

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 2024

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

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**For the year ended 31 March 2024**

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**Strategic report**  
**For the year ended 31 March 2024**

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**Report of the Board**

The Board present their report and financial statements for the period ended 31 March 2024.

**Principal activities**

The principal activity of the company is development of affordable housing and (as registered provider for affordable housing) carrying out landlord duties. The company contracts with delivery partners to increase the levels of affordable housing within the Gateshead area and has entered into a partnership with Karbon Solutions to deliver housing management services to existing homes and tenants.

At 31 March 2024 the portfolio included:

- 188 new build properties.
- 120 properties acquired as part of an Empty Homes Purchase and Repair (EHPaR) Programme.

There was no development activity in 2023/24 while the company focused on asset management of its existing stock, with a view to developing an investment programme to improve existing homes, and ensure all homes reach EPC rating C by 2030.

Former Developments

New Build schemes:

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)  
Bleach Green (sales name 'High View') – 27 dwellings (12 affordable rent, 11 shared ownership, 4 rent to buy)

EHPaR (refurbished properties)

120 homes have been brought back into use across the Metropolitan Borough of Gateshead.

**Our aims and objectives**

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

(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;

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**Strategic report**

**For the year ended 31 March 2024**

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(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 affordable rent 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**

Every year we reflect and self-assess our achievements against the company aims and objectives, and during a Board Strategy Planning day we develop our plans for the forthcoming years, ensuring the aims and objectives are being fulfilled.

**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.

**Corporate governance**

The company is a limited by guarantee without any share capital.

The company adopts the principles of the NHF 2020 Code of Governance relative to an organisation of its size and structure.



## **Keelman Homes Limited**

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### **Strategic report**

**For the year ended 31 March 2024**

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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 current Board membership includes 6 Trustees, which is suitable for all current activity.

The Board complies with the rules as set out in the Articles of Association, and an internal governing document referred to as standing orders.

The Board act in the interests of Keelman Homes Limited and not on behalf of any other interest group.

The Board 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.

### **Compliance with the Regulatory Framework**

As a Registered Provider, Keelman Homes must comply with rules set out by the Regulator of Social Housing. There were no regulatory interventions during the year, and we continue to operate within the standards set out by RoSH.

### **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 of one individual nominated by Gateshead Council and seven individuals appointed through a selection process as ordinary Trustees. The Board skills are captured on a skills matrix which helps with finding the right candidate when recruiting for a new Trustee.

Under the 2020 NHF Code of Governance, Trustees should serve no more than 6 consecutive years on a Board – at Keelman this equates to two terms of office. By exception, Trustees can remain on the board for a third and final term, serving up to 9 years, where the Board agrees that it is in the best interest of the company and following an appraisal of the member.

### **Organisational structure**

The Trustees meet quarterly and are responsible for all decisions taken by the company.

The company employs a Managing Director and Financial Controller to oversee the day-to-day running of the company. The Managing Director is also appointed as Company Secretary and the Authorised Representative.

Until the 30 June 2023, homes were managed by Gateshead Council under a Management Agreement.

From 1<sup>st</sup> July 2023, Keelman Homes began working in partnership with Karbon Homes, and joined their cost sharing group Karbon Solutions, taking one share of the company. Karbon began delivering most Keelman Homes front line tenant services post June 2023.

### **Recruitment and development of staff**

The quality and integrity of staff are essential for maintaining good internal control. Staff policies are set out in a Keelman Homes staff handbook and the structure of the staffing arrangements are always under review to ensure effective running of the company.

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**Strategic report**  
**For the year ended 31 March 2024**

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**Related parties**

The Charity is guided by the Charities Act and Companies Act and is guided by both National and Local Policy.

For the first quarter of this financial year Gateshead Council acted as a managing agent for Keelman Homes in its day-to-day operations.

From Q2-Q4 operational management of Keelman homes and residents was transferred to Karbon.

One member of key management personnel of Keelman Homes is a related party – a declared interest is known to the Board.

The Board considers that the systems of internal control are effective and appropriate.

**Risk Management**

The Board assess, and mitigates as appropriate, the following key strategic risks:

- Effective management of the company's finances
- Effective delivery of new build and existing investment projects
- Effective delivery of asset management
- Effective management of business continuity
- Effective management of corporate governance
- Monitoring of changing government policy and effective delivery of the business model if policy changes impact the company
- Impact on rent income due to Universal Credit and Welfare Reform
- Sourcing funding to support the company activities
- Achieving good value for money
- Effectively maintaining positive relationships with partners
- Effectively concluding a strategic options appraisal for longer-term management of Keelman Homes existing housing stock
- Effective development and delivery a strategic forward plan
- Effective controls to manage increased costs of services, labour and materials (introduced during 'cost of living crisis')

The risks are reviewed quarterly in accordance with the risk management policy. The risk management policy was reviewed in 2023/24 and is reviewed every three years or sooner if appropriate.

**Policies on Internal Control**

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

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**Strategic report**  
**For the year ended 31 March 2024**

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**Reports to the Board**

- Strategic Risks are discussed at every meeting.
- Performance is measured against agreed KPI targets at every meeting.
- Compliance of the safety of our homes is measured against KPI's at every meeting.
- Tenant feedback is presented to Board annually, and includes management information which relates to the decency of our homes and number of complaints received each year.
- Budgets are set before the beginning of each financial year and agreed annually in advance. Update reports on income and expenditure are presented to the Board quarterly, assessing YTD and quarterly actuals against forecast expenditure.
- Risk is considered as part of every report presented and covers implications for the customer (Keelman tenant/leaseholders), company finance, health and safety, impact on investment/asset management/delivery of new homes, legal or regulatory, EDI, company reputation.

**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 maintaining our existing homes and building more affordable homes.

We recognise that value for money (VfM) 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 2023/24 based upon the Housing Regulator's VfM Standard for smaller Registered Providers:



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**Strategic Report**  
For the year ended 31 March 2024

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<b>Metric</b>	<b>Result</b>	<b>VfM Measure</b>
Metric 1 - Reinvestment	0.47%	Efficiency
Metric 2a – New Supply (Social)	0.00%	Effectiveness
Metric 2b – New Supply (Non-Social)	0.00%	Effectiveness
Metric 3 – Gearing	56.08%	Efficiency
Metric 4 – EBITDA MRI Interest Rate Cover	106.06%	Efficiency
Metric 5 – Headline Social Housing Cost per Unit	£4,487	Economy
Metric 6a – Operating Margin (SHL)	31.16%	Efficiency
Metric 6b – Operating Margin (Overall)	28.19%	Efficiency
Metric 7 – Return on Capital Employed (ROCE)	1.91%	Efficiency

**Financial review**

Financial Highlights 2023/24

<b>Statement of Comprehensive Income</b>	<b>£000</b>	<b>Balance Sheet</b>	<b>£000</b>	<b>Creditors</b>	<b>£000</b>
Annual Turnover	1,822	Fixed Assets	26,907	Loans (GMBC)	15,583
Operating Costs	1,308	Cash at Bank 31.03.2024	233	Government Grants	11,683
Deficit for the Year	(154)	Retained Earnings	113		

**Principal funding sources**

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

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

**Reserves policy**

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

**Future plans**

The company's overall vision, mission and three main strategic priorities, which supports what the company was set up to do and reflects our Articles of Association.

Our vision is to build a better Gateshead.

Our mission is to provide quality affordable homes.

Our priorities are:

1. our customers – we strive to achieve high levels of customer satisfaction.

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**Strategic Report**  
**For the year ended 31 March 2024**

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2. to deliver quality affordable homes – through our asset management for existing homes, and building new homes as part of an affordable homes development programme.
3. to remain well governed and financially strong.

Our values are:

1. We care about our customers - We are passionate about our social purpose. We understand pressures faced by everyday people in Gateshead and we do what we can to help improve their lives.
2. We value quality - We want our customers to feel proud of their home by making sure homes are well maintained and new homes are delivered to high standards.
3. We are focused on affordability - We strive to achieve good value for money, making money go further by choosing carefully where to focus our spending.
4. We are trustworthy - We are a trusted and professional partner, committed to delivering on our priorities and promises.
5. We are ambitious - We are ambitious and we embrace new opportunities to improve our offer to customers and staff.
6. We are mindful of the environment - We aim to do our bit for the planet by considering the impact our decisions have on the environment and we try to reduce our CO2 footprint.

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.

**Going Concern**

The financial statements have been prepared on a going concern basis.

An impairment is shown in the accounts at year end which is due to a known defect effecting some of our new build homes which are still within their structural warranty. The assets affected have been fully written down in the financial year.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and CLA Evelyn Partners (formally known as Haines Watts) will therefore continue in office.

By order of the Board.



**Tom Winter**  
*Trustee*

Offices 19-20,  
Gateshead International Business Centre  
Mulgrave Terrace,  
Gateshead,  
NE8 1AN

2023



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**For the year ended 31 March 2024**

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**Reference and administrative details**

**Charity Reference Number** 1133321

**Company Reference Number** 06972673

**Registered Provider Number** 4647

**Registered Address** Offices 19-20  
Gateshead International Business Centre  
Mulgrave Terrace  
Gateshead  
NE8 1AN

**Directors** Joanne Giles  
Tom Winter  
Christopher Buckley – Appointed 30 July 2024  
Marc Edwards – Appointed 16 November 2023  
Rhiannon Piasecki – Appointed 16 November 2023  
Alistair Wylie – Resigned 19 September 2024  
Jennifer Elliot – Resigned 12 May 2023  
John Adams – Resigned 30 July 2024  
Scott Robinson – Resigned 15 April 2024  
Iftekar Alom – Resigned 26 January 2024

**Secretary** Anne-Marie Pearce

**Auditor** CLA Evelyn Partners Limited  
17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN

**Banker** The Co-operative Bank  
131-135 Northumberland Street  
Newcastle upon Tyne  
NE1 7AG

**Solicitor** Weightmans LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

**Keelman Homes Limited**  
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**Statement of trustees responsibilities**  
**For the year ended 31 March 2024**

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**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;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice, including Charities Act 2018 have been followed
- 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 19/09/2024 and signed on their behalf by;



**Tom Winter**  
*Trustee*

## **Keelman Homes Limited**

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### **Audit Report**

**For the year ended 31 March 2024**

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#### **Opinion**

We have audited the financial statements of Keelman Homes Limited ("the charitable company") for the year ended 31 March 2024 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 2024, 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 Charities Act 2018, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing in England 2022.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to Going Concern**

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

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

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

#### **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



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**Audit Report**  
**For the year ended 31 March 2024**

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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.

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.

**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.

**Audit Report**  
**For the year ended 31 March 2024**

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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;
- review board minutes for any potential indicators of non compliance with laws and regulations; and
- 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

 30.9.24

**Nicola Scarr ACA (Senior Statutory Auditor)**  
**For and on behalf of CLA Evelyn Partners Limited**

**Chartered Accountant and**  
**Statutory Auditor**

17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN



**Keelman Homes Limited**  
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**Statement of Comprehensive Income**  
**For the year ended 31 March 2024**

		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>
Turnover	<b>2</b>	1,822	1,778
Operating costs		( 1,308 )	( 1,231 )
<b>Operating surplus</b>	<b>3</b>	<u>514</u>	<u>547</u>
Interest payable	<b>6</b>	( 668 )	( 673 )
<b>(Deficit)/Surplus before tax</b>		<u>( 154 )</u>	<u>( 126 )</u>
Tax	<b>7</b>	1	14
<b>(Deficit)/Surplus for the year</b>		<u>( 153 )</u>	<u>( 112 )</u>
<b>Total comprehensive income for the year</b>		<u><u>( 153 )</u></u>	<u><u>( 112 )</u></u>

All activities are continuing.

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

The financial statements were approved by the trustees on 19/09/2024 and signed on their behalf by:

  
Rhannon Piasecki



Tom Winter

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**Statement of Financial Position**  
**As at 31 March 2024**

	Notes	2024 £000	2023 (as restated) £000
<b>Fixed assets</b>			
Tangible assets	9	26,907	27,352
<b>Current assets</b>			
Debtors	10	524	641
Cash at bank and in hand		233	573
		<u>757</u>	<u>1,214</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	11	( 783 )	( 1,083 )
<b>Net current assets/ (liabilities)</b>		<u>( 26 )</u>	<u>131</u>
Creditors: amounts falling due after one year	12	( 26,768 )	( 27,217 )
<b>Net assets</b>		<u>113</u>	<u>266</u>
<b>Reserves</b>			
Income & Expenditure Reserve		<u>113</u>	<u>266</u>

The accompanying notes form part of these financial statements.

The financial statements were approved by the trustees on 19/09/2024 and signed on their behalf by:

  
R. Piasecki

  
Tom Winter

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**Statement of Changes in Reserves**  
**For the year ended 31 March 2024**

	<b>Income &amp; Expenditure Reserve (as restated) £000</b>
Balance at 1 April 2022 (as restated)	378
Deficit for year	( 112 )
<b>Balance at 31 March 2023 (as restated)</b>	<u>266</u>
Balance at 1 April 2023	266
Deficit for year	( 153 )
<b>Balance at 31 March 2024</b>	<u><u>113</u></u>

The above statement of changes in reserves should be read in conjunction with the accompanying notes.

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**Statement of Cashflows**  
**As at 31 March 2024**

	Notes	2024 £000	2023 £000
<b>Cash flows from operating activities</b>			
<i>Net cash (used in)/provided by operating activities</i>	16	171	( 139 )
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	9	( 142 )	( 42 )
Proceeds from disposal of tangible fixed assets		-	55
Proceeds from the receipt of government grants		-	11
<i>Net cash provided by investing activities</i>		( 142 )	24
<b>Cash flows from financing activities</b>			
Repayment of borrowings		( 369 )	( 369 )
Proceeds from new loan		-	-
<i>Net cash used in financing activities</i>		( 369 )	( 369 )
<b>Change in cash and cash equivalents</b>		( 340 )	( 484 )
Cash and cash equivalents at the beginning of the year		573	1,057
<b>Cash and cash equivalents at the end of the year</b>		233	573
<b>Breakdown of cash and cash equivalents</b>			
Cash at bank and in hand		233	573

**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**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 2022. The registered provider is a public benefit entity registered in the UK.

The financial statements comply with 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 thousand.

**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 company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Board on pages 2 to 9.

The previous management for the housing stock with Gateshead Council expired at the end of June 2023, but a new five-year management agreement was signed in June 2023 with Karbon Homes, and this took effect from Monday 3 July 2023.

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.

**1.4 Turnover**

Turnover comprises rental income receivable in the year, income from shared ownership first tranche sales, sales of properties built for sale and grants receivable in the year.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids. Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the sale.

**1.5 Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.



**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**1.6 Housing properties**

Housing properties are recorded at cost less accumulated depreciation and impairment. Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed. The cost of a property includes purchase price and any costs directly attributable to bringing it into working condition for the intended use.

Expenditure on shared ownership properties is split proportionally between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover, and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Housing properties are split under component accounting between land, structure and a specific set of major component that require replacement periodically. Replacement of such components is capitalised and depreciated on a straight line basis over the estimated useful life of components 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
Land	-	Not depreciated

Housing properties are assessed annually for impairment indicators. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's (CGU) carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the association, its recoverable amount is its fair value less costs to sell

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

**1.7 Other tangible fixed assets**

Other fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation is charged on a straight line basis.

IT Equipment	-	3 years
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**Notes to the financial statements**  
**For the year ended 31 March 2024**

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**1.8 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.

**1.9 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.

Government grants received for housing properties are subordinated to the repayment of loans by agreement with the Homes England. Government grants released on sale of a property may be repayable but are normally available to be recycled and are credited to a Recycled Capital Grant Fund and included in the statement of financial position in creditors. If there is no requirement to recycle or repay the grant on disposal of the asset, any unamortised grant remaining within creditors is released and recognised as income in income and expenditure.

**1.10 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**  
(a company limited by guarantee and not having a share capital)

**Notes to the financial statements**  
**For the year ended 31 March 2024**

**2. Turnover**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Rental and service charge income receivable	1,665	1,557
Other income	30	-
Amortisation of government grants	127	127
Shared Ownership Sales Income	-	94
	<u>1,822</u>	<u>1,778</u>

**3. Operating surplus**

The operating surplus is arrived at after charging/(crediting):

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Depreciation of owned tangible fixed assets	464	465
Impairment of owned tangible fixed assets	107	-
Amortisation of government grants and donated land	( 127 )	( 127 )
Auditor's remuneration		
- audit	16	15
- other services relating to taxation	2	2
	<u>          </u>	<u>          </u>

**4. Trustees' and key management personnel remuneration and expenses**

During the period, no Trustees received any benefits in kind (2023: nil) and no expenses were reimbursed to any Trustees.

The total amount of employee benefits received by key management personnel was £60,818 (2023: £48,318 ). The company considers its key management personnel to comprise non-trustees who directly contribute to the board meetings.

**5. Staff costs and employee benefits**

The average number of employees during the year was 3 (2023: 1)

The total staff costs and employee benefits were as follows:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Gross wages	131	53
NI contributions	10	6
Pension contributions	3	-
	<u>144</u>	<u>59</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 2024**

**6. Interest payable**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Loans from Gateshead Council	668	673
	<u>          </u>	<u>          </u>

**7. Taxation**

Total tax expense recognised in the income and expenditure account

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Current tax	( 1 )	( 14 )
	<u>          </u>	<u>          </u>

**7.1. Reconciliation of the effective tax rate**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
(Deficit)/Surplus	( 153 )	( 112 )
Total tax (credit)/ expense	( 1 )	( 14 )
	<u>          </u>	<u>          </u>
(Deficit)/Surplus before tax	( 154 )	( 126 )
	<u>          </u>	<u>          </u>
Tax using the UK corporation tax rate of 19% (2023: 19%)	( 29 )	( 24 )
Tax exempt revenues	-	-
Non-deductible expenses	28	10
	<u>          </u>	<u>          </u>
Total (credit)/expense included in the income statement	( 1 )	(14 )
	<u>          </u>	<u>          </u>

**8. Prior year adjustment**

A prior year adjustment has been identified in relation to errors relating to interest paid and interest due per the loan agreement during the period of FY17/18 and FY19/20. This has led to an over accrual of £175k.

The impact on the above on the 2023 financial statements is as follows:

**Statement of comprehensive income**

No impact on the deficit within 2023.



**Keelman Homes Limited**  
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**Notes to the financial statements**  
**For the year ended 31 March 2024**

**Statement of financial position**

The restatement of prior year has resulted in an increase of opening 2023 reserves of £175,000 taking them from £203,000 as previously reported, to £378,000 after restatement.

Accruals in 2023 have reduced by £175,000 from £684,000 as previously reported, to £509,000 after restatement.

**9. Tangible fixed assets**

	Housing Properties £000	Land £000	Shared Ownership Housing Properties £000	Housing Properties Under Construction £000	Office Equipment £000	Total £000
<b>Cost</b>						
At 1 April 2023	25,974	3,255	1,253	48	3	30,533
Additions	74	-	55	-	13	142
Disposals	( 29 )	-	-	-	( 1 )	( 30 )
At 31 March 2024	26,019	3,255	1,308	48	15	30,645
<b>Depreciation</b>						
At 1 April 2023	3,105	-	75	-	1	3,181
Charge for year	447	-	13	-	4	464
Eliminated on disposal	( 14 )	-	-	-	-	( 14 )
Impairment charge	107	-	-	-	-	107
At 31 March 2024	3,645	-	88	-	5	3,738
<b>Net book value</b>						
At 31 March 2024	22,374	3,255	1,220	48	10	26,907
At 31 March 2023	22,869	3,255	1,178	48	2	27,350

The income, costs and surplus/deficit relating to the shared ownership properties amounts to £nil (2023 - £94k), £nil (2023 - £56k), £nil (2023 - £38k), respectively.



**Keelman Homes Limited**  
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**Notes to the financial statements**  
**For the year ended 31 March 2024**

**9.1 Housing Properties**

Number of units under management

	<b>2024</b>	<b>2023</b>
<b>Under development at end of the year</b>		
Rented general need housing units	-	-
Shared ownership units	-	-
<b>Under management at end of the year</b>		
Rented general need housing units	284	284
Shared ownership units	24	24
	<u>284</u>	<u>284</u>

**10. Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	78	243
Prepayments and accrued income	446	384
Corporation tax	-	14
	<u>524</u>	<u>641</u>

**11. Creditors: Amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Trade Creditors	58	30
Accruals	225	509
Loans from Gateshead Council	369	369
Other tax and social security	4	-
Government grants	127	175
	<u>783</u>	<u>1,083</u>

**12. Creditors: Amounts falling due after one year**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Loans from Gateshead Council	15,213	15,583
Government grants	11,555	11,634
	<u>26,768</u>	<u>27,217</u>

**Keelman Homes Limited**  
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**Notes to the financial statements**  
**For the year ended 31 March 2024**

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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%.

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 was 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 was 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 was 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%.

An additional facility of £7m was 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 was 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 was 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 was 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 was 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%.

An additional facility of £0.5m was 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%.

**Keelman Homes Limited**  
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**Notes to the financial statements**  
**For the year ended 31 March 2024**

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An additional facility of £0.35m was 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 was 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%.

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

**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 was 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.

**13. Related Party Transactions**

During the financial period up until 3 July 2023, the company had a close working relationship with Gateshead Council due to previously being a subsidiary prior to becoming independent in 2014/15.

The total expenditure incurred with Gateshead Council during financial year 2023/24 was £218,094, and the total income received was £598,091. There were also creditors due to Gateshead Council totalling £634 and a debtor amount of £77,935 at 31 March 2024.



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**Notes to the financial statements**  
**For the year ended 31 March 2024**

From 3 July 2023, the Company are a member of Karbon Homes cost saving group and have a share in this group. The total expenditure incurred with Karbon Homes during 2023/24 was £282,251, and the total income received was £78,925. There were also creditors due to Karbon totalling £42,725 and a debtor amount of nil at 31 March 2024.

A member of key management personnel is resident in a rent to buy property owned by the Company during the current and previous year. The total income received during the financial year 2023/24 was £7,325 and total expenditure incurred was £nil. There was no creditor or debtor due at 31 March 2024.

**14. Contingent liabilities**

The company is potentially subject to repairs costs in relation to damaged roofs on the Kibblesworth development. Due to the ongoing nature of the claims by tenants and the complexity surrounding quantifying the repairs, it is currently impracticable to provide a reasonable estimate of this contingent liability. In the event of a cash outflow for any repair costs, there is also the possibility of reimbursement from a third party.

**15. Financial instruments**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Assets measured at cost less impairment</b>		
Trade debtors	78	243
<b>Liabilities measured at amortised cost</b>		
Loans from Gateshead Council	15,582	15,952

**16. Cash from operating activities**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Deficit for the year	( 153 )	( 112 )
<i>Adjustment for:</i>		
Depreciation and amortisation	464	468
Impairment of fixed assets	107	-
Loss on disposal of fixed assets	17	6
Interest payable and similar charges	669	673
Deferred government grant	( 127 )	( 127 )
Taxation	( 1 )	( 14 )
	<b>976</b>	<b>894</b>
Decrease/(increase) in trade and other debtors	117	( 293 )
(Decrease) in trade and other creditors	( 252 )	( 81 )
Interest paid	( 669 )	( 673 )
Tax paid	( 1 )	14
<b>Net cash from operating activities</b>	<b>171</b>	<b>( 139 )</b>