



**Annual Report  
and  
Financial  
Statements**

Year Ended - 31<sup>st</sup> March 2021



**Nehemiah**  
HOUSING

**Nehemiah** United Churches  
Housing Association Limited



Supporting **BAME**  
communities to *thrive*

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

## Officers and Professional Advisors



**Chairman**  
Bishop W Powell, OBE



**Treasurer**  
Mr W Weir CPFA



**Chief Executive**  
Bishop L Graham



**Vice Chairman**  
Prof M Levermore, MBE, DL



**Secretary**  
Ms J Dubidat

### **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**, 45 Church Street,  
Birmingham B3 2RT

### **INTERNAL AUDITOR**

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

## Our Mission

is to build successful, sustainable and diverse communities by providing housing and well-being services, in a culturally sensitive way to our current and our future customers.





# Chairman's Statement

This year has been like no other. At the beginning of the financial year, when we launched our new corporate plan, Growing Stronger Together, we were mindful of the challenges posed by the coronavirus pandemic but were determined to maintain essential services whilst keeping our customers and staff, safe.

Looking back over the year, with the many government restrictions, it has been in the wider interests of the population, to make changes in patterns of behaviour, and normal ways of doing business to maintain the health and safety of our customers and staff, as well as the sustainability of the organisation.

I am so proud to say that the staff of Nehemiah Housing, led by the executive team and my fellow board members, worked together to ensure good service delivery was maintained within government constraints.

Despite the coronavirus pandemic bringing extraordinary changes to the way we work, we are proud of the 90% customer satisfaction, 100% gas safety checks and strong financial performance confirming the resilience of our organisation.

The surplus of £1,330,347 for the year to March 2021 reflects the organisation's effective management and ongoing financial viability during what has been challenging times for the whole economy. We continued to make substantial investment in maintaining our housing stock during the year, to ensure that all properties met the Decent Homes Standard. During 2020-21 the organisation has invested £1m in improving the homes of our tenants, equating to 14% of our turnover. A further £1.47m has been spent on repairs and maintenance.

This robust financial position gives us a great platform to continue to deliver the high-quality services our customers and the communities expect and deserve. We continue to be true to our original beliefs and our concept of Nehemiah being relevant to the local economy.

## Clearly government, institutions and all major stakeholders in society have to now re-examine how we go forward and how we recalibrate our vision of what our society should be like in the future

Building communities means we must look at the economy as well. So going forward we want to ensure our plans and partnerships, with key stakeholders, have the local community and local people at the heart of what we do. Building the resilience in housing, health, and the broader aspirations of those that live in the areas in which we operate.

The pandemic has redefined our society. Clearly government, institutions and all major stakeholders in society have to now re-examine how we go forward and how we recalibrate our vision of what our society should be like in the future.

As we move forward, we are now being subjected to the parameters around the climate change agenda and how we prioritise investment to meet government policy to reach net zero carbon emission by 2050. This will have far reaching implications on our strategy going forward in the next five years and beyond.

However, periods of uncertainty present both challenges and opportunities. We intend to apply clear strategic thinking and rigor in our approach that has served us well in meeting our delivery objectives in challenging times, to take advantage of the opportunities

anticipated ahead, as we look forward to the future. I am confident that we will achieve success by working together and helping each other.

Covid-19 has been a tragedy for so many families in the UK and wider world. Sadly, a number of our residents, as well as our own staff, lost friends and family to coronavirus. On behalf of Nehemiah, I would like to offer my sympathy to all who have lost loved ones during the year.

Finally, I would like to end by congratulating our Chief Executive Llewellyn Graham, on the occasion of his selection by His Excellency, The Most Honourable Sir Patrick Allen, Governor-General of Jamaica, to receive The Governor General's Diaspora Achievement Award for Excellence 2021, for his leadership of Nehemiah's frontline staff in the delivery of exemplary services to some of the most vulnerable members of the Jamaican Diaspora community in the UK during the Covid-19 pandemic. The announcement was made during the Virtual Jamaica Diaspora Sustainability Symposium on 16 June 2021.



**Chairman**  
Wilton Powell, OBE



## Chief Executive's Statement

This report captures our work during a period of global crisis which, for most of the UK, began in March 2020 when the lives of all changed very suddenly and Nehemiah's need to respond quickly and effectively to sustain key services and keep our communities safe, became clear. Maintaining the wellbeing of customers has been the top priority throughout the year and this has led to major changes in the way we've been working.

Ensuring the continued welfare of customers (especially our most vulnerable tenants living in sheltered schemes), has meant upholding the safety and security of our homes and acting to keep our front-line staff appropriately protected and supported in challenging circumstances.

During the height of lockdown, it was vital that our statutory responsibilities as a landlord were not compromised. Therefore, gas and electrical safety checks, as well emergency repairs, were essential services that needed to be maintained in support of our tenants.

The aspiration set out in the first year of our corporate plan Growing Stronger Together, certainly rang true last year. I believe we are well on our way to achieving our ambition to grow from a position of strength with the active involvement of our tenants and key stakeholders.

In this report, I want to highlight some of our achievements over the year, including our performance as it relates to the corporate strategy.

Part of our strategy is to be effective as an organisation and to grow in a sustainable way. Throughout the pandemic, however, instead of pursuing asset growth, we concentrated on effectiveness, working with the Board to strengthen our governance, systems, and processes to be able to take full advantage of the post-pandemic opportunities to achieve our mission. The challenging times to which I have referred have presented opportunities for Nehemiah's Board, Executive Team and staff to show 'what we are really made of'. The Executive Team are undertaking leadership development coaching which, together with a board effectiveness review conducted during the year, will be pivotal in ensuring that the Association's leadership has the requisite complement of skills to lead the Organisation progressively and effectively beyond the present uncertainties

Despite the challenges, we managed to achieve the completion of the extension and refurbishment of Nehemiah Court, our retirement living scheme in Walsall, in January 2021. The facility now boasts, an additional four new apartments, refurbished communal areas and a fresh modern look throughout.

To ensure the continued delivery of excellent services, we moved quickly at the start of the pandemic, accelerating digital and remote working, with our housing officers, property service officers and customer engagement officer, adapting well to new ways of working to carry out essential services. Our focus has been to maintain as many services as possible to support tenants, to repair and let homes, and to maintain collection of rental income. Proactive contact has been made with tenants on an ongoing basis. Housing



Officers and our Customer Engagement Officer mobilised quickly to carry out regular wellbeing check-ins with their tenants over the phone and other communications technologies. In doing so, they were able to make tenants aware of where to get relevant support information on a range of advice topics and practical assistance, including foodbank referrals and support for tenants who were shielding. It has always been our aim to make our tenants' lives better by improving the places where they live. We thus take pride in being close to our customers, providing the high-quality services they deserve - quality which is borne out by rising customer satisfaction levels.

As a member of the National Housing Federation's (NHF) Regional Committee, we have, during the last year, been discussing how the Together with Tenants Charter (TWT) could be integrated with the requirements of the Government's new Social Housing White Paper to encourage and test new ways of working with tenants. We are developing a regional approach and mechanism to deliver the six principles in the TWT Charter and the seven in the Social Housing White Paper. There is also a new requirement in the NHF Code of Governance 2020 to report progress against the Charter and how we are giving tenants a stronger voice. In order to facilitate this, our Operations Team, together with some of our tenants, have been engaged in a series of webinars designed to open up conversations between Landlords and Tenants to begin to shape this important work of increased collaboration. This has been an exciting project for Nehemiah as we played a pivotal role in the Government's Green Paper consultation which, of course, led to the White Paper. It is fantastic that we, together with our tenants, are still part of this journey and we, therefore, embrace the proposals contained in the White Paper.

We also embraced the Kickstart Housing Partnership which is part of a £2 billion national scheme provided through the Department for Work and Pension to support young people gain access into employment. Nehemiah will be taking on 4 Kick-starters, aged 16-24, in this first round of the programme (commencing July 2021). It is an exciting scheme and I look forward to reporting on

its success next year.

In addition, we have started a new partnership arrangement with Axis Europe Plc to deliver our responsive repairs service. In this contract we have committed to providing apprenticeship and placement opportunities, and training and development skills for local people in the communities in which we operate. This will ensure that we provide added value to the local economy both now, and in the future.

Finally, we intend to build on the successes we have achieved over the last financial year, with increased customer satisfaction rates reaching 82% for the overall service we provided, and for the quality of our homes. 92% of our customers surveyed believed we provided homes that were safe and secure, and once again we achieved satisfaction levels for our repairs service of 95%. These satisfaction levels are all the more impressive when we consider that they were achieved in the midst of the challenges of the pandemic and associated lockdowns.

I want to end by paying tribute to all our staff and especially those on the front line, including all our staff working in our Retirement Living Schemes, keeping our elderly customers safe and supported. The commitment of our staff in discharging their responsibilities during a time of prolonged stress has made possible the ongoing success of the Association, enabling it to continue its work of quality housing provision and community building by which its beneficiaries are made safe and thrive.

This work of excellence has been recognised by the Government of Jamaica in their most recent Diaspora Symposium hosted by the Ministry of Foreign Affairs and Foreign Trade, I was awarded the prestigious Governor General's Award for Excellence which I attribute to our collective efforts in the delivery of services to our communities.



**Chief Executive**  
Llewellyn Graham

# Snapshot of the 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 our current and our future customers. We are passionate about empowering people to build communities alongside homes. Believing diversity is a strength in every aspect of our work and the communities around us.

## Highlights of the Year

Colleagues (Staff and Board Members)	39
Homes owned or managed	1,242
Planned investment in year (in year of pandemic)	£1.0m
Responsive repairs	4,087
Work with Local Authorities	6
Customers involvement to shape services	586
Percentage of tenants in supported and sheltered accommodation	25%



# Strategic Report



## 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. 1,242 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, being: 1) housing for rent; and 2) supported housing (for elders and teenage parents).

## Objectives & Strategy

Nehemiah Housing fulfils its mission by providing relevant, high-quality social housing to BAME communities and making a substantial impact on the regeneration of those communities.

The corporate vision is "to be the leading independent BAME housing provider in the UK, delivering a range of services which are unsurpassed in the community", whilst its mission is "to build successful diverse communities through the provision of housing and culturally sensitive services to current and future customers."

The Association's key objectives over the period have been:

Corporate objective	Achievements
To be effective and grow	<ul style="list-style-type: none"> <li>• £1.3m Surplus for reinvestment in homes and communities.</li> <li>• Work with larger housing associations to develop partnerships to deliver VFM on growth and service delivery.</li> <li>• Plans in pipeline for delivery in 2020/21</li> </ul>
Deliver excellent services.	<ul style="list-style-type: none"> <li>• 95% overall satisfaction with repairs.</li> <li>• 100% emergency repairs completed in target.</li> <li>• 96% routine repairs completed in target.</li> </ul>
Strong governance, finance, and risk management	<ul style="list-style-type: none"> <li>• Business operations maintained during the pandemic.</li> <li>• Governance improvement action plan implemented.</li> </ul>
Investing in our Homes	<ul style="list-style-type: none"> <li>• £1m invested in the development and improvement of our homes despite the impact of the pandemic.</li> </ul>
People Development & Well-being	<ul style="list-style-type: none"> <li>• Staff well-being initiatives rolled out during the pandemic.</li> <li>• Staff well-being action planned approved.</li> </ul>

The core values of Nehemiah reflect the spirit in which the Association seeks to conduct its mission and vision:



01

## Passionate

We are passionate about empowering people to build communities.



02

## Diversity

We believe diversity is a strength in every aspect of our work and the communities around us.



03

## Integrity

We act with integrity in all that we do even when that is not the easy option.



04

## Sustainable

We believe our actions and their impact must always be sustainable.

## Corporate Social Responsibility

Although the Association's portfolio is modest in comparison with many larger and more established housing providers, the organisation is committed to growth by developing new housing properties and seeking other opportunities to enrich the communities it serves by exploring partnerships with Local Authorities, other housing providers, community groups and agencies.

Previous partnerships have resulted in the provision of youth apprenticeship programmes and catering services for supported housing schemes and the community, whilst most recent partnerships have delivered health and IT learning programmes for the elderly. Nehemiah Housing is committed to the continued provision of such programmes which go beyond its main social housing delivery.

Nehemiah Housing has initiated new programmes using its own resources, where grant funding and external partnerships were unavailable, examples of which are the Nehemiah Academy (by which it has hosted student and work experience placements and internships) and the Nehemiah Charitable Aid Foundation (through which it will make annual bursaries to individuals pursuing higher education).

Nehemiah Housing has engaged with Local Authorities and other agencies to discuss what assistance the Association can give to the BAME community and public by bringing back into operation dormant community assets designated for the benefit of the BAME community.

## Operating & Financial Review

The Board are pleased to report a surplus for the year of £1,330,347 (2020: £1,138,000) from a turnover of £7,129,000 (2020 - £7,005,000). Details of changes to the Association's fixed assets can be found in Notes 8 and 9 to the Financial Statements.

The surplus of £1,330,347 for the year to March 2021 reflects the Association's effective management and ongoing financial viability during what has been challenging times for the whole economy. Continuing to make substantial investment in maintaining its housing stock during the year to ensure that all properties meet the Decent Homes Standard. During 2020-21 the Association has invested £1m in improving the homes of our tenants and stakeholders equating to 14% of our turnover. The lockdown restrictions during the financial year impacted on all but emergency repairs and some programme has slipped into the 2021-22 financial year. A further £1.47m has been spent on repairs and maintenance.

The COVID-19 health pandemic that resulted in government-imposed lockdowns during the year, have impacted several services. In some areas the Association was able to respond with remote working solutions. In anticipation, the Association made additional provision for bad debts and increased void losses, void losses exceeded budget in year £132k compared to budget of £74k. Arrears at the end of the financial year increased to 6.3% compared to 4.6% 2019-20. We are mindful that the full impact of the pandemic will not be realised until the end of the Job Retention Scheme at the end of September 2021.

Accounting adjustments to reflect the valuation of the Association's assets in the SHPS pension scheme show a loss of £830,000 for the year. Total comprehensive income for the year to 31st March 2021 is £500,347.

The summary primary statements are reported below:

Year Ended 31st March	2021 £ 000	2020 £ 000
<b>Statement of Comprehensive Income</b>		
Turnover	7,129	7,005
Operating Surplus	2,370	2,262
Surplus for the year	1,330	1,138
Surplus for the year (after pension charges)	500	1,982
<b>Statement of Financial Position</b>		
Housing properties (net of depreciation)	79,739	79,680
Other tangible assets	1,145	1,143
Net current assets	2,125	1,354
Creditors due after more than one year	67,173	66,841
Revenue reserves	15,836	15,336

# Value For Money (Vfm) & Benchmarking

## Introduction

Nehemiah Housing is committed to the principle and delivery of VFM and, to this end, is determined to provide high quality homes and associated services, and to maximise the other social benefits it contributes to the various communities it serves, in the most cost-efficient manner.

The Board of Nehemiah Housing 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, Audit and Risk and Operations Committee.

The Association strives to maximise the value of the 'social good' it generates by a commitment to an ongoing review of its main objectives and how it operates. The challenge of VFM means that Nehemiah Housing commits to a constant review of its 'economy' (i.e., the cost of its services); its 'efficiency' (i.e., the smoothness with which it conducts its operations and eliminates waste); and its 'effectiveness' (i.e., ensuring that the stated organisational objectives are realised). 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 strategy will achieve these objectives through strong governance framework, delivering customer focussed services, whilst growing to meet the need for new homes.

## Achieving Value for Money

Achieving VFM is fundamental to the attainment of Nehemiah Housing's goal 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 became a member of Housemark and uses Housemark's benchmarking service to compare how the Association performs with other housing providers. Performance indicators, costs and satisfaction data will be used to inform a 'balanced scorecard' approach to drive service improvements; that is, an appropriate balance between cost and quality, will be sought in the delivery of housing and related services to residents. In general, the outcomes from benchmarking highlight areas of strength and weakness, indicate whether the right balance between cost and quality has been obtained, and provide a point of reference for necessary business improvements.

Nehemiah Housing recognises the need to improve both its business performance and its contribution to both the immediate communities it serves and wider communities and stakeholders. With this in mind, 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.

## Costs & Performance – A Comparison with Other Landlords

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

The Association is committed to giving its social housing customers the best service that it can with the resources available, and therefore it actively engages 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.

### Cost Performance

Nehemiah Housing is in the business of providing quality, affordable homes, and significant sums have been invested in improving the condition of housing properties over the course of the year with £713,000 being spent on component replacements, £312,000 on the refurbishment of properties. In addition to the £1,413,251 spent on the repairs and maintenance service charged as revenue expenditure.

### Quality Performance

The Association is committed to continued ongoing engagement with social housing customers to better understand the nature of any dissatisfaction and feed this back to housing staff and maintenance contractors to improve service delivery to residents and their homes. Meaningful engagement with customers and repairs contractors helps to reduce costs, improve efficiency (by reducing waste) and raise effectiveness (by doing the right things).

Additionally, the Association realises the value of increased communication with residents to foster better relations, minimise misunderstandings, address areas of concern, revise methods of working and service delivery, and to eliminate unwanted services. Having purchased most of its managed housing stock from development partners over the past few years, the focus has now turned to the provision of additional homes through construction of affordable rented starter homes with housing partners or in-house. Good governance, excellence in management, a commitment to continual improvement in service

delivery and value, are the foundations from which the Association will continue to grow, even in difficult operational, economic, and political conditions, and continue to remain relevant to the needs of the communities which the organisation serves. There is a determination to become an increasingly effective social business.

A Customer Engagement Officer takes the lead to ensure that there is a continued focus on identifying how and where we can ensure the best services to our customers.



## Value for Money Metrics

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

They show our 2020/21 results against 2019/20 results for our comparators, the parameters for determining comparators are:

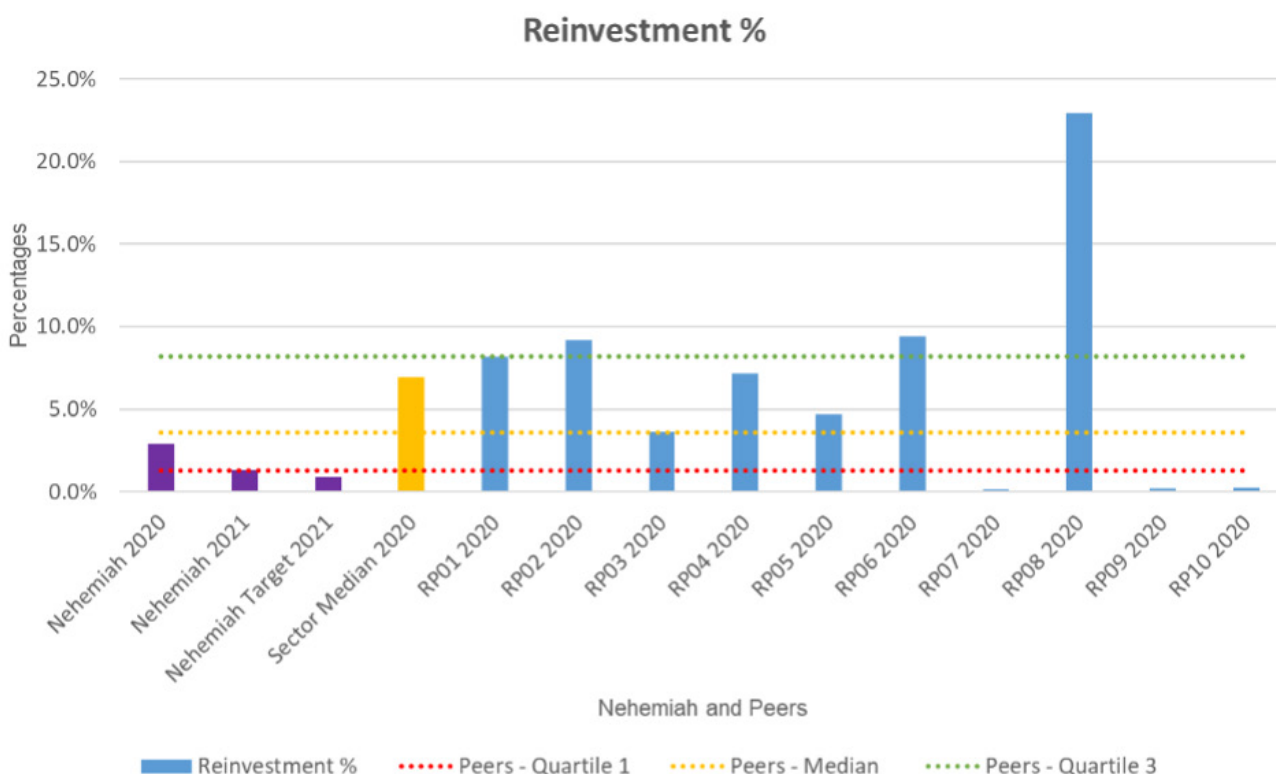
The tables below details Nehemiah's performance against the VFM metrics that are set out by The Regulator of Social Housing.

- a) Associations with 1,000 – 1,500 units.
- b) Outside of London and South West areas.  
Together with the Sector medians from the 2019/20 global accounts.

Reinvestment %	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This Metric looks at Nehemiah's investment in properties including existing stock and new stock. This is calculated as a percentage of total properties	2.9%	1.3%	0.90%	3.6%	6.9%	6.4%

2020/21 saw the end of a programme of refurbishment work at sheltered schemes, spending £312k 2020/21 compared to £ 1.4m 2019/20. The current pandemic and the resultant government lock downs over the year also impacted on the work that could be completed for capitalised component expenditure for general needs £713k in 2020/21 (£942k in 2019/20). The Association had revised expenditure forecasts down to assume a reduction in activity due to the pandemic.

The Association has plans to make significant investment in 2021/22 with the development of new homes and the ongoing improvement of our homes as reflected in the target for 2021/22.

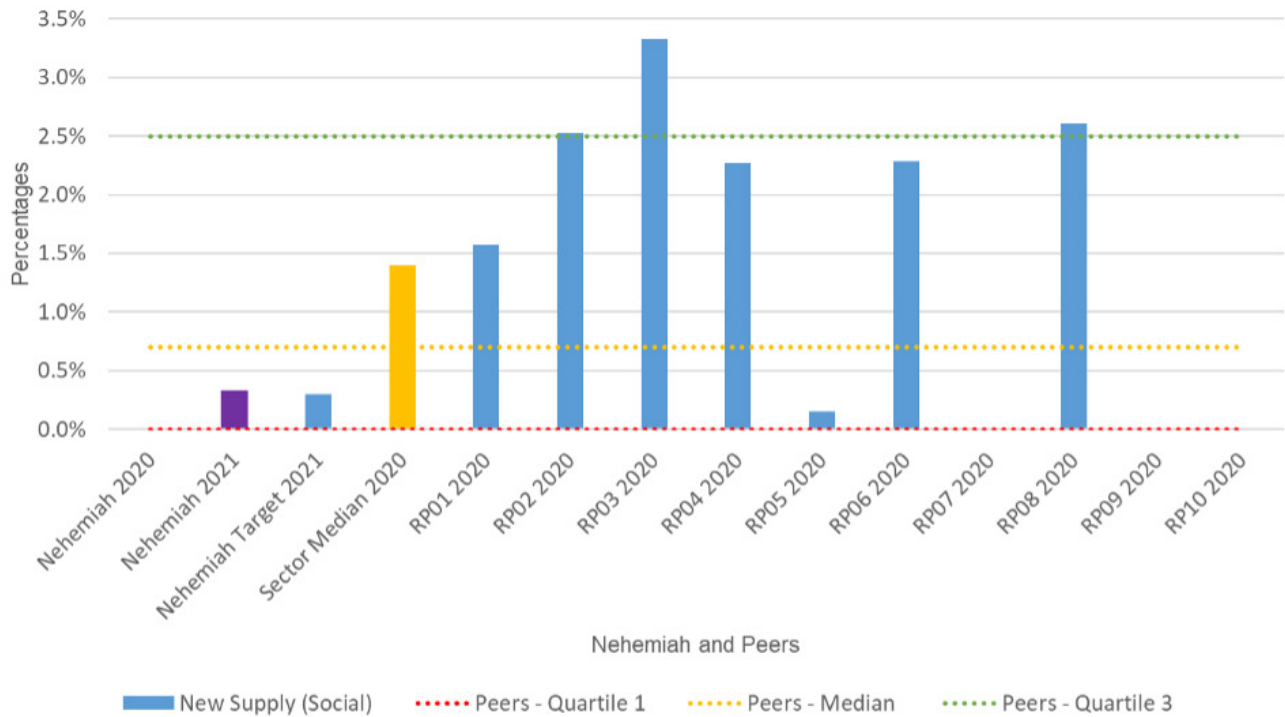


New supply delivered (Social Housing) as a % of total stock	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This sets out the number of new social housing units that have been acquired or developed in the year as a proportion of total units.	0%	0.3%	0.3%	0.7%	1.4%	2.73%

4 new units were created as part of a refurbishment of Nehemiah Court which was completed in 2020/21.

The COVID-19 pandemic has prompted a delay in development plans originally scheduled for 2020/21. The Association is in advanced talks with development partners for the acquisitions of new developments due for completion in 2021/22.

### New Supply (Social)



Case Study

# PEOPLE. PLANET. PROSPERITY

– Growing Stronger Together



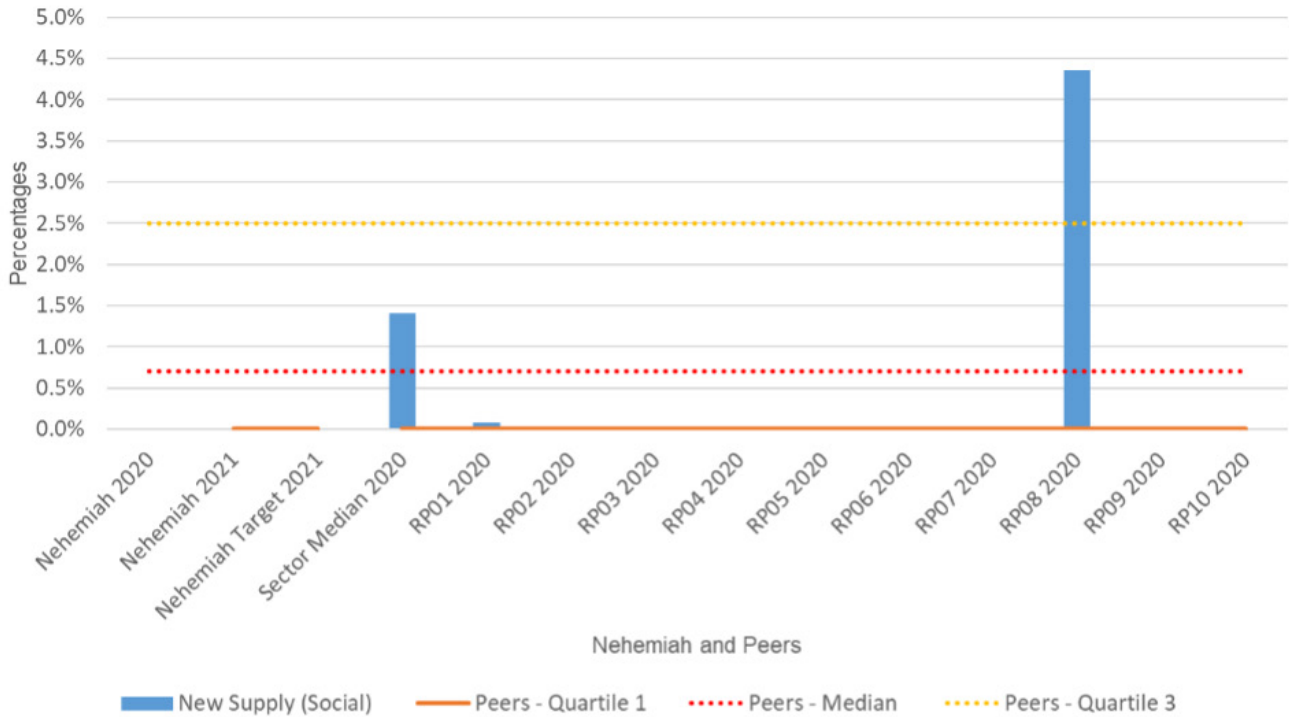


The pandemic has redefined our society. Clearly government, institutions and all major stakeholders in society have to now re-examine how we go forward and how we recalibrate our vision of what our society should be like in the future. As we move forward, we are now being subjected to the parameters around the climate change agenda and how we prioritise investment to meet government policy to reach net zero carbon emission by 2050. This will have far reaching implications on our strategy going forward in the next five years and beyond.

<b>New supply delivered (Social Housing) as a % of total stock</b>	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
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	0%	0%	0%	0%	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. Our modest plans to acquire non social housing for market rent will be done through a wholly owned subsidiary of the Association Nehemiah Ventures. Ventures has yet to commence trading.

### New Supply (Non Social)

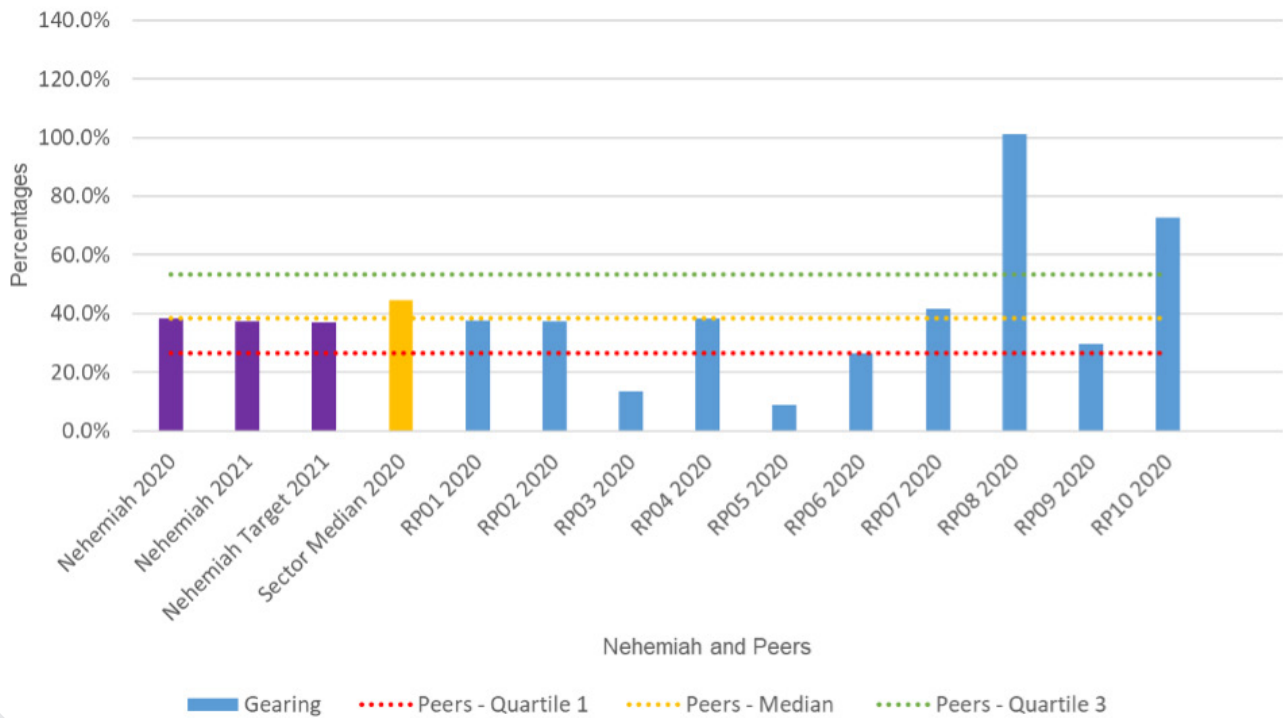


Gearing	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This shows the proportion of our borrowing compared to our assets. High gearing could indicate that we have taken on too much borrowing however low gearing could indicate that we have the capacity to borrow more.	38.2%	37.2 %	37.00%	38.3%	44.5%	37.0%

Gearing at 37.2% is lower than the sector median at 44.5% and in line with our target for the year.

Nehemiah currently has £32.6m of drawn loan facilities with a further £4.1m in undrawn facilities. The £4.1m will be drawn down to fund the development programme. This draw down will increase gearing to a projected 40% against a gearing covenant 65% in 2022/23. The Association is in advanced talks with development partners on developments due for completion in 2022/23.

Gearing %



EBITDA-MRI	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
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.	148.8%	205.0%	189.0%	234.7%	171.0%	157.0%

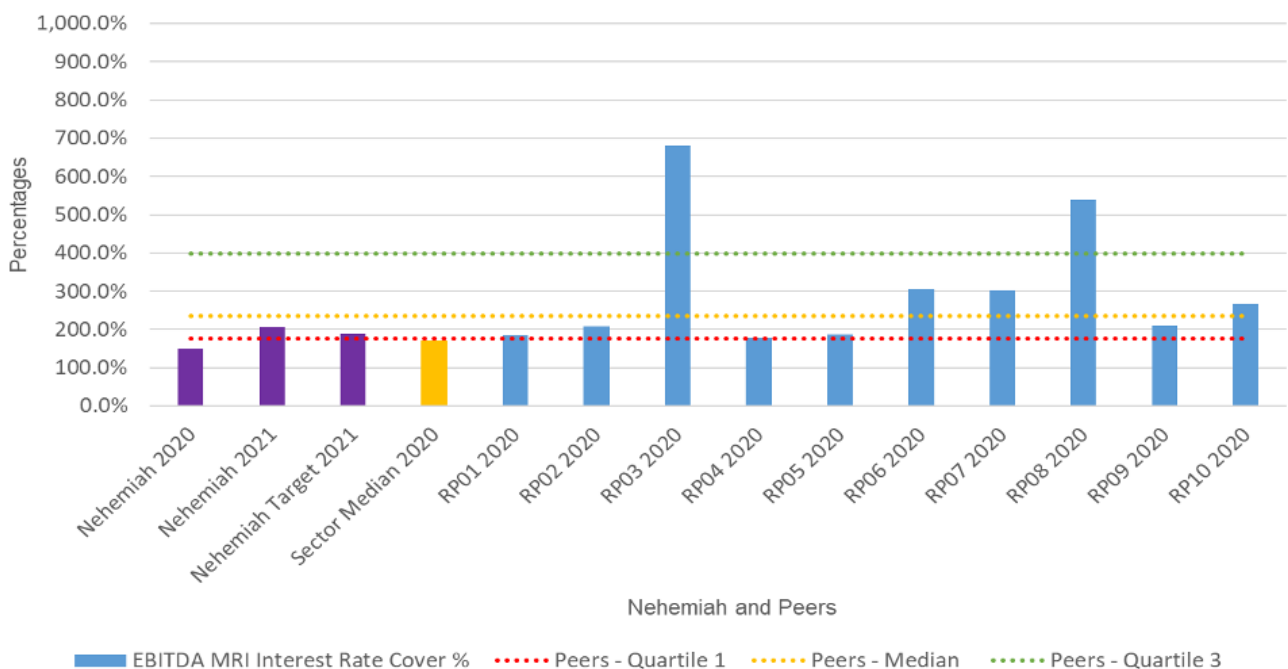
EBITDA -MRI The figure 205% for the year, is better than our target of 189% but higher than our sector median of 171%. The Association made savings across several areas. Lockdown restrictions on activities in 2020/21 yielded savings across management costs, adjusted projections for increased bad debts over the year have not been realised (we expect the end of the government job retention scheme to impact on this area)

Regarding the targets, whilst Nehemiah continues to make healthy surpluses to fund the cost of its operating activity and financing charges, increased costs/investment in planned repairs together with the additional costs of financing the new loans for new development means that margins will be tight for several years.

The Board monitors the position regarding covenants and liquidity closely. Nehemiah currently has £4.1m of undrawn facilities for the development of new homes some of which are expected to be delivered over the next 2 financial years. There are ongoing negotiations for developments to be completed in 2021/22 and further opportunities will be kept under review.

The Association had revised 2020/21 repairs and maintenance forecasts for expected delays in the delivery of the repairs programme with some scheduled work being deferred to 2021/2022. This is resulting in a tighter interest cover projection for the next financial year.

EBITDA MRI Interest Rate Cover %



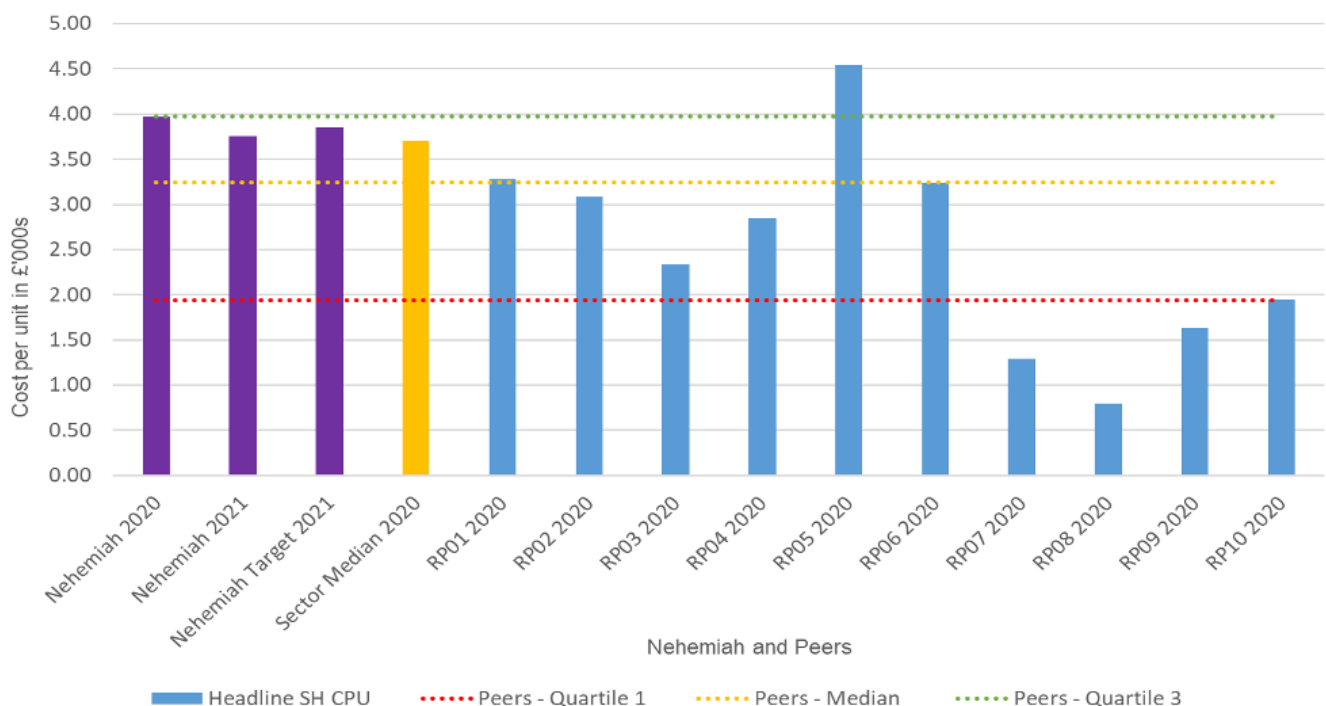


Headline social housing cost per unit	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This unit cost metric assesses the headline social housing cost per unit as defined by the Regulator of Social Housing.	3.97	3.75	3.85	2.97	3.71	4.10
a) Management Cost per unit	1.03	0.98	1.79	0.99	*	
b) Service charge cost per unit	0.99	0.98	0.61	0.45	*	
c) Maintenance cost per unit	1.13	1.13	0.95	1.04	*	
d) Major repairs cost per unit	0.76	0.60	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 on account of the geographical spread of housing stock across 6 Local Authority areas and the proportion of supported housing for older people (This represents 25% of our housing stock). There has been savings around management costs. This has released resources for expenditure on repairs and maintenance. 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

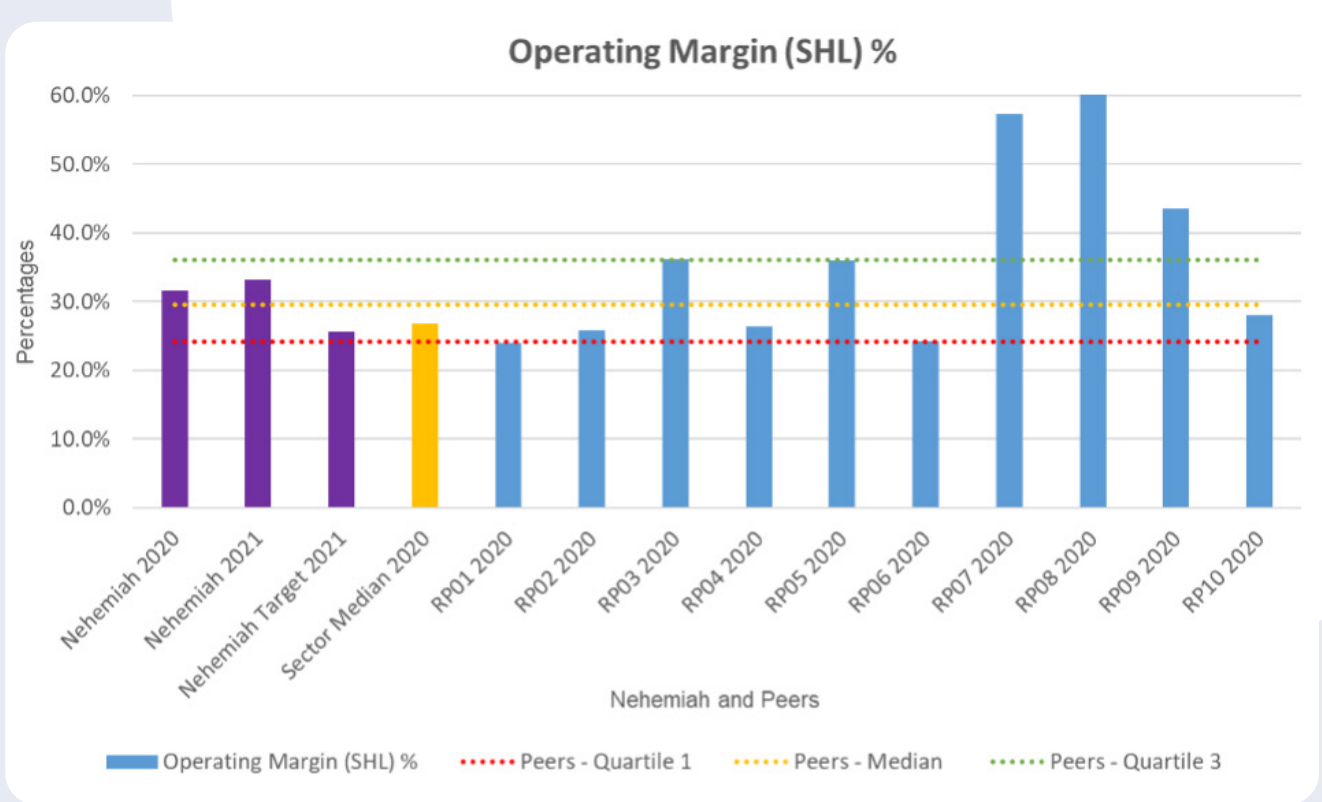
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Operating Margin % (Social Housing lettings only)	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities from core business activity.	0%	0%	0%	0%	0%	0%

Our social housing operating margin has increased compared to the previous year 2019/20 was above our target for 2020/21. The margin at 33.1% is above the sector median. Savings in management costs due to lock down restrictions and the use of resources for capitalised major repairs has led to improved margins. During 2020/21 £285,000 planned for revenue repairs was invested in the improvement in homes.

In 2021/22 The Association will be directing additional resources to meet the additional annual costs of the new repairs contract £150,000 together with new commitments for home improvements. As a result, margins are expected to be tighter for the next 2 years before returning to sector medians.

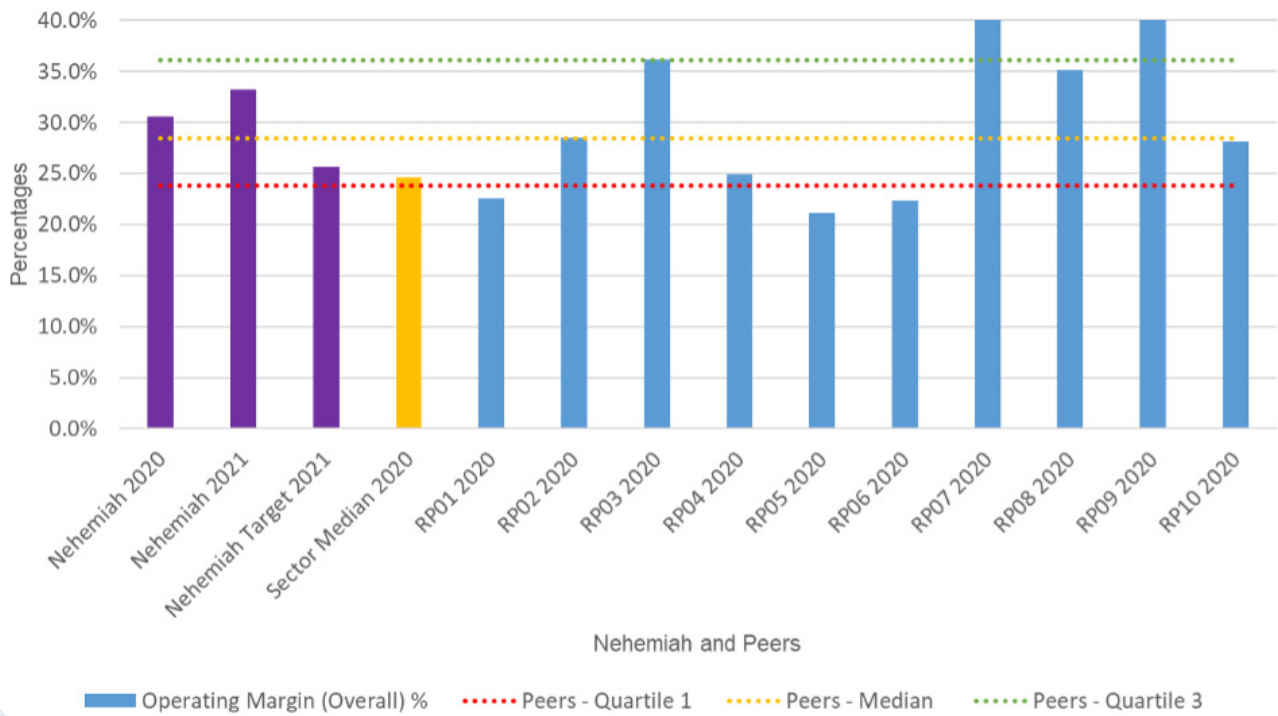


Operating Margin % Overall	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities from core business activity. (For 2018/19 social lettings formed 100% of Nehemiah's activity)	30.0%	33.3%	25.7%	28.5%	25.7%	24.3%

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

The operating margin in 2020/21 was an improvement on the target due to major repairs costs being capitalised during the year, together with savings across management overheads.

Operating Margin (Overall) %

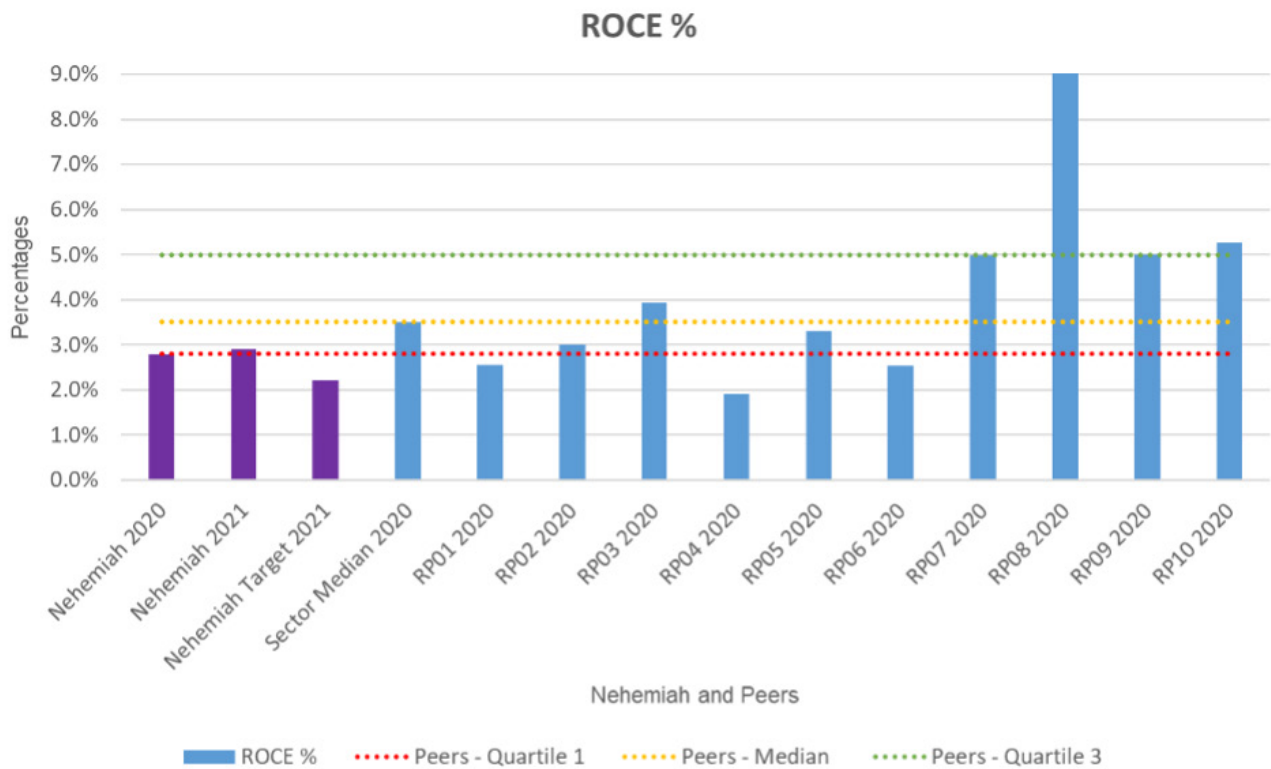


Return on capital employed (ROCE) %	Nehemiah 2019/20	Nehemiah 2020/21	Target 2020/21	Peers 2019/20	Sector Median 2019/20	Target 2021/22
This metric compares the operating surplus to total assets less current liabilities and assesses the efficient investment of capital resources.	2.6%	2.9%	2.2%	3.5%	3.5%	2.2%

Return on capital in 2020/21 is improved on the target for 2020/21 because the surplus £1.3m was higher than the planned surplus of £0.803m.

The Board note that ROCE for the Association is lower than our peers and the sector median.

The 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 the costs of servicing this additional financing means 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 the Operations Committee on a quarterly basis.

Indicator	Target	Achieved
% of emergency repairs completed within target	100%	100%
% of urgent repairs completed within target	98%	98%
% of routine repairs completed within target	99%	96%
% overall satisfaction with the repair service	90%	95%
% satisfied with last repair	90%	91%
% of schemes/estates inspections completed	100%	57%
% of ASB cases dealt with within response times	100%	74%
% of ASB cases dealt with within response times	100%	74%
Number of customers involved this year	800	586
	<b>Target</b>	<b>Achieved</b>
Average repair cost per property	£ 256	£317

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:

#### 01

##### 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.

#### 02

##### 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.

#### 03

##### Schools and college engagement:

We provide an 'inspiration programme' which promotes workshops delivering 'life 'soft' skills and CV writing.

#### 04

##### 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:

→ 01

**Wolverhampton City Council:** We currently provide support services to young parents in Wolverhampton under the age of 18 and coming out of 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.

→ 02

**Coventry Cyrenians:** We currently facilitate a homeless project in Coventry providing homes and support services to young men in the city with a view to moving them on to permanent accommodation.

→ 03

**Birmingham Mind:** We run 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 even further for 2021/2022.

## Risks and Going Concern Impact of COVID-19

Whilst we now appear to be in the tail end of government-imposed restrictions, the Association recognises that the COVID-19 pandemic will have a significant impact on the tenants, operations, and staff for some time to come. The Board and Association have focussed on identifying the risks facing all areas of the business as we enter into a new phase of the recovery from the pandemic and consider how the business will function going forward following the learning over the last 15 months and probabilities for further outbreaks. The major risks can be summarised as:

Area	Risks	Key Mitigations
<b>Tenants</b>	Tenant health and well-being at risk, with a likelihood of deaths Tenants suffering financial hardship.	<ol style="list-style-type: none"> <li>1) Education to staff and tenants on how to reduce risks.</li> <li>2) Regular contact maintained through phone and digital streams where possible.</li> <li>3) Advice to adhere to government guidelines for social distancing.</li> <li>4) Liaison with social care and family for most vulnerable tenants.</li> <li>5) Support for tenants in hardship.</li> </ol>
<b>Organisation</b>	Period of uncertainty implications on planning Reputational risks	<ol style="list-style-type: none"> <li>1) Review of deadlines for corporate objectives.</li> <li>2) Use of social media to highlight Associations response to COVID-19.</li> <li>3) Staff equipped for remote working. Two teams to man offices across 4 days/week.</li> </ol>
<b>Finance</b>	Reduced rent levels increase in arrears and bad debts after the cessation of the governments job retention scheme. Uncertainty around assumptions for financial plans. Rent loss due to extended void periods.	<ol style="list-style-type: none"> <li>1) All systems configured to support remote working.</li> <li>2) A range of financial models reflecting increased bad debts assumptions, arrears levels and void periods modelled, and stress tested.</li> </ol>
<b>Operations</b>	Delays in repairs and maintenance creating a back log of work. Increased void periods Supply chain issues for materials linked to BREXIT new trading arrangements.	<ol style="list-style-type: none"> <li>1) Ensure all emergency works prioritised and completed.</li> <li>2) PPE issued to all staff.</li> <li>3) Continual review of government advice.</li> </ol>

The Association views that whilst the impact of the pandemic will be with the economy for some time, operations have been reorganised and developed to support working in the current climate with minimal disruption to business. We are mindful that the end of the governments job retention scheme will have an impact on tenant livelihoods and subsequently arrears and bad debt levels. Stress tests on these risks have been completed and show the Association able to remain viable.

### Income

98% of the Association's turnover comes from rent and service charges. Rent payment profile of our tenants are:

<b>Housing Benefit</b>	<b>47 %</b>
<b>Universal Credit</b>	<b>7 %</b>
<b>Self-Payers</b>	<b>46 %</b>
<b>Total</b>	<b>100 %</b>

Long-term financial projections have been revised with appropriate assumptions regarding the potential losses arising from voids (increased from 1% to 2% of rental income) and bad debts (increased from 1.125 % to 1.6% of rental income) attributable to the health pandemic.

### Costs

The Board has considered revised financial plans that model these income and cost assumptions.

- Bad debts write-offs are projected to rise by circa 42% on 2020/21 forecasts.
- Void periods in sheltered accommodation are projected to increase by circa 100% on 2020/21 forecasts.
- Repairs costs will increase at 1% above CP.



## Summary – Projected Statement of Comprehensive Income

The table below shows the Association's projected performance over the next 5 years.

Period: 01 April 2021 – 31 March 2026	2022 £000's	2023 £000's	2024 £000's	2025 £000's	2026 £000's
Total Turnover	7,153	7,509	8,033	8,216	8,356
Operating Expenditure	-5,412	-5,404	-5,791	-5,880	-5,977
Other Income					
Operating Surplus/(deficit)	1,741	2,105	2,242	2,336	2,379
Gain/(loss) on disposal of fixed asset	117	125	133	141	149
Interest and financing costs	-999	-1,031	-1,331	-1,596	-1,572
Surplus before tax	858	1,200	1,044	881	956
Taxation					
Surplus after tax	858	1,200	1,044	881	956
Comprehensive Income for the year	858	1,200	1,044	881	956
Cumulative Retained Profit	17,403	18,603	19,647	20,528	21,484

Case Study

# SERVING OUR CUSTOMERS

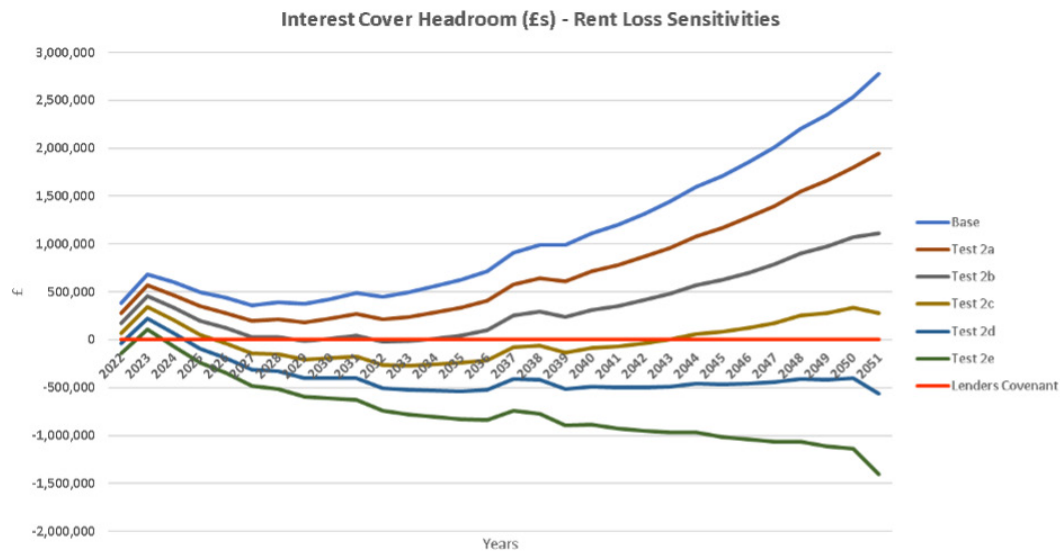
– Growing Together

To ensure the delivery of excellent services, we moved quickly, accelerating digital and remote working, with our housing officers, property service officers and customer engagement officer adapting well to new ways of working to carry out essential services. Our focus has been to maintain as many services as possible to support tenants, to repair and let homes and to maintain collection of rental income. Proactive contact has been made with tenants on an ongoing basis. Housing Officers and our Customer Engagement Officer mobilised quickly to carry out regular wellbeing check-ins with their tenants over the phone and using technology.

## Projected Interest Cover Covenant & Cash Equivalents

The table below shows that performance against key covenants also remains healthy over the same 5-year period.

Interest Cover Ratio EBITDA-MIRI	2022 £000's	2023 £000's	2024 £000's	2025 £000's	2026 £000's
Operating Surplus/(deficit)	1,741	2,105	2,242	2,336	2,336
Add: Depreciation of Housing Properties	871	904	972	977	983
Grant Amortisation Accrual Method Total	-338	-345	-362	-361	-361
Add: Impairment Of Housing Properties	0	0	0	0	0
Less: Capitalised Maintenance Works	-749	-781	-729	-651	-786
EBITDA - MIRI	1,524	1,883	2,123	2,32	2,215
Interest Payable	999	1,031	1,331	1,596	1,572
Total Interest	999	1,031	1,331	1,596	1,572
Net Operating Surplus/Total Interest (NBS)	1.52	1.83	1.6	1.44	1.41
Target Ratio Not Less Than	1.10	1.10	1.10	1.10	1.10
Headroom /(Savings)	386	681	599	496	442
Golden Rule Not Less Than	1.3	1.3	1.3	1.3	1.3
Headroom /(Savings)	172.78	417.38	302.51	174.40	131.84
Gearing	0.5	0.37	0.36	0.35	0.34
Target Gearing Ratio Not More Than	0.65	0.65	0.65	0.65	0.65
Headroom (Savings)	27,972	28,462	29,595	30,718	31,964
Golden Rule Not More Than	0.55	0.55	0.55	0.55	0.55
Headroom (Savings)	18,762	18,400	19,480	20,558	21,745
Cash and cash equivalents	810	650	927	1,037	1,027



Base		Peak Net Debt (£k)	Peak Net Debt Year	Net Debt Repayment Year	Min Int Cover	Max Gearing	Max Gearing Year	Cash Year 30 (£k)
Base	Base Plan	36,289	2023	2051	134%	37%	2023	2023
Test 2a	Rent Loss +2%	36,527	2023 -		122%	37%	2023	2023
Test 2b	Rent Loss +4%	36,768	2023 -		108%	37%	2023	2023
Test 2c	Rent Loss +6%	37,054	2036 -		94%	37%	2023	2023
Test 2d	Rent Loss +8%	44,280	2051 -		81%	38%	2023	2023
Test 2e	Rent Loss +10%	55,784	2051 -		62%	44%	2051	2051

**N.B Zero reflects the minimum interest cover level.**

All the stress tests highlighted the Association’s sensitivity to rent losses when measuring its performance against funder covenants. The graph above shows the effect of year-on-year rent losses and the Associations performance against interest cover covenant levels.

**Asset Values**

Falling property prices is not deemed to be a major risk for the Association, however a reduction in the value of loan securitisation has been considered. There are sufficient excess unencumbered assets owned by the business (£21.8m at March 2021 using EUV-SH) to mitigate this risk. Further investigation will be done to quantify a potential reduction in the current value of the Associations secured properties.

**Customer Care and Customer Satisfaction**

The Association is committed to continued ongoing engagement with social housing customers to better understand the nature of any dissatisfaction. We know customer involvement can enhance our business. 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 future trends, and planning for change.

Customers are an important stakeholder and are consulted in our production of an annual value for money statement. Customers also support us to review policies, suggest service improvements and hold us to account by scrutinising services.

The Association also works with strategic partners to enable customers to carry out a range of functions such as paying rent using smart phones. Repairs can also be reported 24 hours a day, thus improving access and response times. The Association's websites also provide opportunities for customers to report problems or feedback to the organisation.

### **Future Activities**

The medium to long-term objective is to continue to remain relevant to the needs of local and regional communities and thereby maximise the impact and scope of the Association's social housing activities. Despite the ongoing difficulties in economic and social conditions, and an increasingly challenging political context, Nehemiah is determined to facilitate more effective delivery of its housing services to local communities, and the Association remains committed therefore to participation in relevant neighbourhood regeneration and community development activities.

Nehemiah plans for a continued increase in its housing assets since this will provide the base from which a broader scope of housing services may be delivered and from which greater economies of scale may be realised. Adequate sources of private finance are essential to fund this expected growth and Nehemiah continues to enjoy success in attracting favourable financing terms from lenders in the market.

By virtue of its ethos in respect to building and regenerating communities, the Association is committed to tenant participation and will endeavour to realise this by an ongoing programme of dialogue through local meetings, conferences and other relevant events with tenants and community representatives, and by maintaining the tenant representation on its Board.

Approved by the Board on 14th July 2021  
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 2021.

### Employees

The strength of the Association lies in the quality of its employees. In particular, the collective contribution of staff gives the Association its ability to meet corporate and social objectives and commitments to tenants in an efficient and effective manner. The Association shares information on its objectives, progress and activities through regular office and departmental meetings involving Board members, the senior management team, and staff.

Nehemiah Housing is committed to equal opportunities and embracing diversity both in recruitment and in staff retention.

The service was awarded silver.

### Payment To Creditors

In line with Government guidance, the Association's policy is to pay purchase invoices within 30 days of receipt, or earlier, if required by suppliers.

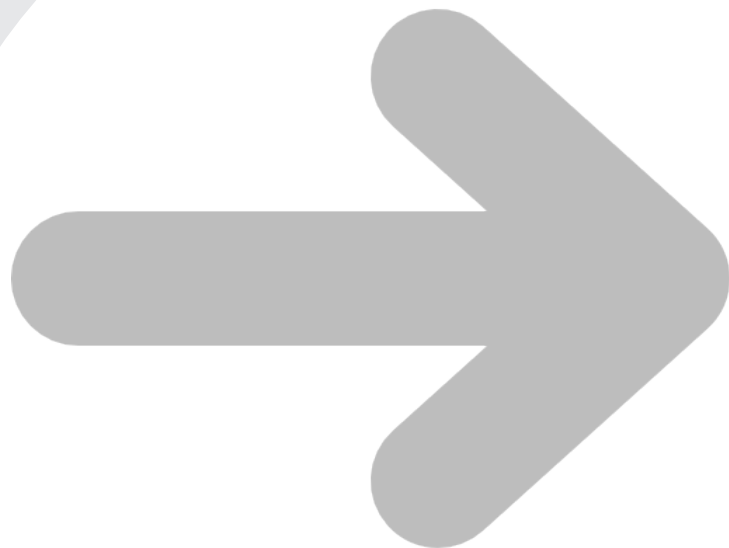
### Health And Safety

The Board is aware of its responsibilities on all matters relating to health and safety. The Association has prepared detailed health and safety policies and provides appropriate training to staff members.

### BOARD The Board

The Board currently consists of ten Members. The Chief Executive 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. There were 2 resignations from the Board during this period.

The following members have held office during the period from 1st April 2020 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 quality of humanity. As Chair and founder member of RAFFA International Development Agency Charity, set up to assist and facilitate International denominational linkages between the Church of God of Prophecy and churches in developing nations.

Bishop Powell is a founding member and currently serves as Chair of Nehemiah. 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 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, Masters in Business Administration and currently completing for his 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, Vice Chair and Chair of the Audit and Risk Committee for Nehemiah United Churches Housing Association (UCHA) 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 hold 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, 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.

**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,  
MCI OB**



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 relation 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 MCI OB (Chartered Institute of Building) and BSc Civil Engineering. He is a Member of the Board at Nehemiah Housing and Chairman 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 and 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 CPFA qualified accountant by professional background and brings public and private sector experience. Winston grew up in North West Birmingham though 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 sector. 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 director of a large Midland Housing Association.

**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 on 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 (6500 homes) and is now Finance Director at the Pioneer Group (2500 homes), two housing associations in the Midlands.

In these roles he has led on Treasury management (with loan portfolio up

to £300 million), internal and external audit, risk and assurance, ICT, business planning and supported an organisation through a Regulator of Social Housing (RoSH) In Depth Assessment inspection process. Martyn serves on the Audit and 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 around 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 RoSH 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, fellow of the Chartered Institute of Housing and an MBA.

Juliana serves on the Audit and 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 and is currently Assistant Director Neighbourhoods for Tamworth Borough Council. Tina has substantial transformational and development skills achieved through achieving 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; House-mark; National Housing Federation and ARCH. She is a member of the Board and sits on the Operations Committee.



**Janet Dubidat MBA,  
Chartered MCIPD  
COMPANY SECRETARY**



**Kishen Hawkins  
(RESIGNED SEPT 2020)**



**Tracey O'Brien  
(RESIGNED SEPT 2020)**

# Nehemiah Statutory Accounts Governance Report 2020/2021

## 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 was reviewed in October 2020 because of the impact of Covid-19 pandemic the quarter 1 objectives were moved to quarter 2. It was not anticipated that Covid-19 would still be having an impact over a year later. The review of the Corporate Strategy: Growing Stronger Together also took into consideration the necessary response to the Social Housing White Paper, we are currently working through an action plan to ensure that that our tenants are at the centre of all we do and that we continue demonstrate accountability to them and that they are involved in the governance structures of the organisation.

Currently we have achieved all the objectives for quarters 2, 3 and 4 with progress being made on the Review of IT Systems journey which began in 2019 continuing in quarter 1 2021-22. The development of a reporting system to streamline the production of Management Accounts has made progress with input from the Audit & Risk Committee, tracking control and members views with business objectives and inclusive target for strategy.

We have also been developing our reporting system to enhance governance 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 life 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, from the regulatory standards.

We are in business for diversity. 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:**



## Strategic Objectives

### 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.

As a housing association, our priority over the next three years is to provide affordable homes at below market rent levels. 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 plan 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.

With development costs likely to rise in coming years as a result of Brexit and Grenfell Tower impacts, we will look to be innovative in containing our costs, while continuing to build to high quality designs and specifications.

In the light of Grenfell and the expected rise in new build quality standards, we will ensure we have appropriate technical expertise supporting our existing skills base to manage our projects and to maintain our reputation for building well

designed, and modern developments.

We believe that our growth plans will succeed by us focusing on 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. All proposed developments will be carefully assessed for risk; only those developments for which the risk is manageable will proceed.

### 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 future 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. We will achieve this by delivering our Customer Engagement Strategy which delivers real accountability to our customers and enables them to engage with us in a variety of ways which suits their busy lives.

### **3. Strong governance, finance, and risk management**

The 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.

### **4. Investing in our Homes**

We will 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 and responsive repairs service and we will demand high quality services from our contractors.

### **5. People Development & Well-being**

In outlining our people strategic objective, Nehemiah recognises that the contribution of all staff will be fundamental to the achievement of this goal. The Human Resources 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 and values of Passionate, Diversity, Integrity and 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.

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 and Corporate Social Responsibility.



## Corporate Governance

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

The Association went through an In-depth Assessment by the Regulator of Social Housing in April and May 2021. The outcome has been that the Association's governance framework has been rated at G1 whilst financial viability rating remains compliant at V2.

An annual self-assessment against the provisions of the Code satisfies that 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 at Nehemiah UCHA. In line with recommendations, Nehemiah will formally adopt the NHF Code of Governance 2020 from April 2022. is completed each year against the provisions.

During the year Nehemiah's governance was independently evaluated by Campbell Tickell. This was an in-depth and robust process allowing the organisation to assess our governance practices and ensuring that governance is demonstrable as a 'golden thread' in the business. Nehemiah is working through several recommendations.

### 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 officers 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 Corporate Strategy: Growing Stronger Together 2020/23
- Review of and embedding 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
- Policies
- Consideration of new approach to reporting of Building compliance and health and safety performance to the Board



The Board has played an important role in working with the Executive to develop a new Corporate Strategy: Growing Stronger Together 2020-23, including an update to the mission, vision, and values of Nehemiah. The first year of the new corporate strategy has been reviewed and confirmed currently we have achieved all the objectives for quarters 2, 3 and 4, outstanding actions have been reflected in quarter one of 2021-22.

Board Members continue to have collective oversight and ownership of the risk management framework and of the system 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 with 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.

### **Board Effectiveness Review (BER)**

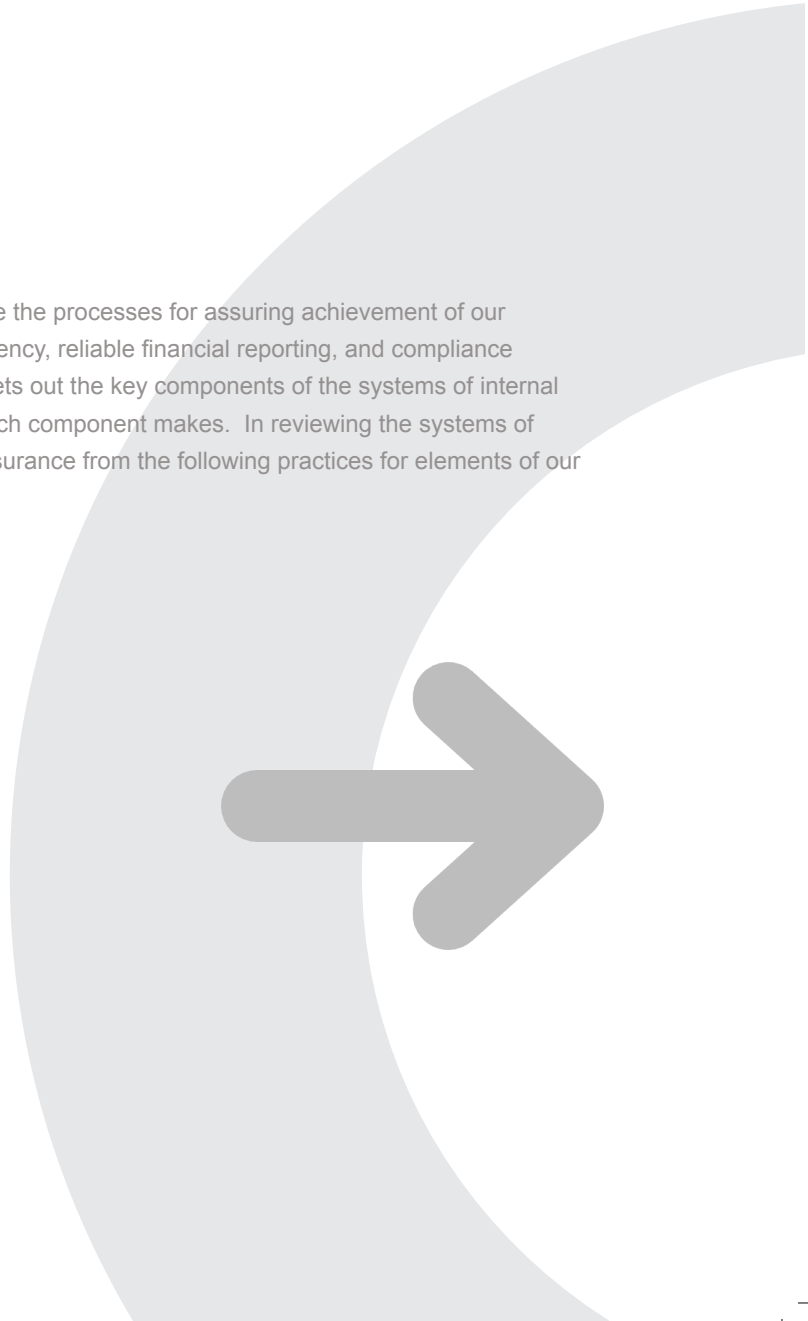
The Board Effectiveness Review was undertaken to primarily ensure that we have the appropriately skilled Board in place to effectively manage the affairs of the organisation. Also, to ensure that the Board reviews and manages its performance and continues to comply with the NHF Code of Governance.

As part of this year's BER, the activities undertaken have included but are not limited to:

- Governance Improvement Evaluation
- Review of strategic policies.
- Succession review.
- Appraisals (Board Members and CEO).
- Committee 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. In reviewing the systems of internal control we have in operation, the Board takes assurance from the following practices for elements of our control framework:



**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 and 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 and 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 at Board, Committees, Executive Committee allows for review of performance and prompt action to be taken where performance is below target levels. This includes monitoring of delivery against targets in Corporate Plan.

**Performance information – Financial (e.g. management accounts and budget reports)**

Regular reporting of financial performance information at Board, Committees, 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.

**Treasury management**

Treasury management function monitoring compliance against our obligations to lenders (including in relation to performance against our financial and non-financial covenants) and external treasury risk factors, whilst also proactively taking steps to improve the efficiency - and reduce the risk - of our loan book. It also ensures we have sufficient cash to meet our short-term commitments and access to loan facilities sufficient to finance our long-term plans and commitments.

**Appraisal of investment decisions**

All housing new build 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. These are determined by the Audit and Risk Committee annually by reference to a rolling 3-year programme which aims to ensure all key risk areas are audited at least every 3years. 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 report provides evidence of compliance against the RSH Regulatory Standards which is reviewed by the Board and enables the Chairman, on behalf of the Board, to certify compliance against the Regulatory Standards.

**Health and Safety risk monitoring**

A Risk Management Group incorporating Health and Safety meets quarterly to monitor the extent to which Nehemiah is meeting its Health and Safety responsibilities. Reporting of Health and Safety is reviewed at each meeting of Executive Committee, Operations, Audit and Risk Committee and the Board to determine if Health and Safety Risks are being adequately managed.

While the Board is ultimately responsible for ensuring the implementation of an effective system of internal control which provides reasonable assurance against material loss or misstatement, both the Audit & Risk Committee and Executive acknowledge their respective responsibilities for overseeing and operating an effective system of internal control within Nehemiah.

### Audit and Risk Committee

The primary role of the Audit and Risk Committee is to oversee the day-to-day audit and risk functions of the Organisation. Its overall purpose being to ensure that there are effective and appropriate measures of internal controls and assurance that can be provided to board.

The Committee has received sufficient, reliable, and timely information from management, internal and external audit process to fulfil its responsibilities.

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 and Safety Policy
- Oversight of the compliance with whistleblowing and fraud policies and procedures
- Compliance with Regulatory Standards and NHF Code of Governance

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, and data breach)
- GDPR
- Internal audit plans and reports
- External audit plans and reports
- Internal Controls and Risk management
- Compliance calendar
- Business continuity
- Non-financial covenants
- Report by the Money Laundering Reporting Officer (MLRO)
- Policy review schedule
- VfM
- Review annual report detailing the organisations compliance with relevant laws and regulations.

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"***

## Operations Committee

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 will also oversee the housing and asset management, property services, monitoring of KPIs and income collection and the IT and development functions of the organisation. 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
- Customer Engagement
- KPIs
- Welfare Reform
- Policies (including gas servicing, and asbestos)
- Housing and property services
- Internal Audit (including Health & Safety-Gas Safety)
- Consumer Standards

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.	99%	96%
% overall satisfaction with the repair service.	90%	95%

Good results in the context of a year affected by the impact of the current health pandemic

## Remuneration and Nomination Committee

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 considers the structures and systems required to effectively lead the organisation in relation to remuneration, nominations, and related 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 will receive by exception, matters concerning HR, where there is a possibility of legal action and or reputational damage to the organisation.

The committee is also responsible for making appropriate recommendations on these specific issues to the Board.

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

- Board and Committee Succession Planning
- Executive Team Succession Planning
- Board recruitment
- Terms of reference
- Pay and remuneration
- Executive team review
- Policies (including Board Recruitment, Renewal and Review, Executive Remuneration Policy, Employee Related Policies, Mental Health, Stress and Well-being Policy, Equalities and Diversity Policy, Code of Conduct for Board and Committee members and Staff)

As a result of the committee's work the Association has clear goals for the long-term succession plans for leadership at board and executive level.

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 as these change and will ensure that work on appraisal processes, skills assessments and succession plans are triangulated, to ensure maximum effectiveness in positively influencing Board performance.

## Customer Involvement

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

Our approach is to ensure that, where possible, there is fair and appropriate demographic and geographic representation of our customers encouraging diversity and equality. Engagement with our Customers will be to scrutinise performance against the Consumer Standards within the regulatory framework and to act as a consultative mechanism to gain feedback on customer experience and service improvement opportunities.

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

## Risk and Control

The revised Risk Management and Assurance Framework has been fully operational from April 2020. Risk is a standing agenda item for the Board; with the Audit and Risk Committee having a mandate to oversee the work of the organisation as is their review of the Compliance Calendar. The Risk Register is regularly presented to the Board allowing them opportunity to challenge and seek further assurance as to the management of risk, as appropriate. The register is updated to reflect:

**Environmental Scan:** as part of our review of our corporate plan we take account of factors within our operating environment and implement processes to identify opportunities and threats within our sector.

**Operational Risks:** Operational risks emanate from day-to-day operations of the business. These are monitored by the executive team monthly; and further supported by the risk, health and safety group which meet at quarterly intervals to assess any movements in existing risks and highlighting new risks with a view to applying appropriate mitigations.

The Audit and 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 the board on the key areas of risk have included:

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

Ref	Principal and emerging risks	Mitigations	Rank
Strat- 23	Government targets for Zero carbon will place unsustainable demands on resources and impact on long term financial plans	Sector briefings Complete EPC surveys for all stock Action plan to meet targets	1
Strat- 2	Tenant and staff safety due to COVID 19 outbreak	Adhere to government guidelines. Maintain safe building protocols at office.	2
Strat- 4	Brexit – inflation / supply chain	Make assumptions regarding cost increases in financial plans	3
Strat- 22	Will not be able to re-negotiate new loans on favourable terms	Early discussions with funders. Stress testing a range of options for plans. Consider different funders	4
Strat- 11	Failure to regain G1 regulatory grading	Embed improvement actions plan Take on board recommendations of consultants	5
Strat- 7	Interest Cover covenant breach	Monitor interest cover performance Association's golden rules on interest cover.	6
Strat- 3	Health & Safety	Health and safety checks Monthly block inspections Staff / Tenant training	7
Strat- 18	Rent Settlement agreement changed by Government	Modelling and stress testing scenarios Monitor sector publications	8
Strat- 6	Welfare Reform	Drive to improve income collection and providing additional support/signposting to tenant in financial distress.	9
Strat- 10	Risk Management & Assurance Framework ineffective	Embed risk management across the organisation.	10

## 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 any 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 / conferences have been undertaken by Board Members during the last financial Year:

- Sector Risk Profile
- NHF Code of Governance 2020
- Social Housing White Paper
- Board Briefing: Regulating the Standard and IDA

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

## The Board

The Board currently consists of 10 Members including the Chief Executive as an Executive Board member. The Association has Committee Members who are not Members of the Board. There were six meetings of the Board held during the financial year. Two board members resigned due to reaching the end of their term during the year.

### Diversity (Board)

#### Gender

20% of the Board Members are female  
80% of the Board Members are male

#### Age

10% of the Board Members are aged between 26 and 40  
70% of the Board Members are aged between 41 and 64  
20% of the Board Members are aged between 65 and over

#### Ethnicity

7 Board Members are from BAME backgrounds- 70%  
3 Board Members is from a White British background- 30%

\*As Nehemiah is a BAME led Organisation, it aims for its membership to reflect the communities it serves.

### Attendance

#### Attendance

Overall attendance at board meetings in the last year was 87% against target of 75%

Individual attendance for current Members ranges between 57% and 100%

#### Statement of Compliance

In preparing the Strategic Report and Board Report, the Board has followed the principles set out in the Housing SORP 2018 and FRS 102.

Case Study

# LOCAL PEOPLE YOUNG PEOPLE.

– Growing Together







We embarked on the Kickstart Housing Partnership which is part of a £2 billion National scheme provided through the Department for Work and Pension to support young people into employment. Nehemiah will be taking on 4 Kick-starters, aged 16-24, in this first round of the programme commencing July 2021. In addition, we have started a new partnership arrangement with Axis Europe Plc, to deliver our responsive repairs service. In this contract we have committed to providing apprenticeship and placement opportunities, and training and development skills for local people in the communities in which we operate. This will ensure that we provide added value to the local economy now and in the future.

## 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 Housing 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 and confirms that the Organisation is compliant.

## Remuneration

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

	£		£
Wilton Powell	5,000	Martyn Hencher	2,500
Martin Levermore	3,000	Tina Mustafa	2,500
Amarjit Singh	2,750	Tracey O'Brien (resigned Sept 2020)	1,250
Tom Murtha	2,500	Winston Weir	2,750
Kishen Hawkins (resigned Set 2020)	1,125	Dexter Du Boulay	2,500
Juliana Crowe	2,500	Neelam Samra *	900

\* Committee Member

## 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 2021.

**Llewellyn Graham** - Chief Executive

**Patrick Bryan** - Director of Corporate Services

**Kevin Fearon** - Director of Operations

## 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 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 Housing 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 Nehemiah Housing's 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 Housing 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 the Board on 14 July 2021  
and signed on its behalf.



**JD Dubidat**  
Secretary



# Independent Auditor's Report

To The Members of  
Nehemiah United Churches  
Housing Association Limited

## Opinion

We have audited the financial statements of Nehemiah UCHA (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Change in Equity 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 United Kingdom Accounting Standards, including 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 2021 and of its loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, 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 Board's 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 Board 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 Board 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 course of 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 Board's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Board's 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 and the Board's Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities Of Board

As explained more fully in the Board's Responsibilities Statement set out on page 3, the Board are 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 determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board are 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 the Trust and its sector, we identified that the principal risks of non-compliance with laws and regulations related to the pensions legislation, employment and health and safety regulations, Homes England, Regulator of Social Housing and implementation of government support schemes relating to COVID-19, anti-bribery, corruption and fraud, money laundering 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 Board's 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 financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

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 Board 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 enquiries of the Board and management on whether they had 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](http://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 Chapter 3 of Part 16 of the Companies Act 2006 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*

**David Hoose (Senior Statutory Auditor)**

for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
2 Chamberlain Square  
Birmingham  
B3 3AX

28 July 2021

**Financial  
Statements 2020/21.  
Nehemiah Housing.  
Year ended  
31 March 2021**

**The Association  
provides homes for  
single people, families,  
couples and elderly  
people in Birmingham,  
Coventry, Dudley,  
Sandwell, Walsall and  
Wolverhampton.**







## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3a	7,129	7,005
Disposal of Fixed Asset	8	44	115
Operating costs	3a	(4,803)	(4,858)
Operating surplus	3a	2,370	2,262
Finance income		3	9
Interest and financing costs	4	(1,043)	(1,133)
Surplus for the period	5	1,330	1,138
Other comprehensive income		-	-
Initial recognition of multi employer defined benefit scheme		-	-
Actuarial gain/loss on pension scheme		(830)	844
Comprehensive Income for the year		500	1,982

## STATEMENT OF FINANCIAL POSITION

Year ended 31st March 2021

	Note	2021		2020	
		£ 000	£ 000	£ 000	£ 000
<b>FIXED ASSETS</b>					
Housing properties - cost less depreciation	8		79,739		79,680
Other property, plant & equipment	9		1,145		1,143
<b>TOTAL FIXED ASSETS</b>			80,884		80,823
<b>CURRENT ASSETS</b>					
Debtors	10	666		546	
Investments	11	-		-	
Cash and cash equivalents		2,997		2,365	
<b>CREDITORS: amounts falling due within one year</b>	12	3,663 (1,538)		2,911 (1,557)	
<b>NET CURRENT ASSETS</b>			2,125		1,354
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			83,009	0	82,177
<b>CREDITORS: amounts falling due after more than one year</b>	13		(67,173)		(66,841)
<b>CAPITAL AND RESERVES</b>					
Non-equity share capital	16		-		-
Revenue reserves			15,836		15,336
<b>ASSOCIATION'S FUNDS</b>			15,836		15,336

The notes on pages 71 to 91 form part of these financial statements. The Financial Statements on pages 66 to 71 were approved by the Board on 14 July 2021.

Signed on behalf of the Board.



W Powell  
Chairman



W Weir  
Treasurer



J Dubidat  
Secretary

## STATEMENT OF CHANGES IN RESERVES

Year ended 31st March 2021

	Revenue Reserves 2021 £ 000	Revenue Reserves 2020 £ 000
At 1st April	15,336	13,354
Total comprehensive income for the year	500	1,982
At 31st March	15,836	15,336



## STATEMENT OF CASH FLOWS

Year ended 31st March 2021

	Note	2021		2020	
		£ 000	£ 000	£ 000	£ 000
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	A		2,492		2,856
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net interest & financing costs		(1,040)		(1,124)	
Housing loan repayments		(77)		(175)	
Housing loan received		-		-	
			(1,117)		(1,299)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of housing properties		-		-	
Investment Refurbishment - in existing stock		(312)		(1,405)	
Investment - New components		(713)		(942)	
Purchase of other property, plant & equipment		(43)		(18)	
Proceeds from sales of property		160		315	
Capital grants received		165		-	
			(743)		(2,050)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			632		(493)
Cash and cash equivalents at the beginning of the year			2,365		2,857
Cash and cash equivalents at the end of the year			2,997		2,365

## STATEMENT OF CASH FLOWS

Year ended 31st March 2021

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

	2021 £ 000	2020 £ 000
<b>Surplus for the year</b>	1,330	1,138
<b>Disposal of fixed assets</b>	(44)	(115)
<b>Net interest payable</b>	1,040	1,124
<b>Movement in debtors</b>	(121)	61
<b>Movement in creditors</b>	(62)	274
<b>Depreciation of housing properties</b>	852	805
<b>Depreciation of other property, plant &amp; equipment</b>	40	42
<b>Movement in non finance long term creditors</b>	-	-
<b>Amortisation of government grants</b>	(422)	(443)
<b>Surplus Employer Pension Scheme Contributions</b>	(121)	(30)
<b>Initial recognition Defined benefit</b>	-	-
<b>Actuarial (gain) \ loss on pension scheme</b>	-	-
<b>Net cash generated from operating activities</b>	2,492	2,856

# NOTES TO THE FINANCIAL STATEMENTS

## Year ended 31st March 2021

### 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**

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

An assessment is made at each reporting date as to whether an indicator of impairment exists. If such an indicator exists, an impairment assessment is carried out and an estimate of the recoverable amount of the asset is made. Where the carrying amount of asset exceeds its recoverable amount, an impairment loss is recognised in surplus or deficit in the Statement of Comprehensive Income. The recoverable amount of an asset is the higher of its value in use and fair value less costs to sell. Where assets are held for their service potential, value in use is determined by the present value of the asset's remaining service potential plus the net amount expected to be received from its disposal. Depreciated replacement cost is taken as a suitable measurement model.

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.

**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.



## 1. ACCOUNTING POLICIES (continued)

### 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.**

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:

	2019/20	2020/21
Provision of Former Tenant arrears going bad	100%	100%
Provision for Current Arrears	50%	50%

At the 31st March 2021 there were no other provisions for potential liabilities or contingencies. The provisions made 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.

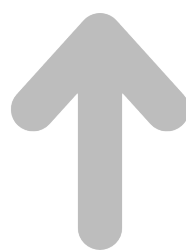


## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2021

### 3a. TURNOVER AND OPERATING COSTS

	2021			
	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating surplus/ (deficit)
	£ 000	£ 000	£ 000	£ 000
<b>Social Housing Lettings (note 3b)</b>	6,955	(4,650)		2,305
<b>Other Social Housing Activities</b>				
Other income receivable	15	(2)		13
Development administration	-	(70)		(70)
Other	158	(80)	44	122
	173	(152)	44	65
	7,128	(4,803)	44	2,369



## Turnover and Operating Costs



	2020			
	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating Costs
	£ 000	£ 000	£ 000	£ 000
<b>Social Housing Lettings (note 3b)</b>	6,862	(4,693)	-	2,169
<b>Other Social Housing Activities</b>			-	
Other income receivable	13	(2)		11
Development administration	-	(85)		(85)
Other	130	(78)	115	167
	143	(165)	115	93
	7,005	(4,858)	115	2,262



### 3b. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General Needs Housing £ 000	Supported Housing £ 000	Shared Ownership Housing £ 000	TOTAL 2021 £ 000	TOTAL 2020 £ 000
Rent Receivable	5,466	81	10	5,557	5,482
Supporting People Charges	-	-	-	-	-
Service Income	973	51	-	1,024	1,005
<b>Net Rental Income</b>	<b>6,439</b>	<b>132</b>	<b>10</b>	<b>6,581</b>	<b>6,487</b>
Amortisation of Government Grants	374	-	-	374	375
<b>Total income from Social Housing Lettings</b>	<b>6,813</b>	<b>132</b>	<b>10</b>	<b>6,955</b>	<b>6,862</b>
Management	1,040	17	2	1,059	1,091
Supporting People	-	-	-	-	-
Service Charge costs	1,193	25	-	1,218	1,216
Routine Maintenance	803	17	-	820	836
Planned Maintenance	584	10	-	594	567
Major Repairs	-	-	-	-	-
Bad Debts	1	7	-	8	81
Property Leasing Costs	100	-	-	100	97
Depreciation of Housing Properties	852	-	-	852	805
Operating Costs on Social Housing Lettings	<b>4,573</b>	<b>76</b>	<b>2</b>	<b>4,650</b>	<b>4,693</b>
Operating Surplus on Social Housing Lettings	<b>2,240</b>	<b>56</b>	<b>8</b>	<b>2,305</b>	<b>2,169</b>
Rent losses from voids	<b>(129)</b>	<b>(3)</b>	<b>-</b>	<b>(132)</b>	<b>(62)</b>

## 4. INTEREST AND FINANCING COSTS

	2021 £ 000	2020 £ 000
On loans repayable by instalments, wholly or partly, after more than 5 years	1,043	1,133

Not included in the amounts above are finance lease charges of £ 100,000 (2019 - £ 97,000 ), as set out in Note 3b

## 5. SURPLUS FOR THE YEAR

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

	2021 £ 000	2020 £ 000
Depreciation on housing properties	852	805
Depreciation on other PP&E	40	42
Amortisation of government grants	(422)	(443)
Operating leases – land and buildings	-	-
Operating leases – other	16	17
Auditor's remuneration (excluding VAT): – as auditors	15	11

## 6. EMPLOYEES

	2021 £ 000	2020 £ 000
<b>Staff costs during the year</b>		
Salaries	1,094	1,004
Social security costs	99	93
Pension contributions	236	217
Redundancy costs	-	-
	<u>1,429</u>	<u>1,314</u>

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

	2021 Number	2020 Number
<b>Salary Band: £'s</b>		
60,000 – 69,999	1	1
70,000 – 79,999	1	1
130,000 – 139,999	1	1

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

Administration	<u>29</u>	<u>27</u>
Full-time equivalent (based on a 35-hour week)	<u>29</u>	<u>27</u>

## 7. DIRECTORS' EMOLUMENTS AND EXPENSES OF OFFICERS

	2021 £ 000	2020 £ 000
Directors' emoluments (excluding pension contributions) and emoluments of highest paid director	251	239
Number of directors contributing to pension schemes	3	3
Total contributions to pension schemes in respect of the directors	51	48

Board members received emoluments and expenses during the year £29,000 (2020 - £27,000).

The emoluments of the highest paid director (who is also the Chief Executive) amounted to £117,200 (2020 - £113,300), 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
<b>Cost</b>			
At 1st April 2020	85,996	-	85,996
Additions	1,025	-	1,025
Disposals	(117)	-	(117)
<b>At 31st March 2021</b>	<b>86,904</b>	<b>-</b>	<b>86,904</b>
<b>Accumulated depreciation</b>			
At 1st April 2020	6,316	-	6,316
Charge for the year	852	-	852
Disposals	(3)	-	(3)
<b>At 31st March 2021</b>	<b>7,165</b>	<b>-</b>	<b>7,165</b>
<b>Net book value</b>			
<b>At 31st March 2021</b>	<b>79,739</b>	<b>-</b>	<b>79,739</b>
At 31st March 2020	79,680	-	79,680

Housing property additions are represented by:

	2021 £ 000	2020 £ 000
Stock transfers \ new developments	-	-
Work on existing properties	312	1,405
Replacement of components	713	942
Total Additions	1,025	2,347

	Housing Properties £ 000	Housing Properties £ 000	2021 £ 000	2020 £ 000
<b>Disposal of Fixed Assets:</b>				
Proceeds of sale	160	-	160	-
Costs of sale	(5)	-	(5)	-
Net book value of assets	(111)	-	(111)	-
Net Surplus on Disposal	44	-	44	-

## 9. OTHER PROPERTY, PLANT & EQUIPMENT

	Office land and buildings £ 000	Other fixed Assets £ 000	Other fixed Assets £ 000
<b>Cost</b>			
At 1st April 2020	1,182	234	1,416
Additions	-	42	42
Disposals	-	-	-
<b>At 31st March 2021</b>	<b>1,182</b>	<b>276</b>	<b>1,458</b>
<b>Accumulated depreciation</b>			
At 1st April 2020	95	178	273
Charge for the year	12	28	40
Disposals	-	-	-
<b>At 31st March 2021</b>	<b>107</b>	<b>206</b>	<b>313</b>
<b>Net book value</b>			
<b>At 31st March 2021</b>	<b>1,075</b>	<b>70</b>	<b>1,145</b>
At 31st March 2020	1,087	56	1,143

## 10. DEBTORS

	2021 £ 000	2020 £ 000
<b>Due within one year</b>		
Arrears of rent, service charges and support charges	448	441
Less: Provision for doubtful debts	(152)	(182)
	296	259
Other debtors	34	54
Prepayments and accrued income	334	233
Payments on account of capital projects	1	-
	665	546

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

	2021 £ 000	2020 £ 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 2020, the company has yet to start trading.

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £ 000	2020 £ 000
Housing loans (see note 13)	113	104
Trade creditors	368	526
Government grants (see note 14)	375	331
Other creditors	-	-
Other taxation and social security	30	27
Accruals and deferred income	651	569
	<u>1,537</u>	<u>1,557</u>

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £ 000	2020 £ 000
<b>Government grants (see note 14)</b>	33,154	33,455
<b>Accruals and deferred income</b>	114	103
<b>Pension liability (see note 18)</b>	1,330	621
<b>Housing property finance</b>		
Loans advanced by:		
Orchardbrook Limited	346	444
Triodos Bank	17,243	17,238
Yorkshire Building Society	13,058	13,039
GB Social Housing	1,929	1,941
	<u>32,576</u>	<u>32,662</u>
	<u>67,174</u>	<u>66,841</u>

Triodos Bank and Yorkshire Bank Loans are net of (£11,700 and £ 42,000 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 1.70%: 3.665% (fixed), 2.50% and 3.210% (fixed), 2.25% (fixed), 2.6% (fixed), 2.85% (fixed); over 32 years, 5 years, 25 years, 10 years, and 20 years, respectively, as follows:

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

	2021 £ 000	2020 £ 000
<b>Housing property finance</b>		
Amounts repayable by instalments:		
Within one year or less	113	104
More than one year but not more than two years	112	235
More than two years but not more than five years	8,022	3,348
More than five years	24,496	29,156
	<u>32,743</u>	<u>32,843</u>

## 14. DEFERRED INCOME – GOVERNMENT GRANTS

	2021 £ 000	2020 £ 000
At 1st April 2020	33,786	34,229
Grants receivable	165	-
Disposals	(48)	(68)
Amortisation to statement of comprehensive income	(374)	(375)
At 31st March 2021	<u>33,529</u>	<u>33,786</u>
Due < 1 year (see note 12)	<u>375</u>	<u>331</u>
Due > 1 year (see note 13)	<u>33,154</u>	<u>33,455</u>

## 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:

	2021 £ 000	2020 £ 000
<b>Financial assets</b>		
Measured at undiscounted amount receivable		
· Rent arrears and other debtors (see note 10)	<u>330</u>	<u>313</u>
<b>Financial liabilities</b>		
Measured at amortised cost		
· Loans payable (see note 13)	32,743	32,843
Measured at undiscounted amount payable		
· Trade and other creditors (see note 12)	<u>368</u>	<u>526</u>
	<u>33,111</u>	<u>33,369</u>

## 16. NON-EQUITY CALLED UP SHARE CAPITAL

	2021 £ 000	2020 £ 000
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1st April 2020	24	24
New shares issued	8	-
Shares cancelled	-	-
At 31st March 2021	32	24

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 2021 of £ 359,203 (2019 - £ 167,000).

During 2020/21 contracts were tendered and awarded for component works of £773,200. At 31st March 2021 works of £ 412,000 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 2017 revealed a deficit of £1,522m. A recovery plan is in place with the aim of removing this deficit by 30 September 2026.

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 2021 (£000s)	31 March 2020 (£000s)
Fair value of plan assets	5,037	4,328
Present value of defined benefit obligation	6,367	4,949
Surplus (deficit) in plan	(1,330)	(621)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,330)	(621)

### RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

#### Period from 31 March 2020 to 31 March 2021 (£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 2020 to 31 March 2021

Defined benefit obligation at start of period	4,949
Current service cost	94
Expenses	5
Interest expense	119
Member contributions	49
Actuarial losses (gains) due to scheme experience	(182)
Actuarial losses (gains) due to changes in demographic assumptions	21
Actuarial losses (gains) due to changes in financial assumptions	1,347
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	6,367
Fair value of plan assets at start of period	4,328
Interest income	105
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	356
Employer contributions	234
Member contributions	49
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	5,037

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 (SOI)

#### Period from 31 March 2020 to 31 March 2021

Current service cost	94
Expenses	5
Net interest expense	14
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)	113

### DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

#### Period from 31 March 2020 to 31 March 2021

Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	356
Experience gains and losses arising on the plan liabilities - gain (loss)	182
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(21)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,347)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(830)
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)	(830)



## ASSETS

	31 March 2021 (£000s)	31 March 2021 (£000s)
Global Equity	803	633
Absolute Return	278	226
Distressed Opportunities	145	83
Credit Relative Value	158	119
Alternative Risk Premia	190	302
Fund of Hedge Funds	1	3
Emerging Markets Debt	203	131
Risk Sharing	183	146
Insurance-Linked Securities	121	133
Property	105	95
Infrastructure	336	322
Private Debt	120	87
Opportunistic Illiquid Credit	128	105
High Yield	151	-
Opportunistic Credit	138	-
Cash	-	-
Corporate Bond Fund	298	247
Liquid Credit	60	2
Long Lease Property	99	75
Secured Income	209	164
Over 15 Year Gilts	-	-
Index Linked All Stock Gilts	-	-
Liability Driven Investment	1,280	1,436
Net Current Assets	31	19
Total assets	5,037	4,328

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.

## KEY ASSUMPTIONS

	31 March 2021 % per annum	31 March 2021 % per annum
Discount Rate	2.18%	2.37%
Inflation (RPI)	3.27%	2.60%
Inflation (CPI)	2.87%	1.60%
Salary Growth	3.87%	2.60%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

**THE MORTALITY ASSUMPTIONS ADOPTED AT 31 MARCH 2021  
IMPLY THE FOLLOWING LIFE EXPECTANCIES:**

	<b>Life expectancy at age 65 (Years)</b>
Male retiring in 2021	21.6
Female retiring in 2021	23.5
Male retiring in 2041	22.9
Female retiring in 2041	25.1

## 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 2021 the Association had total commitments under non-cancellable operating leases of other fixed assets, as set out below:

	2021		2021	
	<b>Land and buildings £ 000</b>	<b>Other £ 000</b>	<b>Land and buildings £ 000</b>	<b>Other £ 000</b>
Leases which expire:				
Within one year	-	11	-	-
Within two to five years	-	22	-	30
Over five years	-	-	-	-
	-	33	-	30

## 22. ANALYSIS OF CHANGE IN NET DEBT

	At 31.03.2020 £ 000	Cash flows £ 000	Other changes £ 000	31.03.2021 £ 000
Cash at Bank	2,365	632	-	2,997
Overdrafts	-	-	-	-
Debt due in one year	(104)	77	(86)	(113)
Debt due after more than on year	(32,739)	-	109	(32,630)
Current Assets investment				

## 23. UNITS IN OWNERSHIP AND MANAGEMENT

	At 31.03.20	Additions	Amalgamations			Other	At 31.03.21
			Disposals	Conversions			
<b>Units Owned</b>							
Social Housing							
Owned General Needs - social rent	895	-	(2)	-	(4)	(10)	879
Owned General Needs - affordable rent	18	-	-	-	-	-	18
Owned General Needs - intermediate rent	-	-	-	-	-	-	-
Owned - Housing for older people	266	4	-	-	-	-	270
Owned - Supported Housing	21	-	-	-	4	10	35
Shared Ownership	4	-	-	-	-	-	4
Total	1,204	-	(2)	-	-	-	1,206
Non Social Housing							
Market rented	2	-	-	-	-	-	2
Total	2	-	-	-	-	-	2
<b>Total Owned</b>	<b>1,206</b>	-	<b>(2)</b>	-	-	-	<b>1,208</b>
Units Managed							
Managed units general needs	24	-	-	-	-	1	25
Managed - Supported Housing	10	-	-	-	-	(1)	9
<b>Total Managed</b>	<b>34</b>	-	-	-	-	-	<b>34</b>
<b>Total Owned and Managed</b>	<b>1,240</b>	-	<b>(2)</b>	-	-	-	<b>1,242</b>
excluding units taken out of the debit (LTV)							-

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**Annual Report  
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Statements**

Year Ended - 31<sup>st</sup> March 2021

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