

Charity Number: 1133321
Company Number: 06972673

KEELMAN HOMES LIMITED

(a company limited by guarantee and not having share capital)

Financial Statements
for the year ended 31 March 2021

Keelman Homes Limited
(a company limited by guarantee and not having share capital)

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Strategic Report
For the year ended 31 March 2021

Report of the Board

The Board present their report and financial statements for the period ended 31 March 2021.

Principal activities

The principal activity of the Company is the development of affordable housing. The Company has entered into a management agreement with The Gateshead Housing Company to manage, maintain and improve Keelman Homes properties.

Keelman Homes has been set up to enable the development of affordable housing in Gateshead.

New Build

Bleach Green (sales name 'High View')

Keelman Homes are in contract with Keepmoat Homes to purchase 27 new build dwellings on the former Bleach Green site located in Blaydon-on-Tyne. A loan from Gateshead Council and Homes England grant funding has been secured for the scheme which would comprise of 18 affordable, five shared ownership and four rent to buy properties.

Keepmoat started work on site in July 2019. The affordable units will be handed over to Keelman Homes on a plot by plot basis and are programmed to be fully complete by February 2022. The entire development is programmed for completion by September 2024.

The first four affordable rent units were scheduled to be handed over to Keelman Homes by the end of March 2020. However, due the Covid-19 pandemic and site closures during the week commencing 30 March 2020, these handovers were not achieved until July 2020. Another six affordable rent units were handed over and let during 2020/21.

This meant that eight affordable rent units remained to be handed over by Keepmoat Homes. Two of these were handed over and let in May 2021.

Discussions were held with Homes England about changing the tenure of the remaining six properties from affordable rented homes to shared ownership, which would contribute towards an improvement in the 30 year business plan. This was agreed in principle, subject to the properties being marketed for up to six months for shared ownership. Possession of these six properties is scheduled between September 2021 and March 2022.

The five shared ownership properties that are part of the original scheme are due to be handed over in May and October 2021.

The four rent to buy properties were all successfully advertised and allocated by March 2021.

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Lyndhurst (sales name 'Valley View')

Keelman Homes committed to purchasing six affordable new build dwellings from Beacon Living (a trading name of The Gateshead Trading Company which is wholly owned by Gateshead Council). A loan from Gateshead Council and Homes England funding was secured for the scheme. All six properties would be retained as affordable rent properties.

The development was constructed by Kier Construction who started on site in July 2018. It was anticipated that the first two plots would be acquired the last week in March 2020. However, due to the Covid-19 pandemic and lockdown restrictions these handovers were not achieved until 22 May 2020. The third and fourth plots were handed over in July 2020. The final two plots were handed over in December 2020. All 6 properties are now let.

Empty Homes

In June 2015, Keelman Homes entered into an agreement with Homes England (HE) as part of its 2015-18 funding for the Empty Homes scheme, its purpose, to bring properties which had fallen into disrepair back up to a lettable standard. In FY 16/17 there were 18 practical completions, 17/18 there were 22 practical completions so in total 40 properties were brought back into use.

Following the success of 2015 to 2018 Empty Homes scheme, during 2017/18, Keelman Homes made a bid to HE for further grant funding, to bring empty properties back into use, as part of HE's Shared Ownership and Affordable Homeownership Programme 2016 to 2021 (SOAHP). Keelman Homes was successful in securing grant to bring a further 40 empty properties back into use. Upon completion of 40 properties Keelman Homes had surplus grant and loan remaining and so agreed with HE to expand the programme by 2 additional properties taking the total number of properties to 42 (referred to as 'tranche A' of the SOAHP 16-21 programme). In May 2019, all 42 Tranche A properties had been secured and brought back into use.

In May 2018, HE approved a bid for funding to purchase an additional 40 properties (referred to as 'tranche B' of the SOAHP 16-21 programme). This took the Empty Homes 2016-21 SOAHP programme across both tranches to a total of 82 affordable units, for delivery by March 2022. Later, to meet the HE targets and due to good performance, Keelman Homes re-programmed the purchase of 82 units by 31 March 2021, one year earlier than originally programmed.

Due to the impacts of the Covid-19 pandemic, in October 2020 HE agreed to relax the deadline of the programme from March 2021 to March 2022.

At the end of March 2021, 19 of the 40 Tranche B properties had been purchased and brought back into use, leaving a further 21 to be completed by 31 March 2022.

Managing properties on behalf of other registered providers

In addition to the development of new affordable housing, Keelman Homes has also entered into agreements with another registered provider, to manage properties on their behalf.

Keelman Homes manages 116 properties in Gateshead on behalf of Thirteen Group and 36 properties on behalf Gateshead Council's Empty Homes Initiative.

Gateshead Council has agreed that from 2021/22 the properties in the Empty Homes Initiative will be managed directly by the Council.

The current management agreement between Keelman Homes and Thirteen Group to manage properties on its behalf will expire at the end of March 2022 and discussions will be held during 2021/22 to renegotiate an agreement.

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Below is a summary of the stock numbers as of 31.03.21 and reprofiled forecasts numbers (from acquisition):

	Stock at FY 20/21	Forecasted increase for FY21/22	Totals FY 21/22
Keelman Homes Owned Properties			
New Homes (affordable rent)	159	2	161
New Homes (shared ownership)	13	11	24
New Homes (rent to buy)	4	0	4
			New build total: 189
New Build Empty Homes Purchase and Repair	106	20	126
			EHPaR total: 126
Portfolio growth	/	33	
Total KHL portfolio cumulative	282	315	
Property Management			
Thirteen Group	116	0	0
Gateshead Council EHI	36	0	0
(EHI loss in year)	(36)	0	0
Total properties in management	116	0	0
			Managed properties: 0
Grand totals	398	315	

Corporate governance

The Company signs up to the principles of the Combined Code in so far as they are applicable to an organisation of its size and structure. As well as having codes of conduct for Board members, the Company has a clear Risk Management Policy in place which underlies its key decisions.

The Company has a main Board which is suitable for all current activity. During 2020/21, we have reviewed our governance arrangements to ensure the needs of the organisation are being met effectively.

The Board Members who are Directors for the purpose of company law and Trustees for the purpose of charity law, who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Board Member has taken all the steps that he or she ought to have taken as a Board Member to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

In line with the statutory requirements for a limited company, a copy of these accounts will be filed with Companies House.

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Structure, Governance and Management

Governing document

Keelman Homes is a charitable company limited by guarantee; it was incorporated as a private company on 25 July 2009 and received charitable status on 16 December 2009. The organisation was established under a Memorandum of Association which established the objects and powers of the company and is governed under the Articles of Association.

During the 2014/15 financial year there was a significant change in the membership of Keelman Homes with The Gateshead Housing Company resigning and the current trustees of Keelman Homes being appointed as members. The ownership of Keelman Homes changed to being owned by the Board of Trustees of Keelman Homes, rather than being owned by The Gateshead Housing Company. As a subsidiary of The Gateshead Housing Company, Keelman Homes was precluded from applying for funding from Homes England's (HE) affordable homes guarantee programme.

Changing the membership of Keelman Homes allowed it access to new potential funding resources from HE and the private sector, and with this there is the potential to increase the amount of new affordable homes the Company can deliver.

In the event of the Charity being dissolved, every member must pay up to £10 towards the cost of dissolution and the liabilities incurred by the Charity.

Recruitment and appointment of Trustees

The Trustees as charity trustees control the Company and its property and funds and are known as the Board. The Trustees shall consist of at least six and not more than eight individuals, comprising one individual nominated by the Managing Agent in accordance with article 11.3.2 (the Managing Agent Trustee) and seven individuals appointed or elected in accordance with article 11.3.3 (the Ordinary Trustees)

All Trustees appointed in accordance with 11.3.2 to 11.3.3 will be appointed (and where applicable re-appointed) in accordance with a policy relating to the recruitment and selection of Trustees set by the Trustees from time to time. In setting the policy, the Trustees shall endeavour to ensure that prospective candidates undergo a due selection and assessment process to establish their suitability and that the Trustees collectively possess the range of skills, competencies and experience that they might require.

The Managing Agent Trustee shall be appointed by the Managing Agent in accordance with the policy set by the Trustees under article 0. A written notice delivered by the Chief Executive (or such other authorised individual) of the Managing Agent to the Secretary shall be conclusive as to who has been appointed as a Managing Agent Trustee. The Managing Agent may remove and replace the Managing Agent Trustee at any time provided written notice is given to the Secretary.

The Charity's work focuses on the build of new homes and the subsequent management of these homes once they have been let. Therefore, we have looked to ensure we have a mix of Trustees with the appropriate skill sets. The Managing Agent Trustee has skills in relation to the management of social housing and performance management; we have also ensured that the Ordinary Trustees have a good mix of skills including housing management, communications and tenant involvement.

Board succession planning will be undertaken to ensure that five of the existing trustees, who were all appointed in the same year, do not all step down from the Board at the same time after serving the maximum 9 years of office.

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Induction and training of Trustees

Once the Trustees have been appointed, they are invited to meet with the Company Secretary to familiarise themselves with the work of the Charity, the context in which it operates and the role of the Trustee. They are also provided with the Memorandum and Articles of Association for the Charity, as well as the Code of Conduct for the Trustees and Probity Policy. Trustees are also continually being offered the opportunity to undertake training that they feel is necessary to their roles.

Organisational structure

Keelman Homes has a Board made up of 8 Trustees who meet quarterly and are responsible for all decisions taken by the Company. Keelman Homes has a management agreement with The Gateshead Housing Company to manage its properties once built and let. The Gateshead Housing Company (TGHC) therefore, has responsibility for the day-to-day management of the operations being undertaken by Keelman Homes.

Following a housing options appraisal, Gateshead Council agreed in November 2020 to reintegrate housing management services back into the Council. The business and assets of TGHC transferred back into the Council on 1 April 2021.

A new management agreement has been agreed between Gateshead Council and Keelman Homes for it to deliver its housing management services for the period 1 April 2021 to 31 March 2022, with an option to extend for another one year.

The Council will also provide services under a Service Level Agreement to Keelman Homes which provides the necessary flexibility to resource it as appropriately required.

Related parties

The Charity is guided by the Charities Act and Companies Act and is guided by both National and Local policy. The Gateshead Housing Company acts as a managing agent for Keelman Homes in its day-to-day operations.

The Board has considered the internal control environment of The Gateshead Housing Company and considers that the systems of internal control are effective and appropriate.

Risk Management

The Board agreed, and looked to mitigate as appropriate, the following key strategic risks:

- Failure to manage the company's finances
- Failure to deliver on new build and existing investment projects
- Failure to deliver effective asset management
- Failure to effectively manage business continuity
- Failure to manage effective corporate governance
- Failure to deliver business model due to future government policy
- Impact on rent income due to Universal Credit and Welfare Reform
- Failure to access sources of funding
- Failure to achieve and demonstrate value for money
- Failure to maintain an effective relationship with partners
- TGHC ALMO ceasing or current management agreement expiring without new agreement in place
- Failure to deliver a strategic forward plan

The risks are reviewed quarterly in accordance with its risk management policy. The risk management policy was reviewed in 2019/20 and is reviewed every three years.

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Policies on Internal Control

Keelman Homes has established policies and procedures to monitor and emphasise the need for strong internal control. These include Financial Regulations that require adequate segregation of duties.

Reports to the Board

- Regular reports to the Board provide information on financial and operational progress against objectives. Performance is measured against agreed targets and externally benchmarked.
- Budgets are set before the beginning of each financial year. Reports on income and expenditure against these budgets are presented to the Board on a quarterly basis.
- Variance analysis and any corrective action is proposed and discussed at the Board meetings. The Board also scrutinise Value for Money and efficiency, as well as receiving information in respect of loan and grant covenant compliance.
- Reports to the Board consider risk, particularly around the financial impact of any proposed actions.

Stock Options Appraisal

Housing Quality Network were appointed in July 2020 to carry out a benchmarking exercise to determine whether value for money was being achieved through the existing housing management agreement and services received from TGHC. The conclusion of the report listed recommendations including procuring a second phase of work which would comprehensively review Keelman Homes as a company and charity. This would investigate options for Keelman Homes to improve the housing management of its current stock as well as exploring the company options to fulfil Board aspirations to meet its vision and aims and grow as an affordable housing provider in the future.

A second phase of work was concluded by HQN in November 2020 and a draft report was presented by HQN to Board which set out the potential options for Keelman Homes to explore in more detail during a third phase.

The Board appointed Abovo Consult at its meeting in February 2021 to act as lead consultant on Phase 3 of the options appraisal work and begin looking in detail at the viability and feasibility of the following options: -

- Option 1 – No change
- Option 2 – Stay away with Council finance
- Option 3 – Stand alone with new financing
- Option 4 – Merge with another non-profit registered provider
- Option 5 – Sell out to a for-profit registered provider

Each of these options will be considered and developed in detail during 2021/22.

Recruitment and development of staff

The quality and integrity of staff are essential for maintaining good internal control.

Keelman Homes does not employ any staff directly. Staff are employed by The Gateshead Housing Company (TGHC) and Gateshead Council and are seconded to Keelman Homes.

In partnership with TGHC, Keelman Homes continues to ensure that staff have the necessary competences and qualifications for their role, through development, training, appraisal and performance management. This is all underpinned by related policies of both Keelman Homes and TGHC, including Standards of Behaviour, Disciplinary Policy, Grievance Policy and Probity Policy.

Probity Policy

A Probity Policy is in place as part of Standing Orders and is based on National Housing Federation guidance.

There were no significant breaches reported during the year in relation to probity.

Code of Governance

Following the decision of Gateshead Council to reintegrate the management of its housing and maintenance services back into the Council, the Articles of Association were reviewed by Trowers and Hamlin. The following changes were agreed, which have been filed with Companies House: -

- Removal of all references to TGHC
- Increase the number of independent trustees from 6 to 8
- Removal of Clause 10.9 which required any amendments to the articles to be discussed with the Council and for any changes in its membership to be formally approved by them
- Reduce the number of Council Trustees from 2 to 1
- Replacement of all references to Council with the term 'Managing Agent'

In 2019/20, Trowers assessed the Charity's compliance with the 2015 National Housing Federation code of 'Promoting board excellence for housing associations.' In 2020/21 the NHF published a new Code of Governance which builds on the existing 2015 and 2018 Codes and responds to the 2018 social housing green paper. An assessment of the Charity's compliance with this will be completed by the end of the year.

The new Code of Governance recommends that the maximum term of office of a board member is reduced from 9 to 6 years. The Board agreed on 6 May 2021 to defer a decision on this pending the outcome of the options appraisal.

Following the reintegration of the ALMO back into Gateshead Council, the Company Secretary resigned on 31 March 2021. The Board took a decision on 6 May 2021 not to fill the position and defer until further consideration is given to the establishment of a Keelman Homes managing director position.

Keelman Homes also agreed that its board meetings will no longer be advertised as open to the public to attend.

A new board member and Chair appraisal process has been agreed, including a process for appraising a trustee when they retire from the board after serving a three-year term of office.

Compliance with the Regulatory Framework

There were no regulatory interventions during the year, and we continue to operate within the standards laid down by our Regulators.

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Our aims and objectives

Purposes and aims

Keelman Homes' purposes as set out in the objects contained within the Company's Memorandum of Association are:

- (a) to provide houses or hostels or other residential accommodation and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means;
- (b) to provide for aged, disabled (whether physically or mentally), or chronically sick persons in need thereof houses or hostels or other residential accommodation and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- (c) to provide services, advice or assistance upon terms appropriate to their means to aged, disabled (whether physically or mentally) or chronically sick persons or other persons in necessitous circumstances in need thereof and providing any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- (d) the provision of recreation or other leisure facilities in the interest of social welfare with the object of improving the conditions of life for the residents of the area of benefit;
- (e) the relief of poverty amongst the residents of the area of benefit;
- (f) the advancement of education, training or retraining, particularly among unemployed people and providing unemployed people with work experience;
- (g) the maintenance, improvement or provision of public amenities for the public benefit in the interests of regeneration in areas of social and economic deprivation in which the Charity owns or manages housing stock; and
- (h) such other charitable purposes beneficial to the public consistent with the objects above as the Trustees shall in their absolute discretion determine.

Keelman Homes aims to provide new housing in Gateshead for social housing letting and to provide housing management services for our tenants in this area. Our aims reflect the purposes Keelman Homes was set up for.

Ensuring our work delivers our aims

Keelman Homes was set up in July 2009 and we set our aims and objectives for that year to ensure that the foundations were in place to obtain funding for new houses to be built within the Kibblesworth area, so that we could meet the objects set within our memorandum of association, to provide homes for persons in necessitous circumstances.

Every year we review the aims and objectives set, as well as review the activity undertaken in the prior year, to ensure that we continue to meet the objects as detailed above.

Our objectives for the year

The following objectives were achieved for the year ended March 2021:

- An internal review and an independent value for money assessment has been carried out and consultant procured for full stock options appraisal
- A new rent to buy policy and all associated marketing materials were developed
- A reappointment process has been agreed for appraising skills and performance of trustees who have served a term of office
- The existing annual appraisal process has been reviewed, including consideration of 360-degree appraisals of the Chair
- A process has been agreed for assessing our compliance against the new NHF Code of Governance

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Value for money

We are committed to delivering excellent value for money to our residents and communities, now and as part of our longer-term plans. This is one of our core values and is integrated into our business plan.

We aim to drive ongoing value for money by making informed financial and operational decisions. This means spending money wisely and having regard to the three E's:

- Economy
- Efficiency
- Effectiveness

We are committed to reinvesting surpluses into our communities by building more homes.

Finally, we recognise that value for money is important for our customers and continue to focus on improving estates, energy efficiency and safety for our customers.

We have calculated our VfM Metrics for 2020/21 based upon the Housing Regulator's VfM Standard for smaller Registered Providers:

Metric	Result	VfM Measure
Metric 1 - Reinvestment	0.14%	Efficiency
Metric 2a – New Supply (Social)	10.07%	Effectiveness
Metric 2b – New Supply (Non-Social)	0.00%	Effectiveness
Metric 3 - Gearing	56.25%	Efficiency
Metric 4 – EBITDA MRI Interest Rate Cover	118.39%	Efficiency
Metric 5 – Headline Social Housing Cost per Unit	£1,090	Economy
Metric 6a – Operating Margin (SHL)	67.41%	Efficiency
Metric 6b – Operating Margin (Overall)	33.89%	Efficiency
Metric 7 – Return on Capital Employed (ROCE)	1.95%	Efficiency

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Performance Indicators

Service Area	Performance Indicator	Year End 2020/21 Target	Year End 2020/21 Performance	Traffic Light
Anti-Social Behaviour and Managing Tenancies	% of ASB cases responded to & investigations begun in timescale (24 hrs – high priority, 5 working days – other cases)	92%	87.5%	
Asset	Energy Efficiency: Average SAP rating of dwellings	77	77	
Cyclical	% of relevant properties that have had a gas service	100%	99.62%	
Home Repairs	% of emergency (24 hrs), urgent (3 days) and routine (20 days) repairs completed within timescale	94%	86.31%	
Rent	% of rent collected	98%	98.03%	
Rent	Rent arrears of current tenants as a % of the rent roll	4%	6.78%	
Voids	Rent lost through houses being empty	1%	1.14%	

Compliance Performance Indicators

Performance Indicator	Year End 2020/21 Target	Year End 2020/21 Performance	Traffic Light
% Domestic Gas Servicing	100%	99.62%	
% Fire Risk Assessments - Landlord responsibility	100%	100%	
% Fire Risk Assessments Reviews – 2020/21	100%	100%	
% Asbestos Management Surveys (Communal)	100%	100%	
% Asbestos Management Surveys (Communal Reviews)	N/A	100%	
% Legionella Risk Assessments General Needs (GN)	100%	76.3%	
% Communal Periodic Electric Inspection Condition Report (present)	100%	100%	
% Domestic Periodic Electric Inspection Condition Report (present) within a 10-year period	100%	100%	
% Domestic Periodic Electric Inspection Condition Report (present) within a 5-year period	100%	98.8%	
% Domestic Stairlifts Service	100%	100%	
% Domestic Platform/Through Floor Lift Service	100%	100%	

Achievement and performance

During the financial year ended 31 March 2021: -

- 12 empty properties were successfully brought back into use.
- 10 affordable rent units and four rent to buy units were handed over and successfully let at Bleach Green
- The scheme at Lyndhurst was completed and all six properties were successfully let
- A satisfaction survey was carried out with all its customers and the results reported to Board
- Rent to Buy and Shared Ownership Policies were approved

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Financial review

Financial Highlights 2020/21

Statement of Comprehensive Income	£000	Balance Sheet	£000	Creditors	£000
Annual Turnover	£1,508	Fixed Assets	£26,248	Loans (GMBC)	£15,118
Operating Costs	£997	Cash at Bank 31.03.2021	£776	Government Grants	£11,405
Deficit for the Year	(£92)	Retained Earnings	£174		

Payments have been made to our development partners based on valuations of the work carried out.

Gateshead Council manages the properties on behalf of Keelman Homes in accordance with the management agreement and are paid a management fee for carrying out these services. GC collect the rent and any service charges associated with the Keelman Homes properties and Keelman Homes invoice GC for this amount.

Principal funding sources

The principal funding sources for the building of our new homes are Homes England (HE) Grants and loans from Gateshead Council.

Once properties are built and let, the principal funding sources are from the rental income and service charge income for these properties.

Reserves policy

Keelman Homes aims to maintain its general reserve at a minimum of 3% of the annual expenditure budget; however, reserves are reinvested into the business when required, to support development activity.

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Reference and administrative details

Charity Reference Number 1133321

Company Reference Number 06972673

Registered Provider Number 4647

Registered Address Civic Centre
Gateshead Regent Centre
Gateshead
NE8 1JN

Directors John Adams
Joanne Carr – Resigned 24/09/2020
Jennifer Elliot
Joseph Gardiner
Joanne Giles
Thomas Graham – Resigned 1/4/2021
Stuart Green
Thomas Sutton – Appointed 28/09/2020
Calum Willis
Alistair Wylie

Secretary Neil Bouch – Resigned 1/4/2021

Management Team Day-to-day management has been delegated to The Gateshead Housing Company (Gateshead Council from 1 April 2021)

Auditor Haines Watts
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Banker The Co-operative Bank
1st Floor, Norfolk House
90 Grey Street
Newcastle upon Tyne
NE1 1HH

Solicitor Gateshead Metropolitan Borough Council
Civic Centre
Regent Street
Gateshead
NE8 1HH

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Future plans

To ensure Keelman Homes will continue to progress opportunities to develop further, a five-year Business Plan 2017-21 was developed and implemented by March 2017. The Business Plan sets out the company's overall vision, values and four main strategic priorities, which supports what the company was set up to do and reflects our Articles of Association. Our strategic priorities are as follows:

- Aim 1: Building for the future – including; engaging with developers to build further new affordable housing within Gateshead, and, developing new and innovative ways of working in response to challenges within the social and economic climate.
- Aim 2: Buying properties and managing assets – including; purchasing empty properties within Gateshead and bringing them back into use.
- Aim 3: Providing quality housing-management services- on behalf of other registered providers within Gateshead.
- Aim 4: Improving lives – including listening and learning from our customers and seeking opportunities to support well-being in our communities.

The Business Plan is reviewed and approved by Board on a regular basis, to ensure our approach continues to remain appropriate for our business needs. The progress of these objectives is closely linked to ensuring value for money is achieved.

During 2020/21, plans are as follows: -

- Progress the stock options appraisal to identify a feasible option to ensure the long-term future of Keelman Homes
- Purchase the final properties in Home England's Shared Ownership and Affordable Homeownership Programme 2016 to 2021
- Review of management agreement between Keelman Homes and Thirteen Group to manage properties on Thirteen's behalf
- Seek new opportunities; engaging with developers and/or consultants who could become partners to assist with future delivery of affordable housing
- Develop Standing Orders of the company
- Ensure compliance with the updated NHF Code of Governance

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and Haines Watts will therefore continue in office.

By order of the Board.

Jason Wylie
Chair of Trustees

Civic Centre
Regent Centre
Gateshead
NE8 1JN

2 September 2021

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Management Trustees (who are also directors of Keelman Homes Limited for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the board on 2 September 2021 and signed on their behalf by;



.....
Jason Wylie
Chair

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Audit Report

For the year ended 31 March 2021

Opinion

We have audited the financial statements of Keelman Homes Limited ("the charitable company") for the year 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Reserves, the Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.2 in the Financial Statements which indicates uncertainties around the future of the management agreement with The Gateshead Housing Company. These events and conditions, along with other matters explained in note 1.2, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

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Audit Report

For the year ended 31 March 2021

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- sufficient accounting records have not been kept; or
- the charitable company's financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

In addition, we have nothing to report in respect of the following matters where the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Audit Report
For the year ended 31 March 2021

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

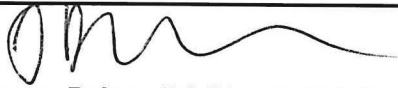
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 137 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Audit Report
For the year ended 31 March 2021



Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts

13 September 2021
.....

Chartered Accountants
Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN


Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Statement of Comprehensive Income
For the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Turnover	3	1,508	1,398
Operating costs		(997)	(964)
Operating surplus	4	<u>511</u>	<u>434</u>
Interest payable	5	(598)	(549)
Surplus/(deficit) before tax		<u>(87)</u>	<u>(115)</u>
Tax	6	(5)	(4)
Surplus/(deficit) for the year		<u>(92)</u>	<u>(119)</u>
Total comprehensive income for the year		<u><u>(92)</u></u>	<u><u>(119)</u></u>

The charitable company's results relate wholly to continuing activities. The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees on 2 September 2021 and signed on their behalf by:



 Jason Wylie



Joanne Giles


Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Balance Sheet
As at 31 March 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	7	26,248	24,164
Current assets			
Debtors	8	367	327
Cash at bank and in hand		776	584
		<u>1,143</u>	<u>911</u>
Liabilities			
Creditors: amounts falling due within one year	9	(1,147)	(1,056)
Net current liabilities		<u>(4)</u>	<u>(145)</u>
Creditors: amounts falling due after one year	10	(26,070)	(23,753)
Net assets		<u>174</u>	<u>266</u>
Reserves			
Retained Earnings		<u>174</u>	<u>266</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees on 2 September 2021 and signed on their behalf by:


.....
Jason Wylie


.....
Joanne Giles

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Balance Sheet
As at 31 March 2021

		Retained Earnings
	Notes	£000
Balance at 1 April 2019		385
Deficit for year		(119)
Balance at 31 March 2020		<u>266</u>
Balance at 1 April 2020		266
Deficit for year		(92)
Balance at 31 March 2021		<u><u>174</u></u>

The accompanying notes form part of these financial statements.

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Balance Sheet
As at 31 March 2021

Notes		2021 £000	2020 £000
Cash flows from operating activities			
<i>Net cash (used in)/provided by operating activities</i>	12	229	193
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,520)	(2,433)
Proceeds from the receipt of government grants		592	1,199
<i>Net cash provided by investing activities</i>		(1,928)	(1,234)
Cash flows from financing activities			
Repayment of borrowings		(308)	(275)
Proceeds from new loan		2,200	1,650
<i>Net cash used in financing activities</i>		1,892	1,375
Change in cash and cash equivalents		193	334
Cash and cash equivalents at the beginning of the year		583	249
Cash and cash equivalents at the end of the year		776	583
Breakdown of cash and cash equivalents			
Cash at bank and in hand		776	583

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Balance Sheet
As at 31 March 2021

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), the Accounting Direction for Private Registered Providers of Social Housing 2015 and the Statement of Recommended Practice for Registered Social Housing Providers Update 2014 ("SORP 2014"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

1.2 Basis of accounting

The financial statements are prepared under the historical cost convention except for donated assets which are included at fair value upon donation.

1.3 Going concern

The financial statements are prepared under the historical cost convention except for donated assets which are included at fair value upon donation.

The company meets its day-to-day working capital requirements through its current account, which is cash positive at the balance sheet date. The company meets its development programme requirements through a combination of grant and debt funding. Note 9 highlights the current level of debt and the repayment terms. The current economic conditions create uncertainty over the longer term availability of grant and loan finance

Notwithstanding net current liabilities of £4,000 as at 31 March 2021, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period covering more than 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period. Those forecasts are dependent on Gateshead Council, not seeking repayment of the amounts currently due. Gateshead Council has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Turnover

Turnover represents all rental and service charge income receivable, amortisation of government grants and donated land, and proceeds from the sale of shared ownership and market sales properties. Management fee income is also earned from the management of properties on behalf of other registered providers. Sales of property are recognised upon the completion of the transfer of title.

Keelman Homes Limited
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Balance Sheet
As at 31 March 2021

1.5 Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part II of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Sales of properties on the open market are not exempt from UK tax, therefore corporation tax has been charged on this income and its subsequent profit.

1.6 Housing properties

Housing properties are recorded at cost. Freehold land is not depreciated.

1.7 Shared Ownership

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and on disposal the first tranche sales proceeds are shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset. Subsequent tranches sold ('staircasing') are accounted for as disposals of housing properties.

1.8 Depreciation

Freehold properties, other than properties under construction, are depreciated so as to write down the cost, less estimated residual value, on a straight line basis. Individual components are depreciated over their expected useful life as follows:

Roof	-	50 years
Heating systems	-	40 years
Electrics	-	30 years
Windows and external doors	-	25 years
Structure	-	100 years
Bathroom	-	30 years
Kitchen	-	20 years
Gas boiler	-	15 years

For refurbished properties, the useful economic life is determined on an individual basis

All properties are reviewed for impairment when an impairment trigger is identified and when it is deemed they have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related capital grants.

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Balance Sheet
As at 31 March 2021

Costs of improvement works to existing properties are only capitalised when there is a demonstrable enhancement of the economic benefits of the asset.

Donated land is included at its fair value on donation and the corresponding grant creditor is amortised over 100 years.

1.9 Stocks

Stocks comprise housing properties held for outright sale, and are stated at the lower of cost and net realisable value. The costs associated with properties in the course of construction are recognised as incurred, to the extent that they are considered to be recoverable.

1.10 Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other administrative expenses.

1.11 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction it is measured at present value.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Provisions

Provisions are recognised when the RP has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

Recycled Capital Grants Fund

Capital grants can be recycled under certain condition, if a property is sold, or if another relevant event takes place. Recycled grants can be used for projects approved by Homes England and they are credited to the Recycled Capital Grant Fund within liabilities.

In certain circumstances, such as the sale of housing properties, capital grants may be repayable, and, in that event, is subordinated to the repayment of other loans by agreement with the Homes England. It is accounted for as soon as the liability arises within creditors: amounts falling due within one year. When any grant to be recycled or repaid is less than the grant relating to the disposal, the difference is treated as abated grant. Abated capital grants are treated as a component of the surplus or deficit on disposal.

Keelman Homes Limited
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Balance Sheet

As at 31 March 2021

1.14 Social housing grant and other government grants

Where grants are received from government agencies such as Homes England and local authorities, which meet the definition of government grants, they are recognised when there is reasonable assurance that the conditions attached to them will be complied with and the grant will be received.

Social Housing Grant (SHG) is receivable from Homes England, and is accounted for using the accrual method of accounting for Government grants and any new grant received is included as part of creditors. The grant is recognised within income when amortised over the useful economic life of the asset. Grant is amortised even if there are no related depreciation charges.

In accordance with Housing SORP 2018 the useful economic life of the housing property structure has been selected (See note 1.8 on page 24). SHG received against new schemes, which are under construction, is included as a long term liability. Amortisation becomes active once the unit is in active management. Grants relating to revenue are recognised in the statement of comprehensive income over the same period as the expenditure to which they relate once performance-related conditions have been met.

SHG can be recycled by the Association under certain circumstances such as if a property is sold, or if another relevant event takes place. In these cases, the SHG can be recycled for use on projects approved by Homes England and is held on the statement of financial position as a liability in the recycled capital grant fund. However, SHG may need to be repaid in certain circumstances.

2. Legal status

Keelman Homes Limited is registered under the Companies Act 2006 and is a registered provider of social housing.

3. Turnover

	2021	2020
	£000	£000
Rental and service charge income receivable	1,264	1,128
Management fee income	128	163
Amortisation of government grants	115	107
Shared Ownership Sales Income	1	0
	<u>1,508</u>	<u>1,398</u>

4. Operating surplus

Surplus on ordinary activities is stated after charging/(crediting):

	2021	2020
	£000	£000
Depreciation of owned tangible fixed assets	436	363
Amortisation of government grants and donated land	(115)	(107)
Auditor's remuneration		
- audit	12	10
- other services relating to taxation	2	2

Keelman Homes Limited
(a company limited by guarantee and not having a share capital)

Balance Sheet
As at 31 March 2021

During the period, no Trustee received any benefits in kind (2020: £nil) and no expenses (2020: £nil) were reimbursed to any Trustees.

The charitable company does not employ any staff directly. The management of homes is undertaken by The Gateshead Housing Company for a management fee disclosed in note 11.

5. Interest payable

	2021	2020
	£000	£000
Loans from Gateshead Council	598	549
	<u>598</u>	<u>549</u>

6. Taxation

Total tax expense recognised in the income and expenditure account

	2021	2020
	£000	£000
Current tax	5	4
	<u>5</u>	<u>4</u>

6.1. Reconciliation of the effective tax rate

	2021	2020
	£000	£000
(Deficit)/Surplus	(92)	(119)
Total tax expense	5	4
	<u>(87)</u>	<u>(115)</u>
(Deficit)/Surplus before tax		
Tax using the UK corporation tax rate of 19% (2020: 19%)	(17)	(22)
Non-deductible expenses	22	26
	<u>5</u>	<u>4</u>
Total expense included in the income statement		
	<u>5</u>	<u>4</u>

Keelman Homes Limited
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Balance Sheet
As at 31 March 2021

7. Tangible fixed assets

	Rented Housing Properties £000	Land £000	Shared Ownership Housing Properties £000	Housing Properties in the course of construction £000	Total £000
Cost					
At 1 April 2020	20,557	3,255	702	1,536	26,050
Additions	1,827	-	-	693	2,520
Transfers	920	-	-	(920)	-
At 31 March 2021	23,304	3,255	702	1,309	28,570
Depreciation					
At 1 April 2020	1,840	-	46	-	1,886
Charge for year	426	-	10	-	436
At 31 March 2021	2,266	-	56	-	2,322
Net book value					
At 31 March 2021	21,038	3,255	646	1,309	26,248
At 31 March 2020	18,717	3,255	656	1,536	24,164

7. Tangible assets (continued)

Number of units under management

	2021	2020
Under development at end of the year		
Rented units	19	28
Shared ownership units	5	5
Under management at end of the year		
Rented units	262	231
Shared ownership units	13	13

Keelman Homes Limited
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Balance Sheet
As at 31 March 2021

8. Debtors		
	2021	2020
	£000	£000
Trade debtors	161	127
Amounts owed by related parties (see note 12)	206	200
	<u>367</u>	<u>327</u>
	<u><u>367</u></u>	<u><u>327</u></u>
9. Creditors: Amounts falling due within one year		
	2021	2020
	£000	£000
Trade Creditors	428	616
Accruals	243	15
Loans from Gateshead Council	338	294
VAT	6	7
Corporation tax	5	4
Recycled capital grant fund	12	12
Government grants	115	108
	<u>1,147</u>	<u>1,056</u>
	<u><u>1,147</u></u>	<u><u>1,056</u></u>
10. Creditors: Amounts falling due after one year		
	2021	2020
	£000	£000
Loans from Gateshead Council	14,780	12,932
Government grants	11,290	10,821
	<u>26,070</u>	<u>23,753</u>
	<u><u>26,070</u></u>	<u><u>23,753</u></u>

The first tranche of the loan from Gateshead Council of £4.5m is repayable in equal half yearly instalments of £46,717 over 50 years from March 2010 and accrues interest at 4.59%.

An additional facility of £1.7m was agreed with the Council in October 2014, and is repayable in equal half yearly instalments of £17,000 over 50 years from April 2015 and accrues interest at 4%.

An additional facility of £1.5m was agreed with the Council in April 2015, and is repayable in equal half yearly instalments of £15,000 over 50 years from October 2015 and accrues interest at 4.25%.

An additional facility of £1.0m was agreed with the Council in April 2016, and is repayable in equal half yearly instalments of £10,000 over 50 years from October 2016 and accrues interest at 3.75%.

Keelman Homes Limited
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An additional facility of £0.5m was agreed with the Council in April 2017, and is repayable in equal half yearly instalments of £5,000 over 50 years from October 2017 and accrues interest at 3.75%.

An additional facility of £1.8m was agreed with the Council in September 2017, and is repayable in equal half yearly instalments of £18,000 over 50 years from March 2018 and accrues interest at 3.75%.

An additional facility of £0.5m was agreed with the Council in December 2017, and is repayable in equal half yearly instalments of £5,000 over 50 years from June 2018 and accrues interest at 3.75%.

An additional facility of £0.9m was agreed with the Council in May 2018, and is repayable in equal half yearly instalments of £9,000 over 50 years from November 2018 and accrues interest at 3.68%.

An additional facility of £0.5m was agreed with the Council in October 2018, and is repayable in equal half yearly instalments of £5,000 over 50 years from April 2019 and accrues interest at 3.75%.

An additional facility of £0.7m has been agreed in April 2019, and is repayable in equal half yearly instalments of £5,000 over 50 years from October 2019 and accrues interest at 3.56%.

An additional facility of £0.7m has been agreed in July 2019, and is repayable in equal half yearly instalments of £5,000 over 50 years from January 2020 and accrues interest at 3.3%.

An additional facility of £0.25m has been agreed in March 2020, and is repayable in equal half yearly instalments of £5,000 over 50 years from September 2020 and accrues interest at 3.3%.

The first tranche of the loan, initial value of £4.5m is secured, whilst the further tranches remain unsecured.

An additional facility of £7m has been agreed in May 2020, and is repayable in equal half yearly instalments of £7,000 over 50 years from November 2020 and accrues interest at 3.3%.

An additional facility of £4m has been agreed in August 2020, and is repayable in equal half yearly instalments of £4,000 over 50 years from February 2021 and accrues interest at 3.4%.

An additional facility of £0.25m has been agreed in September 2020, and is repayable in equal half yearly instalments of £2,500 over 50 years from March 2021 and accrues interest at 3.4%.

An additional facility of £0.25m has been agreed in December 2020, and is repayable in equal half yearly instalments of £2,500 over 50 years from June 2021 and accrues interest at 3.35%.

An additional facility of £6m has been agreed in March 2021, and is repayable in equal half yearly instalments of £6,000 over 50 years from September 2021 and accrues interest at 3.35%.

Government grants

A total of £4.832m grant was received from Homes England between the financial years of 2010/11 and 2013/14 in relation to the Kibblesworth development. This is released to the accounts over a period of 100 years.

A total of £2.663m grant has been received from Homes England between the financial years of 2013/14 and 2020/21 in relation to the Empty Homes Purchase and Repair schemes. This is released to the accounts over a period of 100 years.

A total of £33.7k grant was received from the Tyne and Wear Fire and Rescue Service in relation to the installation of sprinkler systems in some of our new build developments. This is released to the accounts over a period of 100 years.

Keelman Homes Limited

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Balance Sheet

As at 31 March 2021

A total of £0.345m grant was received from Homes England between the financial years of 2015/16 and 2016/17 in relation to the Runhead and Heddon View development. This is released to the accounts over a period of 100 years.

A total of £0.318m grant was received from Homes England between the financial years of 2016/17 and 2018/18 in relation to the West Park development. This is released to the accounts over a period of 100 years.

A total of £0.778m grant was received from Homes England in financial years of 2019/20 and 2020/21 in relation to the Bleach Green development. This is released to the accounts over a period of 100 years.

A total of £0.210m grant was received from Homes England in financial year 2020/21 in relation to the Lyndhurst development. This is released to the accounts over a period of 100 years.

Included within government grants is an amount of £2,806,250 relating to donated land (2020: £2,835,900)

Land with a value £2.7m was donated to the company in 2010/11 in relation to the Kibblesworth development. This is released to the accounts over a period of 100 years.

Land with a value £0.115m was donated to the company in 2016/17 in relation to the Heddon View development. This is released to the accounts over a period of 100 years.

Land with a value £0.15m was donated to the company in 2017/18 in relation to the West Park development. This is released to the accounts over a period of 100 years.

Keelman Homes Limited
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Balance Sheet
As at 31 March 2021

11. Accounting estimates and judgements

The preparation of financial statements requires the Board to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and 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. Actual results may differ from these estimates. The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Estimation of the useful life of assets

The board is required to estimate the useful economic life of each component of its housing properties. These estimates are based on experience of the housing stock compared to wider sector practice.

Valuation of donated land

Donated land is valued by qualified specialists within Gateshead Council who use their professional knowledge and experience to assess the value of the land.

Keelman Homes Limited
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Balance Sheet
As at 31 March 2021

12. Financial instruments

	2021	2020
	£000	£000
Assets measured at cost less impairment		
Trade debtors	161	127
Liabilities measured at amortised cost		
Loans from Gateshead Council	15,118	13,226
	<hr/>	<hr/>

13. Cash from operating activities

	2021	2020
	£000	£000
Deficit for the year	(92)	(119)
<i>Adjustment for:</i>		
Depreciation and amortisation	436	363
Interest payable and similar charges	598	549
Deferred government grant	(115)	(108)
Taxation	5	4
	<hr/>	<hr/>
	832	689
Decrease/(increase) in trade and other debtors	40	83
Increase/(decrease) in trade and other creditors	(40)	(34)
Interest paid	(598)	(549)
Tax paid	(5)	4
	<hr/>	<hr/>
Net cash from operating activities	229	193
	<hr/>	<hr/>