

DRAFT V3

**BELLE ISLE
TENANT MANAGEMENT ORGANISATION LIMITED**

Report and Financial Statements

for the year ended 31 March 2025



BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Reports and Financial Statements for the Year Ended 31 March 2025

Contents

	<u>Page</u>
Management Committee ("the Board") and organisational information	1
Report of the Board (including Statement of Responsibilities)	2-17
Auditors Report	18-19
Statement of Comprehensive Income (including Income & Expenditure Account)	20
Statement of Financial Position (Balance Sheet)	21
Cash Flow Statement	22
Notes to the accounts	23-31

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Organisation Information

31 March 2025

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	Chair	Elected Member - retired 18.11.24
Harry Austin	Chair/Vice Chair/Treasurer	Elected Member - elected as Chair 28.11.24
Jean Burton	Secretary/ Vice Chair	Elected Member - re-elected 26.9.25
Councillor Sharon Burke		Co-opted Member - retired 3.5.24
Kim Asquith		Elected Member - retired 30.1.25
Margaret Brown		Co-opted Member
Trevor Brown		Elected Member - elected 26.9.24
Councillor Wayne Dixon		Co-opted Member - appointed 10.10.24
Shannon Ferry		Co-opted Member - app't 10.10.24, retired 30.1.25
Sharafath Ghafiri		Elected Member
Rose Hodgkinson		Elected member - retired 11.6.25
Ashley Knowles		Co-opted Member
Tracy Morris		Elected Member
John Oddy		Elected Member
Councillor Emma Pogson-Golden		Co-opted Member - appointed 10.10.24
Julie Rhodes		Elected Member - re-elected 26.9.24, retired 7.2.25
Geraldine Roberts		Elected Member - elected 26.9.24
Paul Truswell		Co-opted Member
Emma Walkley		Elected Member

Chief Executive & Company Secretary

Deborah Kelly

External Auditor

Beever & Struthers
One Express
1 George Leigh St
Manchester
M4 5DL

Bankers

NatWest Bank PLC
8 Park Row
Leeds
LS1 1QS

Solicitors

Leeds City Council



The Board of Belle Isle TMO (BITMO) presents its report and the audited financial statements for the year ended 31 March 2025.

1. Objects & Mission

BITMO is the largest estate-based tenant management organisation in the country outside London. It is based in the heart of our community in south Leeds and provides comprehensive social housing services and associated outreach programmes. We are committed to delivering long term sustainable community benefits in Belle Isle and providing Leeds City Council (Leeds CC) with a cost-effective way of delivering services.

The constitutional 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.

We are a locally based organisation, run by tenants for tenants, responsible for managing some 1,820 of Leeds CC houses and other estate management services in the Belle Isle area of Leeds.

BITMO is an independent organisation owned by its 'shareholding members'. That means anyone who is a tenant of a Leeds CC property in the BITMO management area can be a shareholder - and shares are a nominal ten pence.

Income is derived primarily from a management fee from Leeds CC, which is agreed in advance each year. The fee results from a Management Agreement for the provision of services, which is reviewed every five years.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

2. Messages from the Chair and Chief Executive

Message from our Chair: Harry Austin

BITMO will be 21 years old in 2025, so this is a great time to look back on our achievements.

We have made solid progress this year with better performance and better customer experience underpinned by a clear commitment across the organisation to getting the basics right and working with tenants and staff to improve what we do every day. Having been involved with BITMO for seven years I was elected to the position of Chairman in September 2024. I'm very proud of the work we do, and looking forward, know that we still have a great deal to do to build safer stronger, greener Belle Isle where people want to live. The Board are ably supported by the management team and staff, as well as our volunteers, and you will see a spotlight on volunteers in this report.

We are always looking for people to join us in our journey, if you would like to get involved or maybe join the Board, get in touch, we'd be delighted to talk to you.



Message from our Chief Executive: Deborah Kelly

Tenant Management is what makes us different. It is our superpower. It is what leads to better services and higher levels of tenant satisfaction. Our Annual Report 2024/25 sets out how we've performed over the last financial year and includes some key figures and information we hope you'll find interesting. If you'd like to take a look at our website you will find detailed information about how we have performed and the difference that tenant involvement makes to our community. In this last year we have really focused on improving information to tenants, putting tenants at the centre of decision making, and you'll have seen lots more from us on social media platforms as we spread the word about the benefits of tenant management.

In 2024 we secured another five years of tenant management through a ballot of tenants and used the opportunity to re-think our mission and objectives. We felt that it was time to be more ambitious and expect more from ourselves and deliver more for the people who live in Belle Isle. I'm very grateful to the Board and all our staff for their hard work over the last year. Staff satisfaction goes hand in hand with tenant satisfaction and I think we can all be proud of Belle Isle.

If you would like to find out more about BITMO or get involved in our volunteering programme or join our Board. Please get in touch via: bitmo.enquiries@belleisletmo.co.uk or 0113 378 2188. We'd love to hear from you.



Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

2. BITMO's future: Invest Support and Build

Our plan is to provide the best landlord services in Leeds. It is based on our mission to make Belle Isle a safer, stronger greener place where people want to live, and we will achieve it by investing in people's homes, supporting people to live well and building tenant control.

3. Performance

The Regulator of Social Housing requires that all housing providers demonstrate how they perform against a set of consumer standards.

To monitor this performance a set of Tenant Satisfaction Measures (TSM's) have been introduced by the Regulator.

3.1 Tenant Satisfaction Measurements

There are various tenants' satisfaction measures covering 5 themes.

The five themes are:

- 1] keeping properties in good repair,
- 2] maintaining building safety
- 3] respectful and helpful engagement
- 4] effective handling of complaints and
- 5] responsible neighbourhood management

The 2024-25 and prior year results of the tenant satisfaction surveys conducted on behalf of BITMO are as follows:

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

Tenant Satisfaction Measures								
		BITMO	BITMO		LCC		LCC	
		2023-24	2024-25		2023-24	Var	2024-25	Var
		%	%		%		%	
Overall Satisfaction	Satisfied	71	75	↗	66	5	66	9
Well Maintained Home	Satisfied	76	73	↘	67	9	67	6
Repairs last 12 months	Satisfied	77	82	↗	70	7	70	12
Time Taken Repairs	Satisfied	73	82	↗	67	6	68	14
Communal Areas	Satisfied	79	69	↘	64	15	62	7
Safe Home	Satisfied	80	79	↘	74	6	72	7
Approach to ASB	Satisfied	55	51	↘	53	2	52	-1
Neighbourhood Appearance	Satisfied	59	57	↘	58	1	51	6
Safety in Neighbourhood	Safe	58	64	↗	63	-5	60	4
Neighbourhood Contribution	Satisfied	75	71	↘	60	15	51	20
Kept Informed	Satisfied	75	78	↗	67	8	66	12
Easy to Deal With	Satisfied	74	77	↗	65	9	65	12
Advice & Support	Agrees	56	62	↗	50	6	45	17
Complaints Handling	Satisfied	27	41	↗	29	-2	26	15
Friendly & Approachable Staff	Agrees	60	65	↗	62	-2	52	13
Fairly & with Respect	Agrees	80	79	↘	74	6	73	6
Listens & Acts	Satisfied	62	65	↗	55	7	54	11
VFM Rent	Satisfied	65	67	↗	67	-2	54	13
Good Reputation	Agrees	54	53	↘	37	17	36	17

Those areas requiring particular focus are: anti-social behaviour (ASB), communal areas and complaint handling.

Tenant satisfaction is higher for BITMO tenants than across the rest of Leeds in most areas. Last year we worked hard on complaints, as clearly our tenants have not been happy with how we have responded to them. We've speeded up our responses, and now 98% are dealt with in target time. We've also tightened up how we track follow up action after a complaint is made.

3.2 Consumer Standards

There are four Consumer Standards, monitored by the Regulator for Social Housing, to ensure the correct outcomes that social landlords must deliver:

(i) Safety and quality is improving

This standard relates to health and safety, property condition and services. It emphasises the importance of maintaining effective systems to ensure the safety of people's homes.

It requires providers to make sure their homes are decent and in good repair, and that property-based services to tenants achieve performance targets and deliver a responsive service that tenants are satisfied with.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

We are good at:

Health and Safety legal compliance requirements are met, as evidenced by Key Performance Indicators (KPI's).
Stock quality data Remedial actions are carried out in a timely way. It is easy to report repairs. Repair completion times and customer satisfaction are good. We have a clear five year investment plan

We have a clear adaptations policy and leaflet that makes clear what tenants can expect, we can evidence value for money in the delivery of services as a result of competitive pricing, and works order controls which have reduced variations, renewals and costs.

We are working on :

Better communication with tenants about repairs.

In the Tenant Satisfaction Measurement (TSM) survey for 2024-25, 73% (76%) of tenants said their home was well maintained, 79% (80%) said that it was safe, 75% (77%) were satisfied with repairs completed in the last 12 months, 82% (73%) were satisfied with the time taken to complete repairs and 79% (69%) were happy with the management of communal areas. The figures in brackets show satisfaction in the year before (23/24). We have increased satisfaction in some areas, and it has fallen in others. Overall there is a net increase of 3%.

(ii) Transparency influence and accountability is improving.

This standard requires housing providers to involve and empower tenants in decision making processes that affect them. It includes requirements such as providing clear and accessible information. It incorporates the importance of equality, diversity and inclusion. Providers need to be able to evidence clearly concrete examples of how tenants influence decisions and hold the provider to account, and how services are delivered with regard to protected characteristics.

We are good at

Providing a range of opportunities for engagement, feeding back to tenants on the difference their engagement make. Supporting tenant led activities.
Building tenant control as a strategic priority. Providing good quality information that is clear and easy to understand through which tenants can hold us to account.
We can evidence efforts to capture tenant priorities and act upon them. Acting on tenant priorities.

We are working on:

Getting more tenants involved in influencing what we do, and understanding why people who didn't vote for BITMO chose not to, and building tenant control.

In 2024-25, 65% (62%) of tenants felt that BITMO listened to them and acted on what they said; 78% (75%) felt they were kept informed about the things that matter to them; 79% (80%) felt they were treated fairly and with respect. A net increase of 2% overall.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

(iii) Neighbourhood and community standard

This standard requires housing providers to promote and support thriving neighbourhoods and communities.

We are good at:

Work with 3rd party agencies such as Health for All, local registered social landlord's, GroundWork and Fruit Works Cooperative to improve shared spaces. Local relationships with Police. Engagement in MARAC (multi-agency risk assessment conference) and tasking group. Funds are in place to support tenant-led neighbourhood improvements. Tenancy support team focusing on ASB and support At risk tenancy meetings to provide cross team support. ASB action days initiative, customer information .

Funds are in place to support tenant led neighbourhood improvements.

We are working on

Improving our Anti-Social Behaviour (ASB) service.

TSM data 2024-25, indicated that 58% felt the neighbourhood was safe and that 59% were satisfied with the appearance of their neighbourhood. 71% (75%) felt that BITMO made a good contribution to the neighbourhood. 51%(55%) were satisfied with the approach to ASB.

(iv) Tenancy service are getting better

This standard requires providers to offer tenancies that are fair, transparent, and flexible to provide clear information on tenancy terms and conditions, let homes in a fair and transparent way considering housing needs, demonstrating that we make the best use of available housing, are compatible with the purpose of the housing, and contribute to the local authorities strategic housing function and sustainable communities. It relates to tenancy sustainment, evictions and tenancy fraud.

We are good at

Providing support to our tenants through a dedicated tenancy support team, community fund, financial inclusion work, tenancy fraud work, customer information.

We are working on:

Producing leaflets giving information about tenancy support, domestic abuse and financial Inclusion.

TSM data 2024-25 indicates that 75% (71%) were generally satisfied with the way BITMO manages the services they use.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

3.3 Complaints

Summary 2024-25

1 April 2024 to 31 March 2025	Complaints					
	Total	Main type of complaint	Response on target	Upheld	Partially upheld	Not upheld
<i>Providing local access to services</i>	0	0	0	0	0	0
<i>Letting empty properties</i>	2	0	1	0	0	2
<i>Carrying out repairs</i>	32	Service	32	14	4	14
<i>Collecting rent</i>	3	Staff Conduct	3	2	1	0
<i>Managing tenancies</i>	8	Policy	8	0	1	7
<i>Supporting older people</i>	0	0	0	0	0	0
<i>Offering advice, training and employment opportunities</i>	0	0	0	0	0	0
<i>Providing opportunities for tenants to get involved in their community and their TMO</i>	0	0	0	0	0	0
Total for this year	45	Service	44 out of 45	16 out of 45	6 out of 45	23 out of 45

From 1st April 2024 to 31st March 2025, 45 complaints were received, which is an increase of 1 on last year. As usual the majority of complaints involved repair issues, but interestingly they are not about the speed of work done by our contractors, or the quality of the work done. They tend to be about decisions we make at BITMO about whether we will do work or not. Often it is about things like fencing and gates, and damage caused by tenants. We have improved the information we can give to tenants about these things to try to explain more clearly what the landlords responsibilities are and what the tenants responsibilities are.

BITMO conducts an annual self-assessment exercise against the requirements of the Housing Ombudsman Complaint Handling Code. It is available via:
<https://www.belleislethmo.co.uk/contact-us/feedback-complaints/#>

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

Complaints history	Total	Main type of complaint	Response on target	Upheld	Partially upheld	Not upheld
April 2015 - March 2016	27	Repairs	25 out of 27	7 out of 27	8 out of 27	12 out of 27
April 2016 - March 2017	26	Repairs	26 out of 26	12 out of 26	1 out of 26	13 out of 26
April 2017 - March 2018	54	Repairs	53 out of 54	20 out of 54	11 out of 54	23 out of 54
April 2018 - March 2019	32	Repairs	32 out of 32	5 out of 32	5 out of 32	22 out of 32
April 2019 - March 2020	43	Repairs	43 out of 43	14 out of 43	12 out of 43	17 out of 43
April 2020 - March 2021	27	Repairs	22 out of 27	15 out of 27	4 out of 27	8 out of 27
April 2021 - March 2022	32	Repairs	20 out of 32	22 out of 32	7 out of 32	3 out of 32
April 2022 - March 2023	40	Repairs	29 out of 40	5 out of 40	14 out of 40	21 out of 40
April 2023 - March 2024	44	Repairs	38 out of 44	9 out of 44	3 out of 44	32 out of 44

4. 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 2024-25 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 Development and Support – providing outreach services and events to improve the lives of residents (particularly through our Gate community facility).

5. Strategic Review

The Strategic Review in 2024 saw BITMO evolve beyond its previous aims to develop a more ambitious plan based to invest in people's homes, support people to live well and build tenant control. We are moving beyond simply being a well-run organisation delivering excellent services and are focusing on pride in the community and pride in the services we provide, and pride in the importance of tenants driving and directing what we do.

As part of the strategic review we examined how successful we have been in developing our five key themes. As a result of that review we have streamlined to four themes:

- (i) Continuous Improvement - Getting the basics right. Front line services are the priority.
- (ii) Our Green Agenda – carbon reduction and reducing utility costs for tenants.
- (iii) Empowering our Community – Our Community Fund programme has been successfully expanded and the winter warmth campaign has been effective. We continue to help households in financial hardship and work to enhance living conditions.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

(iv) Developing our People – With a solid focus on training for staff and volunteers.

Following community consultation we took the decision to downgrade the focus on digital inclusion. Tenants told us that it wasn't of very high importance to them, although we continue to provide advice and training when requested. We are focusing instead on anti-social behaviour and estate improvements which people think affects their quality of life.

6. Tenant Volunteers :The Bedrock of our Community.

BITMO's core work is delivering housing services and community development. Belle Isle volunteers are fundamental to this. Tenant control is about tenants having a clear voice about what is important to them and making sure they get the services they want. Having active tenants who deliver services direct, and guide and challenge the management team means that tenant control is a reality in Belle Isle. We always need more tenants to get involved and shape the services we provide. This includes people 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 (Gateway to Advice, Training and Education).

7. Priorities going forward

We carried out a review of our governance arrangements in the year and have strengthened them by adding an Operations Committee, being more transparent about how tenants influence decisions and inviting broader involvement rough shareholder events.

8. Financial review

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

Operational performance

Total operational income for the year amounted to £3,889k (2023-24 £3,656k), an overall increase of £233k (6.4%) . This was due to the increases in the management fee from Leeds CC to encompass inflationary pressures plus the capture of external grants and increased investment income.

Close liaison is maintained with LCC with regular meetings to report operational performance and discuss important issues.

An increase in the management fee received from Leeds City Council of £226k (6.4%) for the year 2024-25 followed on from an increase of £293k (9%) for 2023-24. There is a funding formula relating to the Management Agreement between LCC and BITMO and the increases broadly represented salary and repairs inflation measurements.

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 have come in under budget, due to a lower number of empty void properties during the year. They are however lower than historic levels. This may also be a

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

knock-on effect from continued improvements to estate stock which has led to less demand for repairs.

Overall staff costs stood at £1,700k (2023-24 £1,603k). This represents an overall increase of £97k (6.1%) in operating staff costs (2023-24 increase £111k).

The overall result for the year was a £164k surplus (4% of income). The surplus for the previous year was £12k (0.3% of income). These amounts have been added to reserves, which are held for future spend for the good of the estate and the service.

It should be noted that the local government pension scheme disclosures have a significant effect on the presentation of the Statement of Comprehensive Income. The effect is 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 2025 were £1,931k (2023 £1,767k).

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 either a net liability or neutral in the Statement of Financial Position. A surplus is not shown by an asset. As at 31 March 2025 there was a calculated surplus/(deficit) of £1,337k by the Scheme Actuary (compared to a surplus of £156k as at 31.3.24 and a deficit of £291k as at 31 March 2023). This surplus is not recognised in these financial statements for reasons of prudence.
- There exists a guarantee by Leeds CC to Bradford MDC, which administers the Scheme, to underwrite potential 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.
- There is a contingent liability mentioned in Note 9 to the Financial Statements which relates to a recent court case, where the impact is presently uncertain.

8.3 Capital programme

Capital works (such as the replacement of roofs, windows, doors) 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 £1.61m of capital spend (2023-24 £1.80m), equating to some 95% of the total capital budget for the year for the Belle Isle Estate (2023-24 95%). These transactions do not form part of the Statement of Financial Activities for the year ended 31 March 2025, 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.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

8.4 Financial outlook

BITMO is primarily reliant for income upon a Management Agreement with Leeds City Council under Right to Manage legislation. That fee arrangement is expected to continue, albeit with varying amounts, because in September 2024 the Council tenants of Belle Isle estate voted overwhelmingly to continue as a tenant management organisation for a further five years. The next tenant ballot will take place in September 2029.

The fee is intended to proportionately reflect expenditure by Leeds CC on its social housing programme.

Having begun discussions about the future level of management fee in 2024-25, it was agreed that the matter would be picked up again in 2025-26. These are expected to be concluded in coming months. The fees will be based upon the model guidance issued by government. A reduction in fee is expected in part to reflect the economic circumstances of the Council, but should also take into account those elements of cost which need to be fully supported by Council under the terms of Right to Buy guidance.

The BITMO Board believes that continued successful planning will ensure that front line services will continue to be maintained and further enhanced. BITMO has adequate reserves to meet current obligations and has moreover committed £100k for investment in the thermal investment element of the capital programme in 2025-26, to help tenants with the cost-of-living crisis.

9. Going concern

The Organisation's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

The Board has reviewed and considered relevant information in terms of its levels of free reserves and spending and income levels in making its assessment. In particular, the Board has considered any risks to income and the effect of inflation, alongside the measures that they can take to mitigate any negative impact.

Given the strength of the balance sheet and availability and liquidity of assets, the Board believes that the Organisation is well placed to manage its business risks successfully. With a continuing Management Agreement with Leeds City Council, it is anticipated that BITMO will be able to meet all operating costs from in-year revenues or available free reserves.

Based on these assessments, the Board has a reasonable expectation that the Organisation will continue in operational existence for the foreseeable future. This would be a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements within the parameters of Financial Reporting Standard 102.

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.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

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. Considerable work has been carried out to ensure that compliance with the new requirements of the Regulator of Social Housing will be in place for essential services.
- 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 Leeds CC IT systems, having close business partner liaison with that body, as well as a good training environment both with Leeds CC 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 tested that resilience and some hybrid form of working will continue. Business processes are aided by: securing a skilled staff pool, a commitment to simplification, continuous improvement, maximising value added and enhancing partnership working.
- Service failures. Potentially leading to poor performance, poor reputation and 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 delivering convincingly and demonstrably against our aims, with the aid of: timely data, skilled staff, a focus on quality and effective performance management .
- 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 via Tenant Satisfaction Measures and Key Performance Indicators;
- Formal policy approval mechanisms – utilising HR consultant expertise and underwriting;
- A programme of internal audit procured from Leeds CC.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

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.

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 normal operating costs. This would amount to a target of £910k (2023-24 £850k).

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 2025 the level of free reserves of BITMO stood at £1,931k (2023/24 - £1,767k). 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 partly be via the mechanism of the BITMO Community Fund, funding estate enhancement as well as helping with hardship, education and training on the estate.

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 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. The Agreement will be reviewed in 2025.

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

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 regular basis and is supported by Finance and Operations sub-committees. The table below summarises the position of the Board in terms of membership following the AGM in September 2024 and the first Board meeting following the AGM.

Status	Full Board Composition	In post as at September 2024
Tenant Board members as at AGM date	12	12
Co-opted and Independent Members elected at first Board meeting after AGM	4	4
Nominated by Leeds City Council and ratified by the Board	2	2
Totals	18	18

In November 2024 Harry Austin was elected Chair of the Board in place of Leon Kirkham, who had retired as Chair and Board member on 18th November 2024.

The Board met seven times during 2024-25 to ensure that the organisation continued to provide outstanding service to tenants and the community of Belle Isle. It also met to further aid strategic development. Board members also attended meetings of the Finance Committee through the year. The first meeting of the new Operations Committee was held on 1st May 2025. The Committee is established to allow a greater level of scrutiny of the ways in which BITMO complies with the Consumer Standards and the areas in which we need to strengthen our arrangements. As with the Finance Committee, its primary purpose is to make recommendations to the Board.

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

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

- 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 2024-25 financial year are listed on page 1.

The Board sincerely thanks retiring members for their most valued service to the tenants and wider community of Belle Isle. Of those serving during 2024-25 the following Board members retired either during or after the year:

- Leon Kirkham (retired 18.11.24)
- Cllr Sharon Burke (retired 5.5.24)
- Kim Asquith (retired 30.1.25)
- Shannon Ferry (retired 30.1.25)
- Julie Rhodes (retired 7.2.25)

The Board and Staff are most grateful for their valued service.

At the Annual General Meeting to be held on 25th September 2025, there will be elections to appoint tenant Board members.

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 – Curtis Jenner (via agency from 17.6.24 and permanent member of staff from 4.11.24). Previously, Alex Orange (left 25.7.24).

Report of the Board (including Statement of Responsibilities)
For the Year Ended 31st March 2025

12.7 Membership of the Organisation

The Constitution of BITMO requires that:

(i) 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.

(ii) 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.

(iii) 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.

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

Membership as at 1 April 2024	92
Leavers during the year	(2)
New members during the year	5
Membership as at 31 March 2025	<u>95</u>

13. Donations

The BITMO Board awarded the following donations during the year:

- (i) £500 to Windmill Children's Centre.

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 organisation'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

Harry Austin – Chair:

Date:

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Comprehensive Income
(incorporating Income and Expenditure account)
for the year ended 31 March 2025

	Notes	2024-25 £	2023-24 £
Income	3	3,889,671	3,655,862
Expenditure		<u>(2,593,781)</u>	<u>(3,531,506)</u>
Operating surplus/(deficit)	4	1,295,890	124,356
Bank Interest received	7a	66,071	44,932
Interest cost of net defined benefit pension liability	7b	6,000	(8,000)
Change in Pension Reimbursement Rights	12	<u>(1,181,000)</u>	<u>(447,000)</u>
Surplus/(Deficit) on ordinary activities before taxation		186,961	(285,712)
Taxation	8	(12,553)	(8,570)
Surplus/(Deficit) for the year		<u>174,408</u>	<u>(294,282)</u>
Actuarial gains/(losses) on defined benefit pension scheme	9	(10,000)	306,000
Surplus/(Deficit) for the financial period		<u><u>164,408</u></u>	<u><u>11,718</u></u>
<u>Reconciliation of Changes in Reserves</u>			
General Fund Balance as at 1 April 2024		<u>1,767,034</u>	<u>1,755,316</u>
Surplus/(Deficit) for the year		174,408	(294,282)
Actuarial gains/(losses) on pension scheme	9	<u>(10,000)</u>	<u>306,000</u>
Surplus/(Deficit) for the financial period		<u>164,408</u>	<u>11,718</u>
Balance as at 31 March 2025		<u><u>1,931,442</u></u>	<u><u>1,767,034</u></u>

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 23 to 31 form part of these financial statements.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Statement of Financial Position (Balance Sheet)
as at 31 March 2025

	Notes	2025 £	2024 £
Current assets			
Debtors	10	128,044	331,274
Bank		2,281,373	2,173,283
		2,409,417	2,504,557
Creditors: amounts falling due within one year	11	(477,975)	(737,523)
Total assets less current liabilities			
Net assets excluding pension liability		1,931,442	1,767,034
Pension liability	9	Nil	Nil
Pension related asset	9	Nil	Nil
Net assets including pension liability		<u>1,931,442</u>	<u>1,767,034</u>
Capital and reserves			
General Fund	12	<u>1,931,442</u>	<u>1,767,034</u>

The financial statements on pages 20 to 31 were approved by the Board on **[7th August 2025]** and were signed on its behalf by:

Jean Burton - Secretary

Harry Austin - Chair & Treasurer

Deborah Kelly - Company Secretary

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Cash Flow Statement

for the year ended 31 March 2025

	Note	2024-25 £	2023-24 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	Below	<u>54,572</u>	<u>46,253</u>
Cash flows from investing activities			
Interest receivable	7a	66,071	44,932
Tax paid	8	<u>(12,553)</u>	<u>(8,570)</u>
Net cash provided by/(used by) investing activities		<u>53,518</u>	<u>36,362</u>
Change in cash in the reporting period		108,090	82,614
Cash and cash equivalents at 1 April 2024		2,173,283	2,090,669
Cash and cash equivalents at 31 March 2025		<u>2,281,373</u>	<u>2,173,283</u>

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

(Deficit)/Surplus for the year		174,408	(294,282)
Pension scheme surplus not recognised		(1,174,000)	(156,000)
Tax paid	8	12,553	8,570
Interest received	7a	(66,071)	(44,932)
Interest payable and similar charges	7b	(13,000)	8,000
(Increase)/decrease in debtors		203,230	(303,911)
(Decrease)/increase in trade and other creditors		(259,548)	374,807
Pensions costs less contributions payable		(4,000)	7,000
Provision for past service costs		-	-
Change in pension reimbursement rights	12	1,181,000	447,000
Cash flows from operating activities		<u>54,572</u>	<u>46,253</u>

The notes on pages 23 to 31 form part of these financial statements.

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2025

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 2025

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 2025

(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.

	Year Ended 31.3.2025	Year Ended 31.3.2024
	£	£
3 Income		
Management fee from Leeds City Council	3,534,290	3,346,180
Sheltered accommodation fee	82,450	78,150
Performance incentive payment	42,129	12,835
Welfare Reform contributions	84,950	80,520
Capital Repair staff re-imbursement grant	93,311	66,838
Housing Advisory Panel Fund Grants	-	20,889
Grant income	42,306	45,543
Insurance receipt	7,604	-
Other income	2,632	4,908
	<u>3,889,672</u>	<u>3,655,862</u>
Bank interest	66,071	44,932
	<u>3,955,743</u>	<u>3,700,795</u>
4 Operating surplus (deficit)		
	£	£
The operating surplus (deficit) is stated after charging:		
Auditors' remuneration - audit services	16,000	12,750
Auditors' remuneration - non audit services	-	-
Operating lease payments	25,400	25,400
The defined benefit pension cost comprising the following		
- current service cost	222,000	221,000
- past service cost	0	0
	<u>0</u>	<u>0</u>

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2025

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 2025 the Organisation had total future minimum operating lease payments under this lease as:

	2025	2024
	£	£
Within one year	25,400	25,400
Between one and five years	101,600	101,600
After five years	12,700	38,100
Total	<u>139,700</u>	<u>165,100</u>

6 Staff costs

	2025	2024
	£	£
Wages and salaries (excluding agency staff payments)	1,338,391	1,261,904
Social security costs	135,367	128,106
Defined benefit pension scheme costs	225,868	213,343
Redundancy & severance pay	-	-
	<u>1,699,626</u>	<u>1,603,353</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:

	2025	2024
	Number	Number
Repairs, Maintenance and Property Investment staff	4	4
Caretakers	5	5
Retirement Life Housing Wardens	2	2
Office staff	27	27
Total	<u>38</u>	<u>38</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.

	2025	2024
	£	£
Agency staff costs	<u>88,550</u>	<u>4,774</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.

	2025	2024
	£	£
Key management personnel:		
Emoluments for that group of employees	175,886	179,437
Employers National Insurance contributions	20,746	20,997
Employers pension contributions	35,014	36,246
	<u>231,646</u>	<u>236,680</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.

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

	2025	2024
	Number	Number
£60,001 - £70,000	0	0
£70,001 - £80,000	1	1

In addition to the above the Head of Repairs, Maintenance and Investment was paid via an agency for five months of the year. The total cost of this was £31,820.

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 2025

7 Interest receivable and similar income	2025	2024
	£	£
7a Bank interest	<u>66,071</u>	<u>44,932</u>
7b Defined benefit pension scheme interest		
(i) Interest income on pension scheme assets	338,000	301,000
(ii) Interest expense on pension scheme obligation	<u>(325,000)</u>	<u>(309,000)</u>
	<u>13,000</u>	<u>(8,000)</u>
8 Taxation	2025	2024
	£	£
Tax charge for the year at the small companies rate	<u>12,553</u>	<u>8,570</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 2022 and the contributions to be paid until 31 March 2024 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 2025

(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 2022.

The total contributions made for the year to 31 March 2025 were £301,000 (31 March 2024 £286,000) of which employer's contributions totalled £226,000 (2023-24 £214,000) and employees' contributions totalled £75,000 (2023-24 £72,000).

The actuaries estimate that the net pension surplus as at 31 March 2025 is £1,337k (2024: surplus £156k).

The financial assumptions used for the purpose of the FRS102 calculation as at 31 March 2025, 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)	2.50%	2.60%
Rate of increase in salaries	3.75%	3.85%
Rate of increase in pensions	2.50%	2.60%
Rate of increase in deferred pensions (revaluation rate)	2.50%	2.60%
Discount rate	5.80%	4.80%
	31 March 2025	31 March 2024
Balance sheet items	£000's	£000's
Fair value of plan assets	7,606	6,987
Present value of funded defined benefit obligations	(6,269)	(6,831)
Funded assets	1,337	156
Unrecognised asset	1,337	156
Council Guarantee Asset (surplus' not guaranteed)	Nil	Nil
Components of pension cost for year		
(i) Operating costs		
Current service cost	222	221
(ii) Finance costs		
Interest on net defined benefit pension liabilities	(13)	8
Interest on unrecognised asset	7	-
Total pension cost recognised in Income and Expenditure account	216	229
Other Comprehensive Income		
Interest income on assets during the period	166	276
Asset gain adjustment due to restriction of surplus	(1,174)	(156)
Gain (loss) on assets	998	186
Actual return on assets	(10)	306
The gains/(losses) figure is recognised in the Statement of Comprehensive Income .		
Actuarial (gains)/losses expressed as a % of year end liabilities	0.002	(0.045)

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED
Notes to the Accounts
for the year ended 31 March 2025

9 Pension obligations (continued)

	31 March 2025	31 March 2024
	£000's	£000's
Change in Benefit Obligation during the year		
Benefit obligation at the beginning of the year	6,831	6,676
Current service cost	222	221
Interest on pension liabilities	325	309
Member contributions	75	72
Actuarial (gains)/losses due to changes in demographic assumptions	(51)	(105)
Actuarial (gains)/losses due to changes in financial assumptions	(1,168)	(233)
Actuarial (gains)/losses due to liability experience	221	152
Benefits/transfers paid	(186)	(261)
Benefit obligation at the end of the year	- 6,269	6,831

	31 March 2025	31 March 2024
	£000's	£000's
Change in Plan Assets during the year		
Fair value of plan assets at the beginning of the year	6,987	6,385
Interest income on assets	338	301
Remeasurement gains/(losses) on assets	166	276
Employer contributions	226	214
Member contributions	75	72
Benefits/transfers paid	(186)	(261)
Fair value of plan assets at the end of the year	7,606	6,987
Experience (losses)/gains on assets	166	276
Interest income on assets	338	301
Actual return on plan assets	504	577

Split of assets between investment categories:	Assets at 31.3.2024	Assets at 31.3.2024	Assets at 31.3.2024
	£000's	%	£000's
Equities	6,031	79.3%	5,547
Government bonds	685	9.0%	594
Corporate bonds	304	4.0%	293
Property	213	2.8%	196
Cash/liquidity	198	2.6%	126
Others	175	2.3%	231
	7,606	100.0%	6,987

	At the end of the year (years)	At the end of the year (years)
Life expectancy		
Male/Female pensioner aged 65 years	20.9 / 24.1	21.0 / 24.2
Male/Female future pensioner aged 65 years in 20 years time	21.8 / 24.8	22.3 / 25.2
Total market value of West Yorkshire Pension Fund	£ millions	£ millions
At 31 March 2025 - bid price (subject to audit)	19.93	19.35

	31 March 2025	31 March 2024
Membership		
Active members	33	30
Deferred pensions	16	13
Pensioners and dependents	30	28

The actuarial assumptions used in the calculation of the year end balance sheet liabilities are based on the 2022 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 2025

9 Pension obligations (continued)

Contingent Liability - re Virgin media judgement

Belle Isle TMO is aware that the Court of Appeal has recently upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained. Until further investigations have been completed by the UK Government's Actuary's Department and/or any legislative action taken by the government, the potential impact if any, on the valuation of scheme liabilities remains unknown.

10 Debtors: all falling due within one year

	2025	2024
	£	£
Leeds City Council, amount owed	90,542	297,184
Prepayments	26,024	5,204
Taxation - Value added tax repayment	-	-
Other debtors	11,478	28,887
	<u>128,044</u>	<u>331,274</u>

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Leeds City Council, net amount due		0
Trade creditors	147,486	415,574
Accruals	158,856	74,034
Taxation - Value added tax	126,018	146,518
Taxation - Corporation tax	12,554	8,537
Deferred income	33,061	32,078
Other creditors	(0)	60,782
	<u>477,975</u>	<u>737,523</u>

12 Unrestricted capital and reserves

	2025	2024
	£	£
General Reserves Fund balance as at 1 April 2024	1,767,034	1,755,316
(Deficit)/Surplus for the year	164,408	11,718
Defined benefit pension scheme:		
Current service cost	(222,000)	(221,000)
Interest on pension liabilities	(325,000)	(309,000)
Actuarial gains/(losses) due to changes in demographic assumptions	51,000	105,000
Actuarial gains/(losses) due to changes in financial assumptions	1,168,000	233,000
Actuarial (gains)/losses on liabilities	(221,000)	(152,000)
Expected return on plan assets	338,000	301,000
Actuarial gains/(losses) on assets	166,000	276,000
Employer contributions	226,000	214,000
Net cost recognised in Statement of Financial Activities	<u>1,181,000</u>	<u>447,000</u>
Change in Pension Reimbursement Rights	(1,181,000)	(447,000)
General Reserves Fund balance as at 31 March 2025	<u>1,931,442</u>	<u>1,767,034</u>

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED

Notes to the Accounts

for the year ended 31 March 2025

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 £3,744,236 (2022-24: £3,584,523). Grants were also received from the Council of £30,000 for two outreach projects, for Asset Based Community Development and Digital Inclusion.

The Organisation was also recharged for services provided by the Council and in the year 2023-24 these recharges totalled £328,587 (2023-24: £384,897). A grant payment of £100,000 was also paid to Leeds City Council as a contribution to home enhancements (2023-24 £200,000). Balances due to and from Leeds City Council are disclosed in notes 10 and 11.

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 £43 in re-imbursement of travel expenses for the year ended 31 March 2025 (2023-24 - £10). Board members were also given vouchers to the combined value of £360 at Christmas as a thank you from the organisation. In the previous year these costs amounted to a total of £320 in gifts.

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 giving of vouchers and gifts to Board members as disclosed above. A Councillor is a trustee of a charity which donated £818 towards the annual Warm Space programme (prior year £1,000), but had no part in that decision making process.

14 Financial instruments

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

	2025	2024
	£	£
Financial instruments that are debt instruments measured at amortised cost; comprising: cash; trade debtors, other debtors, accrued income	2,383,393	2,499,353
Financial liabilities measured at amortised cost; comprising: trade creditors, accrued costs and other creditors	(319,119)	(663,489)
Net	<u><u>2,064,275</u></u>	<u><u>1,835,864</u></u>

BELLE ISLE TENANT MANAGEMENT ORGANISATION LIMITED**Schedule to the Income and Expenditure Account****for the year ended 31 March 2025***This page is for information only and does not form any part of the statutory accounts*

	2024-25	2023-24
	£	£
Income		
Management fee	3,534,290	3,346,180
Sheltered accommodation	82,450	78,150
Performance incentive payment	42,129.44	12,835
Welfare Reform Contribution	84,950.03	80,520
Capital Schemes staff cost contribution	93,311.42	66,838
HAP Grant	-	20,889
Grant income		
- Asset Based Community Dev	25,000.00	20,713
- Tree planting (White Rose Forest)	11,478.00	10,704
- Digitisation Project	5,000.00	1,209
- estate planters	0	2,500
- Warm Spaces	828	1,000
- Repairs Café	0	2,000
- slow cookers / air fryers	0	4,500
- Community Kitchen	0	2,917
- Insurance receipt	7,604	-
Other income	2,631	4,908
Income before bank interest	3,889,671	3,655,862
Bank Interest	66,071	44,932
Total Income	3,955,742	3,700,795
Expenditure		
Responsive repairs	1,420,075	1,214,026
Cyclical repairs	638,345	737,706
Repairs total	2,058,420	1,951,731
Community Development	249,201	269,068
Income and tenancy	305,640	290,368
Tenancy Support	247,896	241,005
Retirement Life	112,092	90,232
Corporate running costs	202,146	179,406
Corporate staffing costs	400,296	351,436
Service Level Agreements	66,559	53,490
Sub-total	3,642,250	3,426,736
Normal operational surplus/(deficit)	313,492	274,059
Property investment programme	100,000	200,000
Community Fund	49,084	62,341
Total expenditure	3,791,334	3,689,077
Surplus/(deficit) for the year	164,408	11,718