	236
Redundancy costs	-	-
	<hr/>	<hr/>
	1,476	1,429

The full time equivalent number of staff who received emoluments, including pension contributions, in excess of £60,000 were as follows:

	2022	2021
	Number	Number
Salary Band: £'s		
60,000 – 69,999	-	1
70,000 – 79,999	2	1
80,000 – 89,999	1	
130,000 – 139,999	1	1

The average weekly number of persons employed by the Association during the year -

Administration	<hr/>	<hr/>
	33	29
Full-time equivalent (based on a 35-hour week)	<hr/>	<hr/>
	33	29

7. Directors' Emoluments And Expenses Of Officers

	2022	2021
	£ 000	£ 000
Directors' emoluments (excluding pension contributions) and emoluments of highest paid director	<u>259</u>	<u>251</u>
Number of directors contributing to pension schemes	<u>3</u>	<u>3</u>
Total contributions to pension schemes in respect of the directors	<u>53</u>	<u>51</u>

Board members emoluments and expenses during the year £ 27,300 (2021 - £ 29,000).

The emoluments of the highest paid director (who is also the Chief Executive) amounted to £ 119,000 (2021 - £ 117,200), excluding pension contributions.

The Chief Executive is a member of the Social Housing Pension Scheme under which no enhanced terms have been agreed.

8. HOUSING PROPERTIES

	Freehold housing land and buildings completed schemes £ 000	Freehold housing land and buildings under development £ 000	Total £ 000
Cost			
At 1st April 2021	86,904	-	86,904
Additions	835	-	835
Disposals	(200)	-	(200)
At 31st March 2022	87,539	-	87,539
Accumulated depreciation			
At 1st April 2021	7,165	-	7,165
Charge for the year	888	-	888
Disposals	(11)	-	(11)
At 31st March 2022	8,042	-	8,042
Net book value			
At 31st March 2022	79,497	-	79,497
At 31st March 2021	79,739	-	79,739
Housing property additions are represented by:			
		2022	2021
		£ 000	£ 000
Stock transfers\new develop- ments		-	-
Work on existing properties		(10)	312
Replacement of components		845	713
Total Additions		<u>835</u>	<u>1,025</u>
	Housing Properties	Other Fixed Assets	
	£ 000	£ 000	
		2022	2021
		£ 000	£ 000
Disposal of Fixed Assets:			
Proceeds of sale	380	-	380
Costs of sale	(2)	-	(2)
Net book value of assets	(189)	-	(189)
Net Surplus on Disposal	<u>189</u>	<u>-</u>	<u>44</u>

9. Other Property, Plant & Equipment

	Office land and buildings	Other fixed Assets	Total
	£ 000	£ 000	£ 000
Cost			
At 1st April 2021	1,182	276	1,458
Additions	-	21	21
Disposals	-	-	-
At 31st March 2022	1,182	297	1,479
Accumulated depreciation			
At 1st April 2021	107	206	313
Charge for the year	12	24	36
Disposals	-	-	-
At 31st March 2022	119	229	348
Net book value			
At 31st March 2022	1,063	68	1,131
At 31st March 2021	1,075	70	1,145

10. Debtors

	2022	2021
	£ 000	£ 000
Due within one year		
Arrears of rent, service charges and support charges	387	448
Less: Provision for doubtful debts	(170)	(152)
	217	296
Other debtors	54	34
Prepayments and accrued income	258	334
Payments on account of capital projects	-	1
	<u>529</u>	<u>665</u>

No disclosure has been made of the net present value of rents receivable under repayment plans. as this has been deemed to be insignificant in value.

11. Investments

	2022 £ 000	2021 £ 000
Money market treasury accounts	-	-

Nehemiah Ventures Limited is a private limited company limited by shares that is a 100% owned subsidiary of Nehemiah Housing. The company was incorporated on 25 August 2017 and has 100, £1 ordinary shares. At 31 March 2022, the company has yet to start trading.

12. Creditors: Amounts Falling Due Within One Year

	2022 £ 000	2021 £ 000
Housing loans (see note 13)	113	113
Trade creditors	399	368
Government grants (see note 14)	375	375
Other creditors	-	-
Other taxation and social security	30	30
Accruals and deferred income	744	651
	<u>1,661</u>	<u>1,537</u>

Creditors: Amounts Falling Due After More Than One Year

	2022 £ 000	2021 £ 000
Government grants (see note 14)	32,707	33,154
Accruals and deferred income	219	114
Pension liability (see note 18)	925	1,330
Housing property finance		
Loans advanced by:		
Orchardbrook Limited	249	346
Triodos Bank	17,247	17,243
Yorkshire Building Society	6,076	13,058
GB Social Housing	8,486	1,929
Nat West	(15)	
	<u>32,043</u>	<u>32,576</u>
	<u>65,894</u>	<u>67,174</u>

Triodos Bank, Yorkshire Bank, GB Social Housing and Nat West Loans are net of (£6,700, £23,500, £70,200 and £15,200 deferred finance costs respectively)

The housing property finance loans are made in respect of, and secured on, the Association's housing land and buildings, as shown in note 8. The loans are repayable at rates of 11.5%, 9.375% and 9.41% (fixed); LIBOR plus 1.75%: 3.665%, 2.25%, 2.85%, 2.6%, 4.36%, 5.2% and 3.210% (fixed); repayable over 2 to 29 years.

13. Creditors: Amounts Falling Due After More Than One Year (Continued)

	2022	2021
	£ 000	£ 000
Housing property finance		
Amounts repayable by instalments:		
Within one year or less	113	113
More than one year but not more than two years	6,718	112
More than two years but not more than five years	2,194	8,022
More than five years	<u>23,247</u>	<u>24,496</u>
	<u>32,272</u>	<u>32,743</u>

14. Deferred Income – Government Grants

	2022	2021
	£ 000	£ 000
At 1st April 2021	33,529	33,786
Grants receivable	-	165
Disposals	(105)	(48)
Amortisation to statement of comprehensive income	<u>(237)</u>	<u>(374)</u>
At 31st March 2022	<u>33,187</u>	<u>33,529</u>
Due < 1 year (see note 12)	<u>375</u>	<u>375</u>
Due > 1 year (see note 13)	<u>32,707</u>	<u>33,154</u>

The cumulative amount of Government Grant received by the Association at the year-end was. £37,737,433 (2020 - £37,572,433).

15. Financial Instruments

The carrying values of the Association's financial assets and liabilities are set out in the following notes to the financial statements:

	2022	2021
	£ 000	£ 000
Financial assets		
Measured at undiscounted amount receivable		
• Rent arrears and other debtors (see note 10)	<u>271</u>	<u>329</u>
Financial liabilities		
Measured at amortised cost		
• Loans payable (see note 13)	32,272	32,743
Measured at undiscounted amount payable		
• Trade and other creditors (see note 12)	<u>399</u>	<u>368</u>
	<u>32,671</u>	<u>33,111</u>

16. Non-Equity Called Up Share Capital

	2022	2021
	£	£
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1st April	32	24
New shares issued	-	8
Shares cancelled	-	-
At 31st March	<u>32</u>	<u>32</u>

The shares provide members with the right to vote at general meetings but do not provide any right to dividends or distributions on winding up.

17. Capital Commitments

The Association had capital commitments at 31st March 2022 of £ 238,280 (2021 - £ 359,203).

During 2021/22 contracts were tendered and awarded for component works of £713,221 at 31st March 2022 works of £ 474,941 had been completed.

18. Pension Obligations

The Association participates in the Social Housing Pension Scheme (the Scheme), a multi- employer scheme which provides benefits to some 500 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes at 30 September 2020 revealed a deficit of £1,560m. A recovery plan is in place with the aim of removing this deficit by 30 September 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the association to account for the Scheme as a defined benefit scheme.

18. Pension Obligations (Continued)

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Fair value of plan assets	5,718	5,037
Present value of defined benefit obligation	6,643	6,367
Surplus (deficit) in plan	(925)	(1,330)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(925)	(1,330)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

Period from 31 March 2021 to 31 March 2022 (£000s)	
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

Period from 31 March 2021 to 31 March 2022	
Defined benefit obligation at start of period	6,367
Current service cost	145
Expenses	4
Interest expense	140
Member contributions	48
Actuarial losses (gains) due to scheme experience	611
Actuarial losses (gains) due to changes in demographic assumptions	(96)
Actuarial losses (gains) due to changes in financial assumptions	(541)
Benefits paid and expenses	(35)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	6,643

18. Pension Obligations (Continued)

Reconciliation Of Opening And Closing Balances Of The Fair Value Of Plan Assets

Period from 31 March 2021 to 31 March 2022	
Fair value of plan assets at start of period	5,037
Interest income	112
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	333
Employer contributions	223
Member contributions	48
Benefits paid and expenses	(35)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	5,718

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2020 to 31 March 2021 was £461,000.

Defined Benefit Costs Recognised In Statement Of Comprehensive Income (Soci)

Period from 31 March 2021 to 31 March 2022	
Current service cost	145
Expenses	4
Net interest expense	28
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	177

18. Pension Obligations (Continued)

Defined Benefit Costs Recognised In Other Comprehensive Income (Oci)

Period from 31 March 2021 to 31 March 2022	
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	333
Experience gains and losses arising on the plan liabilities - gain (loss)	(611)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	96
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	541
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	359
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	359

18. Pension Obligations (Continued)

Assets	31 March 2022	31 March 2021
	(£000s)	(£000s)
Global Equity	1098	803
Absolute Return	229	278
Distressed Opportunities	205	145
Credit Relative Value	190	158
Alternative Risk Premia	189	190
Fund of Hedge Funds	-	1
Emerging Markets Debt	166	203
Risk Sharing	188	183
Insurance-Linked Securities	133	121
Property	154	105
Infrastructure	407	336
Private Debt	147	120
Opportunistic Illiquid Credit	192	128
High Yield	49	151
Opportunistic Credit	20	138
Cash	19	-
Corporate Bond Fund	382	298
Liquid Credit	-	60
Long Lease Property	147	99
Secured Income	213	209
Liability Driven Investment	1,596	1,280
Currency Hedging	(22)	-
Net Current Assets	16	31
Total assets	5,718	5,037

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

18. Pension Obligations (Continued)

Defined Benefit Costs Recognised In Other Comprehensive Income (Oci)

	31 March 2022	31 March 2021
	% per annum	% per annum
Discount Rate	2.79%	2.18%
Inflation (RPI)	3.57%	3.27%
Inflation (CPI)	3.19%	2.87%
Salary Growth	4.19%	3.87%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The Mortality Assumptions Adopted At 31 March 2022 Imply The Following Life Expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.1
Female retiring in 2022	23.7
Male retiring in 2042	22.4
Female retiring in 2042	25.2

19. LEGAL STATUS

The Association is a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

20. TAXATION STATUS

The Association has charitable status for tax purposes and no liability to corporation tax arises.

21. OPERATING LEASE COMMITMENTS

At 31st March 2022 the Association had total commitments under non-cancellable operating leases of other fixed assets, as set out below:

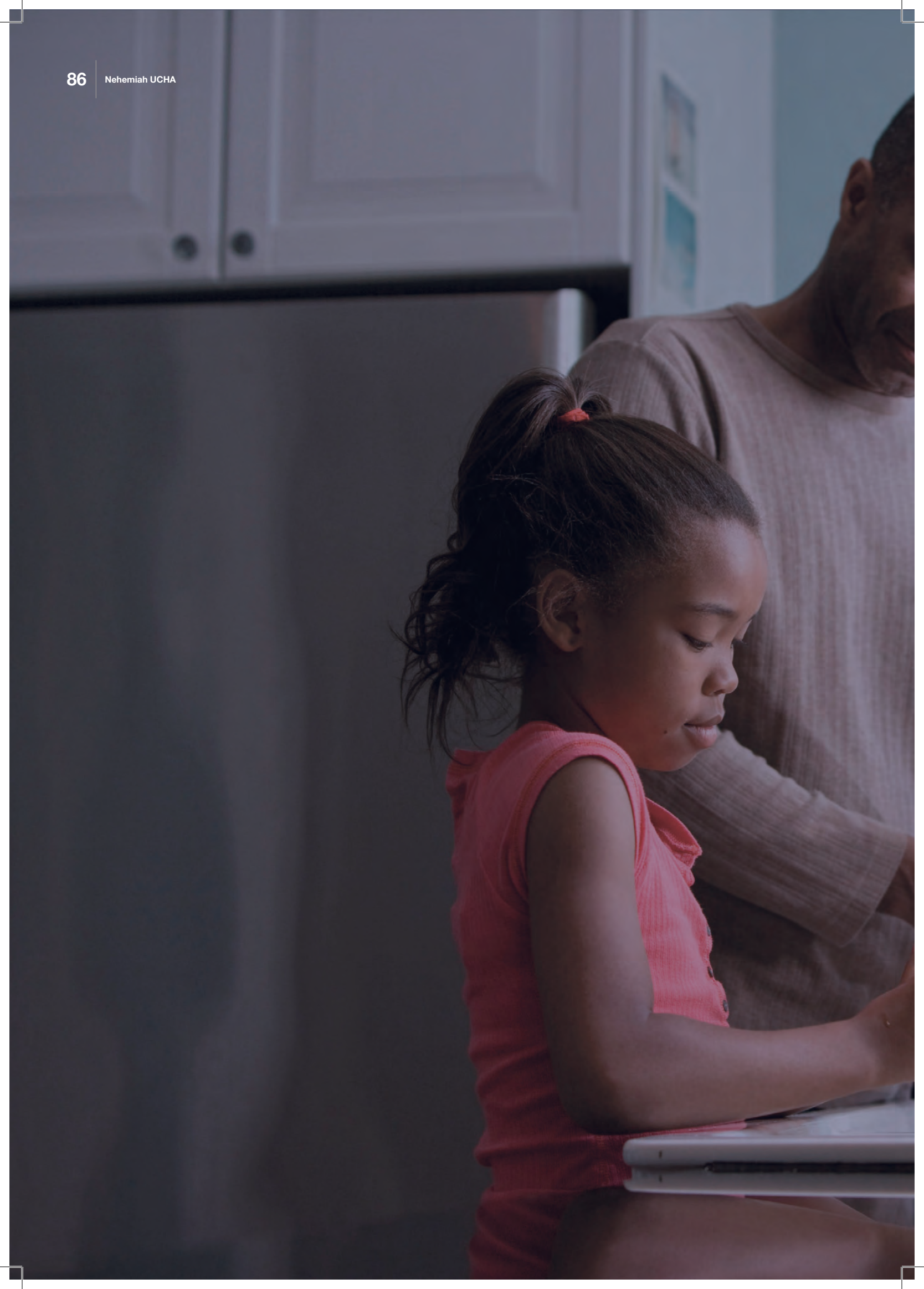
	2022		2021	
	Land and buildings £ 000	Other £ 000	Land and buildings £ 000	Other £ 000
Leases which expire:				
Within one year	-	11	-	11
Within two to five years	-	11	-	22
Over five years	-	-	-	-
	<u>-</u>	<u>22</u>	<u>-</u>	<u>33</u>

22. Analysis Of Change In Net Debt

	At 31.03.2021	Cash flows	Other changes	31.03.2022
	£ 000	£ 000	£ 000	£ 000
Cash at Bank	2,997	516	-	3,513
Overdrafts	-	-	-	-
Debt due in one year	(113)	-	(105)	(218)
Debt due after more than one year	(32,630)	-	471	(32,159)
Current Assets investment				

23. Units In Ownership And Management

	At 31.03.21	Additions	Disposals	Other	At 31.03.22
Units Owned					
Social Housing					
Owned General Needs - social rent	879	-	(3)	-	876
Owned General Needs - affordable rent	18	-	-	-	18
Owned General Needs - intermediate rent	-	-	-	-	-
Owned - Housing for older people	270	-	-	-	270
Owned - Supported Housing	35	-	-	-	35
Shared Ownership	4	-	-	-	4
Total	<u>1,206</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>1,203</u>
Non Social Housing					
Market rented	2	-	-	-	2
Total	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total Owned	<u>1,208</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>1,205</u>
Units Managed					
Managed units general needs	25	-	-	-	25
Managed - Supported Housing	9	-	-	(9)	-
Total Managed	<u>34</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>25</u>
Total Owned and Managed	1,242	-	(3)	(9)	1,230
excluding units taken out of the debit (LTV)	-				-



Nehemiah United Churches
Housing Association Limited

→ Annual Report



Nehemiah
HOUSING

Supporting BAME communities to thrive

Nehemiah United Churches
Housing Association Limited

**Report and Financial
Statements**

Year End 31st March 2022

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