

THE FREMANTLE TRUST

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

Registered Company Number 2722437

Registered Charity Number 1014986

THE FREMANTLE TRUST

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reference and Administrative Information

Registered Charity	No 1014986
Limited Company	No 2722437
Company Secretary	Liz Turvey (resigned 2 September 2022)
Chief Executive	Sara Livadeas (resigned 24 August 2021) Narinder Singh (Interim CE appointed 24 August 2021)
Registered Office	Woodley House, 64/65 Rabans Close, Aylesbury, Bucks, HP19 8RS
Statutory Auditor	Sayer Vincent LLP Chartered accountants and statutory auditor Invicta House, 108-114 Golden Lane London, EC1Y 0TL
Bankers	Allied Irish Bank (GB) 10 Berkeley Square, London W1J 6AA
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham, B3 2ES
Trustees	Diane Kerwood (retired 11 May 2022) Ian Shepherd (retired 6 September 2021) Alan Howard (resigned 26 May 2021) Georgina Turner Stephanie McMahon Jennifer Burns (resigned 1 October 2021) Jim Burness (Chair of the Board from 6 September 2021) Karen Jones Robert De Barr Louise Drew (appointed 28 July 2021) Toni Martin (appointed 24 November 2021)

Audit and Risk Committee members:

Ian Shepherd (up to 6 September 2021)
Jennifer Burns (up to 1 October 2021)
Jim Burness (Chair)
Stephanie McMahon
Robert de Barr

Trustee Care Panel members:

Diane Kerwood (Chair up to retiring 11 May 2022),
Ian Shepherd (up to 6 September 2021)
Alan Howard (up to 26 May 2021),
Georgina Turner
Toni Martin
Jim Burness

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Reference and Administrative Information (continued)

Finance Committee members:

Ian Shepherd (Chair) up to 6 September 2021,
Jennifer Burns (Up to 1 October 2021),
Jim Burness (Chair from 6 September 2021)
Stephanie McMahon
Louise Drew

HR Committee members:

Diane Kerwood (up to 11 May 2022),
Alan Howard (Chair up to 26 May 2021),
Karen Jones (Chair from 26 May 2021)
Georgina Turner
Toni Martin

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Trustees' Report

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2022. Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under Company Law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Organisation

A Board of Trustees of up to 15 members administer the Group and may also join one or more of the following sub committees.

The Audit and Risk Committee ensures there is robust risk management throughout The Fremantle Trust operations and report on this to the Board. The committee is made up of a minimum of 3 Trustees and attended by the Chief Executive, Company Secretary and Finance Director.

The Trustee Care Panel undertakes regular planned visits to services and report on these to the Board. They also monitor care and quality and safeguarding within the organisation. This panel is made up of a minimum of 3 Trustees and meetings are attended by the Director of Care Quality and Compliance, the Director of Operations and others as required. Due to the on-going pandemic and In line with government guidelines, the service visit schedule has been restricted this year with engagement being maintained through online consultations.

The Finance Committee is made up of a minimum of 3 Trustees and is attended by the Director of Finance, the Company Secretary and the Chief Executive. This committee scrutinises the financial and cash management of the business.

The HR Committee, attended by the Chief Executive, the Head of HR and a minimum of 3 Trustees, underlines the importance the Board of Trustees places on recruitment, retention and training of staff.

In addition, each Trustee is linked to a number of services. There is also a named Trustee responsible for safeguarding.

Annually the Board of Trustees meets to discuss objectives, review business plans and budgets and develop strategy. Progress against objectives is monitored at each Board meeting, which take place every two months. Due to the on-going Covid 19 pandemic all meetings since March 2020 have taken place virtually and it was not possible to have the annual face to face strategy days.

Day to day management of the organisation is delegated to the Executive Team who are employees. The Executive Team during the period are:

Sara Livadeas	-Chief Executive (resigned 24 September 2021)
Nick Callaghan	-Interim Chief Executive (from February 2021 to August 2021)
Narinder Singh	-Interim Chief Executive (from September 2021)
Liz Turvey	-Company Secretary (retired 2 September 2022)
Sarah Toye	-Head of HR
Barrie Miles	-Director of Finance
Mark Webb Austin	-Director of Operations (appointed May 2020, resigned April 2021)
David Williams	-Interim Director of Operations (appointed 05 April 2021, resigned October 2021)
Helen Eyers	-Director of Care Quality and Compliance (appointed 29 March 2021, resigned 27 May 2022)
Linda Zaidi	-Director of Operations (appointed 5 January 2022)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Services and Activities

During the year to 31 March 2022 The Fremantle Trust provided the following services.

Services for older people

- Care homes in Buckinghamshire providing care and support for 715 (2021: 715) permanent residents and places for short term/respice residents reducing to 640 in October 2021 following the closure of the home in Wing

Services including dementia care, rehabilitation, palliative care and care services for ethnic minority groups

Learning disability services

- Care homes in Buckinghamshire and Hertfordshire providing care and support to 49 (2021: 51) permanent residents, and 2 (2021: 2) places for short term/respice services
- Supported living for 193 (2021: 145) people with a learning disability (95 Bucks & 98 Milton Keynes)
- Day activities for 63 people with a learning disability

The Trust took over the provision of nursing and associated care to the residents of Leonard Pulham Limited in May 2020, which was closed in October 2020, with 13 residents helped to transfer to other homes. This was a care facility serving 34 people aged 65 and over. The Fremantle Trust is named as the Parent within the rules of Leonard Pulham Limited.

Trustees wish to ensure that The Fremantle Trust's services are widely accessible, according to care and support needs, and therefore have contracts with local authorities for all learning disability services and almost half of services for older people. The local authority pays the balance of the fees, dependant on the residents' income, for those it places. Where beneficiaries pay fees directly for their places, the amounts charged are set by reference to market conditions and service costs and aim to achieve a surplus for future investment. Should a direct fee-paying individual's funds become depleted below the local authority threshold, we will always use our best endeavours to reach agreement with the appropriate local authority to enable that person to remain in our care providing the service continues to meet the resident's needs.

Activities are supported by the valuable contribution of more than 100 volunteers including

- Voluntary Trustees
- Advocates and befrienders
- Volunteers providing leisure and recreation opportunities.

Our vision is to create great communities for people who need care and support. Families and friends of the people who use our services and the staff who support them play an invaluable part through their day-to-day involvement in helping those who we support and care for to lead fulfilling lives.

Employee involvement and employing people with disabilities

The Fremantle Trust is committed to promoting equality, preventing discrimination and valuing diversity in all our services. Its policy of Equality and Diversity is designed to ensure equality and fairness for all people who use our services, employees and job applicants. Where existing employees become disabled it is the Trust's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development as appropriate.

Regular team meetings are held in all services to ensure a flow of information and exchange of ideas. A monthly newsletter, Inside Fremantle, is displayed on our IT network and printed out and placed in staff rooms for all employees to access. This includes news items from the services as well as information about the organisation. Throughout the pandemic the Chief Executive and the Head of HR have written to all staff on several occasions to keep them directly informed of our response and to signpost them to where they may access support

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Employee involvement and employing people with disabilities (continued)

should they need it. This includes our Employee Assistance Programme which has a confidential telephone helpline.

The introduction of Vaccination as a Condition of Deployment Regulations (mandatory Covid-19 vaccines for people working and entering CQC registered care homes) was introduced from 11th November 2021. Prior to this, extensive work was undertaken to ensure that all applicants and employees had the necessary support and information to make an informed decision around the vaccination programme and to ensure that the organisation was 100% compliant. There were 38 leavers as a direct result of the regulations of which 35 were involuntary, whereby as part of the consultation process we served notice of dismissal by reason of a statutory instrument. The regulations were later revoked on 15th March 2022.

The Fremantle Trust remains committed to the continuing development of our employees. The Trust's in-house people team, comprising HR and Learning and Development teams, ensure each service has dedicated Business Partner support for all people management and development purposes. Our Business and Learning Partners, work alongside managers and colleagues within the services to continue to develop and train our employees. The Trust's aim is to ensure a competent, suitably qualified and motivated workforce who demonstrate the values of the organisation, underpinning the provision of outstanding care and support for the people who use our services. This year we have continued to deliver much of our learning and development online, always aligning with the recommended guidance and solutions offered through Skills for Care, including their recommended induction programme for new joiners, which enabled us to continue to ensure that new colleagues were safe to work throughout the pandemic and prevailing restrictions. We have continued to develop our service managers and their deputies through our accredited Leadership Academy, which enables us to equip them with the knowledge and tools to ensure they can remain flexible and resilient during times of change whilst driving continued improvement in our services. We have re-focused support for our clinical employees to ensure that there is peer group activity as well as provision for external best practice. We aim for all employees to have an annual performance and development review, which links personal objectives for the coming year to the strategic goals and organisational objectives.

The Fremantle Trust has reported on the gender pay gap, which is 6.7% (calculated on the snapshot date of 5th April 2021). As a benchmark, the Office of National Statistics reported that the gender pay gap among all employees was 15.4%.

The Trustees agreed the Modern Slavery Statement for the year 2021/22 and this has been placed on the Trust website.

Energy Savings Opportunity Scheme (ESOS)

The Fremantle Trust is registered on the ESOS website and carried out the first energy audit at the end of 2015 in order to comply with the regulations. The Phase 2 audit was undertaken in December 2020 and formally notified to the Environment Agency in May 2020.

We have reported below our energy and carbon information in line with SECR reporting guidelines.

We have not included usage for offices where we have service agreements and/or we are not charged for energy usage as a tenant as we do not have access to this usage data. In line with SECR guidelines we have not included emissions related to the use of public transport. GHG emissions have been calculated using 2020 UK Defra carbon conversion factors, emissions are presented in CO₂e. For our buildings we have used an energy intensity metric of kWh per m², using data from our energy bills.

We do not keep records of the size or fuel type of our employees' personal vehicles, so where they have used their car for work and claimed mileage we have calculated based on the measurements for an 'average personal vehicle' and 'unknown fuel type' from the DEFRA dataset.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Energy Savings Opportunity Scheme (ESOS) (continued)

Our energy usage in 2021/2022

Gas usage: 1,188,258 kg CO₂e (2020/21 1,266,410 Kg CO₂e)

Gas use intensity: 6,487,542 Kwh/£43.5m Income (2020/21 6,887,528Kwh/£44.6m Income)

Electricity use: 522,466 kg CO₂e (2020/21 610,282 kg CO₂e)

Electricity use intensity: 2,460,630 Kwh/ £43.5m Income (2020/21 2,617,663 Kwh/£45.6m Income)

Travel data: 26,907 kg CO₂e (2020/21. 21,760 kg CO₂e)

Information not shown in the Trustees' report is shown in the Strategic Report instead under the Companies Act 2006 section S414C (11).

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of The Fremantle Trust for the purposes of Company Law) are responsible for preparing the Trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation

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

Insofar as the Trustees are aware:

- There is no relevant audit information of which the parent charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make them selves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the parent charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Members of the parent charitable company are the Trustees who guarantee to contribute an amount not exceeding £1 each to the assets of the parent charitable company in the event of winding up. The total number of such guarantees at 31 March 2022 was 11 (2020: 14). The Trustees are members of the parent charitable company but this entitles them only to voting rights. The Trustees have no beneficial interest in the group or the parent charitable company.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Structure Governance and Management

The Fremantle Trust is a registered charity and company limited by guarantee, incorporated and registered in England on 8 June 1992 and is a "not for profit" organisation. Since 12th May 2020, it has been the Parent of Leonard Pulham Limited which is a registered society under the Co-operative and Community Benefit Societies Act 2014. Leonard Pulham Limited was closed to residents due to the impact from Covid in May 2020 and has not re-opened since due to the unsuitability of the premises for the necessary infection control measures required. It continues to operate with private residential tenancy income and one administrative employee. Consolidation of Leonard Pulham Limited financials is explained on page 20 Section 1b of the Notes to the Financial Statements.

The governing documents for The Fremantle Trust are the Memorandum and Articles of Association (as amended on 1 January 2013). Trustees are appointed for an initial period of three years and at the end of this period they may, if they wish and the Board agrees, serve a further three years. The maximum term a Trustee may serve under this process is nine years i.e. three consecutive terms. Trustees are appointed by the Board.

Diane Kerwood retired with effect from 11th May 2021, Alan Howard resigned with effect from 26 May 2021, Ian Shepherd resigned due to ill health with effect from 6 September 2021 and Jennifer Burns resigned with effect from 1 October 2021. The Board wish to extend their thanks to them for all their years of service. During 2021 we were pleased to welcome Louise Drew and Toni Martin to the Board.

The Trustees are also Directors of the charity for the purpose of the Companies Act.

All members of the Board of Trustees give their time voluntarily and receive no benefits from The Fremantle Trust. Any expenses reclaimed or incurred directly are set out in note 5 to the accounts.

We regularly review our Trustee Recruitment, Induction and Training Policy. Potential Trustees are invited to apply after replying to a specific advertisement in the press, via appropriate websites or by targeted approach. They are requested to provide their curriculum vitae and attend an interview with a group of existing Trustees to discuss the role. If the interview panel and potential Trustee are happy to proceed, the appointment is confirmed at the next Board meeting. Appointments are made with reference to the existing skill mix of the Board.

New Trustees are provided with a Trustees' Handbook (which is regularly updated) and other relevant reading and are invited to spend time with the Chair of Trustees and each of the Senior Executives. An existing Trustee is asked to mentor the new appointee to ensure they are assisted to become a contributing member of the Board as soon as possible. Where possible and if Covid restrictions allow, they will visit services, either in the company of the Chief Executive or with a member of the Executive Team. All Trustees are offered regular training and development opportunities through conferences, formal training and by journal subscription and information sharing.

Last year the Board established a Governance Review sub group with a particular remit to look at how the Board monitor safeguarding with reference to the alert sent out by the Charity Commission but also to look at governance more generally. The group reported on progress at each Board meeting. As a result of the report on safeguarding all Trustees were asked to complete the same on-line safeguarding training module as is mandatory for employees. The governance manual, the Trustee Handbook, has been updated and was re-issued in November 2021.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

Remuneration Policy

The Trustees are responsible for setting the pay and remuneration of key management personnel. The HR Committee will take advice, guidance and information from the Chief Executive, and such outside sources as they deem necessary, to review the pay of the Executive Team and those senior members of staff with substantial strategic responsibilities whose pay is determined by this method and will make recommendations to the Board of Trustees. Consideration is given to annual pay surveys for the relevant roles within the sector, the value placed on any relevant qualifications, advice from industry recruitment specialists and the financial position and outlook for the Trust.

Auditors

A resolution to re-appoint Sayer Vincent LLP as external auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board of Trustees.

Jim Burness
Chair of the Board
Date: 4 October 2022

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Aims and Objectives

The Fremantle Trust's legal objectives, as set out in the Memorandum and Articles of Association, are to promote and provide relief, support and assistance to individuals who by reason of old age, or physical or mental illness or physical or mental disability require special care and attention.

The Fremantle Trust provides care and support for older people and people with learning disabilities. We operate registered care homes (providing residential, nursing, respite and dementia care), day care and extra care services, care in individuals own homes and supported living services in Buckinghamshire, Milton Keynes, Bedfordshire and Hertfordshire. Our mission is to enhance people's lives by caring and working together. Our vision is to be the go to provider, delivering great care every day.

We aim to meet people's needs for independence, personal choice and control, privacy, fulfilment, safety, citizenship and social interaction, in a respectful and dignified manner. We demonstrate this to the people who use our services through the five values which underpin our mission and vision, which are to:

- Celebrate the uniqueness in everyone
- Put care and kindness at the heart of all we do
- Exceed expectations every day
- Act openly and responsibly
- Always be learning

Each year the Board of Trustees reviews our aims, objectives and achievements to ensure these remain focused on providing benefits to the people who use our services. We have referred to the guidance contained in The Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives that have been set. Our corporate plan objectives are:

- People enjoy high quality care, where their needs are met by capable and responsive employees
- All services are safe and compliant with regulations/legislation
- Services are financially sustainable, cost effective and efficient
- We will provide flexible support that anticipates demands from our public sector and private customers in the future

Achievements for year to March 2022

Following on from 20-21, this has been another very challenging year for the Trust with the pandemic still having a major impact across the care sector especially on private funder growth and staff recruitment and retention.

For the second year running, it is not possible to report against the specific performance indicators and targets that were planned to be achieved as part of the 2019 Corporate Plan programme, as the main priority was to manage the Trust through the ongoing pandemic by keeping residents and service users safe and ensuring financial sustainability. However, once again, the Trustees feel there are several areas where real achievements should be acknowledged and celebrated.

All employees at every level continued to rise to the unique challenges presented by Covid, working extremely hard in very difficult circumstances to keep residents, each other and those we support safe. We maintained good supplies of PPE, in line with changing requirements, and continued to keep infection control measures under review throughout the year including the legislative changes around compulsory vaccinations.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

As restrictions relaxed, we were able to increase the opportunity for residents in our older people's homes to stay in contact with their relatives and friends. We have continued to promote and invest in technology to facilitate this and we are very pleased that we have been able to bring back in home entertainment from various performers who were very much missed during the tighter restrictions earlier in the pandemic.

Our working relationship with both Buckinghamshire Council and local health professionals continues to evolve positively and we are very grateful for the Council helping to quickly pass through the various Covid related funding streams to help with the increased costs we have incurred. Our negotiations with the Council on our Older People Block Contract were concluded during the year with a number of mutually beneficial variations which have helped to modernise the contract to both parties satisfaction. In addition, the complete subsumption of the Local Government Pension Scheme by Buckinghamshire Council means the Trust is no longer a member of this and has no more liabilities associated with it. This is a major improvement and turning point for the Trust financially.

Our digital care plan roll out has been on hold this year while dealing with impact from Covid and recruitment issues but this will be reinvigorated over the coming months. We continue to look to go paperless and replace manual systems with technology and have recently embedded a credit card system in place of petty cash in all our Older People and Learning Disability Homes with Supported Living next on the agenda. We continue to use a digital incident reporting system (RADAR) and digital quality and compliance system in order to support our policy and procedures processes. We have also recruited a Head of Digital Transformation to take this work stream forward across the Trust and to ensure the learnings from the June 2020 cyber attack are embedded and our IT infrastructure is robust enough to support our Services and remain secure..

How The Fremantle Trust Directors have complied with their duties in regard to the following:

The likely consequences of any decision in the long term

All key decisions that will have an impact on the long-term future of the charity are discussed at the relevant sub-committee and Board. Major and long running projects are overseen on behalf of the Board by the Audit and Risk committee to ensure that there is appropriate oversight and that appropriate action is taken where necessary, with regular reports to the full Board.

The interest of the company's employees

The impact of major decisions on staff are discussed by the Board who also receive regular updates on staff pay, health and safety, and safeguarding. The Trustees continue to aspire to being a Real Living Wage employer at such time as finances allow.

The need to foster the company's business relationships with suppliers, customers and others

An annual Residents and Relatives survey is undertaken and the Board receives information on complaint levels and any underlying themes. The Board regularly discusses the nature of the relationships it wants with key stakeholders and there are clear processes for engagement with suppliers and customers.

The impact of the company's operations on the community and the environment

The Fremantle Trust's key objective is to have a positive impact on the lives of people who need care and support due to living with a learning disability or who are elderly with physical frailty or dementia. The board receives regular quality updates on the services provided to ensure funds are used efficiently and effectively with particular attention paid to CQC and our own internal audit ratings.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The desirability of the company maintaining a reputation for high standards of business conduct

The nature of the Trust's work as a charity makes the maintenance of its reputation for keeping high standards of particular importance. Appropriate systems and processes are in place to ensure the highest standards in business conduct. The Executive Team will also update the board with any matters that may have given rise to a reputational risk including any mitigating actions being taken.

The need to act fairly between members of the company

As a registered charity The Fremantle Trust does not have shareholders. The Trustees, who are members of the company, ensure that any surpluses are ploughed back into the business for the benefit of those for whom we provide care and support.

Financial Review

The statement of financial activities for the year is set out on page 17. A memorandum income and expenditure account has been included on page 24 to provide greater clarity as to the actual operating results for the year excluding FRS 102 pension adjustments.

Following clarification of the legal status of the relationship between The Fremantle Trust and Leonard Pulham Limited, these are now consolidated financial statements with all prior year figures restated to include Leonard Pulham Limited which ceased trading as a care home in 2020/21 and only receives rental income for commercially let residential properties.

In the year ended 31 March 2022, the Trust's income derived from fees for care and support services was £43.5 million (2021: £45.8million). The Charity's main expense is staff costs with other costs relating to expenses in running and managing homes and services.

In the year ended 31 March 2022, the Trust made an operating surplus before FRS 102 pension accounting of £88,000 (2021: loss £679,000). This was the first surplus since 2017-18.

The FRS 102 deficit shown on the face of the accounts for prior year arose due to the Charity's admitted body membership of the Buckinghamshire Local Government Pension Scheme following transfer of employees when the charity was set up in 1992. Following negotiations with Buckinghamshire Council and LGPS Actuary during early 2021, the Trust ceased to be an admitted body of this scheme and all liability has been subsumed by Buckinghamshire Council from 31 July 2021. This has been reflected in 2021-22 statutory accounts. No exit debt payment was required, all active Trust employees have left this scheme and the Trust has been discharged from all current and future liabilities.

Due to the impact of Covid 19 our net current assets have remained in a negative position for a second year running, however, the cash position has once again remained stable with good debt collection and costs control and no need to use the overdraft, although prudently we continue to keep this facility. Our bank AIB have decided to sell their UK portfolio and we are in the process of moving to Allica, who have already taken over the remaining loan repayments. While our current accounts remain with AIB, we expect to keep our overdraft facility in place but will review this once Allica are ready to take over our current accounts.

Routinely the Board reviews the monthly management accounts at the Finance Committee meeting bi-monthly and the full Board review them every two months. Also monthly accounts are discussed in depth by the Executive Team each month. These accounts always include a balance sheet plus updated forecast cash flow.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Reserves Policy

The Board of Trustees has established that unrestricted funds should be held to support future strategic development or invested in fixed assets. This policy is reviewed annually.

The Board of Trustees believes that, to allow appropriate future cover for continuing operating costs, reserves should be between one and three months' operating costs (principally salaries), estimated to be £4million to £12million. Excluding the pension funds deficit, the Trust has general funds of £3.0 million (2021: £2.9 million). However, as shown in note 16 the main component of these general funds is fixed assets, rather than liquid funds with £1.7m negative free reserves. In the short to medium term the management team and Trustees monitor cash flow and reserves levels to ensure that these are sufficient to meet day to day commitments and obligations under lease covenants.

The strategy previously agreed by the Board aimed to build the charity's level of reserves. With the Charity's poor financial performance over the last few years compounded by the impact from Covid, this is taking much longer to achieve than Trustees initially hoped. This has been a contributing factor for the Trustees decision in September 2021 to look for a suitable not for profit organisation to merge with.

At 31 March 2022 the cash balance was £1,497,000 (2021: £2,331,000).

Fundraising Policy

The Trust does not engage in public fundraising activities by professional fund raisers or commercial participators. It is not registered with the Fundraising Regulator and has received no complaints during the year.

Funds held on behalf of others

Please refer to Note 21 on page 31.

Principal Risks and Uncertainties

Going Concern

The conclusion of the negotiations with Buckinghamshire Council has helped to provide a small surplus last year. Private occupancy is still lower than pre-Covid levels but enquiries and admissions are increasing and further investment in facilities and systems to improve the environment and quality of service of the Trust for residents is also helping with occupancy levels. Capacity remains an opportunity for the Trust to utilise in line with a more pro-active partnership with local authorities and NHS where they have a need for short term and long term occupancy. Although the risks of increasing inflationary costs and greater use of agency staffing remains, the Trust is in a stronger financial position to manage such risks and remain financially viable.

Given the above improving situation and the likelihood of a successful merger with an organisation with greater resources and reserves than the Trust, the Board is satisfied that it is appropriate for the financial statements to be prepared on a going concern basis, and that there are no material uncertainties that may cast doubt on this assumption for a period of at least 12 months from the approval of these accounts. Good cash management has meant the overdraft facility has not been used in this financial year nor is it forecast to be used going forward but the facility has been extended until December 2022 for prudence. In the event of a merger being delayed or not happening, the Trust can continue to operate but it would be a risk to the transformation needed for the Trust to remain competitive.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Risk Management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of The Fremantle Trust, and are satisfied that systems are in place to manage the exposure to the major risks. The Risk Register is reviewed regularly by the Audit and Risk Committee and at each Board meeting. The major risks identified during the period which this report covers were the pandemic and its impact on financial viability and recruitment and retention. Also identified are Regulatory/Operational risks (failure to meet CQC standards or failures in safeguarding, health and safety etc.), which are regularly monitored by the Trustee Care Panel. Identified risks are scored and then following the Charity Commission's guidance a decision is made as to whether to treat, tolerate, transfer or terminate each risk.

Pensions Risk

The Fremantle Trust had a FRS 102 deficit arising from its membership as an admitted body of the Buckinghamshire County Council LGPS. Following, the subsumption of all current and future liabilities by Buckinghamshire Council, and exit of existing Trust employees from the LGPS from 31 July 2021, this risk no longer exists.

Regulatory/Operational Risk

The pandemic has continued to impact the sector and we have not been immune from the well-publicised shortage of care staff. In addition, managing a multi-site operation has continued to be challenging during this period. 72% of our services are rated Good or Outstanding by the CQC. However, we closed one of our care homes during the period and deregistered the service transferring residents to other Fremantle Trust and neighbouring care homes following an Inadequate rating. We experienced some quality issues in a small number of services which resulted in a Large Scale Enquiry (LSE) being conducted by the Local Authority (LA). After working in a close partnership with the LA to turn these around, all but one had been removed by end of June 2022 following sustained quality improvements. The last service is due to be inspected by the LA in late July and due to the success in turning around the others and lessons learned, we are confident this will then be removed from embargo and the LSE closed by the LA. The quality of services continues to be a key focus for Trustees.

Internal Financial Audit

This Internal Audit programme has been overhauled and restarted during the year with a cyclical programme created. It is a lighter touch than was previously in place, in order to help make the process more streamlined and easier to continue, but still allows for a deep dive approach if issues arise. All reports must be reviewed and signed off by Operational Leads as well as Finance to ensure recommendations are implemented.

Plans for the Future

Despite the positive negotiations with Buckinghamshire Council the continued impact from Covid on private funders recovery to normal occupancy levels, is delaying the Trust's position to commence delivery of the transformation programme which is needed to stay competitive. The Board have reached a decision to seek a merger with a similar not for profit organisation who will be able to take over the group as an ongoing entity and to help drive forward the business transformation. This process began in September 2021 and should conclude by the end of 2022.

By order of the Board of Trustees

Jim Burness
Chair of the Board
Date: 4 October 2022

THE FREMANTLE TRUST

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of The Fremantle Trust (the 'parent charitable company') and its subsidiary for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE FREMANTLE TRUST

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report including the strategic report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

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

- We enquired of management and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

THE FREMANTLE TRUST

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)
14 October 2022
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

THE FREMANTLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted	Restricted	Total	Restated		Total
		Funds	Funds		Unrestricted	Restricted	
		2022	2022	2022	2021	2021	2021
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Charitable activities							
- Care and support services	2	41,795	1,655	43,450	42,940	2,863	45,803
Investment income		1	-	1	1	-	1
Acquisition of Subsidiary	25/26	-	-	-	299	2,034	2,333
Total income		41,796	1,655	43,451	43,240	4,897	48,137
Expenditure							
Charitable activities:							
- Care and support services	3	(41,708)	(1,780)	(43,488)	(44,624)	(2,988)	(47,612)
Total expenditure		(41,708)	(1,780)	(43,488)	(44,624)	(2,988)	(47,612)
Net income / (expenditure) before other recognised gains and losses		88	(125)	(37)	(1,384)	1,909	525
Actuarial (loss)/gains on defined benefit pension schemes	24	-	-	-	(1,762)	-	(1,762)
Subsumption of defined benefit pension schemes		19,089	-	19,089	-	-	-
Net movement in funds (being net income / (expenditure) for the year)		19,177	(125)	19,052	(3,146)	1,909	(1,237)
Funds brought forward		(16,157)	1,991	(14,166)	(13,011)	82	(12,929)
Funds carried forward	16	3,020	1,866	4,886	(16,157)	1,991	(14,166)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

THE FREMANTLE TRUST

BALANCE SHEETS AS AT 31 MARCH 2022

	Notes			Restated	
		Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
Fixed Assets					
Tangible fixed assets	7	<u>6,596</u>	<u>4,846</u>	<u>6,817</u>	<u>4,942</u>
		6,596	4,846	6,817	4,942
Current assets					
Debtors	11	4,170	4,154	3,417	3,403
Cash at bank and in hand		1,497	1,495	2,331	2,256
		<u>5,667</u>	<u>5,649</u>	<u>5,748</u>	<u>5,659</u>
Liabilities					
Creditors: amounts falling due within one year	12	(6,435)	(6,417)	(6,296)	(6,267)
Net current liabilities		<u>(768)</u>	<u>(768)</u>	<u>(548)</u>	<u>(608)</u>
		(768)	(768)	(548)	(608)
Total assets less current liabilities		5,828	4,078	6,269	4,334
Creditors: amounts falling due after one year	14	(792)	(792)	(1,196)	(1,196)
Provisions for liabilities and charges	15	(150)	(150)	(150)	(150)
Net assets excluding pension liability		<u>4,886</u>	<u>3,136</u>	<u>4,923</u>	<u>2,988</u>
Defined benefit pension scheme liability	24	-	-	(19,089)	(19,089)
Total net assets / (liabilities)		<u>4,886</u>	<u>3,136</u>	<u>(14,166)</u>	<u>(16,101)</u>
Funds					
	17				
Restricted income funds		1,866	82	1,991	82
Designated Funds		-	-	-	-
Revaluation Reserve		1,567	1,567	1,585	1,585
General funds		1,453	1,487	1,347	1,321
Pension reserve		-	-	(19,089)	(19,089)
Total funds		<u>4,886</u>	<u>3,136</u>	<u>(14,166)</u>	<u>(16,101)</u>

Approved by the trustees on 4 October 2022 and signed on their behalf by

Jim Burness - Director

THE FREMANTLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	£'000	Year ended 31-Mar 2022 £'000	£'000	Restated Year ended 31-Mar 2021 £'000
Cash flow from operating activities					
Net cash (used in) / provided by operating activities	23		(429)		1,588
Cash flows from investing activities:					
Purchase of fixed assets		(352)		(664)	
Receipts from disposal of investments		0		101	
Net cash used in investing activities			(352)		(563)
Cash flows from financing activities					
Repayments of borrowing		<u>(53)</u>		<u>(51)</u>	
Net cash used in financing activities			<u>(53)</u>		<u>(51)</u>
Change in cash and cash equivalents in the year			(834)		974
Cash and cash equivalents at the beginning of the year			2,331		1,357
Cash and cash equivalents at the end of the year			<u><u>1,497</u></u>		<u><u>2,331</u></u>

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 ACCOUNTING POLICIES

(a) Statutory information

The Fremantle Trust is a charitable company limited by guarantee and is incorporated in England and Wales. The registered office address is Woodley House, 64/65 Rabans Close, Aylesbury, Bucks, HP19 8RS.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Leonard Pulham Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented [because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 as a summary of the result for the year is disclosed in the notes to the accounts.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

(c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

(d) Going concern

The charity has continued to face financial challenges in recent years, despite some successes, the charity does have net current liabilities at the end of the reporting period. This was predominantly due to deferring PAYE payments as part of the HMRC Time To Pay Arrangement under the support measures provided during the COVID-19 disruption. Management and the board continue to work on the financial sustainability of the charity and with improved Local Authority pricing achieved on its main Block contract and the exit from the Local Government Pension Scheme liability, the charity is in a much more stable financial footing to cope with current market risks of cost inflation and higher agency usage. The charity has also stayed in regular contact with its bank to keep them updated on the operating and cash position. The trustees therefore consider that there are no material uncertainties about the charity's ability to continue as a going concern, the annual financial statements have therefore been prepared on that basis.

The Trustees do not consider that there are any sources of estimate uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next reporting period.

(e) Fund accounting

All funds received from operations are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. The restricted funds are the total of monies held in independent bank accounts on behalf of services. Many of our homes will hold fundraising events, often with a view to purchasing a particular item for the home. Decisions regarding how any funds raised are spent are taken in conjunction with the people who use our services.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Investment Income received is recognised in the accounts on an accruals basis. Deferred income to be repaid after 12 months is recognised in the Balance Sheet as Creditors: Amounts falling due after one year.

(g) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on the basis of usage and other overheads have been allocated on the basis of staff time.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

(h) Tangible fixed assets

Tangible fixed assets costing more than £500 are capitalised and included at cost together with any incidental expenses of acquisition.

Depreciation is provided in equal annual instalments over the estimated useful lives of each class of asset, from the date on which the assets are brought into use. The useful lives are as follows:

Land	Not depreciated
Freehold property	30-50 years
Freehold improvements	15 years
Leasehold improvements	10-50 years in accordance with the remaining period of the lease, or remaining useful life if shorter
Computer equipment	3 years
Office equipment	5 years
Equipment and furniture at homes	5 years or remaining useful life if shorter
Motor vehicles	4 years

Freehold properties and long leasehold properties have a full valuation by a qualified external valuer with sufficient regularity to ensure that the carrying amount does not differ materially from their fair value at the end of the reporting period.

(I) Pensions

(1) Local Government Pension Schemes

Until 30 September 1998, staff were eligible to join the Buckinghamshire County Council Superannuation Fund, which is a defined benefit pension scheme contracted out of the state scheme. Contributions to the County Council scheme are charged to the SOFA with the result that pensions costs are spread over the working lives of the membership, taking account of any prior service with Buckinghamshire County Council.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(I) Pensions (continued)

(2) NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

HMT published valuation directions dated 7 October 2021 (see [Amending Directions 2021](#)) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(l) Pensions (continued)

(3) Defined Contribution Schemes

From 1 October 1998 staff were eligible to join the Fremantle Trust Group Personal Pension Plan, managed by Equitable Life, which is a defined contribution scheme. Contributions are charged to the SOFA in the working period to which they relate. This scheme was closed to new admissions from 30 November 2000.

From 1 June 2001 staff were eligible to join a Stakeholder Pension Scheme, which is a defined contribution scheme. Contributions are charged to the SOFA in the working period to which they relate.

(j) Property repairs and maintenance and related accruals

Provision for dilapidations (where it is our responsibility) is accrued (Note 15). Normal ongoing maintenance is charged to the SOFA in the year incurred.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

2 INCOME FROM CHARITABLE ACTIVITIES

All incoming resources arise solely within England and are in respect of care and support for adults. Sources of income are shown below.

	2022 Total £'000	Restated 2021 £'000
Income from contracts with local authorities	18,622	17,370
Income from contracts with Catalyst Housing Group and other Housing Authorities	506	558
Income from client contributions and private sales	24,322	27,875
	43,450	45,803

Above figures include restricted income relating to COVID-19 support 2022: £1,655,000 (2021: £2,863,000)

3 ANALYSIS OF EXPENDITURE

a)

Charitable Activities - Current Year:	Care and Support	Management of	Governance		2022 Total
	Services	care and support services	Costs	Support Costs	
	£'000	£'000	£'000	£'000	£'000
Staff costs (Note 4)	27,089	3,606	-	-	30,695
Premises costs	7,649	19	-	79	7,747
Care home costs	2,586	-	-	-	2,586
Recruitment, Training etc	759	-	-	-	759
Travel expenses	72	45	-	1	118
Regulatory costs (CQC)	129	-	-	-	129
Information technology and equipment support	-	-	-	563	563
Postage, stationery, photocopying, telephone	135	-	-	215	350
Establishment costs and general office expenditure	-	-	-	42	42
Legal and professional fees	-	-	-	362	362
Publicity and general advertising	-	-	-	37	37
Service development	-	-	-	11	11
Audit - external	-	-	75	5	80
Bad Debt charge	9	-	-	-	9
	38,428	3,670	75	1,315	43,488
Support Costs	789	526	-	(1,315)	-
Governance Costs	-	75	(75)	-	-
Total expenditure 2022	39,217	4,271	-	-	43,488
Total expenditure 2021	43,461	4,151	-	-	47,612

Charitable Activities - Prior Year 2021 Restated:	Care and Support	Management of	Governance		2021 Total
	Services	care and support services	Costs	Support Costs	
	£'000	£'000	£'000	£'000	£'000
Staff costs (Note 4)	29,921	3,398	-	-	33,319
Premises costs	7,616	34	-	70	7,720
Care home costs	3,341	-	-	-	3,341
Recruitment, Training etc	1,108	-	-	-	1,108
Travel expenses	87	36	-	2	125
Regulatory costs (CQC)	135	-	-	-	135
Information technology and equipment support	-	-	-	515	515
Postage, stationery, photocopying, telephone	151	-	-	238	389
Establishment costs and general office expenditure	-	-	-	73	73
Legal and professional fees	-	-	-	656	656
Publicity and general advertising	-	-	-	25	25
Service development	-	-	-	16	16
Audit - external	-	-	43	4	47
Bad Debt charge	143	-	-	-	143
	42,502	3,468	43	1,599	47,612
Support Costs	959	640	-	(1,599)	-
Governance Costs	-	43	(43)	-	-
Total expenditure 2021	43,461	4,151	-	-	47,612

b) Net income/(expenditure) for the year is stated after charging the following:

	2022 £'000	Restated 2021 £'000
Auditors' remuneration (excluding VAT):		
- audit fee	46	37
- audit fee prior year	12	-
Operating leases-other	152	148
Operating leases-land and buildings	5,962	5,838
Loss on disposal of assets	-	18
Depreciation on tangible fixed assets	404	478
Revaluation loss	125	125

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

4 ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022	Restated 2021
	£'000	£'000
Wages and salaries	25,591	26,836
Agency costs	2,183	2,628
Redundancy and termination costs	132	49
Social security costs	1,934	1,933
Employers contribution to defined contribution pension schemes	710	696
Employers contribution to defined benefit schemes	145	472
Operating costs of defined benefit pension schemes	-	705
	<u>30,695</u>	<u>33,319</u>

Actual cash employer contributions to the Buckinghamshire LGPS amounted to £137,913 (2021: £461,607) and to the NHS Pension scheme £6,658 (2021: £10,326) making a total for the year of £144,571 (2021: £471,933) to defined benefit schemes. The total amount outstanding at the end of the year was £555 (2021: £35,550). Employer contributions to the defined contribution schemes amounted to £709,779 (2021: £696,126) for the year, with £58,316 (2021: £55,316) outstanding as at 31 March 2022.

For the year ended 31 March 2022, employees of the NHS scheme were required to pay contributions of 5% to 12.5% of pensionable pay. The employer's contribution amounted to 14.38% of pensionable pay, which is charged to the statement of financial activities as and when it becomes due.

The monthly average number of employees (excluding agency) during the year was as follows:

	2022	Restated 2021
	Headcount Number	Number
Direct staff at homes	1,394	1,517
Direct services support	30	32
Finance and administration	52	55
	<u>1,476</u>	<u>1,604</u>

The following number of employees received employee benefits (excluding employer pension costs) during the year between:-

	2022	2021
	Number	Number
£60,000 to £69,999	9	8
£70,000 to £79,999	5	1
£80,000 to £89,999	3	1
£90,000 to £99,999	-	1
£110,000 to £119,999	1	-
£120,000 to £129,999	1	1
£180,000 to £189,999	1	-
	<u>20</u>	<u>12</u>

The total employee benefits including pension and national insurance contributions of the key management personnel were £1,031,818 (2021: £543,900). The increase in employee benefits was due to more key management personnel during 21/22 compared to 20/21.

Gaps in salary bandings above is driven by no personnel falling within these brackets.

All staff are eligible to participate in the defined contribution pension scheme, including staff on relief contracts.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

5 RELATED PARTY TRANSACTIONS

- a) No trustees received any emoluments for their services to Fremantle (2021 : £Nil). Their necessary travel expenses incurred in fulfilling their duties for the company are reimbursed by Fremantle and amounted to £0 (2021 : £23) relating to 0 (2021 : 1) trustees.
- b) Fremantle is an Admitted Body member of two local government pension schemes, the London Borough of Barnet scheme (exited July 2019) and the Buckinghamshire County Council scheme (this has now been subsumed).
- c) One of the trustees, Georgina Turner, serves as Director of Engagement for Skills for Care Solutions Limited. The Trust utilised the services of Skills for Care Solutions Limited to provide management and leadership courses aggregating £1,261 to the year ending 31 March 2022 (2021 : £5,279). Another Trustee, Louise Drew, serves as a partner for Shakespear Martineau LLP. The Trust utilised the services of Shakespear Martineau LLP to provide legal services aggregating to £1,590 to the year ending 31 March 2022 (2021 : £0).
- d) Related party transactions occurred between Fremantle and Leonard Pulham a wholly owned subsidiary of Fremantle, for the use of rooms for training, £12,000 (2021: £Nil), Balance settled prior to 31 March 2022. Fremantle recharged the services of a dual employee £3,931 (2021 ; £4,739) open debtor £528 (2021 : £536)
- e) No other related party transactions occurred which would need to be disclosed in accordance with FRS 102.

6 TAXATION

Fremantle is a registered charity and therefore is exempt from corporation tax on its charitable activities under section 505 of the Taxes Act 1988. Fremantle is not registered for value added tax and any value added tax is irrecoverable and is charged to the income and expenditure account.

7 TANGIBLE FIXED ASSETS

The Group	Freehold and Leasehold property	Leasehold improvements	Office and computer equipment	Equipment and furniture at homes	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:						
At 1 April 2021 (restated)	6,872	201	1,631	2,386	24	11,114
Additions	-	78	43	231	-	352
Disposals	(6)	(1)	(10)	(69)	-	(86)
At 31 March 2022	6,866	278	1,664	2,548	24	11,380
Accumulated Depreciation:						
At 1 April 2021 (restated)	882	71	1,503	1,817	24	4,297
Charge for year	116	26	65	197	-	404
Revaluation loss	125	-	-	-	-	125
Disposals	-	-	-	(42)	-	(42)
At 31 March 2022	1,123	97	1,568	1,972	24	4,784
Net Book value:						
At 31 March 2022	5,743	181	96	576	-	6,596
At 31 March 2021 (restated)	5,990	130	128	569	-	6,817
The Charity						
	Freehold and Leasehold property	Leasehold improvements	Office and computer equipment	Equipment and furniture at homes	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation:						
At 1 April 2021	4,345	201	1,631	2,386	24	8,587
Additions	-	78	43	231	-	352
Disposals	(6)	(1)	(10)	(69)	-	(86)
At 31 March 2022	4,339	278	1,664	2,548	24	8,853
Accumulated Depreciation:						
At 1 April 2021	230	71	1,503	1,817	24	3,645
Charge for year	116	26	65	197	-	404
Revaluation loss	-	-	-	-	-	-
Disposals	-	-	-	(42)	-	(42)
At 31 March 2022	346	97	1,568	1,972	24	4,007
Net Book value:						
At 31 March 2022	3,993	181	96	576	-	4,846
At 31 March 2021	4,115	130	128	569	-	4,942

Land with a value of £115,400 (2021: £115,400) is included in freehold property and not depreciated.

All of the above assets are used for charitable purposes.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

8. REVALUATION RESTATED

Woodley House, Woodley House, 64-65 Rabans Close, Aylesbury, HP19 8RS, Registered Office for The Fremantle Trust, was valued by James McKelvie of Sanderson Weatherall LLP on 30 July 2021 at £690,000. This is on a free vacancy basis.

Mulberry Court, Gold Hill East, Chalfont St Peter, Buckinghamshire SL9 9DL, a 24 place dementia care home, was valued by James McKelvie of Sanderson Weatherall LLP on 30 July 2021 at £3,250,000. This is on a value in use basis.

The valuations of both properties has not changed since the last valuation undertaken on 31 March 2020. The Trustees are satisfied that both assets have been valued at fair value. The valuations were carried out on a desk-top basis and therefore did not take into account the subsequent improvements made to Mulberry Court costing £328,897 and to Woodley House costing £1,692. The trustees therefore deem it appropriate to add these costs to the overall valuation of the property.

Leonard Pulham Nursing Home, Tring Road, Aylesbury, HP22 5PN was valued by James McKelvie of Sanderson Weatherall on 04/03/22 at £1.75m. The property was acquired in the prior year at fair value, based on a valuation conducted by James McKelvie of Sanderson Weatherall at £2,000,000. This has resulted in fair value revaluation losses of £125,000 being charged in 2022 (2021: £125,000).

The historic cost equivalent of land and buildings included at valuation are as follows:

Woodley House – The historic cost of the property is £601,692 and as at year end had accumulated depreciation of £95,192 (2021: £81,564). This results in a year end net book value of £506,500 (2021: £520,128)

Mulberry Court – The historic cost of the property is £3,078,897, and as at year end had accumulated depreciation of £566,966 (2021: £481,523). This results in a year end net book value of £2,511,931 (2021: £2,597,374)

Leonard Pulham – The Fair Value of the property is £2,000,000, Fair Value revaluation losses charged £125,000 (2021: £125,000) and as at year end had accumulated depreciation of £Nil (2021: £Nil). This results in a year end net book value of £1,750,000 (2021: £1,875,000)

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

9 SUBSIDIARY UNDERTAKING

The charity owns the whole of the issued ordinary share capital of Leonard Pulham Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014 (Number IP22558R) and is an exempt charity. The registered office address is Tring Road, Halton, Aylesbury, Bucks, HP22 5PN.

The subsidiary was a former care home for old people until May 2020 when its operations were transferred to The Fremantle Trust. The subsidiary has since become non-trading. All activities have been consolidated on a line by line basis in the statement of financial activities.

The trustees Steph McMahon, J Burness, and L Drew, together with the Chief Executive N Singh and Finance Director B Miles are also directors of the subsidiary.

A summary of the results of the subsidiary is shown below:

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	2022 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2021 £'000
Income from:						
Charitable activities						
- Care and support services	34	-	34	607	-	607
Investment income	1	-	1	1	-	1
Other Income	12	-	12	-	-	-
Total income	47	-	47	608	-	608
Expenditure						
Charitable activities:						
- Care and support services costs	(139)	-	(139)	(881)	0	(881)
Total expenditure	(139)	-	(139)	(881)	0	(881)
Net expenditure before other recognised gains and losses	(92)	-	(92)	(273)	0	(273)
Actuarial (loss)/gains on defined benefit pension schemes	-	-	-	-	-	-
Subsumption of defined benefit pension schemes	-	-	-	-	-	-
Net movement in funds	(92)	-	(92)	(273)	0	(273)
Funds brought forward	927	34	961	1,200	34	1,234
Funds carried forward	835	34	869	927	34	961

Included within non operating income above is room rental charge of £12,000 (2021: £Nil) charged to the parent and within expenditure is a management charge of £3,931 (2021: £4,739) from the parent entity.

10 PARENT CHARITY

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £'000	2021 £'000
Gross Income	43,416	45,196
Results for the year	19,237	(3,172)

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11 DEBTORS

	Restated Group 2022 £'000	Restated Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Residents' fees receivable	3,506	3,079	3,501	3,075
Other debtors	18	29	18	24
Amounts due from group undertakings <input type="checkbox"/>	-	-	1	1
Prepayments and accrued income	646	309	634	303
	4,170	3,417	4,154	3,403

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Restated Group 2022 £'000	Restated Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Allica Bank (previously Allied Irish Bank (GB)) loan	54	49	54	49
Trade creditors	3,765	3,454	3,754	3,447
Tax and social security	739	1,116	739	1,116
Other creditors	276	265	276	249
Accruals	1,593	1,090	1,586	1,085
Deferred Income	8	321	8	321
	6,435	6,296	6,417	6,267

13 DEFERRED INCOME ANALYSIS

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Balance at the beginning of the year	321	-	321	-
Amount released to income in the year	(986)	-	(986)	-
Amount deferred in the year	673	321	673	321
Balance as at the end of the year	8	321	8	321

Deferred income arises from contract income which is invoiced quarterly in advance.

14 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Allica Bank (previously Allied Irish Bank (GB)) loan	112	170	112	170
BCC Advance - Due on termination of contract	680	680	680	680
Deferred HMRC - Due after 12 months	-	346	-	346
	792	1,196	792	1,196

A bank loan of £500,000 was entered into with Allied Irish Bank (AIB) on 31 March 2015 and is a 5 year loan agreement with AIB, with a 3.25% variable annual interest charge, being 2.75% above base rate. This is secured by a mortgage against the two wholly owned properties of the Fremantle Trust. Following a formal review on 2nd October 2019, this loan has been extended by a further five years on the same terms and will be paid in full at 31 March 2025. On 20 April 2022, AIB transferred this loan to Allica Bank, assigning all its rights, title, interest, benefits and security. The Trust continue to pay off the loan on the same basis. AIB intend to move out away from the UK banking market but will continue to provide banking facilities for the Trust (including an overdraft facility up to £750,000 agreed until 31 December 2022) until the Trust has found an alternative bank. These facilities are secured by a fixed and floating charge over all chargeable assets. The balance due on the loans is included in note 12 and above in this note.

15 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities comprises dilapidation provision

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Balance at the beginning of the year	150	150	150	150
Amount released in the year	-	-	-	-
Increase in provision in the year	-	-	-	-
Balance at the end of the year	150	150	150	150

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

16 ANALYSIS OF GROUP NET ASSETS / LIABILITIES BETWEEN FUNDS

CURRENT YEAR	Unrestricted funds	Restricted funds	Total funds
	£'000	£'000	£'000
Tangible fixed assets	4,812	1,784	6,596
Net current liabilities	(850)	82	(768)
Creditors due > 1 year	(792)	-	(792)
Provisions for liabilities and charges	(150)	-	(150)
Defined benefit pension Liability	-	-	-
Net assets at the end of the year	3,020	1,866	4,886

PRIOR YEAR (RESTATED)

Tangible fixed assets	4,908	1,909	6,817
Net current assets	(630)	82	(548)
Creditors due > 1 year	(1,196)	-	(1,196)
Provisions for liabilities and charges	(150)	-	(150)
Defined benefit pension Liability	(19,089)	-	(19,089)
Net (liabilities)/assets at the end of the year	(16,157)	1,991	(14,166)

17 MOVEMENT OF FUNDS

CURRENT YEAR	Restated At the start of the year	Income and gains	Expenditure and losses	Transfers	At the end of the year
	£'000	£'000	£'000	£'000	£'000
Restricted funds:					
Voluntary fund accounts	1991	1,655	(1,780)	-	1,866
Unrestricted funds					
Revaluation reserve	1,585	-	(18)	-	1,567
General funds	1,347	41,796	(41,690)	-	1,453
Total unrestricted funds	2,932	41,796	(41,708)	-	3,020
Pension reserve	(19,089)	19,089	-	-	-
Total funds including pension fund	(14,166)	62,540	(43,488)	-	4,886

PRIOR YEAR (RESTATED)

Restricted funds:					
Voluntary fund accounts	82	4,897	(2,988)	-	1991
Unrestricted funds					
Revaluation reserve	1,603	-	(18)	-	1,585
General funds	2,172	43,240	(44,065)	-	1,347
Total unrestricted funds	3,775	43,240	(44,083)	-	2,932
Pension reserve	(16,786)	-	(2,303)	-	(19,089)
Total funds including pension fund	(12,929)	48,137	(49,374)	-	(14,166)

Purposes of restricted funds

The Restricted Fund represents the total of individual services Voluntary fund accounts. These amounts have been raised by each service for the benefit of the people who live there and are spent in accordance with their wishes.

Revaluation reserve

The revaluation reserve represents the total cumulative unrealised gains on the revaluation of properties held as fixed assets.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

18 LIMITED BY GUARANTEE

The Fremantle Trust is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The total number of such guarantors at 31 March 2022 was 11 (2021: 14).

19 CAPITAL COMMITMENTS

There were no outstanding capital commitments as at 31 March 2022.

20 OPERATING LEASES

The group's total future minimum lease payments under non cancellable operating leases is as follows for each of the following periods:

	2022		2021	
	£'000	£'000	£'000	£'000
	Land and buildings	Other	Land and buildings	Other
Less than one year	6,524	147	5,766	140
One to five years	28,462	161	28,554	183
Over five years	74,391	-	81,693	-
Total future minimum lease payments	109,377	308	116,013	323

The lease commitment future payments as adjusted for inflation were discounted at a rate of 7.80% to obtain the present value of each lease.

21 RESIDENTS' SAVINGS ACCOUNTS

Where necessary and desirable, and as part of the support plan, Fremantle will provide support to service users who need help managing their personal finances. A "Residents' Savings Account" is operated at most of our homes (particularly those for older people) where service users may choose to deposit their money. These accounts are set up in the name of the home and administered at home level on behalf of the service users. They are reconciled regularly and service users are provided with individual statements to keep them informed of their balance. The Head Office Finance department have electronic access to the homes records and the internal audit regularity review includes checks on these accounts. The total value of residents' savings accounts as at 31 March 2022 amounted to £778,520 (2021: £844,711).

22 CONTINGENT LIABILITY

The FRS 102 deficit shown on the face of the accounts arose due to the Charity's admitted body membership of the Buckinghamshire Local Government Pension Scheme (LGPS) following transfer of employees when the charity was set up in 1992. Following negotiations with Buckinghamshire Council and LGPS Actuary during early 2021, the Trust ceased to be an admitted body of this scheme and all liability was subsumed by Buckinghamshire Council from 31 July 2021. The Trust has been discharged from all current and future liabilities.

The Fremantle Trust took over the provision of nursing and association care to the residents of Leonard Pulham Ltd in May 2020 but closed its provision of care services in October 2020 due to the lack of adequate infection control facilities in the Home during the Covid pandemic.

23 RECONCILIATION OF NET EXPENDITURE TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2022	2021
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(37)	525
Pension movement	-	541
Interest receivable	-	-
Acquisition of Subsidiary	-	(2,333)
Depreciation	404	472
Revaluation Loss	125	125
Loss on disposal of fixed assets	44	24
(Increase)/Decrease in Debtors	(753)	899
(Decrease)/Increase in creditors	134	989
(Decrease)/Increase in Creditors due after one year	(346)	346
Net cash (used in)/provided by operating activities	(429)	1,588

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

24 PENSIONS

Defined Contribution Scheme

For the year ended 31 March 2022, the number of staff who contributed to the scheme was 986 (2021: 1,009).

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

24 PENSIONS (CONTINUED)

Buckinghamshire County Council Superannuation Scheme

The FRS 102 deficit shown on the face of the accounts for prior year arose due to the Charity's admitted body membership of the Buckinghamshire Local Government Pension Scheme following transfer of employees when the charity was set up in 1992. Following negotiations with Buckinghamshire Council and LGPS Actuary during early 2021, the Trust ceased to be an admitted body of this scheme and all liability has been subsumed by Buckinghamshire Council from 31 July 2021. This has been reflected in 2021-22 statutory accounts. No exit debt payment was required, all active Trust employees have left this scheme and the Trust has been discharged from all current and future liabilities.

The information in this note refers to the 31 March 2021 Local Government Pension Scheme data of which the Fremantle Trust was previously an admitted body.

The fund position of the scheme is as follows:

	31 Mar 2022 £000's	31 Mar 2021 £000's
Resources expended - FRS 102 pension related costs	-	541
Actuarial gains / (losses)	-	(1,762)
Pension liability	-	(19,089)

The valuations used for FRS 102 disclosures have been based on the most recent actuarial valuation performed as at 31 March 2016 and updated by Barnett Waddingham, the actuary, to take account of requirements of the FRS 102 standard in order to assess the liabilities of the scheme at 31 March 2018. Scheme assets are stated at their current bid value at 31 March 2022. The major assumptions used by the actuary were:

	31-Mar 2022	31-Mar 2021
Rate of increases in salaries	0.00%	3.85%
Rate of increase in pensions in payment	0.00%	2.85%
Discount rate	0.00%	1.95%
Inflation assumption: CPI	0.00%	2.35%
RPI	0.00%	2.85%

The asset allocation and the expected rate of return were:

	Asset Allocation		Asset Allocation	
	£000's	31-Mar-22 %	£000's	31-Mar-21 %
Gilts	-	0.0	2,626	9.0
Equities	-	0.0	16,189	59.0
Other Bonds	-	0.0	4,187	15.0
Property	-	0.0	1,650	6.0
Cash	-	0.0	396	1.0
Alternative assets	-	0.0	326	1.0
Hedge Funds	-	0.0	1,301	5.0
Absolute Return Portfolio	-	0.0	1,244	4.0
	-	0.0	27,919	100

Mortality Assumptions

The assumed life expectations from age 65 are:

	31-Mar 2022	31-Mar 2021
Retiring today:		
Males	0.0	21.6
Females	0.0	25.0
Retiring in 20 years:		
Males	0.0	22.9
Females	0.0	26.4

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

24 PENSIONS (CONTINUED)

Sensitivity analysis

The following table sets out the impact of a change in the discount rates on the Total Obligation and Projected Service Cost along with a +/- 1 year age rating adjustment to the mortality assumption.

	31-Mar-22 £000s	31-Mar-21 £000s
Adjustment to discount rate	0.0%	0.1%
Present value of defined benefit obligation	-	46,316
Projected Service Cost	-	188
		£000s
Adjustment to mortality age rating assumption	N/A	+1 year
Present value of defined benefit obligation	-	49,629
Projected Service Cost	-	201

There is no provision for unitising the assets of a Fund under the Local Government Pension Scheme. (LGPS). The assets as a whole are allocated to participating bodies on a consistent and reasonable basis.

The assets and liabilities in the scheme attributable to The Fremantle Trust at 31 March 2022 measured in accordance with the requirements of FRS 102 are as follows:

	31-Mar-22 £'000	31-Mar-21 £'000
Total fair value of assets	-	27,919
Present value of scheme liabilities	-	(46,114)
Deficit in the scheme	-	(18,195)

Amounts charged to operating profit

	Year to 31-Mar-22 £'000	Year to 31-Mar-21 £'000
Service cost	-	285
Net interest on the defined liability	-	393
Administration expenses	-	27
Total operating charge	-	705

The employee benefit obligations recognised in the balance sheet are as follows:

	Year to 31-Mar-22 £'000	Year to 31-Mar-21 £'000
Present value of funded obligations	-	46,114
Fair value of plan assets	-	(27,919)
	-	18,195
Present value of unfunded obligations	-	894
Net Liability in the balance sheet	-	19,089

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

24 PENSIONS (CONTINUED)

Remeasurement of the net assets / (defined liability)

	Year to 31-Mar-22 £'000	Year to 31-Mar-21 £'000
Return on Fund assets in excess of interest	-	4,612
Other actuarial gains/(losses) on assets	-	-
Change in demographic assumptions	-	456
Experience gain/(loss) on defined benefit obligation	-	623
Changes in financial assumptions	-	(7,453)
Remeasurement of the net assets / (defined liability)	-	(1,762)

The history of assets, liabilities and surplus/deficit is as follows;

	Year to 31-Mar-22 £'000	Year to 31-Mar-21 £'000	Year to 31-Mar-20 £'000	Year to 31-Mar-19 £'000	Year to 31-Mar-18 £'000
Defined Benefit Obligation	-	(46,114)	(40,410)	(46,441)	(47,376)
Scheme assets	-	27,919	24,541	25,694	25,063
Deficit	-	(18,195)	(15,869)	(20,747)	(22,313)
Return on Fund assets in excess of interest	-	4,612	(1,550)	676	779
Experience gain/(loss) on defined benefit obligation	-	-	-	-	-
Cumulative actuarial gain (loss)	-	(2,503)	(741)	(5,407)	(6,995)

The movement in the deficit during the year is due to the following:

	Year to 31-Mar-22 £'000	Year to 31-Mar-21 £'000
Deficit at the beginning of the year	-	(16,786)
Service cost	-	(145)
Employer contributions	-	81
Unfunded pension payments	-	83
Past service costs	-	(140)
Other finance costs	-	(420)
Actuarial gain/(loss)	-	(1,762)
Deficit at the end of the year	-	(19,089)

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

24 PENSIONS (CONTINUED)

Reconciliation of opening & closing balances of the fair value of Scheme assets

	Year to 31-Mar-22 £ 000's	Year to 31-Mar-21 £ 000's
Opening fair value of Scheme assets	-	24,541
Interest on assets	-	556
Return on assets less interest	-	4,612
Other actuarial gains/(losses)	-	-
Administration expenses	-	(27)
Contribution by employer including unfunded	-	164
Contributions by Fund participants	-	28
Estimated benefits paid including unfunded benefits	-	(1,955)
Fair value of Scheme assets at end of period	<u>-</u>	<u>27,919</u>

Reconciliation of opening & closing balances of the present value of the defined benefit obligation

	Year to 31-Mar-22 £ 000's	Year to 31-Mar-21 £ 000's
Opening defined benefit obligation	-	41,327
Service cost	-	145
Interest cost	-	949
Change in financial assumptions	-	7,453
Past service costs, including curtailments	-	140
Change in demographic assumptions	-	(456)
Experience loss / (gain) on defined benefit obligation	-	(623)
Estimated benefits paid net of transfers in	-	(1,872)
Contributions by scheme participants	-	28
Unfunded pension payments	-	(83)
Closing defined benefit obligation	<u>-</u>	<u>47,008</u>

Projected pension expense for the year to 31 March 2023

	Year to 31-Mar-23 £ 000's
Service cost	-
Interest cost	-
Administration expenses	-
Total	<u>-</u>
Employer contributions	<u>-</u>

THE FREMANTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

25 PRIOR PERIOD ADJUSTMENT

Acquisition of Leonard Pulham Limited

In May 2020, Fremantle Trust acquired Leonard Pulham Limited (a registered society under the Co-operative and Community Benefit Societies Act 2014, registration number IP22558R) since May 2020. Initially, the agreement with Leonard Pulham Limited was solely to transfer activities and staff over to The Fremantle Trust. The Fremantle Trust have now confirmed that it had 'parental control' over Leonard Pulham Limited, and had power to assign and remove Leonard Pulham Limited's board of directors. Fremantle Trust therefore had control over the assets and the liabilities of Leonard Pulham Limited as a result it became a subsidiary of The Fremantle Trust as of May 2020 under the UK Generally Accepted Accounting Practice and the Companies Acts. The acquisition has been accounted for as a prior year adjustment restating the figures to 31 March 2021 as below.

Impact on reserves of Fremantle Trust

	31 March 2021		
	Unrestricted £'000	Restricted £'000	Total £'000
Funds previously reported	(16,183)	82	(16,101)
Adjustments on restatement			
Acquisition of Leonard Pulham as per note 26	299	2,034	2,333
Results of Leonard Pulham Limited between May 2020 and March 2021	(273)	-	(273)
Revaluation loss on Leonard Pulham Limited property to align accounting policy relating to land and buildings	-	(125)	(125)
Funds restated	<u>(16,157)</u>	<u>1,991</u>	<u>(14,166)</u>

26 ACQUISITION OF LEONARD PULHAM LIMITED

	Book values £'000	Fair value adjustments £'000	Fair values at acquisition £'000
Fixed assets	901	1,099	2,000
Net current assets	333	-	333
Net assets acquired	<u>1,234</u>	<u>1,099</u>	<u>2,333</u>
Costs of acquisition	-	-	-
Net assets acquired	<u>1,234</u>	<u>1,099</u>	<u>2,333</u>

As per Note 25, in May 2020, Leonard Pulham Limited became a subsidiary of Fremantle Trust. No consideration was paid in respect of the acquisition.