

**BELLE ISLE
TENANT MANAGEMENT ORGANISATION LIMITED**

Report and Financial Statements

for the year ended 31 March 2022



**BELLE ISLE
TENANT MANAGEMENT ORGANISATION LIMITED**

Reports and Financial Statements for the Year Ended 31 March 2022

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BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Organisation Information
31 March 2022

Financial Conduct Authority registered number 29817R

Registered Office

Aberfield Gate
Belle Isle
Leeds
LS10 3QH

Management Committee ("the Board")

Board members who served during the year:

Leon Kirkham	Chairperson	Elected Member
Jean Burton	Secretary/ Vice Chair	Elected Member re-elected 30.9.21
Sharafath Ghafiri	Treasurer/ Vice Chair	Elected Member
Councillor Judith Blake		Co-opted Member to 30.9.21
Councillor Paul Truswell		Co-opted Member
Councillor Sharon Burke		Co-opted Member from 30.9.21
Harry Austin		Elected Member from 30.9.21
Margaret Brown		Co-opted Member
Lisa Caley		Elected Member
Iris Crummack		Elected Member
Ashley Knowles		Co-opted Member
Michelle Lyons		Elected Member to 30.9.21
Lamin Makalo		Elected Member from 30.9.21
Kay-Lee Marshall		Elected Member from 30.9.21
Tracey Morris		Elected Member
John Oddy		Elected Member from 30.9.21
Julie Rhodes		Elected Member re-elected 30.9.21
Beverley Walker		Elected Member to 3.2.22

Chief Executive & Company Secretary

Deborah Kelly

External Auditor

Beever & Struthers
St Georges House
215-219 Chester Road
Manchester
M15 4JE

Bankers

NatWest Bank PLC
8 Park Row
Leeds
LS1 1QS



The Board of Belle Isle TMO (BITMO) presents its report and the audited financial statements for the year ended 31 March 2022

BITMO is a unique local provider of quality housing services in Leeds, with a strong community base, exceptional colleagues and customers who want BITMO to add real value to the people who live in Belle Isle.

We are committed to delivering long term sustainable community benefits in Belle Isle and providing Leeds City Council with a cost-effective way of delivering services.

1. Message from the Chief Executive

Annual Review 2021/22

BITMO continues to be a financially viable, sustainable model to provide landlord services to the residents of Belle Isle. We have a can-do proactive and positive reputation. We are driven to do the best thing for the customer, and to operate within a clear performance framework. We have achieved a good deal in the last 12 months which we are proud of.

During the last year we have strengthened our management team and are seeing the benefits of that with clearer decision making and operational delivery; and added strength on our board with the recruitment of new members. We have a new resident involvement policy that is strengthening the customer voice. We are confident that this will be used to ensure that resident influence better shapes our service priorities for the future. We continue with our business mission to build a safer stronger Belle Isle through delivery of our 5 year plan. We are proud of our work in reducing indebtedness within our community, having recovered £160k in unclaimed financial support for vulnerable households. This work sets us out from the crowd and has been achieved by implementing a more proactive approach to debt management and advice and support for customers. We are doing more work with third sector partners and to create employment and volunteering opportunities.

As we began this financial year we hoped that the impact of Covid 19 on BITMO's operational performance, and our customers was waning, but that did not prove to be the

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case. We are still dealing with the fallout of the pandemic and are doing all we can to support our community through very difficult times.

Across the whole of the UK the impacts of Covid 19 will be far reaching; with more people suffering income, food and fuel poverty. There will continue to be a significant shortfall of social and affordable housing, leading to very noticeable ongoing increases in homelessness; the inability of younger people to live independently and a private rental sector increasingly unwilling to house those on lower incomes. Building a Safer Stronger Belle Isle means that we have to face the issues our community face, head on.

Health services are under immense pressure; both primary care (GP services) and secondary care (hospitals); are struggling to meet demand and performance targets. Mental health is an increasing concern among our community; with significant workdays lost each year to stress and mental health conditions, and mental health problems being a major barrier to securing employment. We see the impacts of poor mental health on customer behaviour such as neighbour issues and anti-social behaviour regularly. Domestic violence has been increasing during Covid 19; and can be more enduring in social housing; poverty and stress can exacerbate this. The old challenges are becoming increasingly complex to address. There are increased safeguarding issues in our community and concerns about targeted manipulation and harm for both younger and older people. We are aware of and alert to the negative impact that adverse childhood experiences can have on people throughout their lives. Recent data from Public Health England identifies that life expectancy in Belle Isle is on average, 7 years shorter than in the wealthier neighbourhoods in this country, and that there is also a 14-year difference in healthy life expectancy (i.e. the number of years we can expect to enjoy free of health problems). This all paints a very challenging picture of life in Belle Isle.

Our work on addressing the Health Needs Assessment is focused on helping residents to access healthcare through our digital health initiative. Our focus on poverty has seen the Board commit to providing meals and food packages to residents. We have re-opened our Community Resource Centre (The GATE) to play an active role as a significant stakeholder in this community in the well-being of our residents. There is more we can do. I am confident that the Board will continue to choose to make a positive impact in the community where we work, and for the people we serve.

2. Performance

Operational performance has continued to be challenging because of backlogs caused by the pandemic, and ongoing labour and materials shortages that make carrying out repairs and investment work more complex.

Rental income maintained its former level but this is a considerable achievement given the challenges faced. Delays in reletting properties has affected our revenue, and we are not past the pressures of this yet.

Key performance indicators were as follows:

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KPI	2019-20	2020-21	2021-22
Customer satisfaction (repairs)	100%	No surveys during pandemic	99% (restricted)
Capital Investment programme completed (100% for the year)	97%	86%	100%
All homes have a current gas safety certificate (Sayes KPI)	100%	100%	99%
Number of properties with a Gas safety certificate overdue >3 months	0.00%	0.00%	0 (0.00%)
Fire Safety inspections to communal areas	100%	100%	100%
Annual secondary footpath inspection (100% per year)	100%	100%	100%
Percentage of rent collected (Cumulative)	95.7%	96.5%	96.1%
Percentage of rent owed	4.1%	3.5%	3.4%
Amount of rent owed	283k	244k	247k
Number of Household Supported with Financial Hardship	75	74	103
Additional income generated for customers	£37k	£57k	£166k
Number of complaints received	43	27	32
Number of complaints at final stage	4	1	5
Number of complaints referred to the Ombudsman	2	0	0
Number of empty properties (voids) at period end	11	22	30

Overall performance has been good and improving. Like many social housing providers we are looking forward to achieving stability in our operating environment and achieving the highest levels of performance and customer satisfaction.

The Board and I want to express our deep appreciation of the people who make our success possible. BITMO staff at every part of the organisation go above and beyond to support the Belle Isle community and demonstrate continually that the benefits of tenant leadership and customer focus make a difference on the ground.

3. Principal Activities

Belle Isle Tenant Management Organisation's (BITMO's) principal activities are the provision, maintenance and management of housing and associated amenities for the benefit of the Belle Isle Estate. During 2021-22 these activities were organised into the following front-line areas of work:

- Repairs, Maintenance and Investment – ensuring that housing stock is maintained to a high level, that infrastructure works well and that works are done in a timely and efficient manner.
- Lettings, Tenant and Sheltered Services – making sure that vacant properties are kept to a minimum, that tenant queries are dealt with effectively and that residents in sheltered housing are properly cared for.
- Tenancy and Income Management – dealing with tenancy issues and rent collection on behalf of Leeds City Council (Leeds CC).
- Community and Tenant Support – providing outreach services and events to improve the lives of residents (particularly through our Gate community facility).

4. Objects & Mission

Belle Isle Tenant Management Organisation (BITMO) is the largest estate-based TMO in the country, outside of London. It is a locally based organisation, run by tenants for tenants - and is responsible for managing some 1,850 of Leeds City Council houses and other estate management services in the Belle Isle area of Leeds.

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Belle Isle has, for over 25 years, been at the forefront of resident-led service delivery In Leeds. It is an independent organisation owned by its 'shareholding members'. That means anyone who is a tenant of a Leeds City Council property in the BITMO management area can be a shareholder - and shares cost just ten pence.

The Objects of Belle Isle TMO (BITMO) are: *'For the benefit of the community in the Belle Isle Estate, to carry on the business of providing, maintaining and managing housing and associated amenities and activities within the area of benefit'*. It is a Public Benefit Entity, in that it provides services for the community of the Estate.

5. Strategic Review

The Strategic Plan 2019-25 is considered by the Board to be fit for purpose. A mid-term review will be conducted during 2022.

The organisation has long identified with three core aims, which are to:

- Maintain a **well-run organisation** that is led by tenants and is open, transparent and financially viable
- Provide **high quality services** that focus on the organisation's key functions as well as other areas
- Build a **stronger and safer community**.

These aims permeate all of BITMO's activities and continue to be applicable.

To achieve these aims, work would focus focuses on five main themes:

(i) Continuous Improvement - Getting the basics right. A programme of service reviews has been conducted and training provided as part of the development programme for the organisation. We are equipping our staff to act make a difference in our community

(ii) Our Green Agenda – continues to be a major focus of how we conduct our day to day business and how we invest in our community. Further trees have been planted around the estate as part of an ongoing programme. Thermal efficiency surveys have been conducted in advance of a major insulation programme.

(iii) Digital Enablement

We continue to digitally enable colleagues and customers through:

- Increasing digital skills in house (training courses via Leeds CC training platform).
- Digital skills courses (free loan android tablets and training given to residents).
- Digital mentors (participation in the Diana Award mentoring scheme).
- Increased digital communication with service users.

(iv) Empowering our Community

Meeting Community needs improving outcomes in health, work, and money:

- Remobilisation of many outreach activities re work, money and health in the GATE area.
- Launch of our Community Fund programme with help for those needing training or facing hardship as well as enhancing the estate.
- Aid to service users to claim entitlements.
- Increasing focus on the cost of living crisis and ways to mitigate its impact .

(v) Developing our People

To ensure that BITMO people are empowered engaged and enabled. Wellbeing continues to be a central theme of staff development during 2021-22. Mental Aid First Aiders have continued to aid well-being through various mechanisms including walks and advice.

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Training has been provided on new customer care and housing management systems. Staff have been allocated time for development of voluntary activities.

We believe strongly in People, Service and Community.

6. Volunteers

Belle Isle TMO is very fortunate to be able to utilise the skills and experience of a significant number of volunteers. This includes persons who act in a trustee capacity of the BITMO Board, as well as people who volunteer to help run and support a variety of training courses, sessions and workshops in the GATE.

Many activities were re-introduced during 2021-22 as Covid-19 restrictions have been lifted. This is giving an even greater opportunity for tenants and residents to gain skills for personal development.

7. Priorities going forward

Essential front line services remain the focus of attention, fulfilling our main operational objectives in pursuit of the current strategy.

A hybrid way of operating, with some remaining home working, has been adopted and is working effectively. Emphasis is on cross-team working wherever possible to produce a workforce which is agile and content. A staff survey conducted during the year has led to the establishment of a working group to further explore enhancements to working practices and staff satisfaction levels.

A Finance Committee has also been established to help develop a longer term financial strategy as well as examine ways in which funds can be effectively utilised to both enhance the estate and peoples lives in difficult financial circumstances.

A major procurement process will be initiated during 2022 in order to secure an efficient gas service contact for the next five years.

Work continues to build provision of even more efficient local services which will benefit local tenants, the wider community and the environment.

8. Financial review

8.1 Statement of Comprehensive Income (including Income & Expenditure Account)

Operational performance

Total operational income for the year amounted to £3,416k (2020-21 £3,282k), an overall increase of £134k (4%).

Income is derived primarily from a management fee from Leeds City Council (LCC) which is agreed in advance each year. Close liaison is maintained with LCC with regular meetings to report operational performance and discuss important issues.

A decrease in the management fee received from Leeds City Council of £98k for the year 2021-22 was made necessary by enforced efficiency funding cuts within the Council. The funding formula relating to the Management Agreement between LCC and BITMO meant that such a reduction needed to be applied. The BITMO Board took positive steps to ensure that front line services were not diminished by this reduction in funding.

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A reduction in non-domestic rates was achieved during the year, along with a backdated rebate of £196k. This was due to the not-for-profit nature of our work and the positive impact of our outreach work in the community.

Funds were also secured to aid our digital enablement programme and to fund some government funded Kickstart employment posts.

Expenditure falls into two main areas, repair costs and staff costs.

Repair costs encompass both responsive matters as reported to the organisation by tenants and cyclical works such as gas and electrical testing to ensure that homes are safe.

Responsive repair costs were again less than expected. This may be a combination of factors. There seems to have been a continued lag in repair costs as we came out of Covid lockdown. There may also be a knock on effect from continued improvements to estate stock which has led to less demand for repairs.

Such unspent repairs budgets have been taken to reserves and designated for future spend on community enhancement.

Overall staff costs stood at £1,322k. This included £15k of early leavers costs (ELI). The staff cost for 2020-21 was £1,374k (with £69k of ELI costs). This represents an overall decrease of £52k in operating staff costs (2020-21 increase £27k). ELI costs need to cover their outlay over the succeeding five years and are only allowed if they aid efficiencies and enhance staff structure.

The overall result for the year was a £279k surplus (8% of income), due to the under-spend on repairs as detailed above and the refund of non-domestic rates. The surplus for the previous year was £315k (9.6% of income), mainly due to an under-spend of budgeted repairs costs during the Covid pandemic. These amounts have been added to reserves for future spend for the good of the estate and the service.

It should be noted that the defined benefit pension scheme disclosures have a significant effect on the presentation of the Statement of Comprehensive Income. They are however financially neutral overall, because the overall pension liability is matched by a corresponding asset (a guarantee given by Leeds City Council to the Scheme).

8.2 Statement of Financial Position (Balance Sheet)

Total net funds as at 31 March 2022 were £1,764k (2021 £1,485k).

The balance sheet includes the following pension liability and asset:

- Belle Isle TMO participates in the West Yorkshire Pension Scheme and the Organisation's share of assets and liabilities are disclosed as a net liability in the Statement of Financial Position. As at 31 March 2022 that liability was identified as £2,607k by the Scheme Actuary (compared to £3,418k as at 31 March 2021).
- There exists a guarantee by Leeds CC to Bradford MDC, which administers the Scheme, to underwrite the above liabilities in the event that BITMO is unable to meet its obligations to the Scheme. Leeds CC has confirmed this undertaking directly to BITMO. An asset is disclosed in the financial statements to reflect the nature of the guarantee undertaken by Leeds CC.

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8.3 Capital programme

Capital works are managed by BITMO, which acts as agent for Leeds CC as landlord for the estate properties.

During the year BITMO staff, acting on behalf of Leeds City Council, managed the expenditure of some £1.7m of capital spend (2020-21 £1.5m), equating to 100% of the total capital budget for the year for the Belle Isle Estate. These transactions do not form part of the Statement of Financial Activities for the year ended 31 March 2022, as they relate to the maintenance of freehold assets which are owned by Leeds CC and they correspondingly pass through the bank account of that organisation rather than that of BITMO. The staff cost relating to time spent managing capital spend is reimbursed via the management fee structure.

8.4 Financial outlook

BITMO is primarily reliant for income upon a Management Agreement with Leeds City Council under Right to Manage legislation. In 2019 the Council tenants of Belle Isle estate voted overwhelmingly to continue as a tenant management organisation for a further five years.

The impact of Covid-19 on local government finances has been significant. In late 2020 Leeds City Council informed BITMO that a reduction in the overall level of the Management Fee was necessary to reflect cost reductions required within the Council. As a consequence, a reduction of some £98k was applied to the overall fees for 2021-22. Cost reductions were put in place by the Board.

For 2022-23 Leeds CC has been able to increase the management fees by up to £87k, in order to fund some inflationary cost increases.

There is some uncertainty as to how potential future cuts within Leeds City Council will impact upon the BITMO Management Fee in future years, but the Board believes that successful collaboration will mean that front line services will continue to be maintained and enhanced.

9. Going concern

The Board of BITMO has satisfied itself that the Organisation is able to continue as a going concern within the parameters of Financial Reporting Standard 102. The Organisation is satisfied that it has taken the necessary steps needed to manage its operating costs for 2022-23. It is therefore anticipated that BITMO will be able to meet all operating costs from in-year revenues or available free reserves and that the organisation continues to be a going concern.

10. Risk management

The Board has overall responsibility for establishing and maintaining the Organisation's system of internal control and for reviewing its effectiveness. The system of internal control is designed to manage key risks and to provide reasonable assurance that planned objectives and outcomes are achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operating information and the safeguarding of BITMO's assets and interests.

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The over-arching principal risks areas to which the organisation is exposed are:

- Compliance. The risk of a failure to deliver against our regulatory or social commitments that would undermine our reputation as a provider of housing and community services and result in legal exposure or regulatory sanctions. The risk is mitigated by ensuring an effective Board and staff structure, clear policies and procedure, good induction and training, quality assurance auditing and continuous improvement initiatives.
- Technology. A risk of failure to improve our technology capabilities, reduce dependency on legacy systems and enhance digital capability, which could limit our ability to keep pace with customer expectations, frustrate colleagues and create inefficiency. In mitigation, BITMO is fully committed to utilising LCC IT systems, having close business partner liaison with that body, as well as a good training environment both with LCC and third parties.
- Business resilience. A major incident that prevented staff from working at the BITMO office may have a significant impact on our ability to meet customer needs and deliver against our aims and business performance goals. The Covid19 pandemic has tested that resilience and remote working has proved effective.
- Service failures. Potentially leading to a break in the Management Agreement with Leeds City Council. This may be initiated by a failure in the five-year ballot or with service failures leading to improvement plan requirements. We mitigate this risk by managing all our risks effectively and delivering convincingly and demonstrably against our aims.
- Financial incidents and issues. A failure of financial control or an incident outside of the organisations control. The latter might include funding issues within the LCC authority or a pension fund requirement. Internal procedures are approved by the Board and maintained by management. Close liaison is maintained with LCC and pension fund partners to identify risks at the earliest opportunity.

Key elements of the internal control framework include:

- Board approved delegated authorities;
- A risk management framework with clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- Robust strategic and business planning processes, with detailed financial budgets which are annually reviewed and regular management accounts;
- Regular reporting to the Board on key business objectives, targets, outcomes and service delivery including robust performance metrics and KPI's (this has been affected by the pandemic and implementation of new systems but is now fully resumed);
- Formal policy approval mechanisms – utilising HR consultant expertise and underwriting;
- A programme of internal audit procured from Leeds CC.

11. Reserves policy

BITMO uses the term Reserves to describe that part of the Organisation's income which is freely available for its general purposes. Reserves are therefore the resources not yet spent, committed, designated or invested in fixed assets. This definition might more commonly be referred to as Free Reserves.

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In general, reasons why not-for-profit organisations hold free reserves can be summarised as follows:

- to fund working capital;
- to fund unexpected expenditure, for example when unplanned events occur;
- to fund potential expenditure which is being contemplated but not yet committed;
- funds to be used to cover expenditure in the event of reduced income or changes in circumstances.

A satisfactory level of free reserves is considered to be the equivalent of some 3 months operating costs. This would amount to a target of £750k.

This timescale is considered to be adequate to ensure continuity of service to Belle Isle Estate in the event of a threat of reduced funding, the need to restructure the Organisation or the occurrence of significant unplanned circumstances.

As at 31 March 2022 the level of free reserves of BITMO stood at £1,763k (2020/21 - £1,485k). Amounts over and above the target level of reserves are held in expectation of investment to improve the Estate, future service delivery or community enhancement.

It is anticipated that this future delivery will include the following:

1. Property and Estate Enhancement
2. The Green Agenda
3. Training, development and qualifications for tenants and their families
4. Voluntary Group Initiatives
5. Additional services to vulnerable tenants to improve their living conditions

The above areas of operation have been brought together within a Community Fund. This fund is approved by Board each year and may vary from year to year in light of changing needs of the estate and community. In particular there may be variations arising from the current Cost of Living Crisis. The Board is putting some further measures in place to aid tenants – including the appointment of a further Financial Inclusion Officer to aid financial welfare as well as increased food provision through the GATE service.

12. Governance

12.1 Legal Status

Belle Isle Tenant Management Organisation (BITMO) has been registered with and regulated by the Financial Conduct Authority since 27 August 2004. BITMO's registered number is 29817R. BITMO was formally an Industrial and Provident Society. From August 2014 following regulatory changes, the Organisation became a Registered Society under the Co-operative and Community Benefit Societies Act 2014.

12.2 Governing Framework

The organisation is governed by Rules of Belle Isle Tenant Management Organisation in accordance with the Co-operative and Community Benefit Societies Act 2014.

BITMO entered into a Management Agreement with Leeds City Council dated 2nd January 2014, under section 27 of the Housing Act 1985 as substituted by article 2 of the Regulatory Reform (Housing Management Agreements) Order 2003 and the Housing (Right to Manage) Regulations 2004. The Agreement allows BITMO to carry out certain management functions

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with regard to tenant properties owned by Leeds CC within the Belle Isle Estate. The Agreement has been revised and updated in conjunction with Leeds City Council, with minor alterations only.

12.3 Composition of Board

Unless determined otherwise in a General Meeting, BITMO must have a Board comprising not more than twelve and not less than six elected members plus persons co-opted in accordance with the provisions of these rules of the TMO. The BITMO Board meets on a monthly basis and is supported by a Governance and Finance sub-committee. The table below summarises the position of the Board in terms of membership following the AGM in September 2021 and the first Board meeting following the AGM.

Status	Full Board Composition	In post as at September 2021
Tenant Board members as at AGM date	12	12
Co-opted and Independent Members elected at first Board meeting after AGM	4	2
Nominated by Leeds City Council and ratified by the Board	2	2
Totals	18	16

In October 2021 Leon Kirkham was re-elected Chair of the Board. The Board also re-elected Jean Burton as Vice Chair. Mrs Burton was also elected as Secretary. Mr Ghafiri was elected as Treasurer.

The Board appraisal process was re-introduced after lockdown restrictions were lifted, along with a programme of training events.

The Board met six times during 2021-22 to ensure that the organisation continued to provide outstanding service to tenants and the community of Belle Isle.

12.4 Statement of Board's responsibilities in respect of the Board's Report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Organisation and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed; and
- assess the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

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- use the going concern basis of accounting unless it either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Organisation and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Organisation and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Organisation's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

12.5 The Board

Unless otherwise determined by the Organisation in General Meeting, the Organisation shall have a Board comprising not more than twelve and not less than six elected members plus persons co-opted in accordance with the rules of the Organisation.

Board members who served through the 2021-22 financial year are listed on page 1.

At the Annual General Meeting to be held on 29th September 2022, Board member Lisa Caley shall be eligible for re-election in accordance with the Organisation's Rule 30. At least three other members shall stand down and will be eligible for re-election. There will be at least five vacancies including one which is presently unfilled. Mrs Bev Walker stood down as a Board member in February 2022 and the Board would like to thank her for a most valued contribution to the organisation.

12.6 Senior management

The senior management team comprised:

- Chief Executive – Deborah Kelly
- Head of Governance & Finance - Peter Olver
- Head of Repairs, Maintenance and Investment – Alex Orange (appointed 1.10.2021).

12.7 Membership of the Organisation

The Board shall admit to membership any person aged eighteen years or over, who is a lawful resident of the Belle Isle Estate and who agrees to be bound by the rules of the Organisation. One share to the nominal value of 10p each shall be issued to persons admitted to membership and an appropriate share certificate issued.

A member will not be able to withdraw or transfer the shares and the shares shall carry no right to interest, dividend or bonus. They shall be forfeited and cancelled on cessation of membership and the amount paid shall become the property of the Organisation.

A member may only hold one share in the Organisation and the liability of each member is limited to any amount remaining unpaid on that member's single 10p share.

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The number of members at the start and the end of the financial year were as follows-

Membership as at 1 April 2021	91
Resignations during the year	(1)
New members during the year	3
Membership as at 31 March 2022	93

13. Donations

BITMO donated £200 in total to local schools in the area during the year.

14. Auditors

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

Signed on behalf of the Board



Leon Kirkham – Chair:

Date: 28th July 2022

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Independent Auditor's Report to the Members of Belle Isle Tenant Management Organisation

Opinion

We have audited the financial statements of Belle Isle Tenant Management Organisation "the society" for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income (incorporating Income and Expenditure Account), the Statement of Financial Position (Balance Sheet), the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 March 2022 and of 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 Co-operative and Community Benefit Societies Act 2014.

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 society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities set out on page 12, Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board 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 Board are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Report of the Board (including Statement of Responsibilities)

For the Year Ended 31st March 2022

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.

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.

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

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

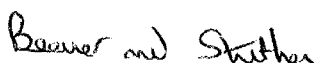
In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the society, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Co-operative and Community Benefit Societies Act, the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2019, tax legislation, health and safety legislation, and employment legislation.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.
- We gained an understanding of the controls that the Board have in place to prevent and detect fraud.
- We enquired of the Board about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: laws related to the provision of social housing, recognising the nature of the society's activities and the regulated nature of the society's activities.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the Board about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

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

Use of our report

This report is made solely to the society, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers, Statutory Auditor
Suite 9b The Beehive
Lions Drive
Shadsworth Business Park
Blackburn BB1 2QS

Date: 31 August 2022

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Comprehensive Income
(incorporating Income and Expenditure account)
for the year ended 31 March 2022

	Notes	2021-22 £	2020-21 £
Income	3	3,219,470	3,281,746
Expenditure		(3,351,073)	(3,054,680)
Operating surplus/(deficit) - pre exceptional items	4	(131,603)	227,066
Exceptional item - refund of non-domestic rates	16	196,251	-
Total operating surplus/(deficit)		64,648	227,066
Bank Interest received	7a	192	642
Interest cost of net defined benefit pension liability	7b	(70,000)	(60,000)
Change in Pension Reimbursement Rights	12	(811,000)	661,000
Surplus/(Deficit) on ordinary activities before taxation		(816,160)	828,708
Taxation	8	(39)	(122)
Surplus/(Deficit) for the year		(816,199)	828,586
Actuarial gains/(losses) on defined benefit pension scheme	9	1,095,000	(514,000)
Surplus/(Deficit) for the financial period		278,801	314,586
<u>Reconciliation of Changes in Reserves</u>			
General Fund Balance as at 1 April 2021		1,485,090	1,170,504
Surplus/(Deficit) for the year		(816,199)	828,586
Actuarial gains/(losses) on pension scheme	9	1,095,000	(514,000)
		278,801	314,586
Balance as at 31 March 2022		1,763,891	1,485,090

All income and expenditure relates to continuing activities.

All gains and losses recognised in the year are included in the Statement of Comprehensive Income.

The notes on pages 19 to 27 form part of these financial statements.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Financial Position (Balance Sheet)
as at 31 March 2022

	Notes	2022 £	2021 £
Current assets			
Debtors	10	626,428	13,440
Cash		1,916,248	2,004,609
		<u>2,542,676</u>	<u>2,018,048</u>
Creditors: amounts falling due within one year	11	(778,785)	(532,958)
Net assets excluding pension liability		1,763,891	1,485,090
Pension liability	9	(2,607,000)	(3,418,000)
Pension related asset	9	2,607,000	3,418,000
Net assets including pension liability		<u>1,763,891</u>	<u>1,485,090</u>
Capital and reserves			
General Fund	12	<u>1,763,891</u>	<u>1,485,090</u>

The financial statements on pages 18 to 27 were approved by the Board on 28th July 2022 and were signed on its behalf by:

Leon Kirkham - Chair 

Sharafath Ghafiri 

Jean Burton - Secretary 

Deborah Kelly - Company Secretary 

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Cash Flow Statement

for the year ended 31 March 2022

	Note	2021-22 £	2020-21 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	Below	<u>(88,515)</u>	<u>460,010</u>
Cash flows from investing activities			
Interest receivable	7a	192	642
Tax paid	8	<u>(39)</u>	<u>(122)</u>
Net cash provided by/(used by) investing activities		<u>153</u>	<u>519</u>
Change in cash in the reporting period		(88,362)	460,529
Cash and cash equivalents at 1 April 2021		2,004,609	1,544,080
Cash and cash equivalents at 31 March 2022		<u><u>1,916,247</u></u>	<u><u>2,004,609</u></u>

Reconciliation of net movement in funds to net cash flows from operating activities

Surplus for the year	(816,199)	828,586
Tax paid	39	122
Interest received	(192)	(642)
Interest payable and similar charges	70,000	60,000
(Increase)/decrease in debtors	(612,991)	29,285
(Decrease)/increase in trade and other creditors	245,828	116,659
Pensions costs less contributions payable	214,000	87,000
Provision for past service costs	-	-
Change in pension reimbursement rights	811,000	(661,000)
Cash flows from operating activities	<u>(88,515)</u>	<u>460,010</u>

The notes on pages 21 to 27 form part of these financial statements.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2022

1 Legal status

Belle Isle Tenant Management Organisation is registered under the Co-operative and Community Benefit Society Act 2014 (formally Industrial and Provident Societies Acts) and is registered with the Financial Conduct Authority (Number 29817R).

2 Accounting policies

a) Basis of accounting

The accounts (financial statements) have been prepared on a going concern basis under the historical cost convention.

They have also been prepared in accordance with:

- (i) United Kingdom Accounting Generally Accepted Accounting practice (UK GAAP);
- (ii) Financial Reporting Standard 102.
- (iii) Statement of Recommended Practice for registered housing providers: Housing SORP 2018
- (iv) Co-operative and Community Benefit Societies Act 2014,

The financial statements have been prepared on the going concern basis, which is considered to be appropriate in the context of the Organisation's ability to meet its obligations as they fall due.

b) Going concern

The Board has a reasonable expectation that the Organisation has adequate resources to continue in operation for the foreseeable future, being a period of at least twelve months after the date on which the financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The following judgements (apart from those effecting estimates) have had the most significant effect on amounts recognised in the financial statements:

- estimates of the defined benefit pension obligation is based on a number of underlying assumptions such as the standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit scheme cost.
- an assurance has been received from Leeds City Council that should BITMO cease to exist then the pension liabilities of the defined benefit scheme will be underwritten by that Council.

d) Income

Income mainly represents the management fees received from Leeds City Council (excluding VAT) and other income grants and interest received. It includes Welfare Reform contributions made by Leeds to support salary costs as well as grant monies relating to staff costs for Capital refurbishment of the housing stock.

Income is recognised when the Organisation is entitled to the funds, any performance conditions attached have been met, it is probable that the income will be received and amounts can be measured reliably. Where income conditions have not been met then the income is not recognised but deferred as a liability until it is probable that the terms or conditions imposed can be met.

Investment income is recognised when the Organisations entitlement is irreversible.

Donated volunteer time is highly valued by BITMO as noted in the Board Report, but in accordance with accounting regulation is not recognised as income or related expenditure. Gifts-in-kind of material goods or professional services are, however, recognised as income and expenditure and any associated conditions noted.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2022

e) Expenditure

Expenditure has been charged on the accruals basis.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Organisation to that expenditure, it is probable that settlement will be required and that the amount of the obligation can be measured reliably.

f) Pensions

The Organisation contributes to a defined benefit pension scheme. The assets of the scheme are held separately from the assets of BITMO in independently administered funds.

Defined benefit scheme:

The operating costs of providing retirement pensions to participating employees are recognised in the accounting periods in which the benefits are earned. The related financial costs, administration expenses, interest on plan assets and any other changes in fair value of the assets and liabilities, are recognised in the accounting period in which they arise. The operating costs administration expenses and interest on plan assets, along with any other changes in fair value of assets and liabilities, are recognised in the income and expenditure account. This information is provided using reports prepared by a qualified actuary at the scheme.

The difference between the fair value of the assets held in the Organisation's defined pension scheme and the Scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Organisation's balance sheet as a pension asset or liability as appropriate.

However, there is an agreement between City of Bradford Metropolitan District Council, as administer of the pension fund and Leeds City Council to guarantee BITMO's pensions shortfall. A Pensions Asset has therefore been recognised in the accounts.

Changes to the level of pension liability and associated charge to the income and expenditure account are therefore matched by changes to the pension asset and corresponding matching entry in the income and expenditure account.

g) Fixed assets

No assets have been capitalised in these financial statements. The office premises are leased from Leeds City Council and office equipment and furniture are either owned by Leeds City Council or their cost has been written off as overhead expenditure within these financial statements.

Payments for the utilisation of assets owned by Leeds City Council are made through Service Level Agreements, and these payments are written off as expenditure within these financial statements.

h) Debtors

Debtors include amounts owed to the Organisation for the provision of services or amounts that the Organisation has paid in advance for services that it will receive in future. Debtors are stated in the balance sheet at the amount which is considered to be recoverable within 12 months from the balance sheet date.

i) Creditors

A liability is recognised for the amount that the Organisation anticipates it will pay to settle the debt or the amounts it has received as an advance payment for goods or services it must provide. For creditors due in more than one year, the amount is discounted for the time value of money where material.

j) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

k) Leases

(i) Operating leases:

Rentals payable under operating leases are included in total expenditure in annual instalments over the period of the lease.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2022

(ii) Finance leases:

Tangible fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased asset at the inception of the lease. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of exchange in the remaining balance of the obligations.

l) Provisions

No provision is made for major, planned or routine repairs except to the extent that they represent contractual commitments at the balance sheet date.

The Organisation recognises a provision for the annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next twelve months. The provision is measured at the salary and employment costs payable for the period of absence and is recognised as an accrual within creditors in the statement of financial position.

m) Financial instruments

The Organisation only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and may be subsequently measured at their settlement value. Any impairment to financial assets are recognised immediately.

n) Taxation

The Organisation is a VAT registered body - number GB 852 714 620. The Organisation charges VAT on management fees and is able to recover VAT on expenditure. Amounts disclosed in the accounts are net of VAT. BITMO is a Cooperative and Community Benefit Society with charitable purposes and therefore has no liability to pay corporation tax except on investment income.

3 Income	Year Ended 31.3.2022 £	Year Ended 31.3.2021 £
Management fee from Leeds City Council	2,988,040	3,072,536
Sheltered accommodation fee	69,100	74,042
Performance incentive payment	-	3,696
Welfare Reform contributions	71,200	76,296
Capital Repair staff re-imbursement grant	36,638	37,653
Housing Advisory Panel Fund Grants	1,500	8,620
Kickstart employment scheme grant	19,144	-
Other income	33,848	8,903
	<u>3,219,470</u>	<u>3,281,746</u>
Exceptional item - Note 16	196,251	-
Bank interest	192	642
	<u>3,415,913</u>	<u>3,282,388</u>
4 Operating surplus (deficit)	£	£
The operating surplus (deficit) is stated after charging:		
Auditors' remuneration - audit services	10,700	10,365
Board approved expenditure on Leeds City Council		
Operating lease payments	24,400	12,000
The defined benefit pension cost comprising the following		
- current service cost	386,000	280,000
- past service cost	-	-
	<u></u>	<u></u>

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED**Notes to the Accounts****for the year ended 31 March 2022****5 Operating leases**

The Organisation holds a property lease under a non-cancellable operating lease (except if the Management Agreement with Leeds City Council is terminated).

At 31 March 2021 the Organisation had total future minimum operating lease payments under this lease as:

	2022	2021
	£	£
Within one year	25,100	24,400
Between one and five years	101,600	101,300
After five years	88,900	114,300
Total	<u>215,600</u>	<u>240,000</u>

6 Staff costs

	2022	2021
	£	£
Wages and salaries (excluding agency staff payments)	1,036,443	1,044,053
Social security costs	99,661	96,253
Defined benefit pension scheme costs	170,709	164,089
Redundancy & severance pay	15,558	69,410
	<u>1,322,371</u>	<u>1,373,805</u>

Redundancy and severance costs relate to staff re-structuring which will provide at least equivalent cost savings in future years. They comprise redundancy and pension costs and represent the total of such severance liabilities for the individuals concerned, apart from grouped pension scheme liabilities.

The average number of persons employed during the year was:

	2022	2021
	Number	Number
Repairs, Maintenance and Property Investment staff	4	4
Wardens and Caretakers	5	6
Sheltered Housing	2	2
Office staff	24	22
Total	<u>36</u>	<u>34</u>

In addition to the above the Organisation utilises the services of some employment agency staff to cover for the delivery of services when needed, especially to cover for any long term illness.

	2022	2021
	£	£
Agency staff costs	<u>52,690</u>	<u>434</u>

Neither the Board of Management, nor persons connected with them, received any remuneration during the year. See Note 14 for amounts reimbursed for travel expenses incurred by Board members during the year (2021/22).

	2022	2021
	£	£
Key management personnel:		
Emoluments for that group of employees	153,839	142,959
Employers National Insurance contributions	17,772	16,496
Employers pension contributions	31,174	29,021
	<u>202,785</u>	<u>188,476</u>

Key management personnel are defined as the members of the Senior Management Team: Chief Executive, Head of Governance & Finance and the Head of Repairs, Maintenance & Investment (started August 2020).

The number of employees whose emoluments exceeded £60,000 was:

	2022	2021
	Number	Number
£60,001 - £70,000	0	0
£70,001 - £80,000	1	1

In addition to the amounts disclosed above, £12,573 of agency cost was expended on agency staff to cover the Head of Repairs, Maintenance and Investment role, whilst that was vacant during the year.

The requirements of Financial Reporting Standard 102 have been considered in preparing these accounts. Holiday Pay has been accrued as required by Financial Reporting Standard 102 in the wages and salaries amounts for the two years shown above. This accrual is included in the Creditors - amounts falling due within one year shown in the Balance Sheet (per Note 11).

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2022

7 Interest receivable and similar income	2022	2021
	£	£
7a Bank interest	<u>192</u>	<u>642</u>
7b Defined benefit pension scheme interest		
(i) Interest income on pension scheme assets	113,000	97,000
(ii) Interest expense on pension scheme obligation	(183,000)	(157,000)
	<u>(70,000)</u>	<u>(60,000)</u>
8 Taxation	2022	2021
	£	£
Tax charge for the year at the small companies rate	<u>39</u>	<u>122</u>

Only income received from bank deposits is assessable to tax.

9 Pension obligations

Local government pension scheme

The Organisation is a scheduled employer of the West Yorkshire Pension Fund. The Organisation entered into the scheme on 1 October 2004 upon TUPE transfer of its staff from Leeds City Council. The scheme is an open scheme with membership available to all employees.

The disclosures below relate to the funded liabilities within the West Yorkshire Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations 2013' and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014'.

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS Regulations 2013 and the Fund's Funding Strategy Statement. The last actuarial valuation was at 31 March 2019 and the contributions to be paid until 31 March 2023 resulting from that valuation are set out in the Fund's Rates and Adjustment Certificate.

The Fund Administering Authority, City of Bradford Metropolitan District Council, is responsible for the governance of the Fund.

The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return over the accounting period. The Fund holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the disclosures.

The Fund Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

Risks associated with the Fund in relation to accounting:

(i) Asset volatility - The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields at the accounting date. If assets underperform this yield this will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which, while expected to outperform corporate bonds in the long term, creates volatility and risk in the short term in relation to the accounting figures.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2022

(ii) Changes in Bond Yield: A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).

(iii) Inflation Risk: The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit.

(iv) Life expectancy: The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

(v) Exiting employers: Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further, the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of the overall liabilities in the Fund.

The West Yorkshire Pension Fund is a funded benefit scheme, with the assets held in separate trustee administered funds. The date of the last full actuarial valuation was 31 March 2019.

The total contributions made for the year to 31 March 2022 were £228,000 (31 March 2021 £248,000) of which employer's contributions totalled £172,000 (2020-21 £193,000) and employees' contributions totalled £56,000 (2020-21 £55,000).

The actuaries estimate that the net pension deficit as at 31 March 2022 is £2,607,000 (2021: £3,418,000).

The financial assumptions used for the purpose of the FRS102 calculation as at 31 March 2022, prepared for the Organisation by AON Hewitt Limited, were as follows:

	At the end of the year	At the start of the year
Rate of inflation (CPI)	3.00%	2.70%
Rate of increase in salaries	4.25%	3.95%
Rate of increase in pensions	3.00%	2.70%
Rate of increase in deferred pensions (revaluation rate)	3.00%	2.70%
Discount rate	2.70%	2.10%
	31 March 2022	31 March 2021
Balance sheet items	£000's	£000's
Fair value of plan assets	5,949	5,346
Present value of funded benefit obligations liabilities	(8,556)	(8,764)
Net deficit	(2,607)	(3,418)
Council Guarantee Asset	2,607	3,418
Components of pension cost for year		
(i) Operating costs		
Current service cost	386	280
Effect of curtailments or settlements	-	28
(ii) Finance costs		
Interest on net defined benefit pension liabilities	70	60
Total pension cost recognised in Income and Expenditure account	456	368
Other Comprehensive Income		
Asset (losses)/gains arising during the period	456	1,031
Liability (losses) arising during the period	639	(1,545)
Actuarial gains/(losses)	1,095	(514)
The gains/(losses) figure is recognised in the Statement of Comprehensive Income .		
Actuarial (gains)/losses expressed as a % of year end liabilities	-12.80%	5.86%

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2022

9 Pension obligations (continued)

	31 March 2022	31 March 2021
	£000's	£000's
Change in Benefit Obligation during the year		
Benefit obligation at the beginning of the year	8,764	6,886
Current service cost	386	280
Interest on pension liabilities	183	157
Member contributions	56	55
Curtailment cost	-	28
Actuarial (gains)/losses on liabilities	(639)	1,545
Benefits/transfers paid	(194)	(187)
Benefit obligation at the end of the year	8,556	8,764

	31 March 2022	31 March 2021
	£000's	£000's
Change in Plan Assets during the year		
Fair value of plan assets at the beginning of the year	5,346	4,157
Expected return on plan assets	113	97
Actuarial gains/(losses) on assets	456	1,031
Employer contributions	172	193
Member contributions	56	55
Benefits/transfers paid	(194)	(187)
Fair value of plan assets at the end of the year	5,949	5,346
Experience (losses)/gains on assets	456	1,031
Interest income on assets	113	97
Actual return on plan assets	569	1,128

Split of assets between investment categories	Assets at 31.3.2022		Assets at 31.3.2021	
	£000's	%	£000's	%
Equities	4,747	79.8%	4,261	79.7%
Government bonds	440	7.4%	444	8.3%
Corporate bonds	286	4.8%	246	4.6%
Property	238	4.0%	203	3.8%
Cash/liquidity	173	2.9%	107	2.0%
Others	65	1.1%	85	1.6%
	5,949	100.0%	5,346	100.0%

Life expectancy	At the end of the year (years)	At the start of the year (years)
Male/Female pensioner aged 65 years	21.8 / 24.6	21.9 / 24.7
Male/Female future pensioner aged 65 years in 20 years time	22.5 / 25.7	22.6 / 25.8

Total market value of West Yorkshire Pension Fund	£ millions
At 31 March 2022 - bid price	17,762

Membership	31 March 2022	31 March 2021
Active members	27	27
Deferred pensions	12	12
Pensioners	22	22

The actuarial assumptions used in the calculation of the year end balance sheet liabilities are based on the 2019 actuarial valuation assumptions, other than the financial assumptions which are shown on Page 24 and an updated allowance for mortality improvements.

The expected returns quoted in this note are net of expenses.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2022

10 Debtors: all falling due within one year

	2022	2021
	£	£
Leeds City Council, amount owed	624,954	-
Prepayments	722	885
Other debtors	752	12,555
	<u>626,428</u>	<u>13,440</u>

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Leeds City Council, net amount due	0	46,216
Trade creditors	314,692	213,980
Accruals	308,119	135,953
Taxation - Value added tax	155,114	110,969
Taxation - Corporation tax		221
Deferred income - Creating Digital Access grant	-	24,770
Other creditors	860	849
	<u>778,785</u>	<u>532,958</u>

12 Capital and reserves

	2022	2021
	£	£
General Reserves Fund balance as at 1 April 2021	1,485,090	1,170,504
(Deficit)/Surplus for the year	278,801	314,586
Defined benefit pension scheme:		
Current service cost	(386,000)	(280,000)
Interest on pension liabilities	(183,000)	(157,000)
Past service costs	-	-
Actuarial (gains)/losses on liabilities	639,000	(1,545,000)
Expected return on plan assets	113,000	97,000
Actuarial gains/(losses) on assets	456,000	1,031,000
Employer contributions	172,000	193,000
Net cost recognised in Statement of Financial Activities	<u>811,000</u>	<u>(661,000)</u>
Change in Pension Reimbursement Rights	(811,000)	661,000
General Reserves Fund balance as at 31 March 2022	<u><u>1,763,891</u></u>	<u><u>1,485,090</u></u>

13 Related parties

The Leeds City Council is a related party by virtue of the Management Agreement between the Organisation and the Council and the Council's right to appoint representatives to the Board.

The Organisation's main source of income is management and related fees for the management of the Leeds City Council's housing and associated amenities and activities within the Belle Isle Estate. During the year these management and related fees amounted to £3,164,978 (2021: £3,264,223).

The Organisation was also recharged for services provided by the Council and in the year 2021-22 these recharges totalled £270,236 (2020-21: £323,304). Balances due to and from Leeds City Council are disclosed in notes 10 and 11.

Leeds City Council paid the sum of £196,251 to BITMO due to a backdated reduction as detailed below in Note 16.

A Board member and a member of senior staff are governors of a local school, Clapgate Primary. During the year a grant of £1,500 was made to the school by the Board to help create a community allotment garden. The interest of the Board member and member of staff were declared before the matter was discussed and Board members were content for their attendance without contribution during discussions.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2022

14 Related parties (continued)

Certain members of the Board are tenants in properties owned by Leeds City Council. These tenants have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefits as other tenants.

Board members claimed £Nil in re-imbursement of travel expenses for the year ended 31 March 2022 (2020-21 - Nil).

Councillor Board members were elected members of Leeds City Council for the financial year. The only transactions between Belle Isle TMO and the Councillors were the re-imbursement of travel expenses amounting to £Nil (2020-21 £Nil).

15 Financial instruments

The carrying amounts of the Organisations financial instruments may be analysed as follows:

	2022	2021
	£	£
Financial instruments that are debt instruments measured at amortised cost; comprising: cash; trade debtors, other debtors, accrued income	2,541,954	2,017,163
Financial liabilities measured at amortised cost; comprising: trade creditors, accrued costs and other creditors	(470,665)	(397,005)
Net	<u><u>2,071,289</u></u>	<u><u>1,620,158</u></u>

16 Exceptional income

Following the end of the prior financial year the organisation was informed that a reduction in Non-Domestic rates was to be applied in future. The reduction would increase from 50% to 80% in order to reflect the not-for-profit nature of work undertaken by BITMO.

It was also notified that the saving would be applied retrospectively back to 2005. This has meant that an actual rebate of £196,251 was received relating to years prior to 2021-22 (Per Note 3).

Certain compliance and refurbishment works were dedicated to be spent against this income in 2021-22. The residual income has been added to reserves and will be used for estate and community enhancement, in line with the Reserves Policy.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED**Schedule to the Income and Expenditure Account****for the year ended 31 March 2022***This page is for information only and does not form any part of the statutory accounts*

	2021-22 £	2020-21 £
Income		
Management fee	2,988,040	3,072,536
Sheltered accommodation	69,100	74,042
Performance incentive payment	-	3,696
Welfare Reform Contribution	71,200	76,296
Capital Schemes staff cost contribution	36,638	37,653
HAP Grant	1,500	8,620
Kickstart Grant	19,144	-
Exceptional Income - NDR Refund	196,251	-
Other income	33,848	8,903
Income before bank interest	<u>3,415,720</u>	<u>3,281,746</u>
Bank Interest	192	642
Total Income	<u>3,415,912</u>	<u>3,282,388</u>
Expenditure		
Staff costs		
Payroll costs (inc temporary)	1,310,113	1,345,407
Training, development and conferences	6,489	11,830
Other staff costs	2,943	6,370
	<u>1,319,545</u>	<u>1,363,607</u>
Running costs		
Running costs	126,336	155,334
Other hired and contracted services	70,511	72,792
	<u>196,847</u>	<u>228,126</u>
Repairs		
Planned repairs	435,026	307,978
Responsive repairs	952,341	854,764
Decoration vouchers	2,545	180
Service level agreements	85,623	97,066
	<u>1,475,535</u>	<u>1,259,988</u>
Other costs		
Retirement Life housing-staff costs	61,249	68,380
Retirement Life housing-other expenditure	27,420	11,733
Other flats	6,636	5,869
BITMO's Gate running costs	49,880	21,478
Housing Advisory Scheme grants	-	8,620
	<u>145,185</u>	<u>116,080</u>
Total expenditure	<u>3,137,111</u>	<u>2,967,801</u>
Surplus/(Deficit)	<u>278,801</u>	<u>314,586</u>