



NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED



Report and Financial Statements 31st March 2026



NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

CONTENTS

Officers and Professional Advisers	2
Snapshot of our Business	3
Chairman's Statement	5
Chief Executive's Statement	7
Strategic Report	9
Board Report	24
Independent Auditor's Report	45
Statement of Comprehensive Income	48
Statement of Financial Position	49
Statement of Changes in Reserves	51
Statement of Cash Flows	52
Notes to the Financial Statements	54

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

CHAIRMAN

Bishop W Powell, OBE

VICE CHAIRMAN

Junior Hemans

COMPANY SECRETARY

Ms J Dubidat

CHIEF EXECUTIVE

Bishop L Graham

REGISTERED OFFICE

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

REGISTERED NUMBER

25952

BUSINESS ADDRESS

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

BANKERS

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

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

EXTERNAL AUDITOR

Menzies LLP, 20 Colmore Circus Queensway, Birmingham B4 6AT

INTERNAL AUDITOR

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

TIAA Limited, Grosvenor House, 11 St Paul's Square, Birmingham, B3 1RB (Appointed January 2026)



42 Colleagues (Staff and Board Members)



£9.4m Annual Turnover
(including disposals)



668 customers engagement sessions



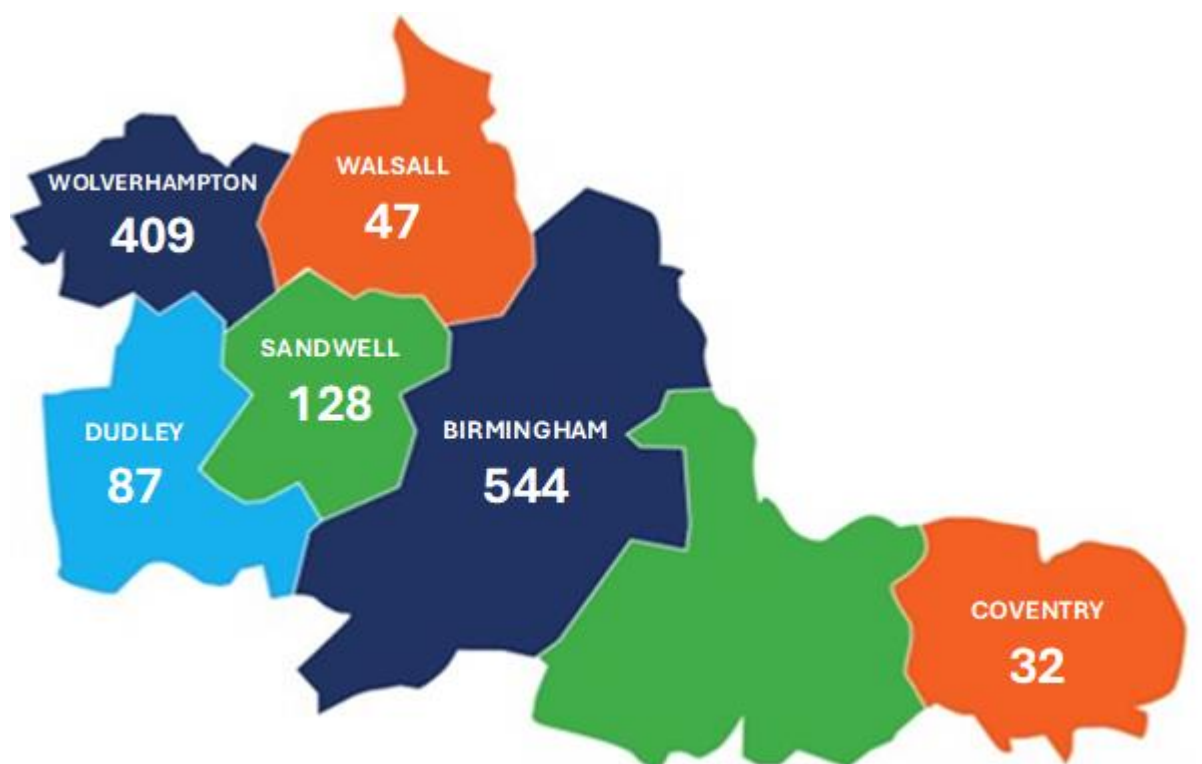
1247 homes owned and managed.



25% Tenants in supported accommodation



Operational Area.



Types of homes provided.

General Needs (Incl.market rent & Shared ownership)	942
Sheltered Accommodation	270
Supported Accommodation	35

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

CHAIRMANS STATEMENT



This has been an important and eventful year for Nehemiah Housing Association as we continue to navigate a challenging environment while preparing the organisation for its next phase of development.

Throughout the year, the Board has undertaken significant strategic reflection and regulatory review, recognising that Nehemiah is entering a period of transition and renewal. As an organisation with a proud history and a strong sense of purpose, it is essential that we remain forward-looking while continuing to protect the values and vision that have shaped our success.

One of the key areas of focus has been leadership succession and long-term organisational planning.

Our Chief Executive Officer, Llewellyn Graham, who has dedicated many years of outstanding service to Nehemiah, has begun planning for his future transition and eventual retirement in the years ahead. Llewellyn has been instrumental in shaping the organisation from its early development into the respected and sustainable housing association we are today. He has been at the helm since our inception in 1989 and we applaud him for his dedication.

His leadership, together with colleagues across the organisation and the wider housing movement, has helped build a strong legacy of service, community impact and ambition that we are all proud of.

As a Board, we recognise our responsibility to ensure continuity and stability as we prepare for future executive leadership. We are confident that Nehemiah has nurtured talented individuals who understand our values, our communities and our strategic ambitions, and we are committed to ensuring a smooth and carefully managed transition when the time comes.

Alongside executive succession planning, we have also continued to strengthen our governance arrangements and Board leadership.

I remain extremely proud of the Board that serves Nehemiah. We have a committed, responsive and cohesive Board, bringing together a broad range of skills, experience and perspectives. Importantly, we continue to foster a culture of learning, challenge and collective responsibility, recognising that effective governance is fundamental to organisational success.

During the year we have continued to refresh and strengthen the Board through the recruitment of new members who bring valuable expertise and fresh perspectives. At the same time, we recognise and thank those Board members whose commitment and contribution over many years have helped shape the organisation and position us for the future.

The external environment remains challenging. Economic pressures, global uncertainty, regulatory change and rising operating costs continue to influence the housing sector and the communities we serve. Yet despite this turbulence, Nehemiah has remained financially resilient and compliant with its obligations.

We have maintained strong governance standards, continued to operate within our financial covenants and preserved the credibility and stability of the organisation.

These achievements reflect the dedication of our Executive Team, staff, Board committees and everyone involved in delivering our mission. I would like to place on record my thanks for their commitment and professionalism throughout the year.

Looking ahead, we recognise that the pressures facing the sector will continue. Rising maintenance and investment costs, changing tenant expectations and increasing regulatory requirements require careful planning and disciplined decision-making.

At the same time, we see opportunity.

The national focus on housing delivery, regeneration and community development aligns strongly with Nehemiah's ambitions. We remain committed to sustainable growth and to playing our part in delivering high-quality homes and stronger communities.

We also recognise that society itself is changing rapidly. Technological advancement, automation and the increasing influence of artificial intelligence are beginning to reshape how organisations operate and how

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

CHAIRMANS STATEMENT

services are delivered. These developments present both opportunities and responsibilities, and we must ensure that Nehemiah remains prepared, adaptable and forward-thinking.

As we look to the future, our focus remains clear: strengthening leadership, investing in governance, supporting our people and maintaining our commitment to tenants and communities.

Nehemiah has always demonstrated resilience and ambition. We continue to punch above our weight through our partnerships, our community presence and our contribution to the wider housing movement.

With the strength of our Board, the commitment of our teams and the support of our stakeholders, I remain confident that Nehemiah is well placed for the opportunities ahead.

Finally, I would like to thank our tenants, colleagues, Board members and partners for their continued support and contribution during the year.

Together, we continue to build a strong and sustainable future.

Wilton Powell

Chair

Nehemiah Housing Association

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

CHIEF EXECUTIVE STATEMENT



As we complete the first year of our new Corporate Plan, *Delivering Excellence to Tenants*, I have been reflecting on the journey we have taken over the past twelve months and the environment in which we continue to operate.

It has undoubtedly been a challenging year, not only for Nehemiah Housing Association but for the wider housing sector and society as a whole. The world around us continues to feel uncertain and constantly changing. A term often used to describe this environment is **VUCA** – volatility, uncertainty, complexity and ambiguity – and it accurately reflects the conditions many organisations are navigating today.

Nothing feels static. Economic pressures, changing regulation, political uncertainty and global events all continue to influence the local realities in which we work. Yet despite these challenges, I am pleased to say that Nehemiah has continued to move forward with resilience and purpose.

We have not come through the year without challenges, and we remain realistic about those ahead, but I believe we are in a strong position to continue delivering for our tenants and communities.

One of the moments that gave me particular pride this year was supporting two of our tenants to become homeowners through the Right to Acquire scheme. While our core mission remains providing quality affordable housing, helping residents take steps towards home ownership where possible is equally important.

To see tenants progress, gain greater security and move further along their life journey is something we celebrate. Housing is about more than bricks and mortar; it is about creating opportunity and improving lives.

Partnership has also remained central to our work during the year. As a smaller housing association, collaboration is essential to ensuring we remain innovative, effective and sustainable.

We have continued to strengthen relationships across the sector, including working with Spring Housing to support specialist housing provision and maintaining dialogue with fellow providers to explore shared learning, good practice and opportunities to work smarter together. Equally important is our longstanding partnership with Midland Heart, whose support continues to be instrumental as we pursue future development ambitions.

Growth remains part of our vision for Nehemiah, but we are clear that growth must be sustainable.

In a climate of rising interest rates, financial pressures and increasing costs, careful stewardship is more important than ever. This year we deliberately adopted a cautious approach to development and expansion. That decision was not about reducing ambition; it was about ensuring that every step we take is measured, responsible and in the long-term interests of the organisation and our tenants.

I have also been encouraged by the positive feedback we continue to receive from residents. Tenant Satisfaction Measures improved during the year, and Nehemiah continues to perform strongly across key indicators. These results reflect the commitment and dedication of our staff and Board, whose focus remains firmly on delivering high-quality services.

Another significant milestone was our first regulatory inspection under the Consumer Standards framework. Achieving a compliant **C2 grading** was an important outcome and provides assurance that our services and governance meet regulatory expectations. At the same time, we recognise there is more work to do and we are actively implementing improvements as we work towards achieving a C1 grading.

Financially, Nehemiah remains stable and resilient, but we are operating in an increasingly demanding environment. Rising repair costs, investment requirements and compliance obligations continue to place pressure on the sector. Balancing the need to maintain safe, high-quality homes while protecting long-term financial viability requires careful judgement and disciplined decision-making.

These are not easy conditions, and it is important that we remain open and honest about that reality.

Nevertheless, I remain optimistic.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

CHIEF EXECUTIVE STATEMENT

Nehemiah has always been an organisation built on values, partnership and community. Those foundations continue to give us strength. By working collaboratively across the housing and voluntary sectors, listening to our tenants and remaining focused on our purpose, I am confident that we will continue to grow our impact and remain relevant for the future.

I would like to thank our tenants, colleagues, Board members and partners for their ongoing commitment and support throughout the year.

Together, we continue to navigate challenging times and build a stronger future.

Llewellyn Graham

Chief Executive Officer

Nehemiah Housing Association

Highlights of the Year

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 customers to thrive.



Investors in People
Gold Award
retained



Tenants Conference



IDA Awarded Ratings
G1, V2 & C2



Award for Knowledge
Transfer Partnership
Funding to progress
Digital Transformation

PRINCIPAL ACTIVITY

The provision of accommodation for people in housing need remains the principal activity of the Association. The Association manages 1,247 homes based in 6 Local Authority areas across the West Midlands.

Nehemiah United Churches Housing Association (hereinafter referred to as Nehemiah Housing) is charitable and operates its social housing through two key business streams: (1) housing for rent; and (2) supported housing for elders. General needs properties account for 942 homes (76%), with 270 sheltered and 35 supported accommodation units (24% combined).

Strategic Plan Objectives

The Association operates under its five-year Corporate Plan "Delivering Excellence for Tenants 2025–2030". The five headline priorities that guide our work are:

- Deliver excellent tenant services with respect
- Investing in our homes
- Strong finance and governance
- Sustainable growth and partnerships
- People development and wellbeing

The Corporate Plan aligns with the requirements of the Social Housing (Regulation) Act 2023, placing tenants and their needs at the heart of all service design. The Association also holds a G1/V2/C2 regulatory rating confirmed by the Regulator of Social Housing (RSH) in July 2025 — the highest governance grade available.

Key Deliverables Achieved in the Year 2025/26

- Tenant satisfaction of 83% — above the RSH upper quartile (improved from 78% in 2024/25)
- Repairs satisfaction of 91% — a step change from 79% in 2024/25
- EBITDA-only interest cover 186.2% against funder covenant 130% and internal golden rule of 145%
- 100% compliance maintained across gas safety, fire risk assessments, legionella, asbestos, lifts and EICR
- Arrears reduced to 3.5% against a budget target of 4.0%
- Investors in People Gold Award maintained
- G1/V2/C2 regulatory rating confirmed — top governance grade

1. SUSTAINABLE GROWTH AND PARTNERSHIPS.

No new homes were delivered during 2025/26 or the preceding year, consistent with the budget. The Corporate Plan targets a minimum of 40 additional homes by 31 March 2030. Gearing at 32.4%, and £2.6m of undrawn development facilities confirms the Associations ability to raise funds to fund development.

The Midland Heart strategic partnership remains the primary vehicle for development, although no named schemes have been identified at the date of this report. A development pipeline report is presented to the Board at each meeting as a standing item from June 2026. Work to commission a shared ownership feasibility study with Midland Heart is planned for Q2 2026/27.

- £0.7m surplus for reinvestment in homes and communities.
- New corporate plan for 2025 – 2030 includes 40 new homes.
- £1.2 in cash with a further £2.6m in agreed facilities to fund new development.
- £31m (EUV-val) available for loan security

Two RTA completions were achieved in the year, generating total surpluses of £154k against a budget of £119k — a £35k favourable variance.

DELIVER EXCELLENT TENANT SERVICES WITH RESPECT

Tenant satisfaction performance in 2025/26 represents a significant improvement across all key Tenant Satisfaction Measures (TSMs), as independently assessed by MEL Research.

TSM	2025/26	Target	2024/25
Overall satisfaction	83%	80%+	78%
Repairs satisfaction	91%	90%	79%
Complaints satisfaction	46%	50%+ by 2027/28	41%
ASB case outcome satisfaction	76%	75%	70%
Home safe satisfaction	87%	85%	n/a
Listens and acts satisfaction	80%	75%	72%
Treated fairly and with respect	91%	90%	n/a

Overall satisfaction of 83% places Nehemiah above the RSH upper quartile. The step change in repairs satisfaction from 79% to 91% was the primary driver of overall satisfaction improvement and reflects the significant investment in the repairs service. Complaints satisfaction of 46% is above the sector upper quartile (sector average approximately 33%), despite structural downward pressure on this measure across the sector.

STRATEGIC REPORT

The Association engaged 2,827 tenants in 2025/26 through a range of channels. An annual tenant conference was held, enabling tenants to feed into service design and Corporate Plan progress. The Nehemiah Tenants Panel and Scrutiny Panel remain active, with specific impacts during the year including consultation on rent reviews, website development and the tenant engagement strategy.

2. STRONG FINANCE AND GOVERNANCE,

- Stronger customer accountability and complaints oversight
- 2 new Board Members.
- G1/V2 /C2 rating

Our ambitions for great tenant services, great homes and great communities must be underpinned by a well-run business. We maintain our financial strength by focussing on operating as efficiently as possible, making the best use of resources and delivering services that add the most value to tenants.

Interest cover performance for the year to 31 March 2026 (per funder's guidelines 186.2% against covenant of 130%).

On the governance side the Association appointed 2 new board members with good experience in the "not for profit" sector, in Sept

2025 to strengthen co-regulation.

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

To protect the social housing assets our financial plan supports the investment in new stock as well as the continuing maintenance of our current portfolio of properties. We are also part way through the update of our asset management strategy.

3. INVESTING IN OUR HOMES

The Association invested £919k in component replacements during 2025/26, focusing on kitchens, bathrooms, heating systems, windows and lifts. A further £1,269k was spent on routine maintenance and £807k on planned maintenance functions — a total of £3,337k on the repairs, maintenance and improvements function.

Full statutory compliance was maintained across all key health and safety areas throughout the year:

- Gas safety: 100% of properties with gas supplies certificated
- Electrical Installation Condition Reports (EICR): 100% compliance achieved — meeting the May 2026 regulatory deadline
- Fire risk assessments: 100% complete
- Legionella risk assessments: 100% complete
- Asbestos management surveys: 100% complete
- Decent Homes Standard: 100% of homes compliant

STRATEGIC REPORT

There were no Category 1 Housing Health and Safety Rating System (HHSRS) hazards identified in either 2024/25 or 2025/26. The Board receives regular performance reports on damp and mould cases and how these are being addressed proactively.

Emergency repairs completion — a key Awaab's Law compliance indicator — was 87% against a 100% target. This remains below the regulatory standard and is subject to a specific corrective action, including a contractor performance clause in the next contract round. Urgent repairs completion was 91% (target 90%) and routine repairs 95% (target 90%).

The average SAP energy rating across the stock is currently 69. The target is to reach 80 (broadly equivalent to EPC C) across all stock by 2030. The Asset Management Strategy — which will set out the costed, phased decarbonisation plan — is being developed for Board approval in Q2 2026/27. Grant funding opportunities through the Warm Homes Fund and Social Housing Decarbonisation Fund are being actively pursued.

Major repairs expenditure of £156k (2025: £154k) was £91k above budget for the second consecutive year. The Board has identified disrepair claims management as a structural cost pressure requiring a proactive programme of stock condition data, early intervention and pre-litigation settlement, to be implemented in Q1 2026/27.

- £0.9m invested in the development and improvement of our homes.
- 100% gas safety checks completed.

4. PEOPLE DEVELOPMENT & WELL-BEING

- Review of Rewards and Recognition.
- Investors in People Gold Award.
- Provide staff access to professional qualifications.

Nehemiah employs 42 colleagues including Board members. The Investors in People Gold Award was maintained during the year — a standard achieved by only 17% of accredited organisations. The Association's People Development and Wellbeing Strategy structured around eight themes (Recruitment and Retention, Performance and Reward, Organisational Development, Employee Relations and Engagement, Operational Excellence, Workplace Wellbeing, Equality Diversity and Inclusion, and Corporate Social Responsibility), continues to guide people management.

Board governance was strengthened following the appointment of two new Board members in September 2025. Mapping of the RSH Competence and Conduct Standard requirements against current staff qualifications commenced during the year, with a full qualification plan for all staff targeted by Q2 2026/27.

OPERATING & FINANCIAL REVIEW

The Board is pleased to report a surplus for the year of £671,000 (2025: £726,000) from a turnover of £9,359,000 (2025: £9,120,000). Social housing lettings remain the core business, contributing 97% of turnover.

Turnover

Turnover increased by £239k (2.6%) to £9,359k in 2025/26. Net rental income grew to £8,676k (2025: £8,475k) reflecting the annual rent increase applied from April 2025 in line with the CPI+1% formula. Service charge income was £1,572k (2025: £1,588k), marginally below prior year following the full-year benefit of lower energy contract costs negotiated in 2024/25. Other income of £152k included development management fee income. Disposal proceeds of £154k arose from two RTA completions during the year.

Void losses in the year were £109k (2025: £130k), an improvement against the prior year, though £23k above the £86k budget. The majority of void losses continue to arise in the sheltered accommodation portfolio where the time taken to re-let properties is structurally longer.

Operating Costs

Operating costs increased to £7,086k (2025: £6,778k), an increase of £309k (4.6%). The operating surplus on lettings was £1,967k (2025: £2,171k), representing an operating margin of 21.7% (2025: 24.3%). This is in line with the peer group median of 21.9% and the sector median of 21.3%.

Surplus and Comprehensive Income

The surplus for the year was £671k (2025: £726k). The reduction of £56k on the prior year reflects increased management costs and repairs expenditure, partially offset by improved service charge recovery and lower interest costs following the December 2024 refinancing. The surplus is £166k below the original budget of £837k.

An actuarial gain on the SHPS pension scheme of £48k (2025: £80k gain) has been recognised in other comprehensive income. Total comprehensive income for the year is therefore £719k (2025: £806k).

Accounting adjustments to reflect the valuation of the Association's assets in the SHPS pension scheme show a gain of **£48,000** for the year. Total comprehensive income for the year to 31st March 2026 is therefore **£719,000**.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

The summary primary statements are reported below:

Year Ended 31st March	2026 £ 000	2025 £ 000
Statement of Comprehensive Income		
Turnover	9,359	9,120
Operating Surplus	2,272	2,342
Surplus for the year	671	726
Surplus for the year (after pension charges)	719	806

Statement of Financial Position

Housing properties (net of depreciation)	84,216	84,502
Other tangible assets	1,414	1,425
Net current assets	(87)	(423)
Creditors due after more than one year	65,296	65,976
Revenue reserves	20,247	19,528

Treasury Management and Interest Rate Position

The Association manages its treasury activities in accordance with its Board-approved Treasury Management Policy and annual Treasury Strategy, which are aligned to CIPFA principles and prioritise the identification, monitoring and control of treasury risk.

At 31 March 2026, 65% of drawn borrowings were held at fixed rates, and the average cash cost of borrowing was 5.09%. Subsequent to the year end, combined additional fixings of £8.1m will bring fix-rate loans to approximately 79% of drawn borrowings by 30 June 2026. This action has been taken to reduce exposure to future interest rate volatility and to move the fixed-rate proportion of drawn debt above the Treasury Policy minima target of 70%.

Treasury stress testing and financial plan monitoring indicate the adequacy of future interest cover covenant headroom

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

VALUE FOR MONEY (VFM)

Introduction

Background and approach

The Regulator of Social Housing (RSH) requires registered providers to demonstrate value for money (VFM) in the use of their assets and resources. Nehemiah Housing Association reports against the seven prescribed VFM metrics, comparing performance against the prior year, internal targets, and the latest available sector and peer benchmarks.

All metrics have been calculated from the financial statements for the year ended 31 March 2026 using the RSH standard definitions. Comparator data is drawn from the RSH Global Accounts and the House Mark benchmarking dataset for the most recently published year (2024/25). The peer comparator group consists of 10 housing associations with 1,000–1,500 homes outside London and the Southwest, consistent with the prior year. Nehemiah's 25% concentration of supported and sheltered accommodation is unique in the peer group and structurally elevates management and service charge costs; this is disclosed explicitly in all benchmarking commentary.

Name	No. Units owned	R.P. Code	General needs %	Supported / HfOP %
Nehemiah Housing	1,235	L3833	75.0%	25.0%
Arawak Walton Housing Association Limited	1,112	L3713	87.0%	13.0%
Arches Housing Limited	1,324	LH0884	97.0%	3.0%
Empowering People Inspiring Communities Limited	1,386	L4167	99.0%	1.0%
Heart of Medway Housing Association Limited	1,176	4634	97.0%	3.0%
Hundred Houses Society Limited	1,371	L0718	100%	-
Manningham Housing Association Limited	1,394	L3736	100%	-
Pickering and Ferens Homes	1,429	A4020	100%	13.0%
Unity Housing Association Limited	1,394	LH3737	98.0%	2.0%
Warrington Housing Association Limited	1,342	L0518	82.0%	18.0%

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Metric 1: Reinvestment %

	2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
Reinvestment %	0.95%	1.24%	1.10%	3.4%	7.42%

Nehemiah invested 0.95% of the gross book value of its housing properties in 2025/26 through component replacement expenditure of £919k. This is marginally below the internal target of 1.24% and reflects re-prioritisation of funds to meet the impact of a higher volume and poor quality of voids during the year. No new homes were completed during the year, consistent with the budget.

Compared to the sector median of 7.42%, Nehemiah's reinvestment rate reflects the financial position typical of smaller associations and the deliberate sequencing of financial recovery before accelerated capital investment. The Board has committed to a target reinvestment rate of 1.40% in 2026/27 as the planned maintenance programme is restored to budget and development activity begins through the Midland Heart strategic partnership. The Association retains £2.6m of undrawn development facilities to support this.

Metric 2: New supply delivered (social housing) %

	2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
New supply (social housing) %	0.00%	0.00%	0.00%	N/A	N/A

No new social homes were delivered in 2025/26, consistent with the prior year and the planned target of 0.00%, which reflects the pre-development phase of the Corporate Plan. The Association's Corporate Plan commits to a minimum of 40 additional homes by 31 March 2030. The Midland Heart strategic development partnership is the primary delivery vehicle, with named development schemes expected to be presented to the Board for appraisal from September 2026.

The financial conditions to activate development borrowing are sound, gearing is at 32.4% within the 60% funders covenants, and £2.6m of undrawn development facilities are confirmed. The constraint is pipeline, not finance. A development pipeline report is to be presented to the Board by quarter 3 of the 2026/27 financial year.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Metric 3: Gearing %

	2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
Gearing %	32.4%	35.0%	33.1%	34.0%	46.7%

Gearing at 31 March 2026 was 32.4%, measured as net debt against the gross book value of housing properties. Total drawn loans were £32,444k with undrawn development facilities of £2,659k. This remains within the Board's internal golden rule of 50% and is well below the lender covenant of 60%, and in line with the peer group median of 34.0%.

Gearing is broadly unchanged from the prior year (33.1%), reflecting stable net debt and a broadly flat asset base.

Metric 4: EBITDA-MRI interest cover %

	2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
EBITDA-MRI interest cover %	127.0%	130.0%	122.0%	139.0%	115.1%

EBITDA-MRI interest cover improved to 127.0% in 2025/26, up from 122.0% in 2024/25. This recovery reflects the benefit of reduced net interest costs of £1,602k (£33k below budget) following the December 2024 refinancing, and improved operating performance.

On the EBITDA-only basis (excluding major repairs investment), interest cover was 186.2%, well above the lender covenant of 130%.

The Board notes that additional interest rate fixings since the 31 March have provided added assurance on the ability to manage this metric in the medium term.

Interest cover measure	2025/26	2024/25	Covenant / Target	Status
EBITDA-only (lender covenant basis)	186.2%	191.5%	Covenant: 130%	Substantial headroom ✓

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Metric 5: Headline social housing cost per unit

	2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
Headline cost per unit	£5,550	£5,480	£5,410	£5,100	£5,500

The headline social housing cost per unit was £5,550 in 2025/26, marginally above the target of £5,480 and above the peer median of £5,100 and broadly in line with sector median of £5,500. This reflects Nehemiah's 25% concentration of supported and sheltered accommodation, which structurally carries materially higher management and service charge costs. No comparator in the peer group carries a similar level of this more intensive provision.

The cost per unit breakdown is set out below. Management costs per unit increased above budget, driven by higher audit, ICT and professional services expenditure. Service charge costs per unit were significantly below budget, reflecting the full-year benefit of lower energy contract rates. Major repairs per unit remained above budget for a second consecutive year, driven by continuing disrepair claim costs — a structural pressure the Board has identified for specific corrective action in 2026/27.

Cost component	2025/26 per unit	2025/26 target	2024/25 per unit	Peers 2023/24
Management	£1,696	£2,204	£1,510	£1,500
Service charge costs	£1,324	£903	£1,370	£670
Maintenance costs	£1,665	£1,377	£1,371	£1,690
Major repairs	£865	£880	£970	£1,000
Other		£116	£189	£240
Total headline cost per unit	£5,550	£5,480	£5,410	£5,100

Metric 6: Operating margin

Margin measure	2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
6a. Social housing lettings only	21.7%	23.15%	24.3%	21.9%	21.3%
6b. Overall - Efficiency	23.0%	24.45%	25.14%	21.3%	18.5%

The operating margin on social housing lettings was 21.7% in 2025/26, below the internal target of 23.15% and the prior year (24.3%), but broadly in line with the peer comparator (21.9%) and sector median (21.3%). Board recognise that higher expenditure on voids during the year has had a significant impact on operating performance.

The lettings margin was maintained despite management cost pressures (£196k adverse to budget) and a second year of above-budget major repairs (£91k adverse) because these were more than offset by significantly lower service charge costs (£158k favourable), reflecting reduced utility contract rates. The

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Board notes the energy saving may not recur in 2026/27 at the same level and has directed the 2026/27 budget to be stress-tested without this assumption.

Overall the results underline the pressures across the sector.

Metric 7: Return on capital employed (ROCE) %

		2025/26 Actual	2025/26 Target	2024/25 Actual	Peer Comparator	Sector Median
ROCE %		2.70%	2.69%	2.70%	2.52%	2.80%

ROCE was 2.70% in 2025/26, in line with the target of 2.69% and the prior year outturn of 2.70%. Performance exceeds the peer comparator median of 2.52% and is just below the sector median of 2.80%.

ROCE has remained broadly stable over the two-year period, reflecting steady operating surplus against a broadly flat capital employed base. The Board views ROCE improvement as a medium-term objective, dependent on the development programme generating additional surplus-producing assets from 2026/27 onwards.

VFM targets for 2026/27

The Board has set the following VFM metric targets for the year ending 31 March 2027, reflecting anticipated development commencement, continued cost base pressure, and the planned increase in capital investment:

VFM metric	2025/26 Actual	2026/27 Target	Key assumption
1. Reinvestment %	0.95%	1.40%	Component programmes increase; development commencing
2. New supply delivered %	0.00%	1.60%	First homes from Midland Heart partnership
3. Gearing %	32.4%	40.0%	Development borrowing activating; covenant 60%
4. EBITDA-MRI interest cover %	127.0%	140.0%	November 2026 repricing adds interest cost
5. Headline cost per unit	£5,550	£5,700	Maintenance pressure; energy saving not assumed to recur
6a. Operating margin (lettings) %	21.7%	22.50%	Higher cost base; partial rent increase offset
6b. Operating margin (overall) %	23.0%	23.00%	Reduced disposal proceeds assumed
7. ROCE %	2.70%	2.65%	Higher capital base from development activity

Other Measures

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

Value for Money through our Routine Repairs Contract:

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

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

Value for Money Through our Partnerships

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

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

Value for Money through social empowerment

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

Ways you can get involved

There are many ways you can get involved at Nehemiah Housing Association. We offer training and assistance where needed, as well as payment to cover any travel costs you incur or help to arrange transport. Maybe you would like to take part in person or you may prefer to complete one of our surveys or feedback requests – maybe you can commit to just 10 minutes or perhaps 2-3 hours every month.

1hr

Surveys / Focus Groups / Consultation - These involve providing feedback by completing one of our surveys. Or they may involve joining a focus group to review our services.

2hrs

Tenant Involvement Group - This group manages the application of activities and performance targets that are outlined within the Customer Engagement Strategy.

2hrs

Tenants Voice / Newsletter Panel - This group meets to prepare, create & contribute to the quarterly publication of the tenant newsletter

3hrs

Seniors Together - This is a group for our elderly residents to come together, share thoughts and experiences, and talk about matters appropriate to their wishes.

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 innovative and make better decisions which lead to more appropriate services.
- Sound equality, diversity and inclusion practices are an indicator of a modern, forward-thinking organisation that makes its work relevant to all those who need it.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STRATEGIC REPORT

Awards and Recognition

- Investors in People Gold Award — maintained in 2025/26 (achieved by only 17% of accredited organisations)
- G1/V2/C2 regulatory rating — RSH's highest governance grade, confirmed July 2025
- Race Equality Code 2020 — early adopter

Approved by the Board on 2 July 2026

and signed on its behalf.

Janet Dubidat
JD Dubidat

Secretary

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

The Board present their report and the audited financial statements for the year ended 31 March 2026.

BOARD

The Board

The following members have held office during the period from 1 April 2025 to the date of this report, unless otherwise stated.



Bishop Wilton Powell OBE

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

Bishop Powell is a founding member and currently serves as Chair of Nehemiah. He was also instrumental in the merger of Keynote and Prime Focus Housing Associations to form Midland Heart. His OBE was awarded because of his services to housing. He 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; master's in business administration and currently completing his Masters in Theology.

Bishop Powell is a well read, well-travelled individual with a passion for seeing people achieving their potential.



Llewellyn Graham
BA (Hons), MBA, MAATS

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

He has and continues to hold several board appointments as a non-executive director including non-executive director of a large Midland Housing Association and most recently appointed to the NHS Integrated Care Board.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT



Martyn Hencher CPFA

Martyn has worked in senior finance roles in housing associations for over ten years. He is currently Finance Director at the Pioneer Group, a housing association providing 3,000 homes in Birmingham.

As well as finance, he has led on treasury management (with loan portfolio up to £300 million), internal and external audit, risk and assurance, ICT, business planning, governance and HR

He is a Fellow of the Chartered Institute of Public Finance and Accountancy (CIPFA)

Martyn joined the Board in 2019 and also serves on the Audit and Risk Committee.



Tina Mustafa BA (HONS)

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

She is a member of HQN; House-mark; National Housing Federation and ARCH.

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



Jana Zacheva LLb

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 lead 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

BOARD REPORT



Norman King MSc,Bsc (hons)

Norman King brings 30 years' experience in ICT, education, and digital transformation. As Head of Computing at a leading Birmingham grammar school, he has led innovation recognised with the CyberFirst Silver Award from the National Cyber Security Centre and built strategic collaborations with global technology leaders to expand digital skills programmes and strengthen classroom innovation.

A former consultant lecturer at Birmingham City University, Norman advised a wide range of organisations across the West Midlands, ranging from SMEs to established firms on digital strategy and resilience, helping to improve capability and competitiveness. He also champions inclusion as Diversity and Inclusion Officer on the British Computer Society's Information Technology Leadership Forum and leads an ESRC-funded Knowledge Café shaping cross-sector debate on AI ethics and digital trust.

He is a Chartered Fellow of the British Computer Society (FBCS, CITP), has completed the University of Oxford – Cyber Security for Business Leaders Programme, and holds a BSc in IT and an MSc in Industrial Logistics (Information Systems).



**Calum Walmsley MCIOB ,
BSc (Hons)**

Calum Walmsley is a Chartered Construction Manager (MCIOB) with over 15 years of experience in housing development, asset management, and strategic leadership. He currently serves as Head of Estates at the Office for the Police and Crime Commissioner for Warwickshire, where he leads the strategic management and development of police estate assets. Calum has a proven track record of delivering high-impact regeneration projects, driving sustainability initiatives, and leading cross-functional teams to achieve operational excellence. He is passionate about creating sustainable communities through smart investment, efficient service delivery, and a future-focused approach to estate planning. Calum holds a BSc (Hons) in Building Surveying and a Diploma in Leadership and Management.



**Joyce Fletcher RGN, RMN;BSc
Hons;MSc**

Joyce Fletcher is a seasoned strategic leader with a distinguished career spanning executive and non-executive roles across the public, charitable, and healthcare sectors. As a Non-Executive Director of Nehemiah Housing Association, she brings a wealth of governance expertise and a deep commitment to community empowerment.

Her tenure as an Executive Director, coupled with her influential work at NHS Improvement, has honed her ability to drive systemic change and foster collaborative networks on a national scale. Her academic credentials include studies at the European Business School INSEAD in France and the Saïd Business School at Oxford, focusing on strategic leadership and the art of negotiation. She holds a First-Class BSc (Hons) in Community Health Studies and an MSc in Policy, Leadership, and Management from the University of Birmingham.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT



Janette Beckett (B.Phil)

CEO of St Anne's & Spring Housing Association, as well as serving in several other executive officer capacities. Janette has served in numerous governance roles including Chair, Vice Chair, Board Member, and Governor, demonstrating a deep commitment to effective leadership and accountability. She has over 20 years working knowledge of the housing sector having worked at Executive level in Trident Housing Association/Trident Reach and Black Country Housing Association. Her qualifications include Bachelor of Philosophy (B.Phil.) in Professional Studies, Cert. in Combined Studies Management & Communication and she is a member of The Institute of Leadership. Janette serves on the Audit and Risk Committee and the main of Nehemiah Housing Board.



Ms Deirdre LaBassiere - LLB (Hons)

(Joined Sept 2025)

Deidre has several years' experience in the social housing sector and has served in capacities of Company Secretary, Governance and Assurance Manager, and Head of Legal and Governance. Her expertise is represented in strategic governance and regulatory compliance, risk management, EDI, organisational development, and board effectiveness, stakeholder engagement, governance crisis management and resilience building and housing regulation

"It's a nice place to live, kept clean, It's great"

"They've done my Kitchen and bathroom, I'm very pleased"

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT



Junior Hemans

**Junior Hemans –BA (Hons)
MBA, and PGCHE**

(Joined Sept 2025)

Junior has over 20 years' experience in social housing and is currently NED for Walsall Health Care (NHS) trust, He is a Management Consultant and visiting Lecturer, consultant for the University of Wolverhampton Business School. His career in the sector being a Regulation Manager with the then Housing Corporation our present day RSH.

He comes with senior NED experience having served as Chair of Tuntum Housing Association for several years.

Junior is very community focused and having a strategic perspective.

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

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

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT



Juliana Crowe BA (HONS), MBA
Resigned – end of term

Nehemiah Statutory Accounts Governance Report 2025/2026

CORPORATE GOVERNANCE

Nehemiah is committed to the principles of good governance, in line with its values of integrity, diversity, passionate and sustainability. This is further illustrated with Nehemiah's adoption of the NHF Code of Governance 2020 and its four principles underpinning this code, namely, mission and values, strategy and delivery, board effectiveness and control and assurance.

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.

Nehemiah's most recent regulatory judgements are G1/V2/C2, July 2025. Nehemiah continues to be compliant with the Regulator of Social Housing Regulatory Standards, from an economic and the consumer level. The Board is firm in its commitment to working constructively with the Regulator in the spirit of co-regulation.

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

DECLARATIONS OF INTERESTS

A register of interests is held, maintained and is available publicly. This document can be accessed by contacting the Company Secretary for a copy. During the year there have been no material declarations made.

BOARD ACTIVITY

The Board has the primary role in setting 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, and that there are appropriate
- Internal controls and risk management

In addition, the Board's role is to carry out certain functions as set out in the Organisation's Rules, and to delegate any of its powers under written terms of reference to its committees and/or Executive team where necessary. In the year to the 31st of March 2026, there were 12 board members, with 11 non-executive and 1 executive member. There was one member who having reached the end of their tenure retired in September 2025 – Juliana Crowe.

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 tenant customers.

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.
- Consulting with our tenants to approving its Corporate Plan for 2025/30: Delivering Excellence for our tenants
- Review of and embedding governance at all levels of the business.
- Approval of Risk Management and Assurance Framework.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

- Tenant Satisfaction Measures Performance tracking
- Risk Appetite Training for Board
- Succession Planning for the Board, Committee and Executive Team
- Resilience Plan review
- Recruiting of 3 new Board members
- Board Skills Audit
- Value for Money Strategy review
- Review Mergers and Partnership Policy and Procedures
- Statutory and regulatory returns
- Oversight of Internal and external audits
- Financial planning projections and stress testing
- Asset and liabilities register review
- Treasury management
- Asset management strategy review
- Oversight of statutory compliance such as health and safety, fire risk assessment, asbestos and legionella management and damp and mould
- Received report from the Member Responsible for Complaint (MRC)

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.

Board Recruitment was undertaken to ensure that the organisation maintains a sustainable board and in line with Nehemiah's succession plan to ensure that the appropriate mix of skills and experience is maintained. A comprehensive induction programme is also in place for all new members.

MODERN SLAVERY ACT 2015

Nehemiah Housing 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.

Nehemiah Housing 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 standards.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

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 Audit and Risk Committee
Policy, strategy and procedure sign off and ongoing review process	Leads to strategies, policies and procedures which are designed to comply with the law and are and remain fit for purpose. This includes the Finance Policy: Controls & Procedures which sets out the levels of financial delegation from the Board to officers.
Performance information - Non-financial (e.g. key performance indicators)	Regular reporting of operational performance information at Board, Committees, Executive Committee allows for review of performance and prompt action to be taken where performance is below target levels. This includes monitoring 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 economic 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	Treasury management function monitoring compliance against our obligations to lenders (including in relation to performance against our financial and non- financial covenants) and external treasury risk factors, whilst also proactively taking steps to improve the efficiency - and reduce the risk - of our loan book. It also ensures we have sufficient cash to meet our short-term commitments and access to loan facilities sufficient to finance our long-term plans and commitments.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

Resilience Plan	The Resilience plan is a framework outlining Nehemiah's response in the event of significant issues threatening the viability or management of the business. The document has been developed in response to the Regulatory Framework and aligns with Nehemiah's: ▪ Risk management and controls ▪ Financial forecasting ▪ Business plan stress testing and application of mitigations Asset and liabilities register
Appraisal of investment decisions	All housing new build investment decisions and other major commitments are subject to appraisal and approval by the Board.
Internal Audit	Internal audits are carried out in an audit programme focusing on the areas of highest risk within the business. This is an outsourced service which is delivered by our advisers, RSM UK. These are determined by the Audit and Risk Committee annually by reference to a rolling 3-year programme which aims to ensure all key risk areas are audited at least every 3-years. Audit reports then identify any control weaknesses or areas for improvement and require management to implement corrective actions in relation to those areas of weakness/improvement.
Quality assurance reports	These look at specific areas of operational performance in our Tenant services, and the outcome of these are reviewed at Executive Committee and Operations Committee.
Regulatory Standards Compliance	An annual self-assessment report provides evidence of compliance against the RSH Regulatory Standards – 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.
Health and Safety risk monitoring	A Risk Management Group incorporating Health and Safety meets quarterly to monitor the extent to which Nehemiah is meeting its Health and Safety responsibilities. Reporting of Health and Safety is reviewed by the Executive Committee, Operations, Audit and Risk Committee and the Board to determine if Health and Safety Risks are being adequately managed and where key actions are required.
The Social Housing Regulation Act 2023	Introduced new measures to improve the standards, safety, and operation social housing, received royal assent on 20 July 2023, resulting a new emphasis on consumer regulation.

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

- 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 monitored on a quarterly basis
- Regulator of Social Housing regulatory judgement most recently in November 2024
- Key Performance Indicators monitored by the Board and respective committees
- Experienced and qualified staff who can undertake their responsibilities for business functions
- Employee Performance management framework – annual appraisal to assess continued performance

Budgets and financial planning – for the review of prudent financial management on a consistent basis which 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 acknowledge their respective responsibilities for overseeing and operating an effective system of internal control within Nehemiah.

FUTURE DEVELOPMENT AND OUTLOOK

The Board recognises that the operating environment for the social housing sector continues to evolve, with increasing regulatory expectations, cost pressures and heightened focus on tenant outcomes. In this context, the Association will maintain a disciplined and balanced approach to financial resilience, service delivery and long-term sustainability.

During 2026/27, priority will be given to strengthening core housing services and delivering demonstrable improvements in areas identified through performance monitoring and regulatory scrutiny. This includes targeted recovery plans to improve void turnaround times, sustain improvements in rent collection and arrears management, enhance anti-social behaviour outcomes, and ensure continued compliance with complaints handling standards.

The Association will continue to prioritise investment in its existing homes, ensuring that properties remain safe, compliant and of a good standard, with particular focus on asset data quality, stock condition intelligence and proactive management of damp and mould risks. These priorities reflect both regulatory expectations and the feedback received from tenants regarding service quality and property standards.

Financial resilience will remain a key focus, supported by ongoing treasury management, cost control and efficiency measures. The Board will continue to monitor covenant compliance and liquidity closely, alongside the implementation of mitigations identified through stress testing. Particular attention will be given to managing exposure to interest rate movements, repairs cost inflation and potential income pressures.

In parallel, the Association will strengthen its performance reporting framework, with the implementation of a streamlined KPI structure from Q1 2026/27. This will enhance Board oversight, support evidence-based decision-making and ensure clear alignment between strategic objectives and operational delivery.

The delivery of the post-regulatory inspection improvement plan will remain central to the Association's strategic priorities. The focus will be on evidencing outcomes, strengthening assurance and demonstrating tangible improvements in tenant experience and service standards, supporting progression to the highest possible regulatory grading.

The Association will also commence formal reporting against the Sustainable Housing Standard from 2026/27. Work during the prior year has focused on building the necessary data foundations and governance arrangements to support credible ESG reporting, with decarbonisation, climate resilience and social impact remaining key long-term considerations.

The Board is confident that, through these strategic priorities, the Association is well positioned to respond to external challenges, deliver improved outcomes for tenants and maintain strong levels of financial and governance performance in the year ahead.

BOARD REPORT

AUDIT & RISK COMMITTEE

The Audit and Risk Committee is chaired by Martyn Hencher (CIPFA) 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 both economic and consumer standards, and NHF 2020 Code of Governance



There were four meetings of the Audit and Risk Committee which were quorate with an average attendance of 73% for 2025/26 compared to 75% for year ended 2024/25.

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 and reports
- External audit plans and reports
- Report by the Money Laundering Reporting Officer (MLRO)
- Value for Money (VfM)
- Review annual report detailing the organisations compliance with relevant laws and regulations
- Made recommendations to the board for the appointment of external auditing services.
- Private meeting with the external auditors in the completion of the audited accounts.

Impact of the Committee's work

The work of the committee has supported robust discussions as to the effectiveness of Nehemiah's internal controls and assurances that can be taken from various sources. Internal Auditors have judged that ***"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective"***

BOARD REPORT

OPERATIONS COMMITTEE

The Operations Committee is chaired by Juliana Crowe to August 2025 with Janette Beckett Chairing from November 2025.

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

There were 4 meetings of the Operations Committee with an average attendance of 100% for 2025/26 compared to 94% for the same period in 2024/25.



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

- Tenant Satisfaction Measures Performance tracking
- Asset Management Strategy
- Health & Safety Compliance
- Statutory compliance, such as Gas, legionella, fire risk assessments, lifts maintenance.
- Tenant Engagement Strategy Review
- Key Performance Indicators (KPIs)
- Damp and Mould performance updates
- Policies (including gas servicing, asbestos, and legionella)
- Internal Audit (including Health & Safety-Electrical and Fire Safety)
- Regulatory Consumer Standards self-assessment review

Impact of the Committee's work

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

2025/26

	Target	Achieved
% of critical repairs completed within target.	100%	100%
% of routine repairs completed within target.	90%	97%
% of urgent repairs completed within target	90%	92%
% overall satisfaction with the repair service.	90%	91% (TSM)

BOARD REPORT

REMUNERATIONS AND NOMINATIONS COMMITTEE

The Remunerations and Nominations Committee is chaired by Tina Mustafa, to consider all matters regarding pay and remuneration and to monitor the progress of the Human Resources Strategy and pertinent employment policies.

There were three meetings of the Remuneration and Nominations Committee with an average attendance of 86% in 2025/26 compared to 85% for 2024/25

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



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

- Considering the performance review of the Chair
- Consider the performance review of the Chief Executive
- Board, Committee and Executive Succession Planning
- Board recruitment & Committee Configurations
- Make recommendations to the board regarding plans for staff annual pay review in line with the organisations pay and reward strategy and labour market trends.
- Review of Non-Executive Remuneration and other pertinent Policies
- Reviewed management KPI relating to human resources management
- Received the Annual Equality and Diversity performance.
- Terms of reference review, resulting in change of Scope to focus on People, Culture and Remuneration.

Impact of the Committee's work

- Facilitation of strategic review of board, committee, and executive succession planning to maintain a sustainable organisation.
- Support organisational review.
- Pay and remuneration review in line with policy position.

TENANT INVOLVEMENT



Tenant involvement is a fundamental pillar of Nehemiah Housing Association's approach to delivering high-quality, responsive services and maintaining strong governance. The Tenant Engagement Strategy reinforces the organisation's commitment to placing tenants at the centre of decision-making, ensuring that their experiences, priorities and feedback directly influence service delivery and strategic direction. By embedding co-design principles and fostering open, transparent communication, Nehemiah can better understand tenant needs and align its resources and services accordingly, particularly in key areas such as repairs, property standards,

safety and community wellbeing.

The importance of tenant involvement is further reflected in the organisation's accountability framework, where structured engagement mechanisms enable tenants to have the appropriate 'opportunities to influence', challenge and scrutinise performance. Through regular feedback channels, tenant panels, and clear reporting approaches such as "You Said, We Did", the organisation ensures that tenant voices are not only heard but acted upon. This creates a strong line of accountability between operational delivery and Board oversight, strengthening assurance processes and supporting continuous improvement across services. In this way, tenant involvement becomes an integral component of effective governance and performance management.

Strategically, sustained tenant engagement supports the long-term resilience and credibility of the organisation by building trust, improving satisfaction, and driving service innovation. By proactively addressing barriers to engagement and promoting inclusive participation, Nehemiah ensures that a diverse range of tenant perspectives shapes decision-making. This ongoing partnership approach enables the organisation to remain adaptable, responsive and aligned with the evolving expectations of its tenants, while reinforcing its commitment to delivering social value and high standards of service excellence.

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

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

RISK AND CONTROL

The Risk Management and Assurance Framework, which allows for the board received a dynamic report illustrating the movements of risks profile. The Risk Register is regularly presented to the 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; however, 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's corporate strategies
- Report on specific activities including risk management, Statutory Compliance and Health & Safety including on damp and mould.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

Top Ten Risks			
Rank	Risk Ref	Details	Current risk profile
1	STR0023	Government targets for zero carbon will place unsustainable demands on resources and impact on long term financial pl	12
2	STR0034	Failure to meet energy efficiency (EPC) requirements by 2030 will place un-quantifiable demand on resources and expose the organisation to regulatory and reputational risk	12
3	STR008	Planning and delivery of the repair and improvement programme.	10
4	STR0013	Cyber Security breach.	9
5	STR0009	High Inflation / supply chain disruption and conflict in the Ukraine / Middle East and change in USA government.	9
6	STR0025	Tenants Homes affected by the presence of damp & mould	9
7	STR0033	Awaab's Law ineffectively implemented.	6
8	STR0028	Non-compliance for changes in regulation 2025 relating to heat networks	6
9	STR007	Delays in the delivery of the development programme	6
10	STR0026	Failure to meet the requirements of changing regulatory landscape.	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 any adjustments can be implemented for the future.

Regular work is undertaken on succession and skills which helps to inform recruitment campaigns.

Board Members are encouraged to attend training and are supplied with details of training opportunities. In addition, training opportunities and knowledge sharing is also part of board meeting. The following training /conferences have been undertaken individually and collectively by Board Members during the last financial Year:

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

- Strengthening Oversight via Effective Challenge
- NHF Board Conference
- Board Effective Training

Nehemiah has adopted the NHF 2020 Code of Governance relating to tenure to encourage a continual refreshing of board composition 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 National Housing Federations' merger code. The principal of this code forms the basis of Nehemiah's Merger and Strategic Partnership Policy and Procedure which would provide a framework for the board to undertake its due diligence to evaluate any such proposals.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Nehemiah Housing (NH) has made a pledge to contribute to the net zero-carbon organisation by 2050. This Strategy sets out, our starting position, what we have done so far, and our priorities for action to reduce our carbon emissions over the next 6 years, 2024 to 2030.

THE BOARD

The Board has consisted of 12 Members in the year ended 31 March 2026, including the Chief Executive as an Executive Board member. The Association has one tenant Committee Members who is not a member of the Board. There were eight meetings of the Board held during the financial year. There was one Board Member resignation during this period.

DIVERSITY (BOARD)

Gender
42% of the Board Members are female
58% of the Board Members are male
Age
0% of the Board Members are aged between 26 and 40
92% of the Board Members are aged between 41 and 64
8% of the Board Members are aged between 65 and over
Ethnicity
8 Board Members are from BAME backgrounds- 67%
4 Board Members is from a White/European background- 33%
Disability
8% of board members indicated a disability

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

MEMBERS ATTENDANCE FROM 1 APRIL 2025 TO 31 MARCH 2026

Board member	Main Board	Audit & Risk Committee	Operation Committee	Remunerations & Nominations Committee
Total number of meetings	8	4	4	3
Wilton Powell	8			3
Llewellyn Graham	8			3
Tina Mustafa	4		1	3
Juliana Crowe – retired Sept 2025	2	2	1	1
Martyn Hencher	4	4		3
Norman King	7	4		
Jana Zacheva	7			3
Joyce Fletcher – appointed Sept 2024	7		2	
Janette Beckett – appointed Sept 2024	5	2		
Calum Walmsley – appointed Sept 2024	6		3	
Deirdre LaBassiere – Appointed July 2025	4	2		
Junior Hemans – appointed July 2025	5	2		

Overall Board and Committee meeting attendance was 80% 2025/26 compared to 82% for the same period in 2024/25. During the year revisions were made to the KPI framework which will be operational from quarter 1 in year 2026/27 to more appropriately measure performance and for effective Board oversight.

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.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

Remuneration

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

	£		£
Wilton Powell	7,800	Martyn Hencher	3,570
Deirdre LaBassiere	1,769	Tina Mustafa	3,570
Junior Hemans	1,769	Jana Zacheva	3,123
Janette Beckett	3,122	Norman King	3,123
Calum Walmsley	3,122	Joyce Fletcher	3,123
Juliana Crowe*	1785	Abdul Wahidi (Committee)	1,041

* 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 31 March 2026.

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

BOARD REPORT

fraud prevention policy to both internal and external customers, suppliers, and partners with whom the Association is involved.

Nehemiah Housing has adopted a zero-tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and appropriately investigated.

STATEMENT OF BOARD RESPONSIBILITIES

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

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

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

AUDITOR

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

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

Approved by the Board on 2 July 2026

and signed on its behalf.



JD Dubidat

Company Secretary

Independent auditor's report to the members of Nehemiah UCHA

Opinion

We have audited the financial statements of Nehemiah United Churches Housing Association Limited (the "Association") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its 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 Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 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 the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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 Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- the 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 44, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Association, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2022, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the construction and provision of social housing, recognising the nature of the Association's activities and the regulated nature of the Association's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

Use of the audit report

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

Menzies LLP

Chartered Accountants and Statutory Auditor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
B4 6AT

Date

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2026

	Note	2026 £ 000	2025 £ 000
Turnover	3a	9,205	9,054
Disposal of Fixed Asset	8	154	66
Operating costs	3a	<u>(7,087)</u>	<u>(6,778)</u>
Operating surplus	3a	2,272	2,342
Finance income		17	17
Interest and financing costs	4	<u>(1,618)</u>	<u>(1,633)</u>
Surplus for the period	5	671	726
Other comprehensive income		-	-
Initial recognition of multi employer defined benefit scheme		-	-
Actuarial gain/loss on pension scheme		<u>48</u>	<u>80</u>
Comprehensive Income for the year		<u>719</u>	<u>806</u>

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
Year ended 31 March 2026

	Note	2026 £ 000	2025 £ 000
FIXED ASSETS			
Housing properties - cost less depreciation	8	84,216	84,502
Other property, plant & equipment	9	<u>1,414</u>	<u>1,425</u>
TOTAL FIXED ASSETS		85,630	85,927
CURRENT ASSETS			
Debtors	10	414	613
Investments	11	-	-
Cash and cash equivalents		<u>1,222</u>	<u>1,250</u>
		1,636	1,863
CREDITORS: amounts falling due within one year	12	<u>(1,723)</u>	<u>(2,286)</u>
NET CURRENT ASSETS		<u>(87)</u>	<u>(423)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		85,543	85,504
CREDITORS: amounts falling due after more than one year	13	<u>(65,296)</u>	<u>(65,976)</u>
		<u>20,247</u>	<u>19,528</u>
CAPITAL AND RESERVES			
Non-equity share capital	16	-	-
Revenue reserves		<u>20,247</u>	<u>19,528</u>
ASSOCIATION'S FUNDS		<u>20,247</u>	<u>19,528</u>

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
Year ended 31 March 2026

The notes on pages 56 to 78 form part of these financial statements. The Financial Statements on pages 50 to 55 were approved by the Board on 2 July 2026.

Signed on behalf of the Board.

Wilton Powell

W Powell
Chairman

LF Graham

Llewellyn Graham
Board Member

Janet Dubidat

J Dubidat
Secretary

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN RESERVES
Year ended 31 March 2026

	Revenue Reserves 2026 £ 000	Revenue Reserves 2025 £ 000
At 1st April	19,528	18,722
Total comprehensive income for the year	<u>719</u>	<u>806</u>
At 31st March	<u>20,247</u>	<u>19,528</u>

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
Year ended 31 March 2026

		2026		2025	
	Notes	£ 000	£ 000	£ 000	£ 000
NET CASH GENERATED FROM OPERATING ACTIVITIES	A		2,437		3,207
CASH FLOWS FROM FINANCING ACTIVITIES					
Net interest & financing costs		(1,601)		(1,616)	
Housing loan repayments		(107)		(6,667)	
New Housing loan		-		6,821	
			(1,708)		(1,462)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of housing properties		-		-	
Investment Refurbishment - in existing stock		-		-	
Investment - New components		(917)		(1,052)	
Purchase of other property, plant & equipment		(110)		(237)	
Proceeds from sales of property		270		160	
Capital grants received		-		-	
			(757)		(1,129)
NET CHANGE IN CASH AND CASH EQUIVALENTS			(28)		616
Cash and cash equivalents at the beginning of the year			1,250		634
Cash and cash equivalents at the end of the year			1,222		1,250

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED**STATEMENT OF CASH FLOWS**
Year ended 31 March 2026

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

	2026 £ 000	2025 £ 000
Surplus for the year	671	806
Disposal of fixed assets	(154)	(66)
Net interest payable	1,601	1,616
Movement in debtors	198	(240)
Movement in creditors	(716)	565
Depreciation of housing properties	1,087	1,056
Depreciation of other property, plant & equipment	120	75
Movement in non finance long term creditors	-	-
Amortisation and disposal of government grants	(418)	(380)
Surplus Employer Pension Scheme Contributions	48	(225)
Net cash generated from operating activities	<u>2,437</u>	<u>3,207</u>

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

1. ACCOUNTING POLICIES

Basis of accounting

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

1. ACCOUNTING POLICIES (continued)

Social Housing Grants

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

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

Improvements to property

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

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

Pension costs

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

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

Defined contribution scheme.

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

Lease costs

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

Cash and cash equivalents

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

Holiday pay accrual

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2026

Financial instruments

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

Financial assets carried at amortised cost.

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

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

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

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

Financial liabilities carried at amortised cost.

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

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

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

Financing transactions

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

Loan Arrangement Fees

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

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. Due to the ongoing uncertainty in the economy the bad debt provision has been maintained at the increased levels set in 2019/20 for the impact of the pandemic:

	2025/26	2024/25
Provision for Former Tenant arrears going bad	100%	100%
Provision for Current Arrears	50%	50%

As at the 31 March 2026 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. Management's view has been based on the following measures

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2026

Indicator	Management Assessment	Audit Committee Considerations
Voids Levels	Voids at 1.22% are slightly above forecast but below prior year and within sector norms. Demand remains strong across all tenures.	Voids remain temporary and operational rather than structural. No properties identified as persistently unlettable.
Government Policy	The CPI+1% ten-year rent settlement and convergence flexibility support long-term income certainty.	Provides strong mitigation against impairment risk through improved future cash-flow visibility.
Market Values	Properties are held at historic cost, with significant headroom over current market values.	External valuations corroborate that carrying values are not overstated.
Obsolescence / Condition	No evidence of asset obsolescence or disproportionate repair requirements identified.	Future decarbonisation investment does not constitute an impairment trigger at the reporting date.
Economic Performance	Asset reviews confirm positive cash contribution across the portfolio.	No schemes identified as loss-making or cash-negative.

Following these reviews, no impairment was recognised for the Association at 31 March 2026.

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 2026 by the Board. The summary over the next years is:

Year	Operating Surplus (£'000)	Surplus Before Tax (£'000)	EBITDA ICR	EBITDA-MRI	Gearing
2026/27 (Budget)	2,420	904	2.02x	1.38x	32%
2027/28 (Plan)	2,450	495	1.97x	1.40x	34%
2028/29 (Plan)	2,380	398	1.89x	1.31x	33%
2029/30 (Plan)	2,540	676	2.06x	1.36x	31%
2030/31 (Plan)	2,650	1,006	>2.10x	1.53x	29%

- The 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.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

- 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 – 2% above CPI and property value reductions of 17% – 20%
Further Rent Restrictions & Rent Loss	Rent restrictions (i.e. of zero % increase for 3 years) and rent loss related to voids and bad debts of 2-10%.
Further Welfare Reform Adverse Policies	Significant increase in bad debts and arrears following changes in welfare legislation.
Health & Safety Issues	Uninsured losses up to £0.9m plus major repairs costs.
Operating Performance Issues	Operating cost increases not provided for in the Plan, using increments of 2 – 10% management costs.
Corporate Systems Failures (e.g. data breach)	Fine of 4% of annual turnover.
Development issues	Delaying development projects by 12 months.
Decarbonisation costs	Higher-than-planned decarbonisation costs over life of 30-year plan.
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 customer difficulties in making payments (i.e. financial projections take account of future rent reductions in lieu of this).
 - Liquidity** – currently available cash (of £1.2m) and unutilised loan facilities (of £2.6m), gives significant headroom in financing operational and capital investment programmes. The Association holds 500+ unencumbered properties with an estimated value of £31m (EUV-SH), providing a substantial security backstop
 - 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.

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2026

3a. TURNOVER AND OPERATING COSTS

	2026				2025			
	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)	9,053	(7,087)	-	1,966	8,946	(6,775)	-	2,171
Other Social Housing Activities								
Other income receivable	22	-	-	22	20	(3)	-	17
Development administration	-	-	-	-	-	-	-	-
Other	130	-	154	284	88	-	66	154
	152	-	154	306	108	(3)	66	171
	9,205	(7,087)	154	2,272	9,054	(6,778)	66	2,342

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

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

	General Needs Housing £ 000	Supported Housing & Housing for Older People £ 000	Shared Ownership Housing £ 000	TOTAL 2026 £ 000	TOTAL 2025 £ 000
Rent Receivable	5,554	1,541	10	7,105	6,886
Supporting People Charges	-	-	-	-	-
Service Income	200	1,371	-	1,571	1,588
Net Rental Income	5,754	2,912	10	8,676	8,474
Other Grants	-	-	-	-	93
Amortisation of Government Grants	235	142	-	377	379
Total income from Social Housing Lettings	5,989	3,054	10	9,053	8,946
Management	1,551	446	2	1,999	1,800
Supporting People	-	-	-	-	-
Service Charge costs	210	1,442	-	1,652	1,713
Routine Maintenance	838	430	1	1,269	1,155
Planned Maintenance	320	488	-	808	794
Major Repairs	156	-	-	156	154
Bad Debts	26	7	-	33	22
Property Leasing Costs	83	-	-	83	81
Depreciation of Housing Properties	815	272	-	1,087	1,056
Operating Costs on Social Housing Lettings	3,999	3,085	3	7,087	6,775
Operating Surplus on Social Housing Lettings	1,990	(31)	7	1,966	2,171
Rent losses from voids	(43)	(66)	-	(109)	(130)

4. INTEREST AND FINANCING COSTS

	2026 £ 000	2025 £ 000
On loans repayable by instalments, wholly or partly, after more than 5 years	1,618	1,633

Not included in the amounts above are finance lease charges of £ 83,000 (2025 - £ 81,000), as set out in Note 3b

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

5. SURPLUS FOR THE YEAR

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

	2026 £ 000	2025 £ 000
Depreciation on housing properties	1,087	1,056
Depreciation on other PP&E	120	75
Amortisation and disposal of government grants	(418)	(380)
		-
Operating leases – other	17	17
Auditor's remuneration (excluding VAT):		
- as auditors	26	27

6. EMPLOYEES

	2026 £ 000	2025 £ 000
Staff costs during the year		
Salaries	1,443	1,340
Social security costs	187	139
Pension contributions	114	108
	1,744	1,587

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

	2026 Number	2025 Number
Salary Band: £'s		
60,000 – 69,999	3	1
70,000 – 79,999	1	1
80,000 – 89,999	1	1
90,000 – 99,999	1	1
150,000 – 159,999	1	1
The average weekly number of persons employed by the Association during the year -		
Administration	32	33
Full-time equivalent (based on a 35-hour week)	32	31

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

7. DIRECTORS' EMOLUMENTS AND EXPENSES OF OFFICERS

	2026 £ 000	2025 £ 000
Directors' emoluments (excluding pension contributions) and emoluments of highest paid director	<u>298</u>	<u>292</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>37</u>	<u>36</u>

Board members emoluments and expenses during the year £ 36,900 (2025 - £ 34,100).

The emoluments of the highest paid director (who is also the Chief Executive) amounted to £ 130,300 (2025 - £ 129,100), excluding pension contributions.

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

8. HOUSING PROPERTIES

	Freehold housing land and buildings completed schemes £ 000	Freehold housing land and buildings under development £ 000	Total £ 000
Cost			
At 1st April 2025	95,496	-	95,496
Additions	919	-	919
Disposals	(182)	-	(182)
At 31st March 2026	96,233	-	96,233
Accumulated depreciation			
At 1st April 2025	10,994	-	10,994
Charge for the year	1,087	-	1,087
Disposals	(64)	-	(64)
At 31st March 2026	12,017	-	12,017
Net book value			
At 31st March 2026	84,216	-	84,216
At 31st March 2025	84,502	-	84,502
Housing property additions are represented by:		2026 £ 000	2025 £ 000
Stock transfers\new developments		-	-
Work on existing properties		-	-
Replacement of components		919	1,052
Total Additions		919	1,052

	Housing Properties £ 000	Other Fixed Assets £ 000	2026 £ 000	2025 £ 000
Disposal of Fixed Assets:				
Proceeds of sale	270	-	270	160
Costs of sale	2	-	2	-
Net book value of assets	(118)	-	(118)	(94)
Net Surplus on Disposal	154	-	154	66

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

9. OTHER PROPERTY, PLANT & EQUIPMENT

	Office land and buildings	Other fixed Assets	Total
	£ 000	£ 000	£ 000
Cost			
At 1st April 2025	1,192	739	1,931
Additions	-	109	109
Disposals	-	-	-
At 31st March 2026	1,192	848	2,040
Accumulated depreciation			
At 1st April 2025	154	352	506
Charge for the year	12	108	120
Disposals	-	-	-
At 31st March 2026	166	460	626
Net book value			
At 31st March 2026	1,026	388	1,414
At 31st March 2025	1,038	387	1,425

10. DEBTORS

	2026 £ 000	2025 £ 000
Due within one year		
Arrears of rent, service charges and support charges	411	417
Less: Provision for doubtful debts	(184)	(169)
	227	248
Other debtors	51	33
Prepayments and accrued income	136	332
Payments on account of capital projects	-	-
	414	613

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.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2026

11. INVESTMENTS

	2026 £ 000	2025 £ 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 2026, the company has yet to start trading.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £ 000	2025 £ 000
Housing loans (see note 13)	119	119
Trade creditors	320	515
Government grants (see note 14)	385	385
Other creditors	42	29
Other taxation and social security	41	36
Accruals and deferred income	816	1,202
	<u>1,723</u>	<u>2,286</u>

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

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

	2026 £ 000	2025 £ 000
Government grants (see note 14)	32,352	32,770
Accruals and deferred income	108	67
Pension liability (see note 18)	510	723
 Housing property finance		
Loans advanced by:		
Orchardbrook Limited	144	145
Triodos Bank	17,701	17,693
Yorkshire Building Society	-	-
GB Social Housing	7,972	8,075
CAF Bank	6,509	6,503
	<u>32,326</u>	<u>32,416</u>
	<u>65,296</u>	<u>65,976</u>

GB Social Housing, Charities Aid Foundation (CAF) and Triodos loans are net of £141,470 deferred finance costs.

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	5.61	V
Triodos	4.17	F
Charities Aid Foundation (CAF)	5.90	V

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

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

	2026	2025
	£ 000	£ 000
Housing property finance		
Amounts repayable by instalments:		
Within one year or less	119	119
More than one year but not more than two years	119	119
More than two years but not more than five years	1,453	6,673
More than five years	30,754	25,624
	<u>32,445</u>	<u>32,535</u>

14. DEFERRED INCOME – GOVERNMENT GRANTS

	2026	2025
	£ 000	£ 000
At 1st April 2025	33,155	33,578
Grants receivable	-	-
Disposals	(43)	(43)
Amortisation to statement of comprehensive income	(375)	(380)
At 31st March 2026	<u>32,737</u>	<u>33,155</u>
Due < 1 year (see note 12)	<u>385</u>	<u>385</u>
Due > 1 year (see note 13)	<u>32,352</u>	<u>32,770</u>

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

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

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:

	2026 £ 000	2025 £ 000
Financial assets		
Measured at undiscounted amount receivable		
· Rent arrears and other debtors (see note 10)	<u>278</u>	<u>281</u>
Financial liabilities		
Measured at amortised cost		
· Loans payable (see note 13)	32,445	32,535
Measured at undiscounted amount payable		
· Trade and other creditors (see note 12)	<u>362</u>	<u>544</u>
	<u>32,807</u>	<u>33,079</u>

16. NON-EQUITY CALLED UP SHARE CAPITAL

	2026 £	2025 £
Allotted, issued and fully paid ordinary shares of £1 each:		
At 1st April	12	12
New shares issued	-	-
Shares cancelled	<u>-</u>	<u>-</u>
At 31st March	<u>12</u>	<u>12</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 AND CONTINGENCIES

The Association had capital commitments at 31 March 2026 of £ 236,220 (2025 - £ **114,500**).

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2026

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 2023 revealed a deficit of £690m. 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.

The information below details The Association's assets and liabilities with the defined benefit scheme.

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

	31 March 2026	31 March 2025
	(£000s)	(£000s)
Fair value of plan assets	4,320	3,947
Present value of defined benefit obligation	4,830	4,670
Surplus (deficit) in plan	(510)	(723)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(510)	(723)
Deferred tax	*	*
Defined benefit asset (liability) to be recognised	*	*

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

Period from 31 March 2025 to 31 March 2026 (£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	-

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2026**18 PENSION OBLIGATIONS (continued)****RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION**

Period from 31 March 2025 to 31 March 2026 (£000s)	
Defined benefit obligation at start of period	4,670
Current service cost	-
Expenses	5
Interest expense	268
Member contributions	-
Actuarial losses (gains) due to scheme experience	(44)
Actuarial losses (gains) due to changes in demographic assumptions	33
Actuarial losses (gains) due to changes in financial assumptions	(59)
Benefits paid and expenses	(43)
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	4,830

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

Period from 31 March 2025 to 31 March 2026 (£000s)	
Fair value of plan assets at start of period	3,947
Interest income	232
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(22)
Employer contributions	206
Member contributions	-
Benefits paid and expenses	(43)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	4,320

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £210,000.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
Year ended 31 March 2026**18. PENSION OBLIGATIONS (continued)****DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOI)**

Period from 31 March 2025 to 31 March 2026 (£000s)	
Current service cost	-
Expenses	5
Net interest expense	36
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	41

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

Period from 31 March 2025 to 31 March 2026 (£000s)	
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(22)
Experience gains and losses arising on the plan liabilities - gain (loss)	44
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(33)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	59
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	48
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)	48

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

18. PENSION OBLIGATIONS (continued)

ASSETS

	31 March 2026	31 March 2025
	(£000s)	(£000s)
Global Equity	479	442
Liquid Alternatives	769	732
Insurance-Linked Securities	6	12
Property	211	198
Infrastructure	-	1
Private Equity	9	3
Real Assets	407	472
Private Credit	522	483
Credit	172	151
Investment Grade Credit	254	122
Cash	1	54
Long Lease Property	-	1
Secure Income	131	66
Liability Driven Investment	1,317	1,195
Currency Hedging	-	6
Net Current Assets	42	9
Total assets	4,320	3,947

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.

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026

18. PENSION OBLIGATIONS (continued)

KEY ASSUMPTIONS

	31 March 2026	31 March 2025
	% per annum	% per annum
Discount Rate	6.02%	5.77%
Inflation (RPI)	3.33%	3.11%
Inflation (CPI)	3.02%	2.78%
Salary Growth	4.02%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

THE MORTALITY ASSUMPTIONS ADOPTED AT 31 MARCH 2026 IMPLY THE FOLLOWING LIFE EXPECTANCIES:

	Life expectancy at age 65 (Years)
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2026

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 2026 the Association had total commitments under non-cancellable operating leases of other fixed assets, as set out below:

	2026		2025	
	Land and buildings £ 000	Other £ 000	Land and buildings £ 000	Other £ 000
Leases which expire:				
Within one year	-	-	-	2
Within two to five years	-	18	-	30
Over five years	-	-	-	-
	-	18	-	32

22. ANALYSIS OF CHANGE IN NET DEBT

	31.03.2025 £ 000	Cash flows £ 000	Other changes £ 000	31.03.2026 £ 000
Cash at Bank	1,250	(28)	-	1,222
Overdrafts	-	-	-	-
Debt due in one year	(119)	-	-	(119)
Debt due after more than one year	(32,416)	-	90	(32,326)
Current Assets investment	-	-	-	-

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2026

23. UNITS IN OWNERSHIP AND MANAGEMENT

	At 31.03.25	Additions	Disposals	Amalgama tions	Conversion s	Other	At 31.03.26
Units Owned							
Social Housing							
Owned General Needs - social rent	887	-	(2)	-	-	-	885
Owned General Needs - affordable rent	39	-	-	-	-	-	39
Owned General Needs - intermediate rent	-	-	-	-	-	-	-
Owned - Housing for older people	270	-	-	-	-	-	270
Owned - Supported Housing	35	-	-	-	-	-	35
Shared Ownership	3	-	-	-	-	-	3
Total	1,234	-	(2)	-	-	-	1,232
Non Social Housing							
Market rented	2						2
Total	2	-	-	-	-	-	2
Total Owned	1,236	-	(2)	-	-	-	1,234
Units Managed							
Managed units general needs	13		-	-	-	-	13
Managed - Supported Housing	-	-	-	-	-	-	-
Total Managed	13	-	-	-	-	-	13
Total Owned and Managed	1,249	-	(2)	-	-	-	1,247
excluding units taken out of the debit (LTV)	-	-					-

NEHEMIAH UNITED CHURCHES HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2026
