



Supporting BAME communities to thrive

Report and Financial Statements

Year End 31st March 2023



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Officers and Professional Advisers

CHAIR	Bishop W Powell, OBE
VICE CHAIR	Prof M Levermore, MBE, DL
TREASURER	Mr W Weir CPFA
SECRETARY	Ms J Dubidat
CHIEF EXECUTIVE	Bishop L Graham
REGISTERED OFFICE	1 - 3 Beacon Court, Birmingham Road, Great Barr, Birmingham B43 6NN
REGISTERED NUMBER	25952
BUSINESS ADDRESS	1-3 Beacon Court, Birmingham Road, Great Barr, Birmingham B43 6NN
BANKERS	National Westminster Bank Plc, 33 Park Street, Walsall, West Midlands WSI IER Santander UK Plc, Bridle Road, Bootle, Merseyside L30 4GB
EXTERNAL AUDITOR	Mazars LLP, 2 Chamberlain Square, Birmingham B3 3AX
INTERNAL AUDITOR	RSM Risk Assurance Services LLP, 10th Floor, 103 Colmore Row, Birmingham B3 3AG





Snapshot of our Business



42 Colleagues
(Staff and Board Members)



21 New homes completed in 2022

2134

Tenants engaged within the year



25%

Tenants in supported accommodation

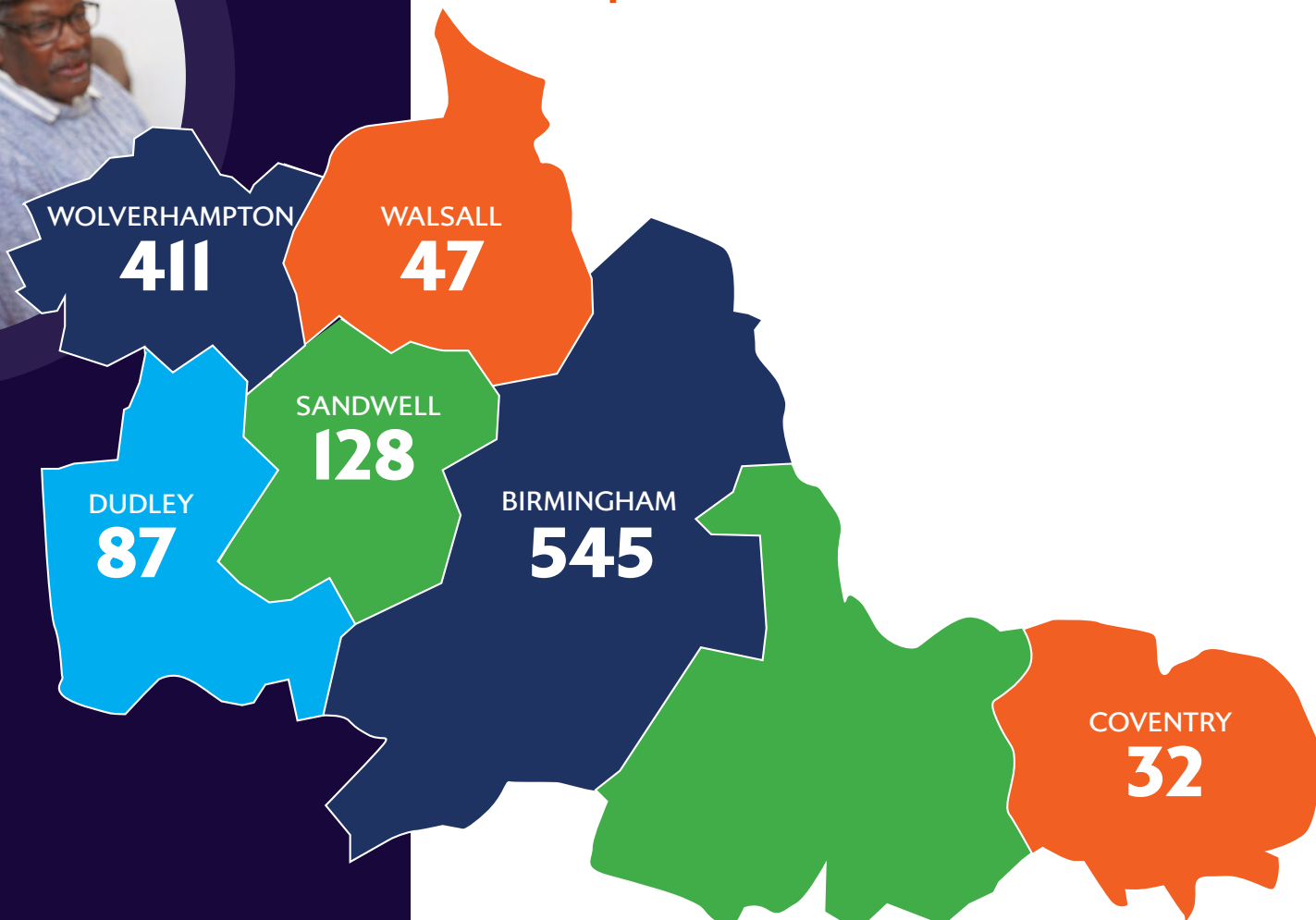
£7.7m

Annual turnover





Operational Area



Types of Homes Provided

General needs	945
Sheltered accommodation	270
Supported accommodation	35

1250

Homes owned and managed

Chair's Statement

2022/23 has been a year of great difficulties for many but, I would like to start this statement by highlighting one of the most profound events of the past year which was the death of Her Majesty Queen Elizabeth II. She reigned for over 70 years in a devoted and caring manner. We welcome King Charles III who has declared that he will serve all people, all communities, and the Commonwealth with a sense of care and the continuation of the good work established by Her late Majesty the Queen.



The external environment during the year remained highly unstable not only because of the ongoing war in Ukraine but because of the cost-of-living crisis, high energy prices and the ever-increasing rise in inflation which threatened to bring the UK economy into recession during 2022. Nehemiah Housing, however, remained operationally stable due to prudent management and sound fiscal planning which has ensured robust financial performance despite facing rising labour, materials and financing costs in line with the rest of the sector.

In addition to the adverse effects of the Russo-Ukraine conflict, the negative consequences of Brexit are still unfolding in the economy.

Nevertheless, over the last financial year, we have strengthened the Board and welcomed new members. I want to congratulate the Board for how they have interpreted the external environment and provided a clear sense of order and strategic direction in very turbulent operating conditions.

The National Housing Federation on behalf of the sector has responded to the Grenfell Tragedy and the sad death of Awaab Ishak. The response to that has been the Better Social Housing Review and the Board are reviewing the recommendations to agree the best way to implement them going forward for the betterment of our tenants.



I also want to acknowledge the Executive Team for their sense of awareness, their strategic alignment and how they have reoriented the policies to ensure that the Board and the organisation is responding to new risk factors. We are now reappraising and bringing into priority new risk mitigations in a changing and challenging environment. I would like to congratulate them for the services that we have provided to our tenants.

We are conscious of the fact that our tenants face increased challenges and so we wish to improve our service offering in response to the increased need. Our policies should further reflect how services are to be provided with greater cultural awareness and sensitivity whilst also remaining aligned with obligations to our key stakeholders.

I am happy that we are maintaining our co-regulatory obligations and have retained our good governance and viability ratings in progressing our corporate mission.

I want to end by saying a huge "Thank you!" to the Board, the Executive Team and our staff for their diligence and effectiveness in response to the difficult circumstances in which we operate.

Wilton Powell

Wilton Powell OBE



Chief Executive's Statement

I'm delighted to share Nehemiah Housing's 2022-23 Annual Report.

It highlights how well we have delivered our services over the last 12 months, any significant projects we undertook and the ways we've worked with and for our tenants to improve our homes and communities.

We recognise it has been a challenging year. Our priority has been, and continues to be, ensuring our tenants live in safe, warm and sustainable homes in thriving communities.



Sustainable growth

Under the theme of our corporate plan, 'Growing Stronger Together', we have achieved measured growth working in partnership with key stakeholders. Together with Midland Heart we have built a new housing scheme in Dudley that has provided 21 new family homes and we transferred into our ownership another 12 properties we managed on behalf of Clarion. These acquisitions have added £4.1m in asset value to our balance sheet, despite the tough economic environment.

Investing in our homes

We have also spent £860k investing in our existing homes to ensure that they remain suitable as accommodation. It was vitally important to undertake this investment to ensure that the properties maintained decency and prevented damp and mould, the latter twin conditions having become a sector-wide issue to be tackled.

The importance of maintaining good quality standards for our tenants is paramount. Historically, black and minority communities were not well served by many local authorities and larger social housing providers in the West Midlands. Nehemiah Housing came into being in response to racial discrimination in housing and it is still a part of our raison d'être that our diverse communities get quality housing and culturally relevant services.



Governance and financial strength

Despite the economic turbulence and the resulting pressure on our income and profit margin, our governance and financial performance remain relatively strong. Our Board has worked seamlessly with the Executive Team to successfully navigate the organisation through this period of uncertainty. I want to acknowledge that positive culture and thank the Board for their support and constructive challenge.

At a time when the housing sector is under intense scrutiny and is often criticised about the state of its housing stock, we remain committed to long term viability whilst providing high quality services to our tenants. The impact of the previous four years of Government austerity measures followed by a global health pandemic and a war in Europe is significant, however, especially for smaller, specialist housing providers like Nehemiah. It is becoming increasingly difficult to make long-term financial plans against a backdrop of short-term income uncertainty. If we are to continue to play a role in tackling the current social housing crisis and deliver a better housing future for our communities, the current investment and subsidy model needs a fundamental overhaul.

Finally, to end on a positive note, I would like to thank the whole of Nehemiah's staff team who have continued to work in an agile, flexible, responsive, and dynamic way in response to the needs of our tenants and wider communities.

Llewellyn Graham

Llewellyn Graham

Highlights of the Year

Once again, we have strengthened our financial position amidst market volatility and uncertainty which has enabled us to make further important inroads across a number of areas aligned to the Corporate Strategy as we support existing and future tenants to thrive.

○ Delivery of New Homes

During 2022/23, the Association took delivery of 21 new homes, built with a development partner (representing an increase of 2% in owned stock).

○ Queen's Jubilee

The Association laid on several events to mark HRH Queen Elizabeth II's 70th Jubilee. Events were attended by 310 tenants.

○ Going Greener

The Association has been awarded £130k in round two of the Social Housing Retro Fit Grant (SHDF) bid to invest in energy efficient heating for homes not on the gas grid. The overall project cost is £250k.

○ Website

In consultation with tenants and in line with the revised Marketing and Communications Strategy, the Association commissioned the development and launch of a new website. The new site delivers an improved user experience.



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 activities are conducted through its management of c. 1,250 properties which are based in six local authority areas across the West Midlands.

Nehemiah United Churches Housing Association (hereinafter referred to as Nehemiah Housing or Nehemiah) 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).

Strategic Plan Objectives

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

The Corporate Strategy 'Growing Stronger Together' 2020 - 2023, which has been extended to 2025, has seen the Association make steady progress despite operating in what has been a very challenging period. We continue to feel the impact of Brexit since January 2020 and the Covid-19 world pandemic from March 2020 - the likes of which had not been seen for over 100 years, and which continue to impact negatively today. This has been further compounded by the Ukraine/Russia conflict. As a result, we have seen inflation rising to over 11% during the year and more recently in March 2023 fell marginally to 10.1%. This reduction in inflation has been less than expected and, as a result, we have seen interest rates increase dramatically as the Bank of England battles to dampen it to target levels. We are also experiencing increased fuel costs which is affecting our tenants and their ability to pay their rent and service charges.

Taking all the above into consideration, the Corporate Strategy was extended to 2025. This gives us the best opportunity to achieve our stated objectives, as outlined below:

- To be effective and grow

- Deliver excellent tenant services with respect
- Strong governance, finance, and risk management
- Investing in our Homes
- People development and wellbeing

The corporate strategy will enable the organisation to address increased expectations from the Housing White Paper, which is impacting on consumer regulations and the wider implications of the Government's decarbonisation agenda.

In relation to the Housing White Paper, the Regulator of Social Housing (RSH) has already provided an outline in terms of reshaping consumer regulations from 2021. This will include new Tenant Satisfaction Measures (TSM) encompassing the following themes: safety, quality, neighbourhood, transparency, engagement, accountability and tenancy.

We have begun to collect data from April 2023 for TSM reporting in April 2024, when the Regulator will be publishing these outcomes and interacting with individual registered providers, where necessary to complete a 'deep dive', similar in focus to in-depth inspections. Obviously, consumer regulation has implications for ongoing governance compliance with the Regulator of social housing.

The Social Housing (Regulation) Act received royal assent in July 2023. Since April 2023, the Association has been working under the requirements of the new consumer regulatory platform.

Following stability checks from the Regulator, Nehemiah retained its GI/V2 status.

Significant progress has been made towards the achievement of milestones in the corporate plan.

Key deliverables achieved in the year have been:

- Review of our pension strategy Aug 2022
- Launch of a new website Jan 2023
- New appointments to the Board Oct 2022
- 21 new homes in Dudley Aug 2022
- Review of core IT systems Nov 2022
- Adoption of new IT Strategy Dec 2022
- Successful bid for decarbonisation fund Mar 2023



Our strategic objectives are as follows:

I | 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 quality 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 tenants.

Financially, delivering a minimum of 40 additional homes over the planning period means we will need to be innovative in our arrangements, so that we can realise our plans within our sustainable financial capacity. We will explore different methods to create the capacity and manage the risks that achieving our ambition entails; this may include strategic partnerships.

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 and only those developments for which the risk is manageable will proceed.

The world we live in is changing rapidly due to the pervasive nature of the internet and technology. The digital inclusion strategy aims to help tenants of Nehemiah to access the many opportunities available online, including accessing the services provided by us.

○ **£0.688m**

Surplus for reinvestment in homes and communities

○ **£1.3m**

In cash with a further £3.1m in agreed facilities to fund new development

○ **21**

New homes

2 | Deliver Excellent Customer Services with Respect

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

Through listening, engaging, and developing our relationship with tenants and acting on tenant consultations, Nehemiah will achieve tenant satisfaction and a commercial advantage whilst also delivering value and outcomes for tenants in the services that we provide.

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

We know tenants give us a unique insight into what is happening in our neighbourhoods and can help us design services to maximise their satisfaction, reduce waste and support the delivery of value from the investment we make in our neighbourhoods and services.

We want to hear from the diverse tenant voice from across our business which goes beyond traditional methods of engagement, is dynamic and interesting for tenants, and enables those tenants who do not have much time to engage to choose how their views can impact on our services.

Actions from the Government's 'Levelling Up' agenda has been taken on board as well as the Regulator of Social Housing's new approach to Consumer Regulation coming out of the Social Housing White Paper including the new Tenant Satisfaction Measures (TSMs).

○ **88%**

Satisfaction with handling of ASB cases

○ **75%**

Satisfied with the way their complaint was handled

○ **1345**

Number of compliments received

○ **41**

Complaint cases handled

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 tenants and stakeholders also ensures we work together to ensure that consumer standards specified by the regulator are met.

The Environmental, Social and Governance (ESG) agenda is also important, particularly with our potential lenders and expectations from wider society in terms of organisational responsibility. Our ESG Performance was assessed in 2022 and we are working through the cited issues raised with our tenants and communities within which we operate.

Nehemiah business objectives are supported by a 30-year financial plan which includes our growth aspirations as well as ensuring that our performance is within interest cover, gearing and funders other covenant targets.

To protect the social housing assets, our financial plan supports investment in new stock as well as the continuing maintenance of our current portfolio of properties.

The financial plan also takes account of possible Right to Acquire (RTA) disposals each year.

Value for Money

Value For Money (VFM) is embedded in the organisation by inclusion of the Regulator prescribed VFM metrics in our financial reporting to the Executive Committee, Board, and annual audited accounts, as well as inclusion in quarterly and annual tenants' newsletters. A VFM statement is also published on our website annually.

○ Business operations maintained during difficult economic conditions

○ Completion of pension strategy review

○ Cyber Essentials Accreditation

○ Commissioned review of core business systems

○ Adoption of new IT Strategy

○ Review of rewards and recognition

4 | Investing in Our Homes

We will invest in our homes and neighbourhoods to keep them attractive, well maintained, safe, 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.

Implementation of our Asset Management Strategy is demonstrating that Nehemiah Housing has made significant progress in understanding our housing stock through our stock condition surveys. This has enabled us to address issues related to the Building Safety Act, increase the number of valid energy performance certificates, secure match funding for energy improvement works, commenced procurement for new partners to deliver our day-to-day and void repairs programme, and introduced policies to address condensation, damp, and mould.

We are in a strong position to keep the asset management implementation plan moving forward to continue to achieve full compliance, deliver excellent services to tenants and to invest in our homes.

Details of our repair's performance:

- Emergency repairs response -100% (100% Target)
- Urgent repairs response - 94.4% (90% Target)
- Routine repairs response 85.1% (95% Target)

For the year ended 31st March 2023 there was a total investment of £2.022m in our properties. With a performance of 100% in undertaking fire risk assessments, gas safety checks, legionella, asbestos, lifts maintenance and electrical installation condition reports, this outcome is in line with our five-year programme and best practice. The Board also receives performance reports in relation to damp and mould cases and how these are being addressed proactively. There were no category one Housing Health and Safety Rating System (HHSRS) cases.

○ **£0.860m**

Invested in the development and improvement of our homes

○ **100%**

Gas safety checks

○ **Secure grant funding to improve energy efficiency in our homes and reduce tenants' costs**

5 | People Development and Well-being

Nehemiah Housing recognises that the contribution of all staff is fundamental to the achievement of its business objectives and long-term sustainability.

The Corporate Services function is committed to developing and implementing policies and processes that not only support delivery of the corporate strategy but also optimise the ability to recruit, develop, retain, and reward our staff, linked to the Nehemiah brand and core values of Passionate, Diversity, Integrity and Sustainable.

The development of a People Development & Well-being Strategy has the clear objective of firstly providing support to the staff team but also supporting Nehemiah and its wider strategic objectives. This approach reflects innovation, dedication and leadership embodied within this vision.

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

○ **Review of rewards and recognition**

○ **Board skills review**

○ **Provide staff access to professional qualifications**



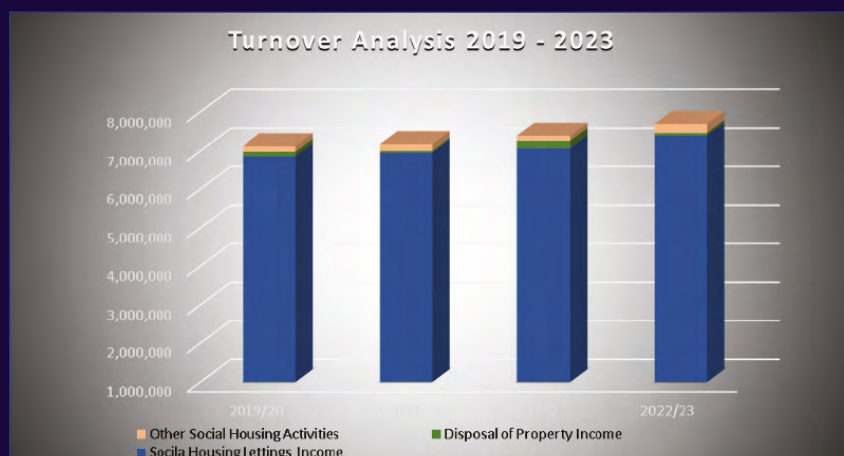
Operating and Financial Review

Against the backdrop of an increasingly difficult operating environment with rising inflation, significant volatility in terms of the supply and cost of materials, and growing challenges around the supply of labour, we continue to deliver a strong set of financial results within the parameters of the current economic environment.

The Board is pleased to report a surplus for the year of £687,600 (2021: £920,000) from a turnover (including surplus on housing asset disposals) of £7,690,000 (2022 - £7,386,000). Details of changes to the Association's fixed assets can be found in Notes 8 and 9 to the Financial Statements.

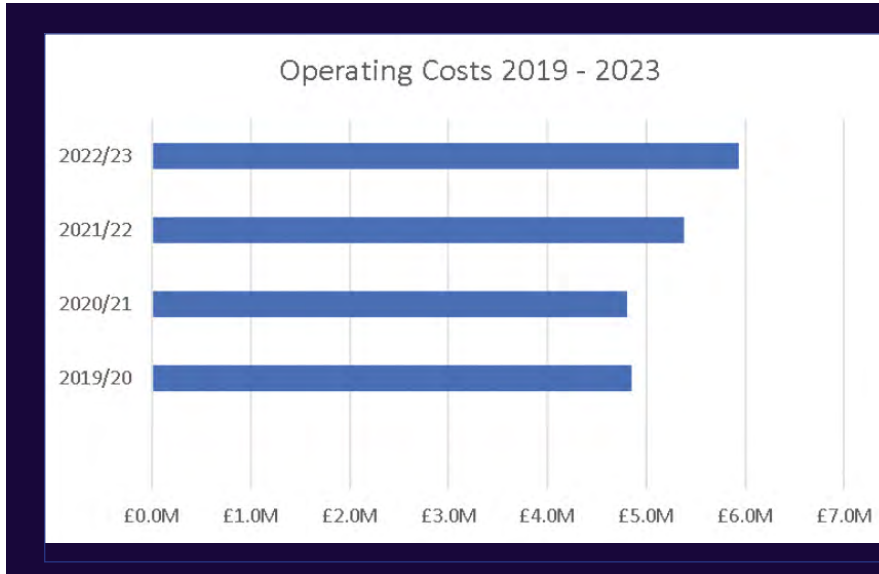
The surplus of £687,600 for the year to March 2023 is a 25.3% reduction from the previous financial year and highlights the turbulence in the economy during the year that impacted on our costs. The picture is shared by other organisations across the economy. During 2022-23 the Association has invested £0.9m in improving the homes of our tenants and stakeholders equating to c. 12% of our turnover. A further £1.95m has been spent on repairs and maintenance.

Turnover



The Association's turnover increased to £7.690m (2022: £7.386m). Social housing remains the core of our business and contributed 96% of our turnover during the year which is line with the position for the previous year.

Operating Costs



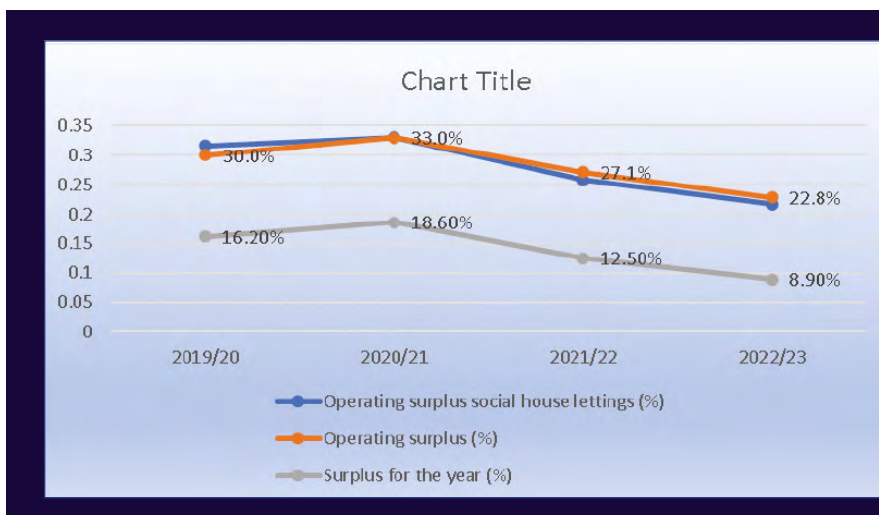
Operating costs have risen sharply during the year to £5.9m (£5.4m: 2022) an increase of 10.2%. Routine repairs increased by £222k (26%) when compared to 2022, while utility costs increased by £321k (132%) when compared to 2022/23.

Operating Margin and Surplus



The operating surplus of £1.75m for 2022/23 is a solid performance when considered against the economic climate for the financial year.

The operating margin for the period was 22.8% (2022: 27.1%). This position is consistent with the rest of the sector.



The operating margin on social housing lettings was 21.7% (2022: 25.8%). Falling operating margins are currently a feature across the social housing sector.

The Board recognises that these variables will continue to impact the future trading environment both in terms of our costs and tenants' livelihoods. Void losses in the year were £106k compared to a budget of £122k. Arrears at the end of the financial year were 4.99% compared to 5.75% in 2021-22. This is consistent with pre-pandemic levels of 5% (March 2020). Financial plans will continue to budget for higher loss/arrears levels until there are signs of a more stable picture in the economic outlook.

Accounting adjustments to reflect the valuation of the Association's assets in the SHPS pension scheme show a loss of £128,000 for the year. Total comprehensive income for the year to 31st March 2023 is, therefore, £559,600.

Key results from the primary statements are summarised below:

Year Ended 31st March	2023 £ 000	2022 £ 000
Statement of Comprehensive Income		
Turnover	7,690	7,386
Operating Surplus	1,754	2,001
Surplus for the year	688	920
Surplus for the year (after pension charges)	560	1,279
Statement of Financial Position		
Housing properties (net of depreciation)	83,502	79,497
Other tangible assets	1,141	1,131
Net current assets	(386)	2,382
Creditors due after more than one year	66,582	65,895
Revenue reserves	17,675	17,115

Value for Money (VFM)

Introduction

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

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

The Association strives to maximise the value of the ‘social good’ it generates by a commitment to an on-going review of its main objectives and how it operates. The challenge of VFM means that Nehemiah commits to a constant review of its ‘efficiency’ and effectiveness. The Association’s current Corporate Strategy “Growing Stronger Together” sets out our objectives to March 2025. A revised Value for Money Strategy will highlight how we will deliver VFM to our stakeholders across the period of the corporate plan.

The VFM strategy is centred around two aims.

AIM 1

Delivering Value for Tenants

- 01 Providing quality landlord services to our tenants.
- 02 Maintain our existing homes and neighbourhoods to exceed the Decent Homes Standard.
- 03 Making a positive social impact.
- 04 Being a landlord for life.
- 05 Building and supplying more homes.

AIM 2

Delivering Value to Stakeholders

- 01 Achieving an optimal benefit (maximise margins) to reinvest.
- 02 Operating efficiently.
- 03 Operating cost effectively.
- 04 Achieving VFM ambitions.
- 05 Meeting regulatory requirements.



Tenants



Board



Regulator of
Social Housing

Our Stakeholders

Regulator



Staff



Local Authorities

Achieving Value for Money

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

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

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

Delivering Value for Tenants

- Worked in collaboration with "Everyone Prospers" to successfully connect with tenants previously considered as hard-to-reach.
- Used research from MEL Research to prioritise services, i.e. walkabouts at the least satisfied schemes.
- IT Courses provided for older people.
- Engaged with 1,266 tenants to give feedback on services.
- 105 tenant events
- £835k spent to improve homes.
- £1.756m on repairs and maintenance
- New user-friendly website launched.

Delivering Value for Money to Stakeholders

Financial Framework

The financial framework is a key part of our strategy and performance against it, is reviewed monthly and at each board meeting. In setting out aspirational targets as well as minimum thresholds for viability, it gives a focus to what the organisation is seeking to achieve over the coming years. These aspirations and golden rules drive the behaviours across the business to ensure we always seek to provide the best possible service to our tenants at the most economically advantageous price, while minimising the risk to the Association's viability.

Description	Aspiration	Golden Rule	Actual 2019/20	Actual 2020/21	Actual 2021/22	Actual 2022/23
Interest Cover (EBITDA MRI/Net Interest)	140%	130%	149%	205%	141%	136%
Asset Gearing	60%	38%	39%	37%	36%	36%
Liquidity policy		£500k	£2,857k	£2,997k	£3,513k	£1,343k

Interest Rate Management

We use fixed-rate borrowings to manage our exposure to increases in interest rates and 97% of our drawn borrowings are at fixed rates (March 2022: 97%). As expected, rates have risen over the last financial year and the latest fixed-rate deal (Secured in December 2022) was at 5.85%. Over the next few years, there are a number of loans that will revert to a variable interest rate. These will be monitored and managed via the Association's treasury hedging strategy. The Treasury Strategy requires that the fixed-variable loan mix be around the 70% mark.

The average cost of borrowing has increased over recent years, which reflects the Bank of England's recent monetary policy judgements to control double-digit inflation levels currently experienced in the economy.

A £1m loan drawdown in August 2022 was fixed at 4.17% whilst the refixing of matured fixed-rate deal in January 2023 (i.e. £8.8m at 3.67%) was renegotiated at 5.85%, illustrating the margin of increase over a few months. The average cost of borrowing for year-end was 4.33% compared to a base rate of 4.25%.

Long Term Liquidity and Funding

Long term liquidity remains a key focus area and our treasury management policies set out a prudent requirement that 18 months of all operational and committed development cashflow needs be available.

The total facilities (drawn and undrawn) at the year-end were £36.1m (£36.4m in 2022). We ended the year with total available funds of £4.4m, comprising of £1.3m of cash and £3.1m of undrawn facilities (all fully secured). This is more than operating liquidity level required (£0.5m)

○ **Interest cover 136% against funders covenant requirement of 110%**

○ **Compliance with economic and consumer standards**

○ **Pension Strategy review provided employer savings of 49% annually and reduced future potential ongoing liabilities**

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. HouseMark's benchmarking service is used to calculate and summarise cost and performance data submitted by a comparator group of social housing providers.

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

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

Value for Money Metrics

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

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

They show our 2022/23 results against 2021/22 results for our comparators, the parameters for determining comparators being:

- a) Associations with 1,000 – 1,500 units.
- b) Outside of London and Southwest areas.

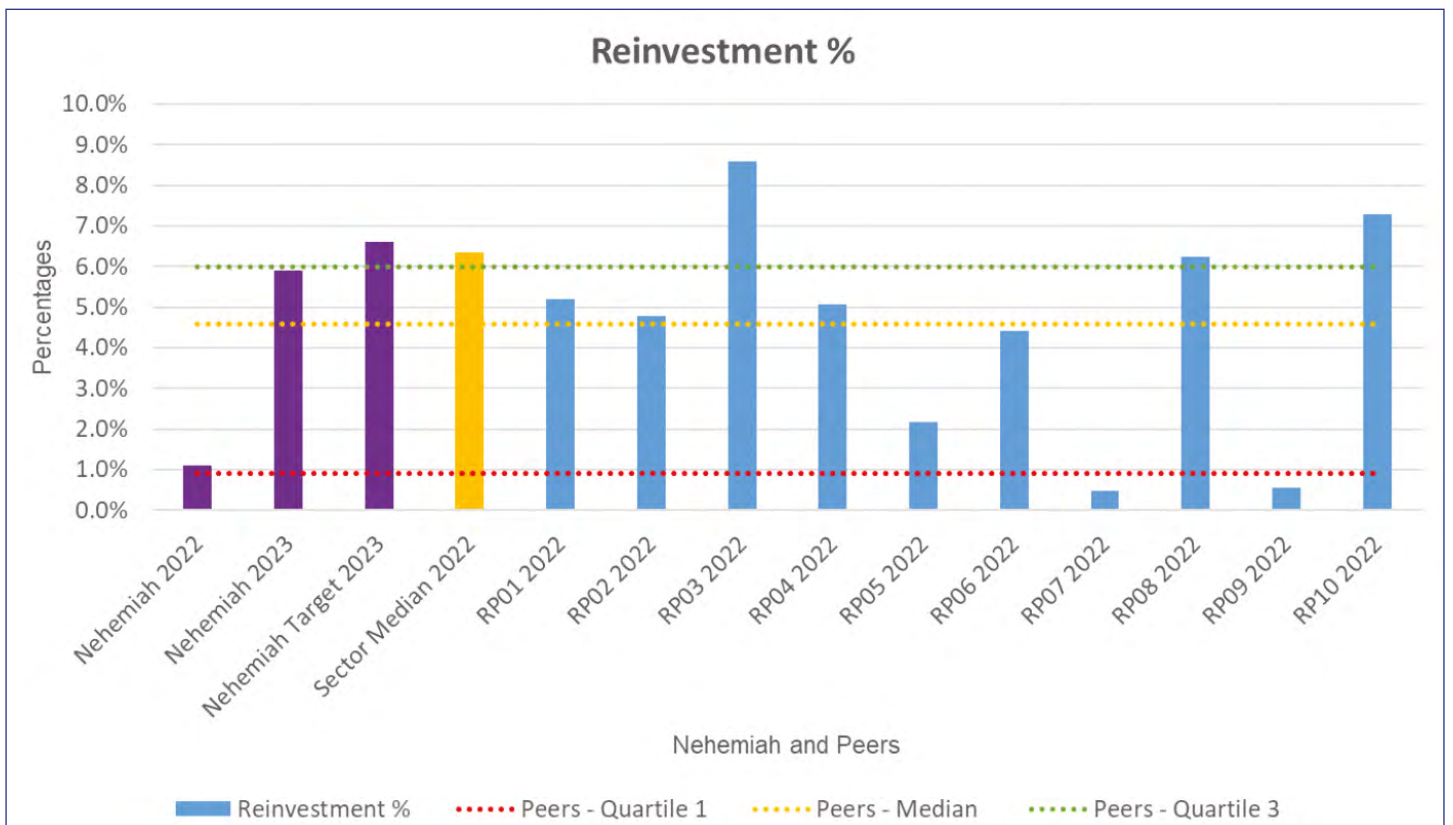
Whilst there is representative peer group that fit the criteria of size and location, there are no comparators in this group with a similar mix of supported accommodation and housing for older people where the costs of delivery are higher than for general needs. Characteristics of benchmarked peers are as follows:

Name	No. Units Owned	Location	General Needs %	Supported / HfOP %
Nehemiah	1203	West Midlands	75%	25%
RP01	1281	South East	100%	
RP02	1271	North West	100%	
RP03	1269	North West	82%	18%
RP04	1300	West Midlands	96%	4%
RP05	1107	North West	87%	13%
RP06	1350	Mixed	100%	
RP07	1521	East of England	100%	
RP08	1372	Yorkshire & Humber	99%	1%
RP09	1389	West Midlands	99%	1%
RP10	1392	North West	86%	14%



Reinvestment %	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
This metric looks at Nehemiah's investment in properties, including existing stock and new stock. This is calculated as a percentage of total properties.	1.1%	5.9%	6.6%	4.6%	6.4%	2.3%

The Association completed the purchase of 21 new homes in Dudley, West Midlands, and invested £0.860m in the improvement of existing homes. This performance is slightly below our target for the year due to the delay in the completion of a stock transfer of 12 properties which was achieved in April 2023. The Board notes that performance for the year exceeds that of our peers for the year.



New supply delivered (Social Housing) as a % of total stock	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
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%	1.7%	2.7%	0.8%	1.3%	1.0%

The Association added 21 new units in the town of Dudley during the year. We were below our target for the year due to a delay of a stock transfer that was expected by the end of the financial year.



New supply delivered (Non-Social Housing) as a % of total stock	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
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%	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.

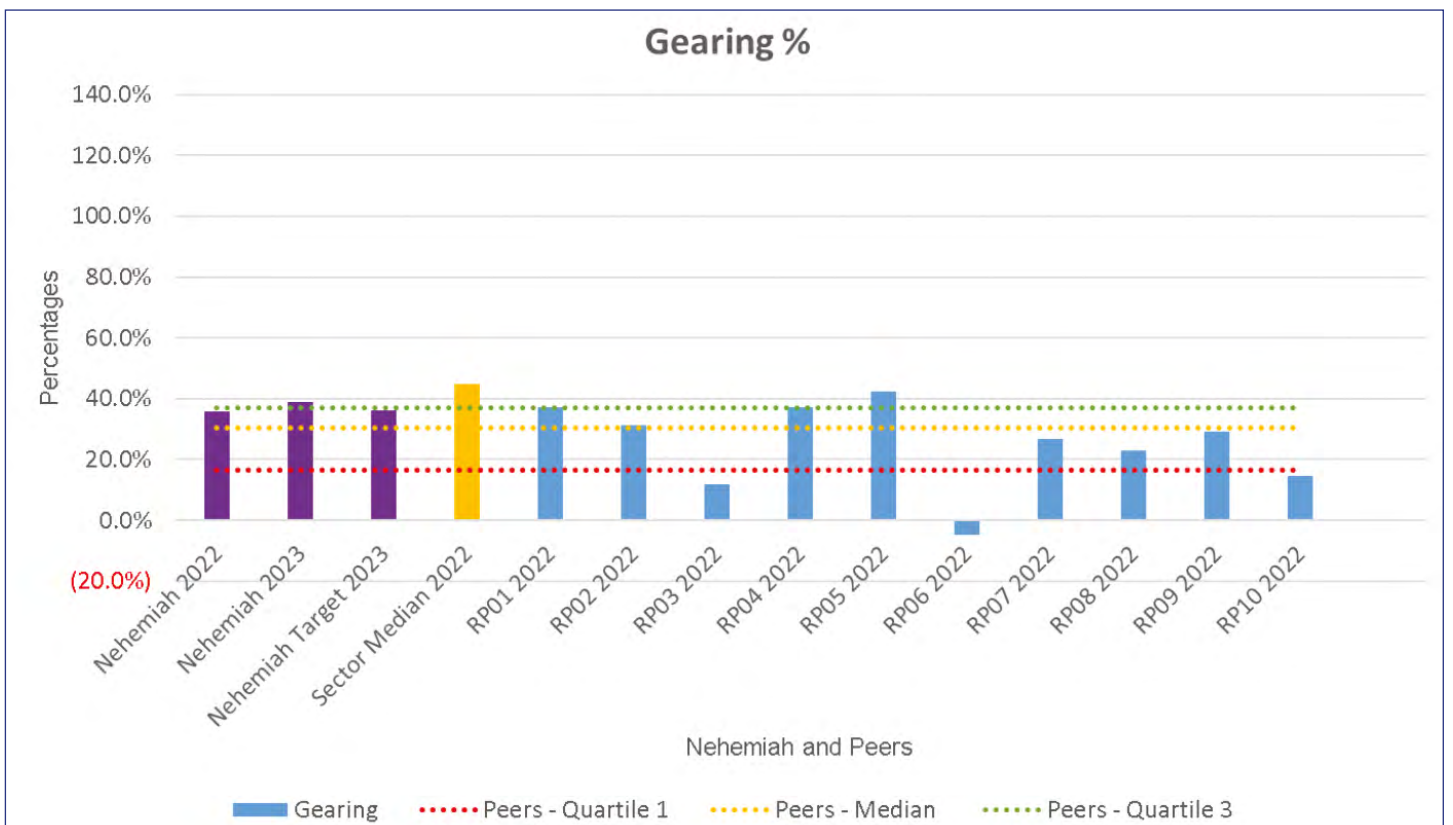


Gearing	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
This shows the proportion of our borrowing compared to our assets. High gearing could indicate that we have taken on too much borrowing. However low gearing could indicate that we have the capacity to borrow more.	35.9%	39.0%	36.0%	30.3%	44.7%	36.0%

Gearing has increased to 39% compared to the previous year. Net debt has increased by £0.828m to £32.984m, in 2023 (2022: £32.156m) to support the purchase of 21 new homes. Housing assets at cost have increased by £4.0m.

Whilst above our peers, the gearing position at the end of the year was well below the sector median and below funders covenants of 60%. £0.6m of debt falls due for repayment in 2023/24 and this will further improve the position. Gearing will remain above that of our peers as the Association remains committed to the provision of new homes and has £3.1m in facilities to be used to fund appropriate new development, where opportunities arise. Loan funding will only be used to fund new development and, as such, will remain relatively stable. The forecasts for the next 5 years are as follows:

	2024/25	2025/26	2026/27	2027/28
Gearing	37%	37%	36%	35%



EBITDA-MRI	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
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.	141.0%	120.0%	146.0%	201.0%	147.0%	145.0%

The Board recognise that the EBITDA-MRI figure of 120.0% for the year, is lower than our target. Like other organisations in the economy and sector, the Association has faced significant cost pressures across all areas of supply and service during the year. Targets for the year assumed inflationary increases of 7% but the economy has seen cost inflation rates of 10 - 11% in general and the Association has experienced repairs cost inflation of up to 30%. Relative to annual budgets, repairs expenditure was overspent by £155k and utility costs by £191k, although utility costs will be recovered through service charge adjustments in 2023/24. Depressed interest cover performance for 2022/23 is a theme across the social housing sector and we further recognise that, due to the high proportion of supported housing managed in relation to its peers and the wider sector and the attributable increased costs, interest cover performance for the Association appears notably lower than comparators.

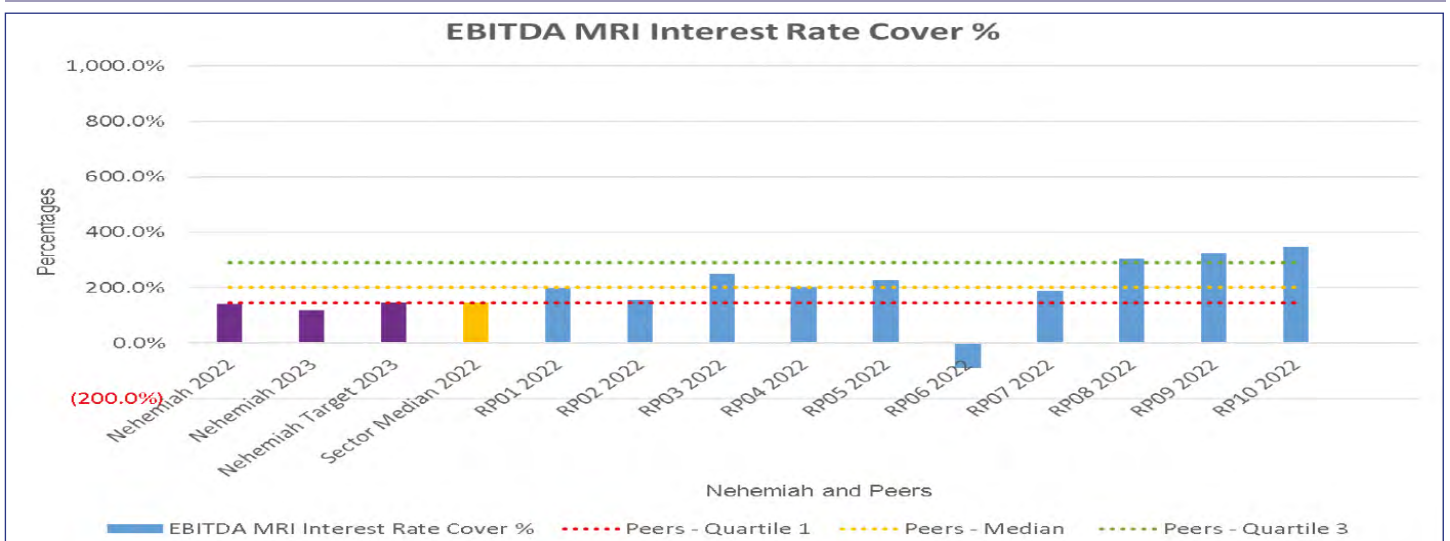
Interest cover, when calculated by our funders' formula, equates to 133% which is above the Association's golden rule of 130%.

The renegotiation of a fixed-rate deal that had matured in January 2023 was agreed at 5.85% compared to average interest rate assumptions of 4.00%.

The target for 2023/24 [145%] is consistent with sector median of 2021/22. The current economic climate and the slow fall in CPI make this a sensible performance target. The following measures have been taken to maintain margins:

- Annual rent increased by 7% (general needs) and 11.1% (supported housing) to minimise gap between cost increases and rent growth.
- Completion of pension strategy review saving 49% in employer costs (Sep. 2022).
- Purchase 12 managed properties (saving 33% in annual lease costs).

The Association is currently going through a procurement exercise to secure a new main repairs contractor. The plan provides contingencies for further cost increases of £250k to secure a new contractor to deliver a high-quality repairs service.



Headline social housing cost per unit	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
This unit cost metric assesses the headline social housing cost per unit, as defined by the RSH.	4.38	4.66	4.43	3.77	4.08	4.92
a) Management Cost per unit	0.90	1.02	0.97	1.22	*	2.00
b) Service charge cost per unit	1.10	1.33	1.26	0.53	*	0.89
c) Maintenance cost per unit	1.43	1.56	1.49	1.43	*	1.22
d) Major repairs cost per unit	0.89	0.69	0.66	1.00	*	0.75
e) Other social Housing cost per unit.	0.06	0.06	0.05	0.06	*	0.05

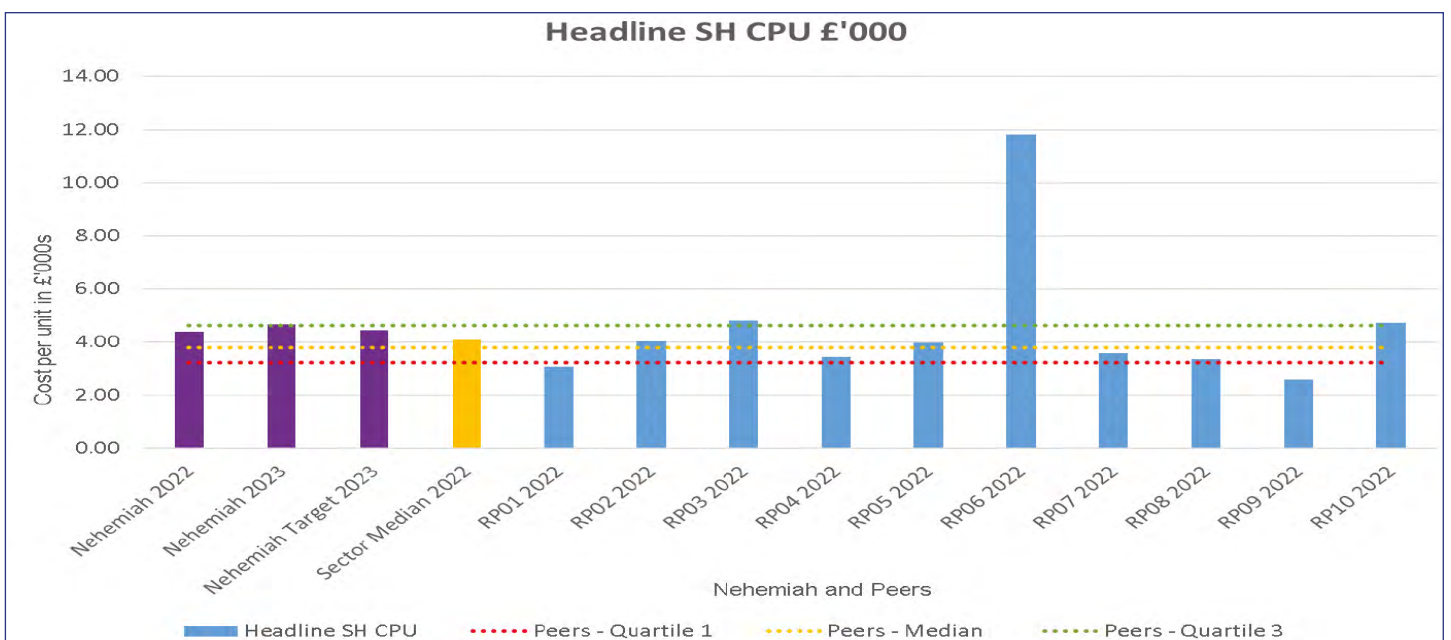
The Board note that headline social housing costs are higher than comparators due to the usual factors, namely, the geographical spread of housing stock across 6 Local Authority areas, and the added costs of supported housing and housing for older people which represents 25% of stock. The Association recognises the difficulty of finding a meaningful peer group with a similar mix of homes and commitment to this type of supported provision.

Significant increases in repairs and maintenance and utility costs have been a major feature of the last financial year. In addition to general inflationary increases, a deterioration in the condition of void properties at the conclusion of tenancies contributed to a 50% overspend on this element of the budget.

The plan for 2023/24 assumes a £250k (19%) increase in repairs and maintenance (including voids works) to provide contingencies for costs pressures experienced across the sector and to reflect an increase in the reporting of repairs. Void incentives have also been promoted to reduce void repair costs.

Ongoing monitoring of the headline cost disparity will be maintained, but it is understood to be inherent in the nature of the services provided to the target communities.

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

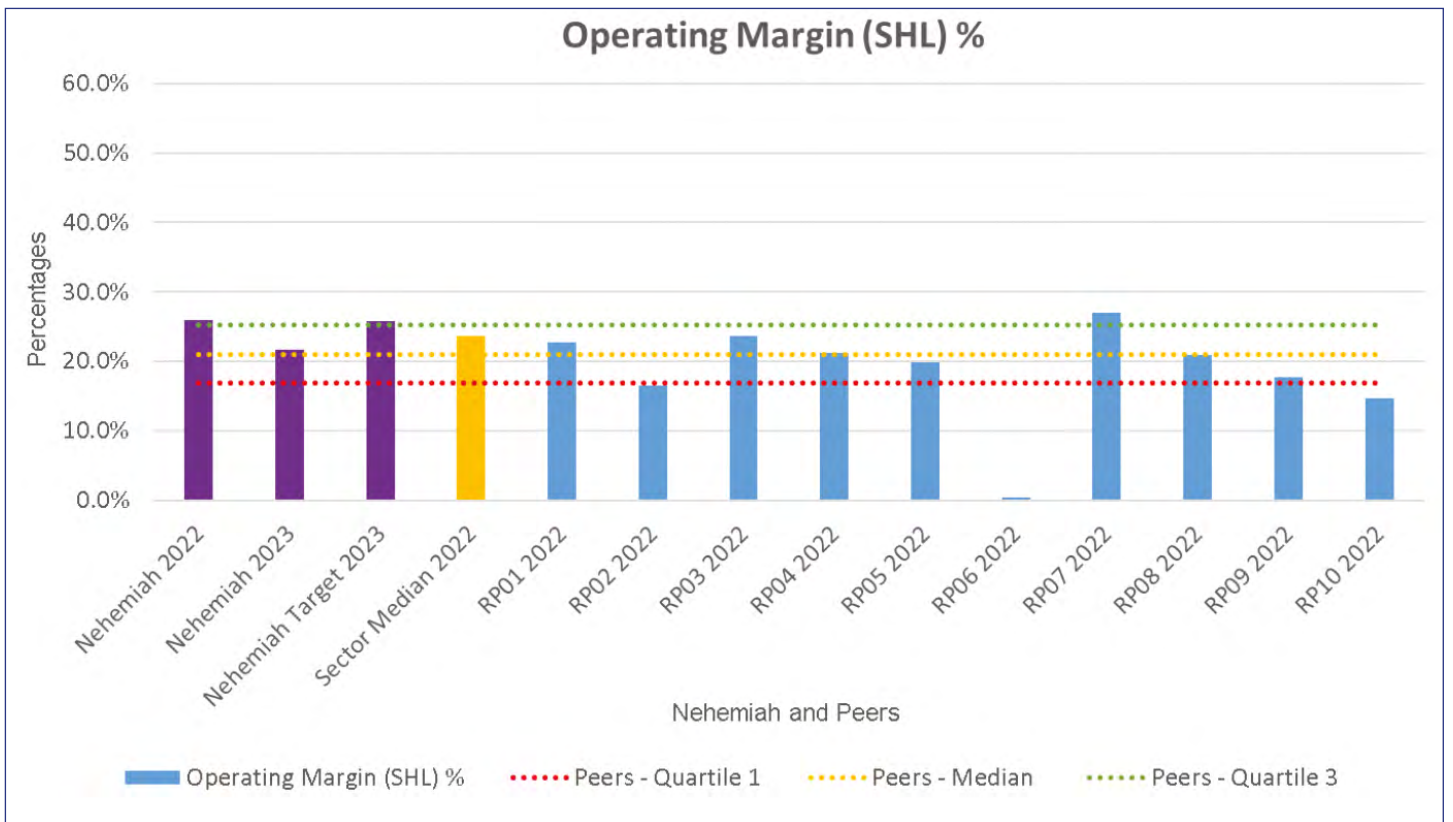


Operating Margin % (Social Housing lettings only)	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
This is an indicator of operating efficiency and business health as it measures the amount of surplus generated from turnover on our day-to-day activities from core business activity.	25.9%	21.7%	25.8%	21.0%	23.7%	23.2%

Below our target of 25.8%, the inflationary pressures that have been felt across the economy - due to Brexit-related supply chain issues and the current conflict in Ukraine - has had significant impact on operating performance. Two areas, repairs and maintenance costs (2023: £1,488k up from 2022: £1,312k) and utility costs (2023: £513k up from 2022: £236k) have seen significant in-year increases compared to previous years.

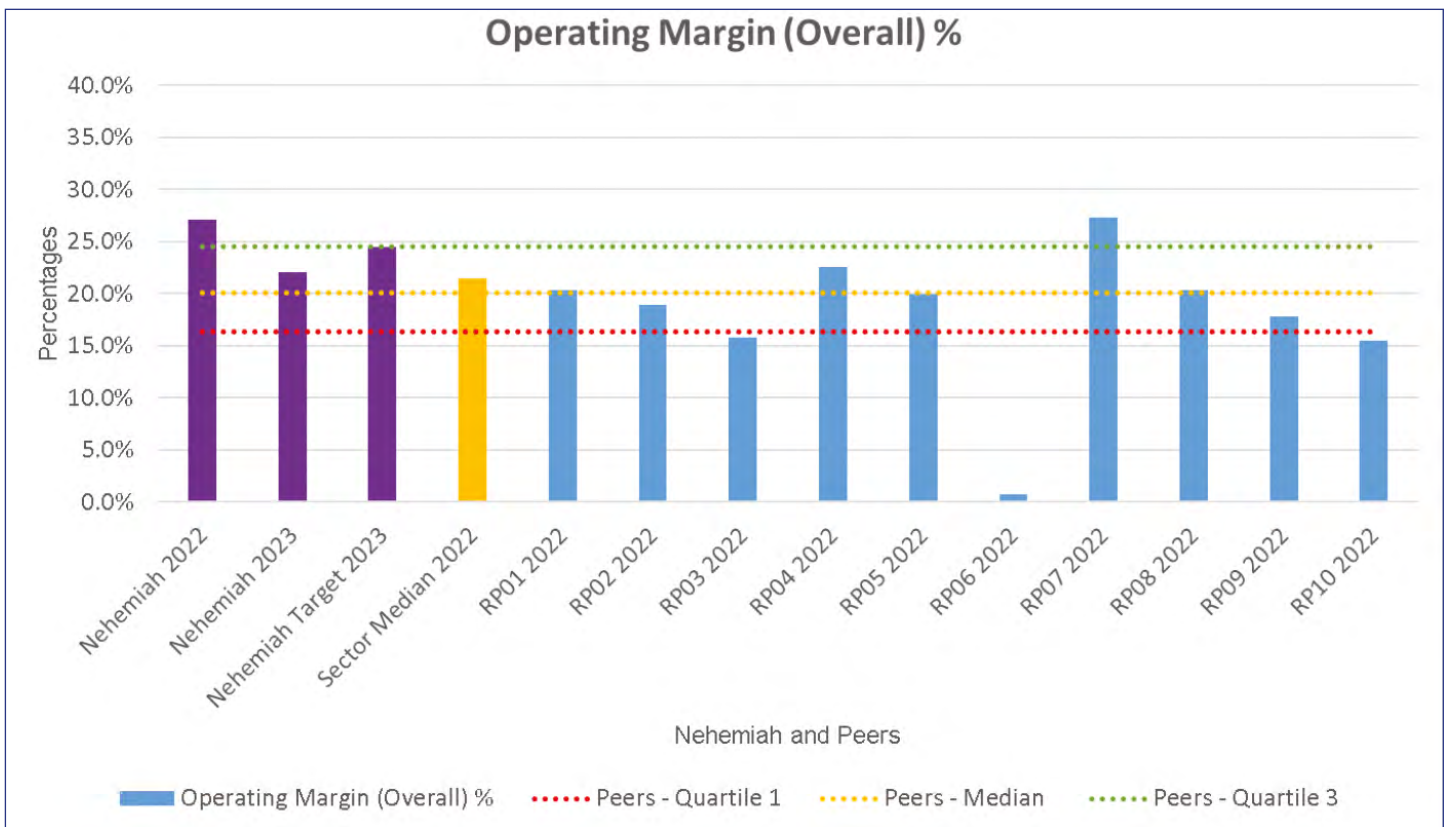
The Board were expecting that margins would be tight as rental income growth, set at 4.1% (being CPI Sept 2021 3.1% +1%), contrasted with forecast inflationary assumptions of 7% and a further 4% for repairs and material costs. Inflation averaged 10.1% for the year and some elements of repairs saw increases of 30%.

We have previously detailed the assumptions of the financial plan for 2023/24 to improve margins for future years.



Operating Margin % Overall	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
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)	27.1%	22.1%	24.5%	20.1%	21.5%	24.4%

The picture with the overall efficiency margin is consistent with "Operating Margin % (Social Housing Lettings only)". The operating margin in 2022/23 was lower than target due to cost increases caused by inflationary pressures.

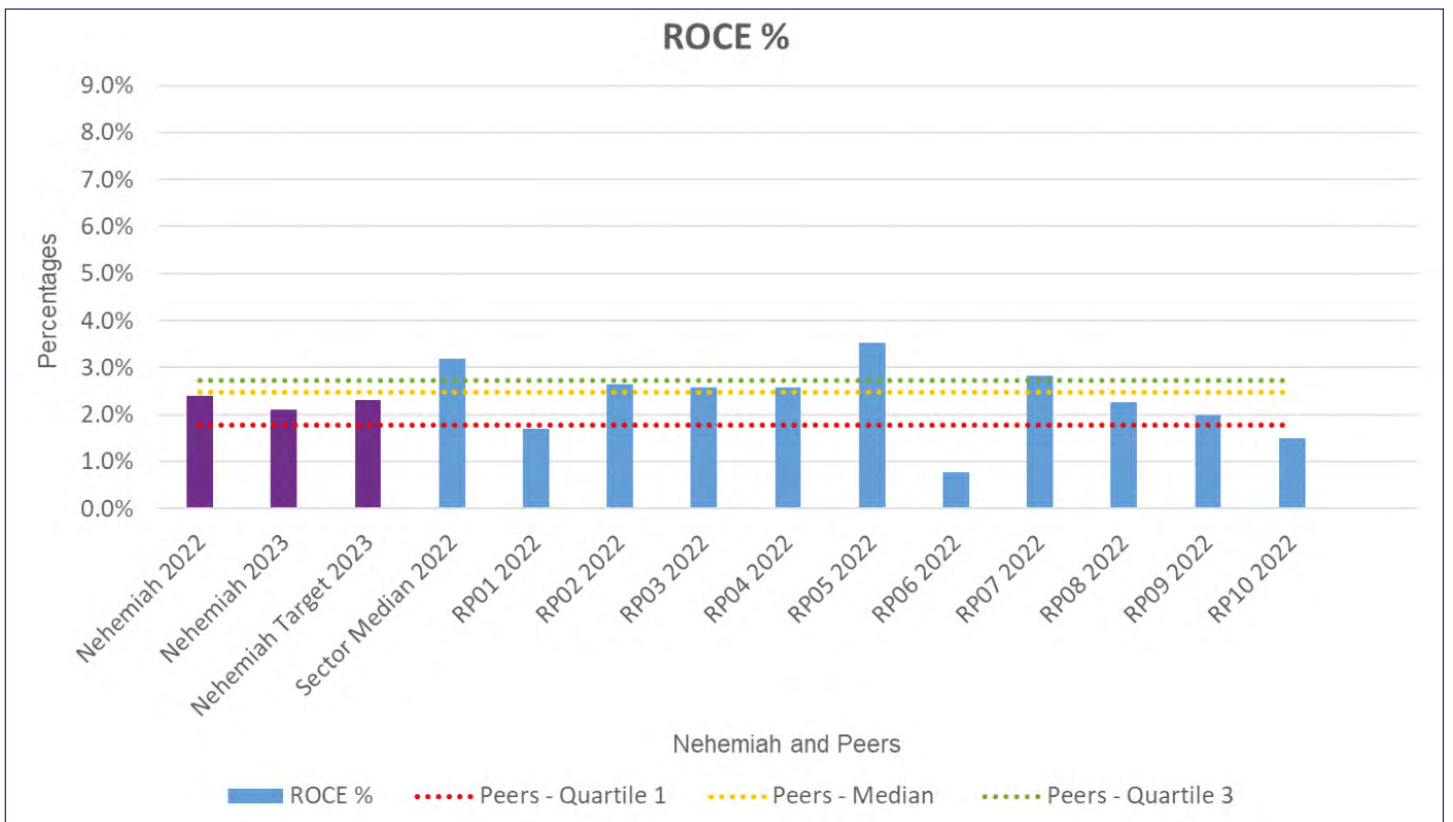


Return on capital employed (ROCE) %	Nehemiah 2021/22	Nehemiah 2022/23	Target 2022/23	Peers 2021/22	Sector Median 2021/22	Target 2023/24
This metric compares the operating surplus to total assets less current liabilities and assesses the investment efficiency of capital resources.	2.4%	2.1%	2.3%	2.5%	3.2%	2.5%

Return on capital in 2022/23 is largely in line with the target for the year. The Board note that ROCE for the Association is lower than our peers and the sector median.

The Association invested £4.0m in the provision of new homes in Aug 2022, so is yet to receive a full year's rental contribution from that investment. The pressure on margins, due to inflationary cost increases experienced across the economy in the financial year, has also had bearing on our performance in this metric.

The scope to set annual rent increases at 7% (general needs) and 11.1% (supported accommodation) in April 2023 will provide greater scope to accommodate the costs pressures that are forecast to be a feature of the operating environment for the medium term.



Other Metrics

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

Indicator	Target	Achieved 2022/23	Achieved 2021/22
% of emergency repairs completed within target	100%	100%	100%
% of urgent repairs completed within target	95%	100%	100%
% of routine repairs completed within target	95%	94%	86%
% overall satisfaction with the repair service.	90%	93%	83%
% satisfied with last repair	90%	87%	82%
% claims resolved at stage 1	85%	88%	71%
% satisfied with case outcome – Anti-Social Behaviour (ASB)	50%	88%	100%
% of ASB cases successfully resolved.	100%	97%	95%
Number of tenants involved this year	800	2,134	1,266
Average repair cost per property	£256	£618	£422

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

Value for Money through our Routine Repairs Contract:

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

- 1 **Jobs and Apprenticeships:** We support local people into job opportunities that arise from the contract which includes a multi-skilled apprenticeship programme (incorporating a maintenance operative course). Great emphasis is placed on promoting these opportunities with tenants and members of their family.
- 2 **Work Placements:** We provide opportunities for our tenants to complete work experience placements with our contractor to give them a 'taste' of what it is like to work in the construction industry.

3 Schools and college engagement: We provide an 'inspiration programme' which promotes workshops delivering life skills and CV writing.

4 Training: We currently fund a Sustainability Manager through the contract that delivers training to tenants on fuel efficiency in the home.

Value for Money Through our Partnerships

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

1 Wolverhampton City Council: We currently provide support services to young parents (under the age of 18) in Wolverhampton and coming out of care. We subsidise the service to ensure that up to nineteen young people develop the necessary life skills to maintain their supported tenancies and prepare for life outside once they move on to permanent tenancies.

2 Coventry Cyrenians: We currently facilitate a homeless project in Coventry that provides shelter and support services to young men in the city with a view to moving them on to permanent accommodation.

3 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 & safety, and compliance.

Equality, Diversity and Inclusion

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

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

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

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

Awards and Recognition

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

Approved by the Board on and signed on its behalf.



JD Dubidat
Secretary



Nehemiah HOUSING
Celebrating the Extension and Refurbishment of Nehemiah Court by the Planting of a Tree in Honour of Her Majesty the Queen Elizabeth II Platinum Jubilee Celebration
RT Hon Valerie Vaz MP
Wavell South Constituency
1st October 2021

Nehemiah HOUSING
on
...sustainable and
...ing and well-being
... our current

The Board

The Board present their report and the audited financial statements for the year ended 31st March 2023.

The following members have held office during the period from 1st April 2022 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 and ecumenical context for the relief of poverty and improvement in the quality of living for communities in developing countries. Chair and founder member of the RAFFA International Development Agency, the registered charity is 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 of Nehemiah Housing and currently serves as Chair. He was also instrumental in the merger of Keynote and Prime Focus housing associations to form Midland Heart. His OBE was awarded because of his services to social housing. He has served as 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 Degree in Business Administration and is currently completing a Masters Degree in Theology.

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



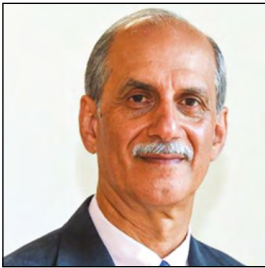
Prof. Martin Levermore, MBE DL Vice Chair

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

Prof Levermore has been published widely in several academic journals and holds an appointment with Birmingham City University (BCU) as Visiting Professor for Health, Education and Life Science and is Non-Executive Director for the Royal Wolverhampton NHS Trust. He is also the Independent Adviser to the Home Secretary on the Windrush Compensation Scheme.

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

He was awarded an MBE for services to West Midlands' businesses and holds the appointment of Deputy Lieutenant (DL) of the West Midlands.



Amarjit Singh BSc, MCIQB

Ammo has worked in building and construction for 40 years, focusing on social housing for the past 35 years. This has given him extensive experience at senior level for housing construction and asset management, especially in relationship to major works and property maintenance including procurement. He is well practiced in large-scale financial expenditure and contract management. He remains passionate about delivering quality products to the end users by cultivating and communicating a clear vision and values to colleagues, partners, and stakeholders. With strong strategic, business, financial and risk management skills, he has seasoned governance experience in the social housing sector and has completed the Effective Board Member programme with the Governance Forum.

Ammo's qualifications include MCIQB (Chartered Institute of Building) and BSc Civil Engineering. He is a Member of the Board at Nehemiah 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 profession and brings public and private sector experience to bear in his contributions.

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



Llewellyn Graham BA (Hons), MBA, MAATS

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

He has and continues to hold several board appointments, serves as a non-executive director at a large Midlands-based housing association, and has, most recently, been appointed to a regional NHS Integrated Care Board.



Martyn Hencher CPFA

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

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

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



Juliana Crowe BA (HONS), MBA

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

She has also served in a non-executive capacity in a number of not-for-profit organisations (i.e. Raglan and Stonewater housing associations).

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

Juliana serves on the Operations and Audit & Risk Committees, and the main Board.



Tina Mustafa BA (HONS), MA

Tina has over 30 years' experience in senior leadership roles. Covering a range of roles and organisations, including appointments at Walsall MBC, Wolverhampton City Council, and Wolverhampton Homes, she is currently Assistant Director Neighbourhoods for Tamworth Borough Council. Tina has substantial transformational and development skills achieved by corporate experience and aided through gaining an MA (Leadership and Change). Tina is also a Fellow of the Chartered Institute of Housing and Fellow of the Institute of Leadership and Management.

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

She is a member of the Board and sits on the Remuneration & Nominations and Operations Committees.



Jana Zacheva LLB
(appointed Sept 2022)

Jana Zacheva is a qualified solicitor, with more than 15 years' experience of providing specialist legal and governance advice to various commercial companies and not-for-profit organisations across the country. She brings extensive legal, governance and strategic commercial knowledge and experience to the Board of Nehemiah Housing Association.

In her career Jana had led a number of functions, including Governance, Legal, Data Protection and Policy for one of the largest Social Housing and Care providers in West Midlands. She also worked in the governance and commercial team of a highly recognised specialised law firm in Birmingham.

Jana founded the consultancy company Governance and Legal Ltd in 2020, which delivers practical and effective governance, compliance, and legal advice to not-for-profit organisations mainly in the social housing, care and charity sectors. Jana is also a trustee on the Board of Birmingham and Solihull Women's Aid. She continues to be a registered solicitor with the Law Society in England and Wales and a member of the Association of Corporate Governance Practitioners.

She serves on the Board as well as the Remuneration and Nominations Committee.



Norman King BSc
(appointed Sept 2022)

Norman King has almost 30 years of experience in the education sector, specialising in Information Systems, and brings this specialist knowledge to his role as a Board and Audit and Risk Committee Member. He has worked as Head of Computing at a high-performing grammar school in Birmingham since 2013 and has successfully developed educational partnerships with several technology giants including Microsoft, Cisco Systems, and Oracle.

Norman previously worked as a Consultant Lecturer at Birmingham City University (BCU) for 14 years, combining his lecturing responsibilities with the delivery of a variety of business-led innovation projects, advising businesses on how to improve their ICT capabilities and solve specific, strategic innovation challenges.

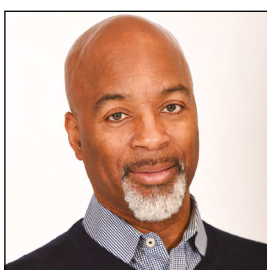
In addition to his full-time employment, Norman volunteers as Diversity and Inclusion Officer on the British Computer Society's Information Technology Leadership Forum (ITLF), representing views from leaders within and beyond the IT industry to other audiences.

Executive Committee



Kevin Fearon
Director of Operations

Kevin has a successful career in social housing spanning over 30 years, working for some of the largest housing associations in the region. He has spearheaded and developed multi-million-pound innovative housing developments and community-based programmes with a focus on delivering culturally based housing services, employment, and homes to black and minority ethnic communities. Kevin holds several non-executive directorships within the financial and voluntary service sectors, and always seeks opportunities to support people and organisations in achieving their full potential.



Patrick Bryan
Director of Finance

Patrick has been involved in social housing for over 30 years. After training and working in several audit and accounting firms, Patrick has worked in an executive finance role in a national charity, served as a board member for a regional housing group and acted as trustee for several academies in the Midlands. Patrick maintains active involvement in several charitable organisations in a non-executive capacity, making contributions to financial governance and strategic management.



Janet Dubidat
Company Secretary

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

Previous experience includes serving as Company Secretary to a national charity for an international organisation.

Janet holds a Postgraduate Diploma in Personnel and Development and an MBA, and is a Chartered Member of the CIPD. Janet is also a member of the Association of Corporate Governance Practitioners.



Dexter du Boulay
(resigned Sep 2022)

Nehemiah Housing Statutory Accounts Governance Report 2022/2023

Governance

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

The most recent regulatory judgement concludes that, in relation to governance and financial viability, Nehemiah Housing merited a GI/V2 rating. The Association continues to be compliant with the Regulator of Social Housing Regulatory standards. The Board is firm in its commitment to work constructively and proactively with the Regulator in the spirit of co-regulation.

Nehemiah complies with the National Housing Federation 2020 Code of Governance whose guidelines set the tone for how governance systems are directed and overseen.

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

Board Activity

The primary role of the Board of Nehemiah is to set the strategic direction of the organisation, to ensure compliance with its mission, vision, values, and objectives, and to ensure its long-term sustainability. 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, (i.e. legal constitution) and to delegate any of its powers under written terms of reference to its committees and/or Executive Team, where necessary.

The Board of Nehemiah is aware that its purpose 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, whilst demonstrating accountability to its tenants.

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

- Review of its vision, mission, values, and business objectives.
- Performance review of Corporate Strategy: 'Growing Stronger Together' 2020-2023, which was extended to 2025.
- 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.
- Asset management.
- Oversight of statutory compliance in areas such as health and safety, fire risk assessment, asbestos and legionella management and damp and mould.
- Approving relevant policies.
- Consideration of new approach to reporting of building compliance and health and safety performance.

Board members continue to have collective oversight and ownership of the risk management framework and of the systems of internal control and associated assurance. The Board provides clear oversight of the work of the Executive and there remains a good but challenging relationship between the Board and the Executive, 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.

Modern Slavery Act 2015

Nehemiah has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity and transparency in all its business dealings and relationships and to implementing and enforcing effective systems and controls to ensure that modern slavery and human trafficking are not taking place anywhere within either its own business or in any of its supply chains, consistent with its obligations under the Modern Slavery Act 2015.

The Association also expects the same standards from all its suppliers, contractors, and other business partners and, as part of its contracting processes, it includes specific prohibitions against the use of modern slavery and expects that its suppliers will in turn hold their own suppliers to the same ethical standards.

Board Effectiveness Review (BER)

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

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

- Governance Improvement Evaluation
- Review of strategic policies, such as relates to mergers and strategic partnership.
- Succession Review for Board and Committee Members
- Appraisals (CEO's Appraisal will take place during year ended 2023/24)
- Board skills review



Statement of Internal Control

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

Control System	Contribution
Governance Arrangements	Nehemiah's governance arrangements, as described in this report, provide regular and significant oversight of and scrutiny over the business and its performance.
Terms of Reference for the Audit 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 the 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 to Board, Committees, Executive Committee allows for review of performance and prompt action to be taken where performance is below target levels. This includes monitoring delivery against targets in Corporate Plan.
Performance information – Financial (e.g. management accounts and budget reports)	Regular reporting of financial performance information 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.
Value for Money Strategy	The strategy provides a road map to ensure that the Association is delivering services in the most efficient, effective and economical manner whilst meeting the needs of our tenants, other stakeholders, and wider communities. Striking the right balance between costs and quality will inform investment decisions that lead to recurring savings to support the ongoing viability and growth of the organisation.
Treasury management	Active treasury management requires 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

Control System	Contribution
Resilience Plan	<p>the efficiency - and reduce the risk - of our loan portfolio. It also ensures that sufficient cash is available to meet our short-term commitments and that there is access to loan facilities sufficient to finance our long-term plans and commitments.</p> <p>The Resilience plan is a framework outlining Nehemiah’s response in the event of materialisation of significant risks threatening the viability or management of the business. The document has been developed in response to the Regulatory Framework and aligns with the Association’s:</p> <ul style="list-style-type: none"> ○ Risk management and controls ○ Financial forecasting ○ Business plan stress testing and application of mitigations ○ Asset and liabilities register
Appraisal of investment decisions	<p>All new-build housing investment decisions and other major commitments are subject to financial appraisal and approval by the Board.</p>
Internal Audit	<p>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 3 years. Audit reports then identify any control weaknesses or areas for improvement and require management to implement corrective actions in relation to those areas of weakness/improvement.</p>
Quality assurance reports	<p>These look at specific areas of operational performance in our tenant services, and the outcome of these are reviewed at Executive Committee and Operations Committee.</p>
Regulatory Standards Compliance	<p>An annual self-assessment report provides evidence of compliance against the RSH Regulatory Standards – both economic and consumer standards, which is reviewed by the Board and enables the Chairman, on behalf of the Board, to certify compliance against the Regulatory Standards.</p>
Health and Safety risk monitoring	<p>A Risk Management Group, incorporating health & safety issues, meets quarterly to monitor the extent to which Nehemiah is meeting its health & safety responsibilities. Reporting of health & safety is reviewed by the Executive, Operations, Audit & Risk Committees and the Board to determine if health & safety risks are being adequately managed and where key actions are required.</p>



Key elements from our assurance framework are as detailed below:

- Internal audits
- External audits
- Statutory compliance performance dashboard and report to the Board relating to fire risk, asbestos, gas safety, legionella, electrical testing, lift maintenance, health and safety, damp and mould and safeguarding.
- Business continuity planning and disaster planning which is independently assessed.
- Fraud reporting including annual fraud report submission to the Regulator of Social Housing
- Whistleblowing reporting – register checked on a quarterly basis.
- Regulator of Social Housing regulatory judgement - most recently in November 2022
- Experienced and qualified staff who can undertake their responsibilities for business functions.
- Employee Performance Management Framework – annual appraisal to assess continued performance proficiency. Budgets and financial planning – ensure prudent financial management on a consistent basis, as supported by relevant narrative.

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 Team acknowledge their respective responsibilities for overseeing and operating effective controls.

Audit and Risk Committee

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



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

- Monitoring the integrity and effectiveness of Financial Reporting and External Audit
- Agreeing and monitoring the delivery of Nehemiah's Internal Audit Programme
- Monitoring the effectiveness of Nehemiah's Risk Management and Internal Control Systems
- Overseeing the effective implementation of Nehemiah's Health and Safety Policy
- Oversight of the compliance with whistleblowing and fraud policies and procedures
- Compliance with Regulatory Standards and NHF Code of Governance

Impact of the Committee's Work

The work of the Committee has supported robust review 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".

There were four meetings of the Audit and Risk Committee which were quorate with an average attendance of 89.47% (compared to 93.75% for year ended March 2022).

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

- Financial Reporting.
- Registers (fraud, gifts and hospitality, whistleblowing, data breach and health and Safety).
- General Data Protection Regulation (GDPR).
- Resilience Plan.
- Plan Internal audit plans and reports.
- External audit plans and reports.
- Internal Controls and Risk Management and Assurance including agreeing risk appetite in pursuing business objective.
- Compliance submissions.
- Non-financial covenant compliance .
- Report by the Money Laundering Reporting Officer (MLRO).
- Policy review schedule.
- Value for Money (VFM).
- Review annual report detailing the organisation's compliance with relevant laws and regulations.
- Recommendations made to the Board for the appointment of external auditing services.
- Post-annual audit completion (closed) meeting with external auditors.

Operations Committee

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



The role of the Operations Committee is to oversee the day-to-day operations of the organisation's housing management and property services functions. The Committee also oversees asset management, monitoring of KPIs, income collection, the IT and development functions of the organisation, as relates to services to tenants. In essence, its purpose is to consider overall operational effectiveness.

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

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

During the pandemic, the Committee continued to meet virtually to ensure ongoing oversight of operational effectiveness and continued delivery of quality services to tenants.

Impact of the Committee's Work

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

	Target	Achieved	2021/22
% of routine repairs completed within target	95%	94%	86%
% of urgent repairs completed within target	95%	100%	100%
% overall satisfaction with the repair service	90%	93%	83%

Remunerations and Nominations Committee

The Remunerations and Nominations Committee is chaired by **Professor Martin Levermore MBE.**



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

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

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

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

- Performance review of the Chair
- Performance review of the Chief Executive
- Board and Committee Succession Planning
- Executive Team Succession Planning
- Board recruitment
- Make annual pay review recommendations to the Board
- Review organisational structure proposals prior to Board sign-off
- Reviewed management KPIs relating to human resources management
- Terms of reference review
- Pay and remuneration reviews
- Executive Team review
- Leadership Development Programme ('Nehemiah University') proposal review
- Cyclical review of policies.

Impact of the Committee's Work

- Facilitation of strategic pensions review.
- Support organisational structure review.
- Review of the performance management system.
- Pay and remuneration review.

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

Bano



Tenant Involvement

Nehemiah recognises that tenant involvement is key to ensuring that service provision and delivery is appropriate and well designed, that there is transparency, and that performance can be scrutinised for improvement to satisfy our objective of delivering excellent customer services with respect.

In line with the regulatory requirements for tenant involvement and empowerment, Nehemiah involves as many tenants as possible, with the aim of sustaining tenancies, ensuring services are accessible, and that we deliver a high-quality tenant experience, representing value for money.

Our approach is to ensure that, where possible, there is fair and appropriate demographic and geographic representation of our tenants, encouraging diversity, equality, and inclusion.

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

We have a Customer Engagement Strategy which is reviewed annually and have appointed a Tenants' Engagement Officer to ensure that our tenants' voices are heard. The desired impact of listening to tenants is about holding the organisation to account as well as delivering relevant and constantly improving services.

We continue to maintain contact with our tenants via a suite of social media such as Facebook, Twitter and our website, whilst also including physically posted media to ensure that all are kept up-to-date, as much as possible. We also continue to signpost individuals to community support networks such as, money advice services, churches, foodbanks, and general advice services, where they can obtain additional support which may assist them.

Risk and Control

We have a fully operational Risk Management & Assurance Framework which facilitates the Board's receipt of a dynamic report reflecting risk profile movements. The Risk Register is regularly presented to Board allowing the opportunity to challenge and seek further assurances as to the management of risk, as appropriate.

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 key areas of risk have included:
- Management reports supported with appropriate commentary for clarification.
- Quarterly Management accounts
- Review reports against Nehemiah Housing's corporate strategies
- Report on specific activities, including risk management, statutory compliance and health & safety (including on damp and mould).

Top Ten Risks			
Rank	Risk Ref	Details	Current risk profile
1	Strat- 4	High Inflation / supply chain disruption due to Brexit, COVID-19, and Russo-Ukraine conflict.	12
2	Strat- 18	Future rent settlement intervention by Government.	12
3	Strat -1	Delays in delivery of development programme.	12
4	Strat- 23	Government targets for zero carbon placing unsustainable demands on resources and impacting long-term financial plans and viability.	12
5	Strat- 26	Tenants' homes affected by presence of damp & mould.	9
6	Strat-5	Planning and delivery of repair and improvement programme compromised.	9
7	Strat- 7	Interest Cover covenant breach.	9
8	Strat- 9	Cyber Security breach.	9
9	Strat- 2	Tenant and staff safety threats due to covid-19 outbreak.	6
10	Strat- 3	Health & Safety breach.	6

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

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

Training, Succession and Induction

A documented, comprehensive induction process supports new Board Members. The Induction process also enables the identification of training and development needs to be addressed. The induction includes site visits and presentations from the Executive Team. The inductee also has an opportunity to comment on the process so that appropriate proposals for improvement 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 appropriate training events and are supplied with details of relevant training opportunities. In addition, training opportunities and knowledge-sharing is also part of Board meetings. The following training events and/or conferences have been undertaken by Board Members during the last financial year:

- RSH Sector Risk Profile review
- Social Housing White Paper – Consumer Regulatory trajectory
- Health and Safety
- National Housing Federation (NHF) Audit and Risk Conference
- NHF Housing Summit

Nehemiah has adopted the National Housing Federation (NHF) 2020 Code of Governance relating to Board membership 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.

Mergers and Partnerships

Nehemiah has adopted the NHF’s merger code. The principles of this code forms the basis of Nehemiah’s Merger & Strategic Partnership Policy and Procedure which provides a framework for Board to undertake the appropriate due diligence in the event of a trigger incident arising.

Environmental, Social and Governance (ESG) Performance Review 2022/23

Nehemiah is still working through the actions of its first ESG Performance Review from the year ended March 2022, using an assessment framework composite of the Sustainability Reporting Standards for Social Housing devised by RSM UK.

In the meantime, we add our ESG Maturity Matrix below for information:

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



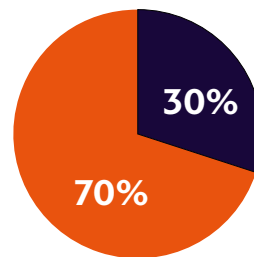


The Board

The Board consisted of 10 Members for the year ended 31st March 2023, including the Chief Executive as an Executive Board member. The Association has two tenant Committee members who are not members of the Board. Eight meetings of the Board were held during the financial year. There were two Board member resignations during this period.

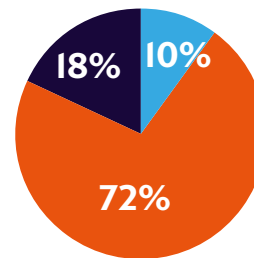
Diversity of Board

Gender



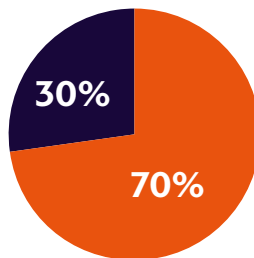
30% of the Board members are female
70% of the Board members are male

Age



10% of the Board are aged between 26 and 40
72% of the Board are aged between 41 and 64
18% of the Board are aged 65+

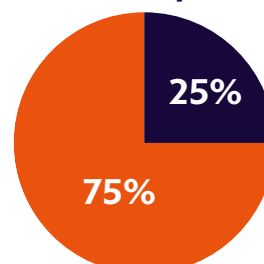
Ethnicity



Seven Board members are from BAME backgrounds

Two Board members is from a White British background

Disability



25% of Board members indicated a disability

**Being a BAME-led organisation, Nehemiah Housing intends its membership to reflect the communities it serves.*

Members Attendance from 1st April 2022 to 31st March 2023

Board member	Main Board	Audit & Risk Committee	Operations Committee	Remuneration & Nominations Committee
Total number of meetings	7	4	4	4
Wilton Powell	7	-	-	3
Martin Levermore	6	4	-	4
Amarjit Singh	7	-	3	2
Winston Weir	5	2	-	-
Dexter du Boulay (res. 09/2022)	3	-	1	-
Juliana Crowe	3	4	4	-
Tina Mustafa	4	-	3	-
Martyn Hencher	4	4	-	-
Norman King (app. 09/2022)	3	3	-	-
Jana Zacheva (app. 09/2022)	3	-	-	2
Llewellyn Graham	7	-	-	-

Overall Board and Committee meeting attendance was 81.68% compared to 81.67% for the same period in 2021/22.

Statement of Compliance

In preparing the Operating and Financial Review and Board report, the Board has followed the principles set out in the Housing SORP 2018 and FRS 102.

Code of Governance and Governance Financial Viability Standards

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

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

Remuneration

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

Board member	£	Board member	£
Wilton Powell	5,100	Martin Hencher	2,500
Martin Levermore	3,060	Tina Mustafa	2,500
Amarjit Singh	2,805	Jana Zacheva*	1,275
Winston Weir	2,805	Dexter Du Boulay**	1,275
Juliana Crowe	2,550	Norman King*	1,275
Miriam Campbell (Committee) *	832	Abdul Wahidi (Committee)*	508

* Appointed during the year. ** Resigned during the year

Board Members and Executive Directors

The Board has given 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 on 31st March 2023.

Llewellyn Graham - Chief Executive

Patrick Bryan - Director of Finance

Kevin Fearon - Director of Operations

Janet Dubidat – Head of Governance & Company Secretary

Responsibility for the System of Internal Controls

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

Scope of Assurance

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

Policy for Dealing with Fraud

Nehemiah 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 the Board and Officers of the Association to clearly communicate the fraud prevention policy to both internal and external customers, suppliers, and partners with whom the Association is involved.

Nehemiah has adopted 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 2022, 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 27 July 2023 and signed on its behalf.



JD Dubidat

Secretary



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

Opinion

We have audited the financial statements of Nehemiah United Church Housing Association for the year ended 31 March 2023 which comprise the Statements of Comprehensive Income, Statements of Financial Position, Statement of Cash Flows and the Statements of Changes in Reserves 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, 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 association's affairs as at 31 March 2023 and surplus for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2022

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 Nehemiah Housing 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 Nehemiah Housing'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 members 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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members 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.

We have reviewed the Board's statement on Nehemiah Housing's compliance with the Co-operative and Community Benefit Societies Regulations 1969. We are not required to express an opinion on the effectiveness of Nehemiah Housing's system of internal control.

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 during 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.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of the Board's responsibilities set out on page 62, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing Nehemiah Housing's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board either intends to liquidate Nehemiah Housing 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. 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 company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included,

but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing in England 2022.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to cut off), and significant one-off or unusual transactions.

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. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to Nehemiah Housing's members as a body in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to Nehemiah Housing'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 Nehemiah Housing's members as a body for our audit work, for this report, or for the opinions we have formed.



Mazars LLP

Chartered Accountants and Statutory Auditor

1st Floor
2 Chamberlain Square
Birmingham
B3 2AX

Statement of Comprehensive Income

Year Ended 31st March 2023

	Note	2023 £ 000	2022 £ 000
Turnover	3a	7,623	7,197
Disposal of Fixed Asset	8	67	189
Operating costs	3a	<u>(5,936)</u>	<u>(5,385)</u>
Operating surplus	3a	1,754	2,001
Finance income		15	2
Interest and financing costs	4	<u>(1,081)</u>	<u>(1,083)</u>
Surplus for the year	5	688	920
Other comprehensive income		-	-
Initial recognition of multi-employer defined benefit scheme		-	-
Actuarial gain/loss on pension scheme		<u>(128)</u>	<u>359</u>
Comprehensive Income for the year		<u>560</u>	<u>1,279</u>

Statement of Financial Position

Year Ended 31st March 2023

	Note	2023		2022	
		£ 000	£ 000	£ 000	£ 000
FIXED ASSETS					
Housing properties - cost less depreciation	8		83,502		79,497
Other property, plant & equipment	9		1,141		1,131
TOTAL FIXED ASSETS			84,643		80,628
CURRENT ASSETS					
Debtors	10	509		528	
Investments	11	-		-	
Cash and cash equivalents		1,343		3,513	
		1,852		4,041	
CREDITORS: amounts falling due within one year	12	(2,238)		(1,659)	
NET CURRENT ASSETS			(386)		2,382
TOTAL ASSETS LESS CURRENT LIABILITIES			84,257		83,010
CREDITORS: amounts falling due after more than one year	13		(66,582)		(65,895)
			17,675		17,115
CAPITAL AND RESERVES					
Non-equity share capital	16		-		-
Revenue reserves			17,675		17,115
ASSOCIATION'S FUNDS			17,675		17,115

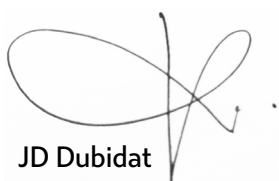
The notes on pages 73 to 84 form part of these financial statements.
 The Financial Statements on pages 64 to 72 were approved by the Board on 27 July 2023.
 Signed on behalf of the Board.



W Powell
Chairman



Winston Weir
Treasurer



JD Dubidat
Secretary

Statement of Changes in Reserves

Year Ended 31st March 2023

	Revenue Reserves 2023 £ 000	Revenue Reserves 2022 £ 000
At 1st April	17,115	15,836
Total comprehensive income for the year	<u>560</u>	<u>1,279</u>
At 31st March	<u><u>17,675</u></u>	<u><u>17,115</u></u>

Statement of Cash Flows

Year Ended 31st March 2023

	Notes	2023		2022	
		£ 000	£ 000	£ 000	£ 000
NET CASH GENERATED FROM OPERATING ACTIVITIES	A		1,953		2,606
CASH FLOWS FROM FINANCING ACTIVITIES					
Net interest & financing costs		(1,066)		(1,081)	
Housing loan repayments		(171)		(7,160)	
Housing loan received		<u>1,000</u>		<u>6,627</u>	
			(237)		(1,614)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of housing properties		(4,101)		-	
Investment Refurbishment - in existing stock		-		-	
Investment - New components		(860)		(835)	
Purchase of other property, plant & equipment		(49)		(21)	
Proceeds from sales of property		83		380	
Capital grants received		<u>1,041</u>		<u>-</u>	
			(3,886)		(476)
NET CHANGE IN CASH AND CASH EQUIVALENTS			(2,170)		516
Cash and cash equivalents at the beginning of the year			<u>3,513</u>		<u>2,997</u>
Cash and cash equivalents at the end of the year			<u><u>1,343</u></u>		<u><u>3,513</u></u>

Statement of Cash Flows

Year Ended 31st March 2023

A) Reconciliation of Surplus to Net Cash Generated from Operating Activities

	2023 £ 000	2022 £ 000
Surplus for the year	688	920
Disposal of fixed assets	(67)	(189)
Net interest payable	1,066	1,081
Movement in debtors	19	137
Movement in creditors	(173)	226
Depreciation of housing properties	939	888
Depreciation of other property, plant & equipment	39	36
Movement in non-finance long term creditors	-	(105)
Amortisation and disposal of government grants	(394)	(342)
Surplus Employer Pension Scheme Contributions	(164)	(46)
Net cash generated from operating activities	<u>1,953</u>	<u>2,606</u>

I. | Accounting Policies

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified to include certain items at fair value, in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022, 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



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 Association's fair share of assets and obligations.

Defined contribution scheme

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

Lease costs

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

Cash and cash equivalents

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

Holiday pay accrual

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

Financial instruments

Financial assets and financial liabilities are recognised when Nehemiah 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 management's estimate about arrears and potential bad debts. Therefore, the bad debt provision has been maintained at the increased levels set in 2019/20:

	2021/22	2022/23
Provision of Former Tenant Arrears going bad	100%	100%
Provision for Current Arrears	50%	50%

As at the 31 March 2023 there were no other provisions for potential liabilities or contingencies. The provision for bad debts can be found at note 10.

Defined benefit pension scheme

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

Components of housing properties and useful lives

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

Impairment of Social Housing Properties - Impairment Review

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

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

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

Measure	Assessment - 31st March 2023
Voids levels	Void rates for the period to 31st March were 1.80% set against a forecast level of 2%. The current economic climate is increasing void turnaround times due to labour and supply issues. General needs properties tend to be re-let quickly while sheltered accommodation turnaround times are longer, but demand remains for this tenure of accommodation. We take the view that current uncertainty across the economy is leading to delays that will be improved when the cost-of-living crisis is abated.
Change in Government policy	The rent cap set at 7% for 2023/24 will place added pressure on operating margins from the short to long term (e.g. £1.2m reduction in surpluses over the next 5 years). Social housing stock values are directly impacted by Government rent policy, but market values are still greater than recorded book values.
Changes in market value of properties	The housing values remain strong and, since properties are held at cost, there is significant headroom between market value and cost.
Evidence of obsolescence	There remains a steady demand for properties when they are available for let. Whilst void periods are longer for supported schemes, there remains interest in that type of provision.
The economic performance of an asset	The latest asset management review has not highlighted any assets to be considered as economically underperforming. Investment will be needed to meet Government targets and resources continue to ear-marked in the financial plan to work towards these targets.

Following these reviews, no impairment was recognised for the Association at 31 March 2023.

Going Concern Assessment

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

- The Association prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in June 2023 by the Board. The base plan was subjected to a range of stress tests to assess vulnerability to a range of adverse individual and scenario stresses. As part of the adopted stress testing framework, a resilience plan has been prepared to inform Board's approach to mitigate the impact of cited stress factors, should they occur.
- The following stresses have been used to test the business's resilience:

Stresses	Tests Performed
Base Rate movements	High interest rates (testing rates between 0.25% - 2.0% above advised interest rate forecasts).
Property Prices and CPI	High inflation and low property prices - (i.e. - 2% above CPI and property value reductions of 17% - 20%, respectively).
Further Rent Restrictions & Rent Loss	Rent restrictions (i.e. of zero % increase for 3 years) and rent loss related to voids and bad debts of 2-10%.
Further Welfare Reform Adverse Policies	Significant increase in bad debts and arrears following changes in welfare legislation.
Health & Safety Issues	Uninsured losses up to £0.9m plus major repairs costs.
Operating Performance Issues	Operating cost increases not provided for in the Plan, using increments of 2 - 10% of management costs.
Corporate Systems Failures (e.g. data breach)	GDPR fine of 4% of annual turnover.
Development issues	Delaying development projects by 12 months.
Decarbonisation costs	Higher-than-planned decarbonisation costs over life of 30-year plan.
Nil RTA Disposals	No RTA Disposal due to high interest rates making out-right purchases unaffordable for tenants.
Fall in Property Prices	Sensitivity of unencumbered stock to property prices between 5% and 50%

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

Stress testing impacts were measured against:

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

Potential mitigating actions have been identified to reduce expenditure.

○ The current plan provides for the following:

- **Rent and Service Charge Receivable** – arrears and bad debts and void periods have been increased to allow for tenant difficulties in making payments (i.e. financial projections take account of future rent reductions in lieu of this).
- **Liquidity** – currently available cash (of £1.3m) and unutilised loan facilities (of £3.1m), gives significant headroom in financing operational and capital investment programmes.
- **Repairs and Component Cost Increases** – business plan scenarios have been modelled to take account of cost increases in line with current economic forecasts and delays in future uncommitted development projects.

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

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



3a | Turnover and Operating Costs

	2023				2022			
	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating surplus/ (deficit)	Operating turnover	Operating Costs	Disposal Property, Plant Equipment	Operating surplus/ (deficit)
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Social Housing Lettings (note 3b)	<u>7,392</u>	<u>(5,788)</u>	<u>-</u>	<u>1,604</u>	<u>7,068</u>	<u>(5,241)</u>	<u>-</u>	<u>1,827</u>
Other Social Housing Activities								
Other income receivable	17	(2)	-	15	18	(2)	-	16
Development administration	80	(83)	-	(3)	-	(77)	-	(77)
Other	<u>134</u>	<u>(63)</u>	<u>67</u>	<u>138</u>	<u>111</u>	<u>(65)</u>	<u>189</u>	<u>235</u>
	<u>231</u>	<u>(148)</u>	<u>67</u>	<u>150</u>	<u>129</u>	<u>(144)</u>	<u>189</u>	<u>174</u>
	<u><u>7,623</u></u>	<u><u>(5,936)</u></u>	<u><u>67</u></u>	<u><u>1,754</u></u>	<u><u>7,197</u></u>	<u><u>(5,386)</u></u>	<u><u>189</u></u>	<u><u>2,001</u></u>

3b | Particulars of Income and Expenditure from Social Housing Lettings

	General Needs Housing	Supported Housing	Shared Ownership Housing	TOTAL 2023	TOTAL 2022
	£ 000	£ 000	£ 000	£ 000	£ 000
Rent Receivable	5,906	13	10	5,929	5,640
Supporting People Charges	-	-	-	-	-
Service Income	1,032	51	-	1,083	1,053
Net Rental Income	6,938	64	10	7,012	6,693
Amortisation of Government Grants	380	-	-	380	375
Total income from Social Housing Lettings	7,318	64	10	7,392	7,068
Management	1,075	18	2	1,095	1,108
Supporting People	-	-	-	-	-
Service Charge costs	1,622	34	-	1,656	1,347
Routine Maintenance	1,264	26	-	1,290	1,059
Planned Maintenance	652	11	-	663	697
Major Repairs	-	-	-	-	-
Bad Debts	39	7	-	46	38
Property Leasing Costs	100	-	-	100	104
Depreciation of Housing Properties	939	-	-	939	888
Operating Costs on Social Housing Lettings	5,690	96	2	5,788	5,241
Operating Surplus on Social Housing Lettings	1,628	(32)	8	1,604	1,827
Rent losses from voids	(43)	(71)	-	(114)	(106)

4 | Interest and Financing Costs

	2023 £ 000	2022 £ 000
On loans repayable by instalments, wholly or partly, after more than 5 years	<u>1,081</u>	<u>1,083</u>

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

5 | Surplus for the Year

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

	2023 £ 000	2022 £ 000
Depreciation on housing properties	939	888
Depreciation on other PP&E	39	36
Amortisation and disposal of government grants	(394)	(342)
Operating leases – other	14	14
Auditor's remuneration (excluding VAT) - as auditors	<u>14</u>	<u>14</u>

6 | Employees

	2023 £ 000	2022 £ 000
Staff costs during the year		
Salaries	1,178	1,121
Social security costs	123	111
Pension contributions	300	244
	<u>1,601</u>	<u>1,476</u>
The full-time equivalent number of staff who received emoluments, including pension contributions, in excess of £60,000 were as follows:		
	2023 Number	2023 Number
Salary Band: £'s		
60,000 – 69,999	-	-
70,000 – 79,999	-	2
80,000 – 89,999	2	1
140,000 – 149,999	1	1
The average weekly number of persons employed by the Association during the year -		
Administration	<u>31</u>	<u>33</u>
Full-time equivalent (based on a 35-hour week)	<u>31</u>	<u>33</u>

7 | Director's Emoluments and Expenses of Officers

	2023 £ 000	2022 £ 000
Directors' emoluments (excluding pension contributions) and emoluments of highest paid director	<u>267</u>	<u>259</u>
Number of directors contributing to pension schemes	<u>3</u>	<u>3</u>
Total contributions to pension schemes in respect of the directors	<u>56</u>	<u>53</u>

Board members emoluments and expenses during the year totalled £26,600 (2022 - £27,300).

The emoluments of the highest-paid director (who is also the Chief Executive) amounted to £123,000 (2022 - £119,000), 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	Freehold housing land and buildings under development	Total
		£ 000	£ 000	£ 000
Cost				
At 1st April 2022		87,539	-	87,539
Additions		4,958	-	4,958
Disposals		(15)	-	(15)
At 31st March 2023		92,482	-	92,482
Accumulated depreciation				
At 1st April 2022		8,042	-	8,042
Charge for the year		939	-	939
Disposals		(1)	-	(1)
At 31st March 2023		8,980	-	8,980
Net book value				
At 31st March 2023		83,502	-	83,502
At 31st March 2022		79,497	-	79,497
			2023	2022
			£ 000	£ 000
Housing property additions are represented by:				
Stock transfers/new developments			4,097	-
Work on existing properties			-	(10)
Replacement of components			861	845
Total Additions			4,958	835
		Housing Properties	Other Fixed Assets	2023
		£ 000	£ 000	2022
			£ 000	£ 000
Disposal of Fixed Assets:				
Proceeds of sale	83	-	83	380
Costs of sale	-	-	-	(2)
Net book value of assets	(16)	-	(16)	(189)
Net Surplus on Disposal	67	-	67	189

9 | Other Property, Plant & Equipment

	Office land and buildings	Other fixed Assets	Total
	£ 000	£ 000	£ 000
Cost			
At 1st April 2022	1,182	297	1,479
Additions	-	50	50
Disposals	-	-	-
At 31st March 2023	1,182	347	1,529
Accumulated depreciation			
At 1st April 2022	119	230	349
Charge for the year	12	27	39
Disposals	-	-	-
At 31st March 2023	131	257	388
Net book value			
At 31st March 2023	1,051	90	1,141
At 31st March 2022	1,063	67	1,130

10 | Debtors

	2023 £ 000	2022 £ 000
Due within one year		
Arrears of rent, service charges and support charges	354	387
Less: Provision for doubtful debts	(181)	(170)
	<u>173</u>	<u>217</u>
Other debtors	74	54
Prepayments and accrued income	260	258
Payments on account of capital projects	2	-
	<u>509</u>	<u>529</u>

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

11 | Investments

	2023 £ 000	2022 £ 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 2023, the company has yet to start trading.

12 | Creditors: Amounts Falling due within One Year

	2023 £ 000	2022 £ 000
Housing loans (see note 13)	657	113
Trade creditors	340	399
Government grants (see note 14)	385	375
Other creditors	68	-
Other taxation and social security	34	30
Accruals and deferred income	754	744
	<u>2,238</u>	<u>1,661</u>

13 | Creditors: Amounts Falling due after more than One Year

	2023 £ 000	2022 £ 000
Government grants (see note 14)	33,344	32,707
Accruals and deferred income	20	219
Pension liability (see note 18)	889	925
Housing property finance		
Loans advanced by:		
Orchardbrook Limited	147	249
Triodos Bank	17,806	17,247
Yorkshire Building Society	6,095	6,076
GB Social Housing	8,281	8,486
		-
Nat-West	-	(15)
	<u>32,329</u>	<u>32,043</u>
	<u>66,582</u>	<u>65,894</u>

Triodos Bank, Yorkshire Building Society, GB Social Housing Loans are net of (£1,780, £5,060, and £55,167 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 shown below.

Lender	Interest Rate %	Fixed or Variable
GBSH	5.193	F
Orchardbrook	9.380	F
Orchardbrook	9.410	F
Orchardbrook	11.500	F
Triodos	5.858	F
Triodos	3.210	F
Triodos	3.210	F
Triodos	2.250	F
Triodos	5.610	V
Triodos	4.170	F
YBS	2.850	F
YBS	2.602	F

Housing property finance	2023 £ 000	2022 £ 000
Amounts repayable by instalments:		
Within one year or less	657	113
More than one year but not more than two years	1,500	6,718
More than two years but not more than five years	10,368	2,194
More than five years	<u>20,522</u>	<u>23,247</u>
	<u>33,047</u>	<u>32,272</u>

14 | Deferred Income - Government Grants

	2023 £ 000	2022 £ 000
At 1st April 2022	33,082	33,529
Grants receivable	1,041	-
Disposals	(15)	(105)
Amortisation to statement of comprehensive income	(379)	(342)
At 31st March 2023	<u>33,729</u>	<u>33,082</u>
Due < 1 year (see note I2)	385	375
Due > 1 year (see note I3)	<u>33,344</u>	<u>32,707</u>

The cumulative amount of Government Grant received by the Association at the year-end was £38,778,814 (2022 - £37,737,433).

15 | Financial Instruments

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

	2023 £ 000	2022 £ 000
Financial assets		
Measured at undiscounted amount receivable		
· Rent arrears and other debtors (see note I0)	<u>247</u>	<u>271</u>
Financial liabilities		
Measured at amortised cost		
· Loans payable (see note I3)	33,047	32,272
Measured at undiscounted amount payable		
· Trade and other creditors (see note I2)	<u>408</u>	<u>399</u>
	<u>33,455</u>	<u>32,671</u>

16 | Non-Equity Called Up Share Capital

	2023 £ 000	2022 £ 000
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1st April	32	32
New shares issued	-	8
Shares cancelled	(20)	-
At 31st March	<u>12</u>	<u>32</u>

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

17 | Capital Commitments

The Association had capital commitments at 31st March 2023 of £402,405 (2022 - £238,280).

During 2022/23, contracts were tendered and awarded for component works of £890,600.

At March 2023, works of £ 862,860 had been completed.

18 | Pension Obligations

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

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

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

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

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

Fair Value of Plan Assets, Present Value of Defined Benefit Obligation, and Defined Benefit Asset (Liability)

	31 March 2023 (£ 000)	31 March 2022 (£ 000)
Fair value of plan assets	3,623	5,718
Present value of defined benefit obligation	4,512	6,643
Surplus (deficit) in plan	(889)	(925)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(889)	(925)
Deferred tax	*	*
Defined benefit asset (liability) to be recognised	*	*

Reconciliation of the Impact of the Asset Ceiling

Period from 31 March 2022 to 31 March 2023 (£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	-

Pension Obligations (Continued)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

Period from 31 March 2022 to 31 March 2023 (£000s)	
Defined benefit obligation at start of period	6,643
Current service cost	51
Expenses	4
Interest expense	186
Member contributions	20
Actuarial losses (gains) due to scheme experience	(507)
Actuarial losses (gains) due to changes in demographic assumptions	(9)
Actuarial losses (gains) due to changes in financial assumptions	(1,827)
Benefits paid and expenses	(49)
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	4,512

Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

Period from 31 March 2022 to 31 March 2023 (£000s)	
Fair value of plan assets at start of period	5,718
Interest income	162
Experience on plan assets (excluding amounts included in interest income)	
- gain (loss)	(2,471)
Employer contributions	243
Member contributions	20
Benefits paid and expenses	(49)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	3,623

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £2,309,000.

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCl)

Period from 31 March 2022 to 31 March 2023 (£000s)	
Current service cost	51
Expenses	4
Net interest expense	24
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 (SoCl)	79

Defined Benefit Costs Recognised in Other Comprehensive Income (OCI)

Period from 31 March 2022 to 31 March 2023 (£000s)	
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(2,471)
Experience gains and losses arising on the plan liabilities - gain (loss)	507
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	9
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	1,827
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(128)
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)	(128)

Pension Obligations (Continued)

Assets

	31 March 2023 (£000s)	31 March 2022 (£000s)
Global Equity	68	1,098
Absolute Return	39	229
Distressed Opportunities	110	205
Credit Relative Value	137	190
Alternative Risk Premia	7	189
Fund of Hedge Funds	-	-
Emerging Markets Debt	19	166
Risk Sharing	267	188
Insurance-Linked Securities	91	133
Property	156	154
Infrastructure	414	407
Private Debt	161	147
Opportunistic Illiquid Credit	155	192
High Yield	13	49
Opportunistic Credit	-	20
Cash	26	19
Corporate Bond Fund	-	382
Liquid Credit	-	-
Long Lease Property	109	147
Secured Income	166	213
Liability Driven Investment	1,669	1,596
Currency Hedging	7	(22)
Net Current Assets	9	16
Total assets	3,623	5,718

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 2023 % per annum	31 March 2022 % per annum
Discount Rate	4.87%	2.79%
Inflation (RPI)	3.19%	3.57%
Inflation (CPI)	2.75%	3.19%
Salary Growth	3.75%	4.19%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

	Life Expectancy at Age 65 (Years)
Male retiring in 2023	21.0
Female retiring in 2023	23.4
Male retiring in 2043	22.2
Female retiring in 2043	24.9

19 | Legal Status

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

20 | Taxation Status

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

21 | Operating Lease Commitments

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

	2023		2022	
	Land & Buildings £ 000	Other £ 000	Land & Buildings £ 000	Other £ 000
Leases which expire:				
Within one year	-	11	-	11
Within two to five years	-	11	-	11
Over five years	-	-	-	-
	<u>-</u>	<u>22</u>	<u>-</u>	<u>22</u>
	<u>-</u>	<u>22</u>	<u>-</u>	<u>22</u>

22 | Analysis of Change in Net Debt

	At 31.03.2022	Cash flows	Other changes	31.03.2023
	£ 000	£ 000	£ 000	£ 000
Cash at Bank	3,513	(2,170)	-	1,343
Overdrafts	-	-	-	-
Debt due in one year	(113)	-	(105)	(218)
Debt due after more than one year	(32,159)	-	471	(31,688)
Current Assets investment				

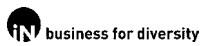
23 | Units in Ownership and Management

Units owned	At 31.03.22	Additions	Disposals			Other	At 31.03.23
Social Housing							
Owned General Needs							
- social rent	876	-	-			-	876
Owned General Needs							
- affordable rent	18	21	-			-	39
Owned General Needs							
- intermediate rent	-	-	-			-	-
Owned							
- Housing for older people							
Owned	270	-	-			-	270
- Supported Housing	35	-	-			-	35
Shared Ownership	4	-	(1)			-	3
Total	1,200	-	(1)			-	1,223
Non-Social Housing							
Market rented	2	-	-			-	2
Total	2	-	-			-	2
Total Owned	1,202	-	(1)			-	1,225
Units Managed							
Managed units general needs	25	-	-			-	25
Managed - Supported Housing	-	-	-			-	-
Total Managed	16	-	-			-	25
Total Owned and Managed	1,218	-	(1)			-	1,250
excluding units taken out of the debit (LTV)	-						-



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Registered office is at 1-3 Beacon Court, Birmingham Road, Great Barr, Birmingham, West Midlands, B43 6NN

Nehemiah Housing is registered under the Co-operative and Communities Benefit Societies Act 2014 registration number 25952, governed by the National Housing Federation ("NHF") 2011 Model Rules. It is an exempt charity for tax purposes.

Nehemiah is a Registered Provider of Social Housing, registration number L3833 and regulated by the Regulator of Social Housing ("RSH").

Nehemiah Ventures Ltd is a subsidiary of Nehemiah Ltd is registered with the Registrar of Companies for England and Wales, registration number 10933356.