

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 2022

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

Strategic Report
For the year ended 31 March 2022

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Strategic Report
For the year ended 31 March 2022

Report of the Board

The Board present their report and financial statements for the period ended 31 March 2022.

Principal activities

The principal activity of the Company is development of affordable housing and fulfil landlord responsibilities as a registered provider for affordable housing. The Company contracts with delivery partners to increase the levels of affordable housing within the Gateshead area and has entered into a management agreement with The Gateshead Council to deliver housing management services to Keelman Homes properties following their practical completion.

- At 31 March 2022 there were 188 new build properties included in the portfolio.
- At 31 March 2022 there were 120 properties acquired as part of the Empty Homes Purchase and Repair Programme included in the portfolio.
- At 31 March 2022 Keelman Homes were managing 116 properties on behalf of Thirteen Housing Group.

A summary of activity and stock numbers are identified in the table below:

	Year end FY20/21 (actual)	Additions in year	Year end FY21/22 (actual)	Year end FY22/23 (forecast)
Keelman Homes owned properties				
New Homes (affordable rent)	159	1	160	160
New Homes (shared ownership)	13	11	24	24
New Homes (rent to buy)	4	0	4	4
New Build total	176	12	188	188
New Build Empty Homes Purchase and Repair	106	14	120	120
EHPaR total	106	14	120	120
Total of KHL owned homes	282	26	308	308
Properties owned by others				
Thirteen Housing Group	116	0	116	0
Grand total of stock managed	398	26	424	308

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New build activity in FY 21/22

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 was secured for the scheme.

In FY21/22 12 properties were practically completed and handed over to Keelman Homes. This marked completion of the new build programme.

During the course of the development, variations were made to the mix of tenures; the final mix across the development includes 12 affordable rent properties, 11 shared ownership and 4 rent to buys. All shared ownership properties were successfully let/sold under a shared ownership lease.

The final account (less retention) was settled for the scheme in March 2022.

Former New Build Developments

Kibblesworth – 94 dwellings (81 affordable rent, 13 shared ownership)

Runhead Estate – 9 dwellings (affordable rent)

Heddon View – 6 dwellings (affordable rent)

Strathmore Road - 2 dwellings (affordable rent)

Nugent Row – 6 dwellings (affordable rent)

Dunn Court – 6 dwellings (affordable rent)

The Lonnen – 14 dwellings (affordable rent)

West Park – 17 dwellings (affordable rent)

Marion Court – 1 dwelling (affordable rent)

Lyndhurst (sales name 'Valley View') - 6 dwellings (affordable rent)

Empty Homes Activity in FY 21/22

Empty Homes Purchase and Repair Programme

Prior to FY 21/22 106 properties had been acquired and refurbished with the use of various Homes England grant funding programmes for Empty Homes. In FY21/22 an additional 14 properties were practically completed and handed over to Keelman Homes.

This concluded the empty homes programme and the total number of SOAHP 2016-21 empty properties brought back into use by Keelman Homes is 74.

In total across all empty homes programmes 120 properties have been brought back in to use.

Managing properties on behalf of other registered providers.

In addition to the development of new affordable housing, Keelman Homes had a contractual arrangement with another registered provider (Thirteen Housing Group), to manage 116 of their properties on their behalf.

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The contract end date was 31 March 2022 and at that time Thirteen Housing Group made a strategic decision to take back management of their properties. Keelman Homes ceased management of Thirteen Group Housing properties on 31 March 2022.

Corporate governance

The Company agrees to the principles of the NHF Code of Governance relative to an organisation of its size and structure.

The Keelman Homes Board agree to codes of conduct which are in line with the Charity Commissions 'Guide to the Essential Trustee' (CC3) and the Company has a Risk Management Policy in place which underpins its key decisions.

The Company has a main Board of 8 Trustees which is suitable for all current activity.

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.

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 an agreed process 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.

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The Managing Agent Trustee shall be appointed by the Managing Agent in accordance with the policy set by the Trustees under article 11.3.2. A written notice delivered by the Chief Executive (or such other authorised individual) of the Managing Agent to the Secretary of Keelman Homes 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 Trustees have been sought 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 delivery, finance management and tenant involvement.

Board succession planning will be undertaken to ensure that four 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 6 years of office.

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.

Probity Policy

A Probity Policy is in place and is based on National Housing Federation guidance.

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

Code of Governance

Governance arrangements are continuously reviewed to ensure the needs of the organisation are being met effectively and in February 2022 a self-assessment against the revised NHF 2020 Code of Governance was conducted; the assessment showed that Keelman Homes were compliant for the most part but that there were a few areas which would improve company governance; below the areas suggested for improvement are listed and the subsequent actions taken to comply with the revised code:

1. Company Standing Orders – Keelman Homes does not have a clear set of Trustee Governance Instructions known as 'standing orders'; it is proposed these are developed and implemented in FY22/23
2. Requirement for a new 5 year Business Plan – the current business plan was retained from 2017-2021; an updated plan is to be developed for years 2022-2027.
3. Keelman Homes Ltd did not have an executive Director acting as the operational Lead – It is proposed that a Managing Director is appointed to the company in FY22/23.
4. A review of the Board Appraisal process is required – it is proposed that a review will take place in FY22/23
5. In the Memorandum and Articles of Association a Board member term of office was 9 consecutive years (3 terms); this should be amended with the intention to allow each member to serve only 6 consecutive years (2 terms) of office, with the option to serve 3 terms only by exception – In March 2022 the Articles were amended to reflect this recommendation and filed to Companies House. It is proposed that before the current serving trustees reach their 6th AGM, a trustee succession plan is developed.

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6. There is a recommendation that the external auditors have access to the Board of Trustees without executives present – it is proposed that for the FY21/22 Audit findings the Auditors will have the opportunity to meet Non-executive Directors without executives present.

Compliance with the Regulatory Framework

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

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 Gateshead Council to manage its properties once built and let. Gateshead Council, therefore, has responsibility for the day-to-day management of the operations being undertaken by Keelman Homes.

The original term of the management agreement between Gateshead Council and Keelman Homes for delivery of housing management services is from 1 April 2021 to 31 March 2022, with an option to extend for another one year; this option was exercised in February 2022 and the current end date on the contract is 31 March 2023. The Council 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. Gateshead Council acts as a managing agent for Keelman Homes in its day-to-day operations.

The Board has considered the internal control environment of Gateshead Council 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 housing management agreement and services received from The Gateshead Housing Company (Gateshead Council's former ALMO). 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 – Stand-alone* 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

*To 'stand alone' would mean the company would explore recruitment of its own staff independently and explore the market for alternative housing management provision.

Each of these options was considered and developed in detail during 2021/22. A detailed assessment of options and soft market testing informed the Boards decision to progress initially with option 2, with a view to implementing option 3 in the future.

Recruitment and development of staff

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

In FY21/22 Keelman Homes Board made a strategic decision to begin recruitment for direct employment of a Managing Director and Company Secretary into the company, responsible to the Board, with a view to later directly employing financial and operational support into the company. It was anticipated that the Managing Director would come into post during Q1 of 2022/23.

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In the interim period and while staff are not directly employed, Keelman Homes has entered into Service Level Agreements with Gateshead Council to supply staff for the support of Company Governance, Company Finance and Operational Support.

In partnership with Gateshead Council, 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 Gateshead Council, including Standards of Behaviour, Disciplinary Policy, Grievance Policy and Probity Policy.

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 to deliver.

Ensuring our work delivers our aims

Keelman Homes was set up in July 2009 aims and objectives were set 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 self-assess our achievements against the aims and objectives.

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Our objectives for the year

The following objectives were achieved for the year ended March 2022:

- 11 newbuild properties were successfully marketed and sold as shared ownership
- 14 properties were successfully acquired, refurbished and let for affordable rent
- new build property was successfully acquired and let for affordable rent
- A full valuation of property stock was carried out with a view to exploring financial options for the company as part of the strategic options appraisal.
- At the February Board meeting it was agreed that pending some final due diligence exercises that at the meeting in Q1 FY22/23 Board would seek consensus to decide on the future strategic direction of the company. The decision would aim to seek the best outcome for tenants and best value for money.
- Actions were agreed to ensure compliance with the NHF code of Governance

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 2021/22 based upon the Housing Regulator's VfM Standard for smaller Registered Providers:

Metric	Result	VfM Measure
Metric 1 - Reinvestment	0.0001%	Efficiency
Metric 2a – New Supply (Social)	8.44%	Effectiveness
Metric 2b – New Supply (Non-Social)	0.00%	Effectiveness
Metric 3 - Gearing	63.48%	Efficiency
Metric 4 – EBITDA MRI Interest Rate Cover	2,342.49%	Efficiency
Metric 5 – Headline Social Housing Cost per Unit	£3,941	Economy
Metric 6a – Operating Margin (SHL)	48.01%	Efficiency
Metric 6b – Operating Margin (Overall)	29.19%	Efficiency
Metric 7 – Return on Capital Employed (ROCE)	2.46%	Efficiency

Keelman Homes Limited**(a company limited by guarantee and not having a share capital)****Strategic Report****For the year ended 31 March 2022****Performance Indicators**

Service Area	Performance Indicator	Year End 2021/22 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%	84.62%	Performance down from previous year
Asset	Energy Efficiency: Average SAP rating of dwellings	77	77	Performance remains the same
Home Repairs	% of emergency (24 hrs), urgent (3 days) and routine (20 days) repairs completed within timescale	94%	81.93%	Performance down from previous year
Rent	Keelman Homes Rent collected from current tenants as a % of rent owed (excluding arrears b/f)	98%	100.78%	Performance up from previous year
Rent	Rent arrears of current tenants as a % of the rent roll due	4%	5.58%	Performance up from previous year
Voids	Rent lost through empty properties as a % of rent due	1%	1.75%	Performance down from previous year

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Compliance Performance Indicators

Performance Indicator	Year End 2020/21 Target	Year End 2020/21 Performance	Traffic Light
% Domestic Gas Servicing	100%	100%	
% Fire Risk Assessments - Landlord responsibility	100%	100%	
% Fire Risk Assessments Reviews – 2021/22	100%	100%	
% Asbestos Management Surveys (Communal)	100%	100%	
% Asbestos Management Surveys (Communal Reviews)	N/A	100%	
% Legionella Risk Assessments General Needs (GN)	100%	69.4%	
% 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%	100%	
% Domestic Stairlifts Service	100%	40%	

Achievement and performance

During the financial year ended 31 March 2022: -

- ASB - 13 cases in year. 11 acknowledged and actioned to within timescale. 2 cases were not actioned within timescale but investigations did begin.
- Repairs - Of the 819 repairs, 671 were completed within target with an overall performance of 81.93%.
- The overall performance is made up of the following priorities:
 - Emergency – 231 completed, 189 in target = 81.82%.
 - Urgent - 316 completed, 250 in target = 79.11%.
 - Routine - 272 completed, 232 in target = 85.29%.

Financial review

Financial Highlights 2021/22

Statement of Comprehensive Income	£000	Balance Sheet	£000	Creditors	£000
Annual Turnover	2,360	Fixed Assets	27,840	Loans (GMBC)	£16,322
Operating Costs	1,671	Cash at Bank 31.03.2022	1,057	Government Grants	£11,925
Surplus for the Year	29	Retained Earnings	203		

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

Gateshead Council (the 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. The Council collect the rent and any service charges associated with the Keelman Homes properties and Keelman Homes invoice the Council 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 the 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
Jennifer Elliot
Joseph Gardiner – Resigned 11/02/2022
Joanne Giles
Thomas Graham – Resigned 01/04/2021
Stuart Green
Thomas Sutton – Resigned 11/02/2022
Calum Willis
Alistair Wylie

Secretary Neil Bouch – Resigned 01/04/2021

Management Team Day-to-day management has been delegated
Gateshead Council

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 2022/23, plans are as follows: -

- Progress the stock options appraisal to identify a feasible option to ensure the long-term future of Keelman Homes
- 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
- Using the asset database of property elements and the financial business plan, develop a 5–10-year asset management strategy

Going Concern

The management agreement with Gateshead Council expires on 31 March 2023. Keelman Homes are currently engaged in discussions with a housing management provider to assess the feasibility and viability of changing service provider in the future. Gateshead Council are aware that Keelman Homes is reviewing its options and have extended their offer of support by offering a time extension to the current management agreement to beyond September 2023, if Keelman Homes requires this. By November 2022 it is anticipated that the assessment of options will conclude, and a new contract will be entered into ahead of financial year 23/24.

Auditor

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

By order of the Board.


Jason Wylie
Chair of Trustees

Civic Centre
Regent Centre
Gateshead
NE8 1JN

20th September 2022

Keelman Homes Limited

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Statement of trustees responsibilities

For the year ended 31 March 2022

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Keelman Homes Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- 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.

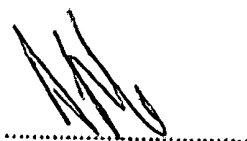
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the board on

20th September

2022 and signed on their behalf by:



Jason Wylie
Chair

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Audit Report
For the year ended 31 March 2022

Opinion

We have audited the financial statements of Keelman Homes Limited ("the charitable company") for the year ended 31 March 2022 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 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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. We draw attention to Note 1.3 in the Financial Statements which indicates material uncertainties around the future of Keelman Homes Limited.

The current management agreement with The Gateshead Council. expires in March 2023. We have reviewed evidence that The Gateshead Council have provided assurance, that they will continue to work with Keelman Homes and provide these services as they require and that this arrangement will extend past September 2023, if required by Keelman Homes Limited.

These events and conditions, along with other matters explained in note 1.3, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern

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

Audit Report
For the year ended 31 March 2022

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.

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 themselves. 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 matter 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.

Keelman Homes Limited

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

Audit Report

For the year ended 31 March 2022

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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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, Housing SORP 2018, 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:

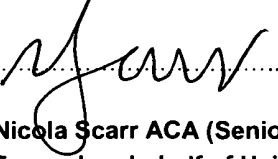
- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non compliance with laws and regulations;
- assessing the risk of management override including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

Keelman Homes Limited
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Audit Report
For the year ended 31 March 2022

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.

 27th September 2022
Nicola Scarr ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts North East Audit LLP

Chartered Accountant and
Statutory Auditor

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 2022**

		2022	2021
	Notes	£000	£000
Turnover	2	2,360	1,508
Operating costs		(1,671)	(997)
Operating surplus	3	689	511
Interest payable	4	(659)	(598)
Surplus/(deficit) before tax		30	(87)
Tax	5	(1)	(5)
Surplus/(deficit) for the year		29	(92)
Total comprehensive income for the year		29	(92)

All results derive from continuing activities.

The above income and expenditure should be read in conjunction with the accompanying notes.

The financial statements were approved by the trustees on 20 September 2022 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 2022

	Notes	2022 £000	2021 £000
Fixed assets			
Tangible assets	6	27,840	26,248
Current assets			
Debtors	7	348	367
Cash at bank and in hand		1,057	776
		<u>1,405</u>	<u>1,143</u>
Liabilities			
Creditors: amounts falling due within one year	8	(1,291)	(1,147)
Net current assets/ (liabilities)		<u>114</u>	<u>(4)</u>
Creditors: amounts falling due after one year	9	(27,751)	(26,070)
Net assets		<u>203</u>	<u>174</u>
Reserves			
Retained Earnings		<u>203</u>	<u>174</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees on 20 September 2022 and signed on their behalf by:


.....
Jason Wylie


.....
Joanne Giles

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

Statement of Changes in Reserves
As at 31 March 2022

	Retained Earnings
	£000
Balance at 1 April 2020	266
Surplus for year	(92)
Balance at 31 March 2021	174
Balance at 1 April 2021	174
Surplus for year	29
Balance at 31 March 2022	203

The Above statement of changes in equity should be read in conjunction with the accompanying notes.

Keelman Homes Limited**(a company limited by guarantee and not having a share capital)****Statement of Cashflows****As at 31 March 2022**

Notes		2022	2021
		£000	£000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	13	494	229
Cash flows from investing activities			
Purchase of tangible fixed assets	6	(2,062)	(2,520)
Proceeds from the receipt of government grants		646	592
Net cash provided by investing activities		(1,416)	(1,928)
Cash flows from financing activities			
Repayment of borrowings		(347)	(308)
Proceeds from new loan		1,550	2,200
Net cash used in financing activities		1,203	1,892
Change in cash and cash equivalents		281	193
Cash and cash equivalents at the beginning of the year		776	583
Cash and cash equivalents at the end of the year		<u>1,057</u>	<u>776</u>
Breakdown of cash and cash equivalents			
Cash at bank and in hand		<u>1,057</u>	<u>776</u>

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

Notes to the financial statements
For the year ended 31 March 2022

1. Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018, and with the Accounting Direction for private registered providers of social housing in England 2019. The financial statements are also prepared under the requirements of the Housing and Regeneration Act 2008 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency, and rounded to the nearest £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 have been prepared on a going concern basis which the trustees consider to be appropriate for the following reasons. The trustees 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.

The management agreement for the housing stock with Gateshead Council expires in March 2023. The Trustees have obtained assurance from the Gateshead Council that it will continue to work with Keelman Homes and provide these services as they require and the cost will not exceed the financial envelope set out in the Keelman Homes business plan and cashflow forecasts. This arrangement will extend past September 2023 if required by Keelman Homes.

Keelman Homes have obtained further assurance from the council that the loan agreements will be honoured with no early repayment requested, outside of the agreed payment schedule which is considered affordable for Keelman Homes.

As with any company placing reliance on other entities for financial support, the trustees 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 trustees 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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Notes to the financial statements

For the year ended 31 March 2022

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 at the point of legal completion. The remaining element of the shared ownership property is accounted for as a fixed asset. The second and subsequent tranches sold ('staircasing') are accounted for in administrative expenditure/operating income in the period in which the disposal occurs being the difference between the net sales proceeds and the net carrying value.

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

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.

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 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.

Government grants are recognised using the accrual model and are classified either as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the period in which related costs for which the grant is intended to compensate are recognised. Where a grant is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs, it is recognised as revenue in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Grants received for housing properties are recognised in income over the expected useful life of the housing property structure. Where a grant is received specifically for components of a housing property, the grant is recognised in income over the expected useful life of the component.

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**(a company limited by guarantee and not having a share capital)****Notes to the financial statements
For the year ended 31 March 2022****2. Turnover**

	2022	2021
	£000	£000
Rental and service charge income receivable	1,435	1,264
Management fee income	95	128
Amortisation of government grants	127	115
Shared Ownership Sales Income	703	1
	<u>2,360</u>	<u>1,508</u>

3. Operating surplus

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

	2022	2021
	£000	£000
Depreciation of owned tangible fixed assets	476	436
Amortisation of government grants and donated land	(127)	(115)
Auditor's remuneration		
- audit	13	12
- other services relating to taxation	2	2
	<u>2</u>	<u>2</u>

During the period, no Trustees received any benefits in kind (2021: nil) and no expenses were reimbursed to any Trustees.

The charitable company does not employ any staff directly. The management of homes is undertaken by Gateshead Council for a management fee as disclosed in note 10.

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

Notes to the financial statements
For the year ended 31 March 2022

4. Interest payable

	2022	2021
	£000	£000
Loans from Gateshead Council	659	598
	<u> </u>	<u> </u>

5. Taxation

Total tax expense recognised in the income and expenditure account

	2022	2021
	£000	£000
Current tax	1	5
	<u> </u>	<u> </u>

5.1. Reconciliation of the effective tax rate

	2022	2021
	£000	£000
Surplus/(Deficit)	586	(92)
Total tax expense	1	5
	<u> </u>	<u> </u>
Surplus/(Deficit) before tax	587	(87)
	<u> </u>	<u> </u>
Tax using the UK corporation tax rate of 19% (2021: 19%)	112	(17)
Tax exempt revenues	-	-
Non-deductible expenses	(111)	22
	<u> </u>	<u> </u>
Total expense included in the income statement	1	5
	<u> </u>	<u> </u>

Keelman Homes Limited
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Notes to the financial statements
For the year ended 31 March 2022

6. 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 2021	23,304	3,255	702	1,309	28,570
Additions	473	-	613	976	2,062
Transfers	1,261	-		(1,261)	-
At 31 March 2022	25,038	3,255	1,315	1,024	30,632
Depreciation					
At 1 April 2021	2,266	-	56	-	2,322
Charge for year	457	-	13	-	470
At 31 March 2022	2,723	-	69	-	2,792
Net book value					
At 31 March 2022	22,315	3,255	1,246	1,024	27,840
At 31 March 2021	21,038	3,255	646	1,309	26,248

The income, costs and surplus/deficit relating to the shared ownership properties amounts to £703k (2021 - £0), £563k (2021 - £0), £140k (2021 - £0), respectively.

6.1 Tangible assets

Number of units under management

	2022	2021
Under development at end of the year		
Rented units	10	19
Shared ownership units	-	5
Under management at end of the year		
Rented units	274	262
Shared ownership units	24	13

Keelman Homes Limited**(a company limited by guarantee and not having a share capital)****Notes to the financial statements****For the year ended 31 March 2022****7. Debtors**

	2022	2021
	£000	£000
Trade debtors	120	161
Amounts owed by related parties (see note 10)	228	206
	<u>348</u>	<u>367</u>

8. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Trade Creditors	4	6
Accruals	23	243
Loans from Gateshead Council	369	338
Amount owed to related parties(See note 10)	767	422
VAT	-	6
Corporation tax	1	5
Recycled capital grant fund	-	12
Government grants	127	115
	<u>1,291</u>	<u>1,147</u>

9. Creditors: Amounts falling due after one year

	2022	2021
	£000	£000
Loans from Gateshead Council	15,953	14,780
Government grants	11,798	11,290
	<u>27,751</u>	<u>26,070</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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Notes to the financial statements

For the year ended 31 March 2022

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.

Additional loan facilities were agreed with the Council during the year as follows:

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 £0.6m 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%.

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

Additional loan facilities were agreed with the Council during the year as follows:

An additional facility of £0.5m has been agreed in May 2021, and is repayable in equal half yearly instalments of £5,000 over 50 years from November 2021 and accrues interest at 3.3%.

An additional facility of £0.35m has been agreed in September 2021, and is repayable in equal half yearly instalments of £3,500 over 50 years from March 2022 and accrues interest at 3.16%.

An additional facility of £0.7m has been agreed in November 2021, and is repayable in equal half yearly instalments of £7,000 over 50 years from May 2022 and accrues interest at 3.19%.

Keelman Homes Limited

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Notes to the financial statements

For the year ended 31 March 2022

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

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 £2,776,600 relating to donated land (2021: £2,806,250)

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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Notes to the financial statements
For the year ended 31 March 2022

10. Related Parties and controlling party

The company has a close working relationship with The Gateshead Council due to previously being a subsidiary prior to becoming independent in 2014/15. The total expenditure incurred with The Gateshead Council during financial year 2021/22 was £284,568, and the total income received was £914,034. There was also creditors due to The Gateshead Council totalling £767,100 and a debtor amount of £227,703 at 31 March 2022.

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.

12. Financial instruments

	2022	2021
	£000	£000
Assets measured at cost less impairment		
Trade debtors	118	161
Liabilities measured at amortised cost		
Loans from Gateshead Council	16,322	15,118

Keelman Homes Limited
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Notes to the financial statements
For the year ended 31 March 2022

13. Cash from operating activities

	2022	2021
	£000	£000
Deficit for the year	29	(92)
<i>Adjustment for:</i>		
Depreciation and amortisation	470	436
Interest payable and similar charges	659	598
Deferred government grant	(127)	(115)
Taxation	1	5
	1,032	832
	<hr/>	<hr/>
Decrease/(increase) in trade and other debtors	21	(40)
Increase/(decrease) in trade and other creditors	101	40
Interest paid	(659)	(598)
Tax paid	(1)	(5)
	<hr/>	<hr/>
Net cash from operating activities	494	229
	<hr/>	<hr/>