



## **The Froebel Trust**

### **Annual Report and Financial Statements**

31 October 2016

Company Limited by Guarantee  
Registration Number  
07862112 (England and Wales)

Charity Registration Number  
1145128

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## **Reference and administrative information**

### **Trustees and Directors**

Mr Mark Neale CB, BA (Chair)

Mrs Fran Bayliss Froebel Cert Ed., FRSA

Ms Penny J Chapman MA, BA

Ms Bernadette M Duffy OBE, MA, BEd

Dr Peter Elfer PhD, BPhil, CQSW, DMS (Chair of the Research Committee)

Mr Michael Pearson BA, ACA

Professor Paul O'Prey PhD

Dr Sue A Robson PhD, MA, BA, PGCE, FHEA

Mrs Jane Whinnett MA, PGCE, DPSEE (Chair of the Education Committee)

### **Chief Executive**

Ms Gillian Morris FRSA

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### **Company registration number**

07862112 (England and Wales)

### **Charity registration number**

1145128

### **Auditor**

Buzzacott LLP

130 Wood Street

London

EC2V 6DL

## **Reference and administrative information**

### **Bankers**

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PO Box 3847  
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SW11 1TR

### **Solicitors**

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SW1H 0BL

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Kingston Upon Thames  
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KT1 1HD

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1 Curzon Street  
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W1J 5FB

### **Property Advisors**

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W1U 8AN

## Trustees' report

The Froebel Trust ('TFT', 'the Charity' or 'the Trust') is a registered charity governed by its Articles of Association. Its registered number is 1145128. It is also a company limited by guarantee (with members' liability £1) registered in London, No. 7862112.

The Trustees, who are also the directors of The Froebel Trust, a charitable company, submit their report and financial statements for the year ended 31 October 2016. The financial statements have been prepared using the accounting policies set out in pages 27 to 30 and comply with the Charity's Articles, and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later and Update Bulletin 1.

### ORIGINS AND STRUCTURE

TFT was incorporated on the 28th November 2011 and became active on the 19th March 2012 following the demerger of The Incorporated Froebel Educational Institute (IFEI). The demerger involved the transfer of all the assets, liabilities and Froebelian charitable activities previously within IFEI, apart from Ibstock Place School, to TFT enabling TFT to continue the charitable activities and project funding without any break. Many of the TFT Trustees transferred from IFEI to ensure a continuum of experience and knowledge.

TFT therefore traces its origins back to 1892 when IFEI was formed in Central London. It began its work in 1894 with a college teaching the early-years' education theories and principles of Friedrich Froebel, and using wholly-owned demonstration kindergartens for student teacher practice and experience. During the 1920's IFEI continued its main teaching work through a new Froebel College at Grove House in Roehampton and in 1946 the single remaining demonstration school, Ibstock Place School, moved to Clarence Lane, Roehampton. In 2012, upon demerger, the Charity established its new head office at Clarence Lodge, Clarence Lane in Roehampton, and in January 2013 the Charity amalgamated with the The National Froebel and Fanny Franks Memorial Fund (Charity Registration No 314243) (known as the National Froebel Foundation) to create a single Froebelian charity within the UK.

In 1978 Froebel College became a constituent part of the Roehampton Institute of Higher Education. Since 2006 Roehampton University, now named the University of Roehampton, has held a 999 year lease on the Grove House estate occupied by Froebel College; under the terms of the demerger the freehold interest in the land was transferred to TFT.

TFT's Charitable Objects are: "To promote for the public benefit the advancement and understanding of Froebelian principles of education in learning within the UK and internationally". Its principal activities are the sponsoring of research work, Froebelian practitioner training, and developing public awareness of Froebelian principles.

## Trustees' report

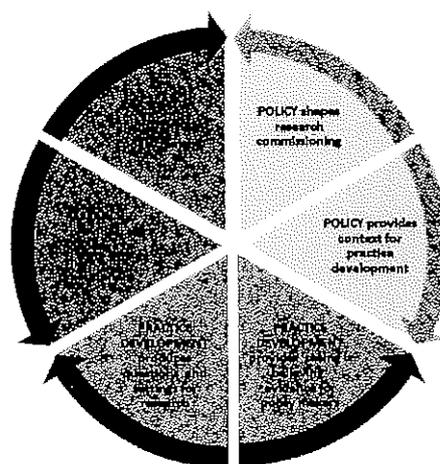
### OBJECTIVES

The Trust has agreed and implemented a new five year strategy. TFT's strategic objectives are to:

- a. Seek to demonstrate how the application of Froebelian principles provide high quality learning and education; and
- b. Increase the charity's impact and visibility by increasing charitable activity, improving practices and building new and effective partnerships.

TFT has adopted three cross cutting themes that reflect the charity's vision and priorities: addressing disadvantage and valuing diversity; childhood under stress (focusing on those environments in which young children cannot play freely or with agency); and adult (staff and parental) engagement with young children. These have provided an additional focus for grant giving.

The three strands of TFT's work – policy, practice development and research - interact to help the charity to achieve its objectives, as the following diagram indicates:



The objectives of TFT's policy and public awareness work are to:

- ◆ Demonstrate the value of Froebelian principles in early years education in:
  - ◇ Promoting the well-being of the individual young child
  - ◇ Supporting parental engagement in the education and learning of their children
  - ◇ Supporting others to achieve their policy objectives
  - ◇ Advocating policy changes that reflect Froebelian principles and improve the quality of early years education and learning
  - ◇ Building new strategic partnerships with policy makers, HE, and other funders

## Trustees' report

### OBJECTIVES (continued)

The objectives of TFT's research strand are to:

- ◆ Contribute to deepening understanding of:
  - ◇ The theoretical underpinning of Froebelian principles
  - ◇ How Froebelian principles may contribute to high quality early childhood development, care and education
- ◆ Provide evidence of how effective practice that follows those principles can be developed and supported for children in care and education settings

The Trust aims to commission research according to these principles and to:

- ◆ Extend the reach of its grant making to new groups and institutions where relevant
- ◆ Be open to challenge that will enable the development of the charity's understanding of Froebelian principles

The objectives of the practice development strand are to:

- ◆ Provide training to support the development of high quality practice in early years learning that applies Froebelian principles
- ◆ Grow the application of Froebelian principles in new areas
- ◆ Grow the numbers of Froebelian practitioners

The objectives of TFT's work to strengthen the Trust are to ensure that:

- ◆ The charity operates in accordance with its Objects
- ◆ Its projects and management are of high quality, effective and economic
- ◆ TFT is compliant with all external requirements
- ◆ The Trust extends its reach and increases its impact and visibility.

TFT's financial objectives are to:

- ◆ Maximise its income from all sources
- ◆ Increase its charitable spend
- ◆ Secure the future of the work of the Trust through careful stewardship

The Trust has adopted a new policy of deploying annually in support of its strategy its income and the capital gains on its investments consistent with preserving the real (inflation adjusted) value of its capital.

## Trustees' report

### OBJECTIVES (continued)

Measurement of the success of the year's focus on the development and implementation of the strategy is mainly against milestones. The Trust will develop a full impact measurement strategy in the year from 1 November 2016.

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

TFT's new policy of deploying its income and the capital gains on its investments consistent with preserving the real (inflation adjusted) value of its capital has led to a major increase in its activities. There has been an 87% increase in spend on the Trust's own projects this year, and a 492% increase in total grants awarded.

The Trust's own projects were:

- ◆ India Project
- ◆ South Africa Project
- ◆ Froebel Archive (bibliographic project)
- ◆ Froebel Trainers Pilot
- ◆ IFS Conference travel
- ◆ Pamphlet project
- ◆ Moderation of Froebel Certificate courses

Spend in the year on these projects was:

#### Projects

India Project	£11,268
South Africa Project	£10,410
Froebel Archive (bibliographic project)	£5,500
Froebel Trainers	£14,464
IFS Conference travel	£10,593
Moderation of Froebel Certificate courses	£1,250
Other projects	£3,995
Total projects in 2015-16	<b>£57,480</b>
Total projects in 2014-15	<b>£30,708</b>

The grants schemes run in the year were:

- ◆ Froebelian Innovations
- ◆ Research grants (open call)
- ◆ PhD bursaries
- ◆ The Froebel Fellowship

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

- ◆ Research Mapping Exercise
  
- ◆ Strategic Partner grants
  
- ◆ South Africa grants

A total of £290,614 (2015 - £58,319) of such grants were awarded to institutions and £194,962 (2015 - £23,711) were awarded to individuals. Further details are provided in note 2 to the financial statements and in the commentary below.

### Policy and public awareness

The key feature in developing TFT's policy and public awareness work in the year has been the new Innovations Grants fund. Grants support the application of Froebelian principles in new ways and environments in order to support children to play expressively and creatively. The Trust allocated a fund of £50k for the pilot phase and invitations to apply were sent to a small group of charities.

A grant was agreed to enable Home-Start UK to create Specialist Volunteer Hubs and develop a new model of family and child support, based on Froebelian principles, to enhance their traditional model of home support. The project will use trained volunteers to support families and young children (0-8) to develop creative indoor activities and to access outdoor space, creating connections between indoors and out, whilst developing activities in a way that they can discover and develop their individual abilities.

A second grant was agreed to enable SAFE Child Africa to lay the foundations for engaging and building trust with children who have experienced physical or sexual abuse, violence, mutilation or loss. The project will develop the therapeutic use of play to be the cornerstones for helping children to share their experiences, tell their own story and reconnect with their culture and wider society.

These Innovations Grants have enabled the development of new strategic partnerships and have supported all three cross cutting themes: addressing disadvantage and valuing diversity; childhood under stress (focusing on those environments in which young children cannot play freely or with agency); and adult (staff and parental) engagement with young children.

### Research

TFT ran its biggest ever research grants programme, extending its reach to new partners, increasing the sums given and the number of grants.

- ◆ PhD bursaries
  
- ◆ Research Mapping Exercise
  
- ◆ The Froebel Fellowship
  
- ◆ Research grants (open call)

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### Research (continued)

##### *PhD bursaries*

The Trust regards PhD Bursaries as its key investment in the development of a more diverse community of Froebelians. The research is required to advance the development and application of the Froebelian approach to early years and very high standards are expected. TFT has found it difficult to identify applicants who meet these exacting standards. Two new PhD students started during the year researching 'Reconceptualising professional development in early childhood education and care' and 'The effect of war and displacement on the play of young Iraqi and Syrian child refugees living in Lebanon'.

Bursaries cover tuition fees and a maintenance stipend and are based upon the prevailing rates offered by ESRC to PhD candidates, with a total cost to TFT over three years of c£60k. A new fund has been introduced to support the development of the Trust's bursary holders with additional grants for study related travel and conference attendance.

##### *Research Mapping Exercise*

The Froebel Trust sought to commission a research mapping exercise (RME) to identify possible priorities for future research and thus to be open to challenge that would enable the development of the charity's understanding of Froebelian principles. Key questions to be addressed by the RME were:

- ◆ How might one recognise a child nurtured and educated according to Froebelian principles?
- ◆ How are Froebelian Principles enacted in practice? What systematic accounts exist to document the distinctiveness of a Froebelian approach?
- ◆ What empirical evidence is there for:
  - ◇ The holistic outcomes that Froebelian principles enable
  - ◇ Where such outcomes may align with current policy priorities
  - ◇ Outcomes for different age groups
  - ◇ Outcomes for parents / carers and for practitioners
  - ◇ How outcomes may vary in different geographies and cultures
- ◆ What are the factors constraining the application of Froebelian principles?
- ◆ Is there contrary news? What empirical evidence exists that challenges the value of Froebelian principles in the 21st century?

There were no applications for this project and the funds were transferred to enable more open call research applications to be funded. The Trust continues to consider that this will be a valuable project but has decided not to pursue it in the immediate future in order to focus its attention on managing the greatly expanded grants programme.

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### Research (continued)

##### *Froebel Fellowships*

The Trust allocated £60k for Froebel Fellowships, a programme designed to develop a relationship between the Trust and institutions that share the goal of increasing and advancing the understanding and application of Froebelian principles in the teaching of children from 0 to 8. All proposals were to research, and were encouraged to integrate research with dissemination activities. There were no applications for these grants and some of the funds were transferred to enable more open call research applications to be funded. TFT will continue to seek to attract applications for this programme.

##### *Open call research grants*

TFT allocated £100k for new research grants and identified five major research priorities:

- ◆ Access to high quality early years provision for families in disadvantaged areas
- ◆ Transition to primary school
- ◆ Nurturing high quality, stable and sensitive interactions between staff and children/families
- ◆ Developing playful pedagogy and resourcing for play
- ◆ Finding pedagogies that are inclusive of and celebrate diversity

The Trust has extended the reach of its grant making to new groups and institutions. This was achieved by advertising on the TFT website; on two web based grant portals; through direct emails to 23 individual researchers nominated by Trust committee members and via face to face meetings. 21 applications were received, from 13 universities, two independent researchers/groups of researchers and two charities. Applications came from Australia, England, Finland, Ghana, Northern Ireland, Poland, Scotland, South Africa and one multi continent application. The numerical and geographic growth in applications demonstrates the effectiveness of the strategy to spread the Trust's reach.

With a 4:1 ratio of funds applied for to those available and many very good applications the Trust was cautious about turning down applications for high quality research that would support TFT's charitable objects. Because the Fellowship and Research Mapping Exercise both had no applicants, the Trust decided to allocate funds from both to increase the sum available for research grants. Nine exceptional applications were agreed:

Canterbury Christ Church	Exploring 'playful writing' opportunities with reception teachers: expanding understandings of young children's mark-making, drawing and writing within self-initiated play
University of Roehampton	Developing Close Thoughtful Attention to Children and Families in Early Years Pedagogy
Murdoch University	On Country Learning: Promoting Remote Australian Aboriginal Children's Wellbeing and Creativity

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### Research (continued)

##### *Open call research grants (continued)*

Birmingham City University	Promoting children's wellbeing, right to make choices and engage in playful activities in restricted environments through music and singing
International collaboration	Reimagining Teaching: Progressive Pedagogies in Experimental Schools
University College London, Institute of Education	Valuing young children's signs of learning: observation and digital documentation
Edinburgh University	Supporting migrant and BME children's transitions to primary school
University of Roehampton	Froebelian Pedagogy in Light of the Children and Families Act 2014
University of Reading	Practitioners & Parents Play Partnership – Strengthening practitioner-parent collaboration through the use of CPD and play built on Froebelian principles and pedagogy

Out of 21 applications, 15 were from institutions that had not previously been in receipt of a grant from TFT. Of these, 5 were successful – an approval rate of 33.33%. In contrast of the 6 applicant institutions that had previously been in receipt of a grant 5 were successful, an approval rating of 83.33%. The overall approval rating was 48%. Since a significant factor in grants being scored low in the scrutiny process was poor mapping against Froebelian principles, this contrast in success rates is not surprising, with those institutions with an embedded Froebelian ethos faring better. The Trust would like to continue to grow its number of partner institutions and will continue to encourage more and better quality applications.

The grants have supported the Trust's research objectives by contributing to deepening understanding of the theoretical underpinning of Froebelian principles and how they may contribute to high quality early childhood development, care and education. The grants will provide evidence of how effective practice that follows those principles can be developed and supported for children in care and education settings. The grants have also supported all three cross cutting themes: addressing disadvantage and valuing diversity; childhood under stress (focusing on those environments in which young children cannot play freely or with agency); and adult (staff and parental) engagement with young children.

#### ***Practice development***

The Trust has used a combination of grants and its own projects to provide training to support the development of high quality practice in early years learning that applies Froebelian principles.

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### Strategic partner grants

The Trust has three key partners, centres of excellence that take a strategic approach to the promotion of Froebelian principles, thus supporting TFT's charitable objects. They are University of Roehampton, Canterbury Christ Church University and Edinburgh University / Froebel Network. These partners contribute to the Trust in many ways – including on its committees and developing the work of the Trust through grant aided research and professional development. The Trust introduced Strategic Partners Grants (SPGs) to the value of £46k in order to enable it to support the development of the Froebelian work of these three partners. Application for SPGs was by invitation only. The programmes funded by these grants included:

- ◆ Conferences at all three sites
- ◆ Bursaries for outstanding MA candidates at the Early Childhood Research Centre in Roehampton
- ◆ A subsidy for the Roehampton Froebel Certificate
- ◆ Block building, storytelling and learning mathematics in the 'Froebelian way' A research and development project to enhance autistic children's mathematics understanding and social skills through the use of elements of block building
- ◆ The International Language of Care Network and Seminar Series, an international network of scholars, practitioners and policymakers and to establish a dialogue across professional 'boundaries', disciplinary 'silos' and geographical 'borders'
- ◆ Therapeutic Learning in the Natural Environment examining the therapeutic and educational influence of children's engagement (with their parents) with animals and within the natural environment with specialist professional facilitation and support.

#### The Froebel Archive

The Froebel Archive for Childhood Studies and the National Froebel Foundation Archive together provide a unique and accessible resource for students and researchers into the history of the Froebel movement in the UK. The Froebel Archives are maintained, housed appropriately in a modern, secure, air conditioned section of the University Learning Resources Centre available for the use of all students and researchers, and managed by a Froebel Archive Committee. The University in turn reports annually to the Charity on its implementation of Froebelian teaching principles and the management of Froebel College, and this continues to foster a strong and mutually beneficial relationship.

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### **The Froebel Archive** (continued)

This year 'Family Life', the final in our series of bibliographies of resources that can be accessed through the archives was completed. The archive and Trust have loaned a set of Froebel's Gifts to the new Design Museum's opening exhibition – Designer, Maker, User. As part of the larger exhibition narrative, there is a smaller display about creative and educational play and how designers have produced toys and products for different ages and generations. The display tells a story from Froebel Gifts to the Raspberry Pi, and will include other designs such as Dieter Rams Lecton System and FAT's Free Universal Construction kit. The museum requested a loan of Froebel's Gifts from the Archive as they felt that visitors would better engage with the historic examples rather than modern reproductions. This represents an opportunity to share the Gifts with new audiences of parents and children.

#### **Froebel Trainers**

The Trust ran a pilot of the Froebel Trainers course which involves the practical implementation in group settings environments of core Froebelian experiences and practices, articulated through Froebelian principles, and linked to current research, policy and theory in Early Childhood Practice. The pilot was delivered in six one day sessions – one introductory session, and five themed sessions working with the Yellow Dot nursery chain in Hampshire. TFT provided funding of £14.5k for travel costs for the team of volunteers and trainee trainers, and £10k for an evaluation by Canterbury Christ Church University. The Trust is exploring approaches to rolling out the pilot which will be informed by the outcomes of the evaluation.

#### **Pamphlet project**

The Trust's pamphlet project will provide accessible e-resources for those supporting children 0-8, each covering a key Froebelian theme. The Trust committed £4k to the project and the first two pamphlets, on clay and outdoor play, were completed. These will be available on-line in 2017.

#### **International projects - General**

The Trust has introduced a new international strategy, based on the learning from its projects in India and South Africa. This included:

- ◆ The importance of focussing on training and support for teachers
- ◆ The value of making strategic alliances with local partners in good standing (such as universities) that link our work with their programmes
- ◆ The need for project plans to be agreed in advance by Council. These to include mapping against the TFT strategy, risk analysis, dissemination, project management and accountability, and budgets
- ◆ The need for robust and proportionate controls and reporting without too high overheads.

The Trust is most grateful for the continuing support of our teams of committed Froebelian volunteers.

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### **International projects - India**

Funding of £11,268 was used to support our India project. The Trust's volunteer team has been involved training teachers at Parivar for two and a half years and there have been, as a result, significant changes in the lives of the children and the teachers. Using a Froebelian approach, with particular reference to his ideas on unity, connectedness and community, the team has been able to link into the culture of West Bengal drawing on, for example, the work of Rabindranath Tagore and found shared ideals and values with other organisations with whom we have worked. Their work has evolved in response to those with whom they are working and their circumstances; it takes time to gather local knowledge, build trusting relationships and explore possibilities. There is now a strong foundation upon which to build and to explore further how a Froebelian approach can be shared with a wider audience with the aim of influencing and supporting more children and teachers. For the Trust there are opportunities to explore and affirm the relevance of Froebel's principles and practices in different countries, cultures and settings.

Our India volunteer team has now retired and trained a new team. The Trust is very fortunate to have such talented and experienced Froebelians supporting our work. The Trust and our teams have worked with our India partners, Parivar and new partner Modern High School for Girls, to develop an exit strategy for the project that will enable us to work together to embed Froebelian training in India, and we are very excited about the possibilities.

#### **International projects – South Africa**

The volunteer team completed its final Froebel Trust funded visit to South Africa in the autumn. The trip included two elements. One was to visit the school, and continue to support the local training, encouraging the hub school to link with the two schools in Area 19. Local staff taking training at different levels have been successful in their courses, and the first has achieved distinction for her practical classroom, based on her Froebel training.

The other element was to further plan developments for the conference with PRAESA ready for March 2017. The team involved the school in that process as they will give workshops at the conference. Preparation for the conference has been supported by a £4,000 grant from the Trust to local partner PRAESA.

As part of the Trust's exit strategy from the project, the balance of the Trust's restricted South Africa fund of £6,177, created in response to a grant from the David Montefiore Trust, has been awarded to the Anonymous Donor Trust. The funds will continue to support the work once The Froebel Trust's involvement in the project has ended.

#### **International projects - IFS Conference travel**

The International Froebel Society (IFS) held its conference in Germany, and the Froebel Trust funded the travel for 11 UK delegates at a cost of £10,593.

#### **Moderation of Froebel Certificate courses**

The Trust undertook moderation of Froebel Certificate courses to a cost of £1,250.

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### **University of Roehampton - Founding Body**

The Froebel Trust is a Founding Body of the University of Roehampton. Froebel College is one of four colleges that make up the University. Founded in 1892, it has for many years been a college in which high academic achievement, profoundly influenced by its tradition, has produced outstanding success in academic life, especially in teacher education. The Trust's link with college has principally been through work with the Department of Education - renowned for being one of Britain's major centres for Initial Teacher Training. The Trust and University have begun a review of TFT's role as a Founding Body with the aim of strengthening the links and increasing the support that the Trust is able to offer to developing the next generation of Froebelians.

#### **Strengthening the Trust**

The objectives of TFT's work to strengthen the Trust are to ensure that:

- ◆ The charity operates in accordance with its Objects
- ◆ Its projects and management are of high quality, effective and economic
- ◆ TFT is compliant with all external requirements
- ◆ The Trust extends its reach and increases its impact and visibility.

TFT's financial objectives are to:

- ◆ Maximise its income from all sources
- ◆ Increase its charitable spend
- ◆ Secure the future of the work of the Trust through careful stewardship

The Trust has adopted a new policy of deploying annually in support of its strategy its income and the capital gains on its investments consistent with preserving the real (inflation adjusted) value of its capital.

The focus for the year has been on the development and implementation of the new TFT strategy and assessment of the impact of this is mainly against milestones. The Trust will develop a full impact measurement strategy in the year from 1 November 2016.

#### **Staffing review**

The five year strategy set out an ambitious programme to increase TFT's grant making, widens the Trust's network, extend research impact, grow the professional development offer, and introduce policy working. In order to secure this significant broadening of TFT's role and resulting increase in workload the Trust undertook a staffing review. The outcome of this was that one post was made redundant, and two new posts created – Grants Manager and Communications Executive. Trustees also agreed to adopt a flexible approach to supporting governance with the use of an external expert.

## Trustees' report

### REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE (continued)

#### Strengthening the Trust (continued)

##### *Grant Application Scrutiny*

The Trust has faced a significant challenge in ensuring that its academic scrutiny of grant applications has been rigorous and transparent. The increase in grant making and thus applications placed a strain on the work of the small expert team of scrutineers drawn from the Research Committee. As leading Froebelian experts many of this team also wanted to submit grant applications, placing further demands on the scrutiny process. In order to manage these conflicts of interest, the Trust recruited a new team of expert external scrutineers from across the world. Applications were allocated to scrutineers with no links to the applicant. Anonymous scrutiny was considered and rejected as scrutineers would have recognised many of the applicants from their research interests and this could have inadvertently brought disproportionate benefit to those already known to the Trust. Applications were thus subject to both internal and external scrutiny, both assessing against the same framework. Applications were scored and ranked in score order. The top nine scoring applications were successful, matching the available sums.

This proved to be a very valuable and informative process that the Trust would like to repeat. The Trust is very grateful to both teams of scrutineers, whose advice and guidance has been invaluable.

##### *Grant management*

The management of grants has been improved. New internal monitoring systems have been introduced to monitor performance, and grant recipients have been expected to meet higher standards of reporting accountability. Closer links with university finance department have brought more timely payment requests and better monitoring of actual spend. Where grants have not been fully spent the trust has required that the balance is returned. Scheduling has meant that payments to individuals are now made without delay, meaning that the support offered by a bursary is more reliable.

Formal standard deeds of grant have been introduced setting out the trust's expectations more clearly in all areas from reporting to intellectual property.

##### *Challenges and opportunities*

Positive factors in the Trust's control included new staffing, providing greater expertise; a new financial strategy providing a driver for increased grant making; governance renewal, with a new chair providing leadership for the Trust's increased strategy and programme; increased positive profile amongst new partners, enabling the promotion of Froebelian principles in new areas.

Positive factors outside the Trust's control included favourable investment environment providing strong capital growth, creating increased funds to spend in achieving our Objects. Negative factors in the Trust's control included loss of board expertise through retirements from Council; and reconciling the needs of long-standing and new partners. Negative factors outside the Trust's control included concerns about the potential impact of Brexit on university partners.

## Trustees' report

### **PUBLIC BENEFIT**

The Charity's Charitable Objects are to promote for the public benefit the advancement and understanding of Froebelian principles of education in learning within the UK and internationally. In both planning and conducting all of its activities throughout the period, and laying down the strategy for future activity and programmes, the Trustees have given careful consideration to the guidance on public benefit provided by the Charity Commission.

TFT provides a wide range of public benefit to beneficiaries in the education sector. The charity's vision is a world in which childhood is valued in its own right and each child's capacity and potential is recognised. It is one in which all young children have access to high quality learning and education based on Froebelian principles.

TFT's mission is to promote the value and relevance of Froebelian principles to the education and learning of children in the 21st Century. Its ultimate beneficiaries are children under the age of eight. Its immediate beneficiaries are parents/carers and adults working in the early years and primary sectors – by supporting them the charity will assist them to provide high quality learning and education.

Froebel emphasised the importance of educating rich and poor children together so that all children are able to access education based on his principles. The Trust is concerned that children who through life circumstances have had fewer opportunities and experiences increasingly are given an education that emphasises acquiring basic skills, literacy, numeracy and adult directed experiences rather than the opportunities to develop creativity and self-activity which Froebelian principles emphasise. Their access to the very experiences and ways of learning that other children benefit from and that promote real learning are limited, thus increasing their disadvantage.

In making decisions about how to focus its limited resources, the Froebel Trust seeks to ensure that all children have access to an education based on Froebelian principles. To achieve this we will include strategies to enable us to reach those young children who are less likely to have access to education and experiences based on Froebelian principles.

The charity is committed to advancing the following Froebelian principles for the education and care of children up to the age of eight:

- ◆ The integrity of childhood in its own right
- ◆ The relationship of every child to family, community, nature, culture and society
- ◆ The uniqueness of every child's capacity and potential
- ◆ The holistic nature of the development of every child
- ◆ The role of play and creativity as central integrating elements in development and learning
- ◆ The right of children to protection from harm or abuse and to the promotion of their overall well-being

## Trustees' report

### **PUBLIC BENEFIT** (continued)

The projects and grants outlined in this report have provided training to support the development of high quality practice in early years learning that applies Froebelian principles, grown the application of Froebelian principles in new areas and increased the numbers of Froebelian practitioners. They have also supported the trust's cross cutting themes: addressing disadvantage and valuing diversity; childhood under stress (focusing on those environments in which young children cannot play freely or with agency); and adult (staff and parental) engagement with young children. These have provided an additional focus for grant giving.

The charity inherited the 999-year lease of Froebel College to The University of Roehampton and through this it provides a major asset for no consideration or ongoing rent, thereby supporting and assisting the growth and financial stability of the University.

### **FINANCIAL REVIEW**

Total income for the year ended 31 October 2016 was £456,168 (2015 – £453,991). In the main, this was derived from the rental and dividend income earned on the charity's investment properties and listed investments.

Total expenditure for the year ended 31 October 2016 was £875,783 (2015 - £423,977). This was primarily expended on the award of grants and the project work previously discussed in this report.

TFT's net expenditure for the year, before investment gains, was £419,615 (2015 – net income of £30,014). After accounting for investment gains/losses, and the actuarial gains/losses on the defined benefit pension scheme, the overall net movement in funds for the year was a net increase of £1,003,526 (2015 – net increase of £335,058).

### **Investment Powers and Policy**

Under its Articles of Association, TFT has the power to invest in any way the Council directs. Cash balances are deposited with a view to maximising interest income while minimising risk of capital loss.

Rathbone Investment Management is the discretionary fund manager responsible for day to day management of the Charity's investment funds.

### **Reserves policy and position**

At 31 October 2016, TFT held total reserves of £17,892,497, all of which was unrestricted. As discussed earlier in this report, the Trust has adopted a new policy of deploying annually in support of its strategy its income and the capital gains on its investments consistent with preserving the real (inflation adjusted) value of its capital. The level of reserves desired by the Trustees is very much linked to this strategy. Management accounts are presented to each ordinary meeting of the Council, to demonstrate current available funds, liquidity and investment performance, after all known commitments have been taken into account.

## Trustees' report

### PLANS FOR THE FUTURE

TFT will continue to implement its five year strategy, with a year of consolidation planned in 2017. Grant programmes established in 2015-16 will be repeated, using evaluation of the pilots to improve their management and performance. The new staffing structure will be embedded. Implementation of the governance review will continue with a new committee structure being developed.

The Trust will agree and implement an impact measurement framework and a new communications strategy will be implemented, building on the website to take the Froebelian message to new partners via social media and printed materials. Pamphlets on key Froebelian themes will be published online. The exit strategies for the trust's international projects will see the end to TFT's engagement in the work in South Africa and new work to embed Froebelian training in India.

2017 will also see the celebration of Froebel 200 – the 200th anniversary of the foundation of Froebel's institute and the Trust will use this as a theme for the year, inviting applications that support the promotion of Froebelian principles in the 21st century.

Whilst the positive investment climate continues, the resources available to further the Trust's Objects will continue to grow. Trustees will monitor the position regularly in order to spot any downturn and take remedial action. An investment account for grant accruals will be opened to protect those funds committed for future grant payments.

The Trust's chief risk is its pension liability and the assessment of this is outside the Trust's control. The impact of this has been mitigated by charges being made on two of the Trust's properties which has allowed the level of contributions to be capped to a lower level than would otherwise have been the case.

### PRINCIPAL RISK AND UNCERTAINTIES

The Froebel Trust aims to ensure that risk is managed effectively so that:

- ◆ Significant risks are known and monitored
- ◆ Trustees to make informed decisions and take timely and appropriate action on significant risks
- ◆ The Trust makes the most of opportunities and develops them with the confidence that any risks will be managed
- ◆ Forward and strategic planning are improved
- ◆ The Trust's aims are achieved more successfully

The responsibility for the management and control of the Trust rests with the trustee body and therefore their involvement in the key aspects of the risk management process is key, particularly in setting the parameters of the process and reviewing and considering the results. Council then delegates elements of the risk management process to the Finance and Governance Subcommittee, the Chief Executive and to professional advisers. Progress is reported back to Council.

## Trustees' report

### PRINCIPAL RISK AND UNCERTAINTIES (continued)

The Risk Register is examined in full annually by Trustees and reviewed regularly by the Finance and Governance Subcommittee. Significant changes to the register are reported by that subcommittee to Council.

Once risks have been identified and categorised, the Trust identifies mitigating actions. These will draw on the following range of strategies:

- a. Transferring the financial consequences to third parties or sharing it, usually through insurance or outsourcing
- b. Avoiding the activity giving rise to the risk completely, for example by not taking up a contract or stopping a particular activity or service
- c. Management or mitigation of risk
- d. Accepting or assessing it as a risk that cannot be avoided if the activity is to continue.

The charity's principal risks are:

<b>Risk</b>	<b>Controls</b>
London Pension Fund Authority increase in contribution rates	Charge on two properties. Properties and investments provide a cushion.
Governance problems	Policies; new scrutiny model; widening of field of grant applications; improved grant management; improved financial management Governance review; governance and operational policies
Lack of compliance with regulations and laws – both by the trust and by third parties	Policies including safeguarding, anti-bribery. Governance review; governance and operational policies
Unmanaged conflicts of interest	Declarations of interest forms for all committee members plus CEO; on agenda at each meeting. New scrutiny process for research grants. On-going review of grant assessment processes; annual update of conflict of interest forms
Government policy on Early Years lead to practitioners being unable or unwilling to engage with Froebelian principles	Froebel Trainers programme, investigation of out sourcing CPD, Development of public engagement programme
Decline in the value of investments	Review fund management performance
Large Council and small executive leads to risks being missed	Risk register circulated to Trustees in more detail than top strategic risks Trustees to identify missing risks

## Trustees' report

### **GOVERNANCE AND MANAGEMENT**

The Trustees form the Froebel Council ("the Council") which meets normally five times each year and extraordinarily if required. Attendance at Council meetings is good.

The governance review recommended the following changes, which were agreed after the year end:

- ◆ A reduction in the number of Trustees from fifteen to twelve;
- ◆ The term of the Chair to be changed from annually to a term of office, decided by the Trustees, subject to a maximum of eight years, or shorter until the individual's maximum term as a Trustee expires.

Day to day management of the Charity is vested in the CEO.

### **Appointment of Trustees**

The Trustees are appointed for a term of four years or less, at the Trustee's option, retiring by rotation and being eligible for re-election. The Trust has agreed a recruitment and induction policy for the appointment of Trustees. This policy sets out the skills and experience that are needed on the Council so that the trust's objectives will be met effectively.

Trustees are selected to bring skills to the Council such as in finance or the law, or bring a background of experience in teaching or research linked to the educational principles of Friedrich Froebel, using external advertising and interviews.

The policy also sets out the induction process including key documents that will be provided to the trustee.

### **Trustee induction and training**

Most Trustees are long serving and have experience as Trustees of other charities. Training and briefing for new Trustees is provided according to background and experience in Trustee roles.

### **Key management personnel**

The trustees consider that they, together with the Chief Executive comprise the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis.

None of the trustees received any remuneration from the charity in respect of their services during the year (2014/15 - £nil).

The remuneration of the Chief Executive is determined by the Trustees with reference to market rates for similar roles within charities of a similar size and complexity as The Froebel Trust. Annually, the Trustees consider whether adjustment is required to the current salary and this decision is clearly minuted.

## Trustees' report

### GOVERNANCE AND MANAGEMENT (continued)

#### Trustees

The following trustees were in office at 31 October 2016 and served throughout the year, except where shown.

#### Trustee

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Mr Mark Neale (Chair)	Appointed 4 March 2014
Mrs Fran Bayliss	Re-appointed 10 March 2015
Mrs Penny Chapman	Appointed 5 May 2013
Ms Bernadette Duffy	Re-appointed 8 March 2016
Dr Peter Elfer	Appointed 10 March 2015
Mr Michael Pearson	Appointed 31 January 2017
Professor Paul O'Prey	Appointed 5 May 2013
Dr Sue Robson	Appointed 5 May 2013
Mrs Jane Whinnett	Appointed 4 March 2014

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Also serving were Mr Terry Knight (Vice-Chair), Mr Guy Fisher (Treasurer), and Professor Maurice Craft (Chair of the Education Committee), all of whom retired on 6 October 2016.

#### Governance review

The Trust has undertaken a comprehensive review of its governance arrangements. The proposals adopted by Council included:

- ◆ New committee structures to enable Trustees to better undertake their governance role
- ◆ Agreement to policies covering all aspects of governance
- ◆ A statement of delegation to the executive and committees
- ◆ Council and Trustee appraisals.

Under the Articles of Association the Charity has a Membership known as the Froebel Association. Membership of the Froebel Association is not restricted and consists of members who have indicated their support of the Froebelian principles of education, and who have been past students or staff that have transferred from IFEI or who have been elected by existing Members since demerger.

The TFT AGM has been very poorly attended for some years, and Trustees considered that it would be better to develop more effective ways to engage and communicate with the members of the Froebel Trust Association. Proposals for this will be considered in 2017.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, (who are also the directors of The Froebel Trust for the purposes of company law), are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Principles).

## Trustees' report

### STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

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 Charity and of the income and expenditure of the Charity 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue to operate.

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

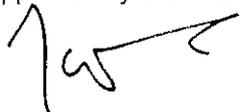
Each of the Trustees confirm that:

- ◆ So far as the Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- ◆ The Trustee has taken all the steps that he / she ought to have taken as a Trustee and director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the Trustees and signed on their behalf by:

  
Chair of Trustees M. NEALE

Date 23 February 2017

## **Independent auditor's report**

### **Independent auditor's report to the members of The Froebel Trust**

We have audited the financial statements of The Froebel Trust (the 'Charity' for the year ended 31 October 2016 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the Charity'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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

The Trustees are also the Directors of the charitable company for the purposes of company law. As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Independent auditor's report

### Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 October 2016 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

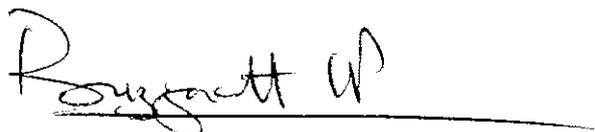
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report and take advantage of the small companies exemption from requirement to prepare a Strategic Report.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

21 March 2017

**Statement of financial activities  
(incorporating an Income and Expenditure Account) Year ended 31 October 2016**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>					
Charitable activities					
. Grants receivable		—	—	—	12,200
Investments	1	449,918	—	449,918	440,459
Other sources		6,250	—	6,250	1,332
<b>Total income</b>		<b>456,168</b>	<b>—</b>	<b>456,168</b>	<b>453,991</b>
<b>Expenditure on:</b>					
Raising funds					
. Investment management costs		73,490	—	73,490	70,768
Charitable activities					
. Information, guidance and advice	2	792,206	10,087	802,293	353,209
<b>Total expenditure</b>		<b>865,696</b>	<b>10,087</b>	<b>875,783</b>	<b>423,977</b>
<b>Net (expenditure) income for the year before other investment gains and losses</b>					
		(409,528)	(10,087)	(419,615)	30,014
Net gains on revaluation and disposal of listed investments	7	1,570,141	—	1,570,141	239,044
<b>Net income (expenditure)</b>	3	<b>1,160,613</b>	<b>(10,087)</b>	<b>1,150,526</b>	<b>269,058</b>
<b>Other recognised gains/losses</b>					
Actuarial gain (loss) on the defined benefits pension scheme	11	(147,000)	—	(147,000)	10,000
Gain on settlements in respect of the defined benefit pension scheme	11	—	—	—	56,000
<b>Net movement in funds</b>		<b>1,013,613</b>	<b>(10,087)</b>	<b>1,003,526</b>	<b>335,058</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 November 2015		16,878,884	10,087	16,888,971	16,553,913
Fund balances carried forward at 31 October 2016		17,892,497	—	17,892,497	16,888,971

All of the Charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

The comparative income from grants receivable was wholly in respect to restricted funds. The comparative income from other sources was wholly unrestricted. The comparative expenditure incurred on investment management costs were wholly met from the Charity's unrestricted funds.

**Balance sheet** as at 31 October 2016

	Notes	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	6		194,292		212,596
Investments	7		18,903,777		17,400,999
			<u>19,098,069</u>		<u>17,613,595</u>
<b>Current assets</b>					
Debtors	8	9,204		5,945	
Cash at bank and in hand		<u>71,328</u>		<u>24,347</u>	
		<u>80,532</u>		<u>30,292</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	<u>(390,511)</u>		<u>(105,916)</u>	
<b>Net current liabilities</b>			<b>(309,979)</b>		<b>(75,624)</b>
Creditors: amounts falling due after more than one year	10		<b>(101,593)</b>		—
<b>Net assets excluding Pension liability</b>					
			<u>18,686,497</u>		<u>17,537,971</u>
Defined benefit pension scheme liability	11		<b>(794,000)</b>		<b>(649,000)</b>
<b>Total net assets</b>			<u><b>17,892,497</b></u>		<u><b>16,888,971</b></u>
<b>The funds of the charity:</b>					
<b>Funds and reserves</b>					
<i>Unrestricted funds</i>					
General funds			17,892,497		16,878,884
Restricted funds	13		—		10,087
			<u>17,892,497</u>		<u>16,888,971</u>

Approved by the trustees and signed on their behalf by

M. NEALE

Trustee

Date:

23 February 2017

The Froebel Trust, Company Registration No. 07862112 (England and Wales)

## Principal accounting policies 31 October 2016

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 October 2016.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, Update Bulletin 1 issued on 2 February 2016, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. The date of transition to the Charities SORP FRS 102 was 1 November 2014. This is the first set of financial statements of the charity prepared in accordance with the Charities SORP FRS 102.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Reconciliation with previous Generally Accepted Accounting Practice (GAAP)**

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. The following transitional adjustments were required:

- ◆ A presentational adjustment was made to reanalyse the expenditure for the year ended 31 October 2015 to accord with the format prescribed in the Charities SORP FRS 102. Specifically, governance costs which were previously presented as a separate category of expenditure on the face of the statement of financial activities, are now included within the cost of charitable activities.
- ◆ A presentational adjustment was made to reanalyse the investment gains for the year ended 31 October 2015 of £239,044, previously included as other recognised gains and losses, so that it now forms a component of the reported net income.
- ◆ Under previous UK GAAP the charity recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 November 2014 or 31 October 2015. The effect of the change has been to reduce the credit to income by £8,000 and increase the credit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

## Principal accounting policies 31 October 2016

### Reconciliation with previous Generally Accepted Accounting Practice (GAAP)

(continued)

In accordance with the requirements of FRS 102 a reconciliation of the opening balances and net income for the year is provided with the net income under previous GAAP adjusted for the presentation of items referred to above:

	2015 £
Reconciliation of reported net income:	
2015 net income as previously reported	38,014
Adjustment for change in recognition of LGPS interest cost	(8,000)
Adjustment for gains on investments now treated as a component of net income	239,044
2015 net income as restated under FRS 102	<u>269,058</u>

### Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ the estimates of the useful economic lives of tangible fixed assets used to determine the annual depreciation charge;
- ◆ judgements made by trustees in estimating the fair values attributed to the charity's investment properties; and
- ◆ the present value of the Local Government Pension Scheme defined benefit liability as provided by the actuary.

### Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 October 2017, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets.

## Principal accounting policies 31 October 2016

### Income recognition

Income is recognised in the period in which the Charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the Charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

### Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is stated inclusive of irrecoverable VAT and accounted for on an accruals basis.

The majority of expenditure is directly attributable to specific activities and any apportionment between headings is negligible. The classification between expenditure headings is as follows:

- a. Expenditure on raising funds include direct costs and overheads associated with generating income for the charity, principally the cost of managing the charity's investments.
- b. The costs of activities in furtherance of the Charity's objects comprise expenditure on the Charity's primary charitable purposes as described in the Trustees' Report. Such costs include those associated with the provision of information, guidance and advice.

It also includes the governance costs of the charity which comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

### Tangible fixed assets

All fixed assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis at the following rates:

◆ Buildings	2%
◆ Furniture & equipment	20%
◆ Office equipment	33½ %

### Fund accounting

The unrestricted funds, being general funds, comprise those monies which may be used towards meeting the charitable objectives of the Charity at the discretion of the Trustees.

The restricted funds comprise monies received which may only be applied in line with the conditions imposed by the donor.

## Principal accounting policies 31 October 2016

### Statement of cash flows

The financial statements do not include a statement of cash flows because the charity is considered a small charity and is therefore exempt from the requirement to prepare such a statement under the Charities SORP FRS 102 Update Bulletin 1.

### Investments

Investments are valued at market value at the balance sheet date. Realised gains and losses on investments are calculated by comparing the sale proceeds with the market at the end of the previous financial year. Unrealised gains and losses represent the difference between the market value of investments held at the end of the financial year with their value at the beginning of the year or with their cost if purchased subsequently. Investment properties are included at market value at the year end.

### Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### Pension schemes

The Froebel Trust contributes to a defined benefit scheme with the London Pensions Fund Authority (LPFA). The defined benefit pension scheme current service costs and the net finance cost for the year are charged to the Statement of Financial Activities within pension costs. Actuarial gains and losses are recognised immediately within other recognised gains and losses.

The defined benefit scheme assets are measured at fair value at the balance sheet date. Liabilities are measured on an actual basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

Notes to the financial statements Year ended 31 October 2016

**1 Income from investments and interest receivable**

	Unrestricted funds	
	2016 £	2015 £
Rental income from investment properties	68,765	71,380
Interest on cash balances	643	1,051
Investment income	380,510	368,028
	<b>449,918</b>	<b>440,459</b>

**2 Expenditure on charitable activities: information, guidance and advice**

	Unrestricted funds £	Restricted funds £	2016 £	2015 £
Staff costs (note 4)	156,192	—	156,192	129,056
Property expenses	15,489	—	15,489	24,988
Grants payable (see below)	532,969	10,087	543,056	112,738
Depreciation (note 6)	18,304	—	18,304	18,304
Pension finance costs (note 12)	22,000	—	22,000	20,000
Governance costs	27,862	—	27,862	33,917
Other expenses	19,390	—	19,390	14,206
<b>2016 Total funds</b>	<b>792,206</b>	<b>10,087</b>	<b>802,293</b>	<b>353,209</b>
2015 Total funds	351,096	2,113	353,209	

**Notes to the financial statements** Year ended 31 October 2016

**2 Expenditure on charitable activities: information, guidance and advice** (continued)

The following project commitments and grants were awarded during the year:

	2016 £	2015 £
<b>Project work:</b>		
Kolkata project	11,268	14,612
Soweto project	10,410	8,970
IFS Conference travel	10,593	—
FT Archive (Froebel Bibliographic project)	5,500	4,000
Froebel Trainers	14,464	1,330
Moderation of Froebel Certificate courses	1,250	1,796
Other	3,995	—
	<b>57,480</b>	<b>30,708</b>
<b>Grants:</b>		
Froebelian Innovations		
. Home-Start UK	38,198	—
. SAFE Child Africa	11,505	—
Research grants		
. Canterbury Christ Church University	8,898	16,450
. University of Roehampton	69,777	15,000
. Murdoch University	21,240	—
. Birmingham City University	7,092	—
. UCL, IOE	34,351	—
. Edinburgh University	7,447	—
. University of Reading	19,358	—
South Africa Project		
. PRAESA	4,000	—
. Anonymous Charitable Trust	6,177	—
Strategic Partner Grants		
. Canterbury Christ Church University	12,000	16,573
. City of Edinburgh Council (EFN)	12,000	2,000
. University of Roehampton	22,000	7,040
Small Research grant		
. University of Roehampton	12,437	—
Other grants payable	4,134	1,256
Total grants payable to institutions	<b>290,614</b>	<b>58,319</b>
PhD and MA bursaries paid to individuals		
. Research grants	14,250	—
. PhDs and MA bursaries	180,712	23,711
Total grants payable to individuals	<b>194,962</b>	<b>23,711</b>
	<b>543,056</b>	<b>112,738</b>

**Notes to the financial statements** Year ended 31 October 2016

**3 Net income for the year**

This is stated after charging:

	2016 £	2015 £
Staff costs (note 4)	180,192	128,056
Auditor's remuneration (including VAT)		
. Audit services	6,780	6,000
. Other services	780	—
Depreciation (note 7)	18,304	18,304

**4 Staff costs and remuneration of key management personnel**

	2016 £	2015 £
Staff costs during the year were as follows:		
Wages and salaries	117,766	97,752
Social security costs	6,806	5,798
Pension costs	31,620	25,506
	<b>156,192</b>	<b>129,056</b>

No employee earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the period.

The average number of employees during the year on a full time equivalent basis was 3.

The average number of employees analysed by function was:

	2016	2015
Information, guidance and advice	4	3
	<b>4</b>	<b>3</b>

The trustees consider that they, together with the Chief Executive comprise the key management personnel of the charity. The total remuneration of the charity's key management personnel (including employer's pension contributions) for the year was £53,533 (2015 - £51,194).

No Trustee received any remuneration in respect of their services as a Trustee during the period (2015 – no remuneration). Amounts reimbursed to Trustees during the period, in connection with travel expenses, totalled £1,113 (2015 - £1,880).

**5 Taxation**

The Froebel Trust is a registered charity and, therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

Notes to the financial statements Year ended 31 October 2016

**6 Tangible fixed assets**

	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 November 2015 and 31 October 2016	187,410	72,787	1,800	261,997
<b>Depreciation</b>				
At 1 November 2015	13,744	33,857	1,800	49,401
Charge for year	3,748	14,556	—	18,304
At 31 October 2016	17,492	48,413	1,800	67,705
<b>Net book values</b>				
At 31 October 2016	169,918	24,374	—	194,292
At 31 October 2015	173,666	38,930	—	212,596

At 31 October 2016, the charity's freehold property was subject to a legal charge in favour of the London Pensions Fund Authority. Further details are provided in note 12 to the financial statements.

**7 Investments**

At 31 October fixed asset investments comprised:

	2016 £	2015 £
Freehold investment properties	2,615,000	2,615,000
Listed investments and cash held for re-investment	16,288,777	14,785,999
	<b>18,903,777</b>	<b>17,400,999</b>
	2016 £	2015 £
<b>Freehold Investment properties</b>		
Balance brought forward	2,615,000	2,615,000
<b>Market value at 31 October 2016</b>	<b>2,615,000</b>	<b>2,615,000</b>

The valuations carried out during the year ended 31 October 2014 were performed by Knight Frank LLP, Chartered Surveyors, in accordance with guidelines set by the Royal Institution of Chartered Surveyors for accounts purposes in accordance with the Professional Standards January 2014 Global & UK edition.

At 31 October 2016, part of the charity's freehold investment properties was subject to a legal charge in favour of the London Pension Fund Authority. Further details are provided in note 11 to the financial statements.

Notes to the financial statements Year ended 31 October 2016

**7 Investments (continued)**

	2016 £	2015 £
<b>Listed Investments</b>		
Market value at 1 November 2015	14,027,438	14,075,856
Additions at cost	4,093,890	1,572,631
Disposals at book value (Proceeds £4,129,228 and realised loss £19,705)	(4,148,932)	(1,852,694)
Unrealised gains (losses) on revaluation	1,589,846	231,645
Market value at 31 October 2016	15,562,242	14,027,438
Cash held by investment managers	726,535	758,561
<b>Total investments</b>	<b>16,288,777</b>	<b>14,785,999</b>
<b>Cost of listed investments at 31 October 2016</b>	<b>13,612,045</b>	<b>13,229,398</b>

At 31 October 2016, the Charity's investment portfolio included no individual holdings which represented a material proportion of the total value of the fixed asset investment portfolio at that date.

Listed investments held at 31 October 2016 comprised the following:

	2016 £	2015 £
UK Index linked	890,023	523,752
UK fixed interest	1,035,367	1,463,666
UK equities	7,209,409	5,120,276
Overseas fixed interest	566,058	407,142
Overseas equities	4,939,660	4,946,414
Property funds	718,128	818,087
Hedge funds	203,597	748,101
	<b>15,562,242</b>	<b>14,027,438</b>

**8 Debtors**

	2016 £	2015 £
Prepayments	9,004	4,495
Other debtors	200	1,450
	<b>9,204</b>	<b>5,945</b>

**9 Creditors: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	2,565	4,575
Social security and other taxes	5,796	11,137
Accruals	381,950	90,004
Other creditors	200	200
	<b>390,511</b>	<b>105,916</b>

Notes to the financial statements Year ended 31 October 2016

**10 Creditors: amounts falling due after more than one year**

	2016 £	2015 £
Grants payable		
. Within one year (note 9)	361,878	45,083
. Between one and two years	79,620	—
. Between two and five years	21,973	—
	101,593	—
	463,471	45,083

**11 Pension commitments**

***London Pensions Fund Authority***

The Froebel Trust contributes to the London Pensions Fund Authority (LPFA), part of the Local Government Pension Scheme, a defined benefit statutory scheme. This Scheme is open to all employees, should they choose to join, providing benefits based on final pensionable pay. The Fund is administered by LPFA in accordance with the Local Government Pension Scheme Regulations 1997 as amended.

The scheme is a multi-employer Defined Benefit Scheme which is contracted out of the State Second Pension. The Scheme is subject to triennial actuarial valuations. The assets of the defined benefit scheme are held separately from those of the Charity, in separate LPFA administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations, using the current unit method with a 20 year control period.

The following information is based upon the most recent full actuarial valuation of the fund, which was carried out at 31 March 2013, and has been updated to 31 October 2016 by a qualified independent actuary. The major assumptions used by the actuary were:

	2016 %	2015 %
Rate of increase in salaries	4.4	3.9
Rate of increase in pension payments	2.6	2.1
Discount rate	2.5	3.5
Inflation assumptions		
. RPI increase	3.5	3.0
. CPI increase	2.6	2.1

Notes to the financial statements Year ended 31 October 2016

11 Pension commitments (continued)

*London Pension Fund Authority (continued)*

The breakdown of the Scheme assets is as follows:

	Value at 31 October 2016 £'000	Value at 31 October 2015 £'000
Equities	178	170
Target return portfolio	71	75
Infrastructure	23	21
Commodities	2	2
Property	15	12
Cash	8	46
Cash flow matching	19	51
Present value of scheme assets	<u>316</u>	<u>377</u>

The current mortality assumptions include sufficient allowance for the future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2016 years	2015 years
<b>Retiring today / current pensioners</b>		
Males	23.5	23.4
Females	25.1	25.0
<b>Retiring in 20 years / future pensioners</b>		
Males	25.8	25.7
Females	<u>27.4</u>	<u>27.3</u>

The actuaries have advised the Trustees that the value of the scheme's liabilities (and resulting deficit) disclosed above should not be taken as an indication of the results of a valuation which would normally be carried out for funding purposes. The valuation assumptions made for the purposes of FRS 102 (28) are not necessarily appropriate for the purposes of a long term funding valuation.

The total pension contributions in respect of the defined benefit scheme for the year were £54,000 (2015 - £51,000), of which employer's contributions totalled £50,000 (2015 - £47,000) and employees' contributions totalled £4,000 (2015 - £4,000). The agreed contribution rates for future years are 23.4% (2015: 23.4%) for employers and between 6.5% for employees, based on salary. An additional deficit funding agreement of £30,000 per annum came into effect from 1 April 2014.

Analysis of the amount charged to statement of financial activities

	Year ended 31 October 2016 £'000	Year ended 31 October 2015 (restated) £'000
Current service cost	<u>(26)</u>	22
<b>Total operating charge</b>	<u>(26)</u>	22

Notes to the financial statements Year ended 31 October 2016

11 Pension commitments (continued)

*London Pension Fund Authority (continued)*

Analysis of net finance cost of pension scheme

	Year ended 31 October 2016 £'000	Year ended 31 October 2015 £'000
Interest on pension liabilities	(34)	(31)
Interest on assets	12	11
<b>Net pension finance cost</b>	<b>(22)</b>	<b>(20)</b>

Amounts recognised as other gains and losses

	Year ended 31 October 2016 £'000	Year ended 31 October 2015 £'000
Settlements and curtailments	—	56
Return on assets less interest	5	(3)
Changes in financial and demographic assumptions underlying the scheme liabilities	(152)	13
	<b>(147)</b>	<b>10</b>
<b>Net actuarial gain/(loss) recognised</b>	<b>(147)</b>	<b>66</b>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £502,000 (2015 - £355,000).

Movement in deficit during the period

	Year ended 31 October 2016 £'000	Year ended 31 October 2015 £'000
Deficit at the beginning of the year	(649)	(720)
Current service cost	(26)	(22)
Employer contributions	50	47
Net pension finance cost	(22)	(20)
Net actuarial gain/(loss)	(147)	10
Settlements & curtailments	—	56
<b>Deficit at 31 October 2016</b>	<b>(794)</b>	<b>(649)</b>

The estimated value of the employer contributions for the year ending 31 October 2017 is £44,000 (2016 - £46,000).

The LPFA have a fixed legal charge over the charity's freehold properties at Clarence Lodge and Grove Lodge on Clarence Lane as a means of security over the charity's obligations in relation to the above defined benefit pension scheme.

**Notes to the financial statements** Year ended 31 October 2016

**12 Related parties**

Professor P O'Prey is a Member of Council of the University of Roehampton and also a trustee of The Froebel Trust. During the year the Froebel Trust had various transactions with the University all of which took place on an arm's length basis. Research grants were made to the University totalling £104,214 (2015 - £22,040) for grants where the lead applicants or researchers were Trustees of The Froebel Trust.

Another grant of £12,000 (2015 - £2,000) was given to The Edinburgh Network. Mrs J Whinnett is a founding member of The Edinburgh Network and is also a Trustee of The Froebel Trust.

Penelope Chapman, a Trustee, is also a partner of Bircham Dyson Bell LLP. During the year ended 31 October 2016 The Froebel Trust paid £7,178 (2015: £3,645) for legal advice to Bircham Dyson Bell LLP. The transactions were carried out at arms length. There were no balances outstanding between the two parties at 31 October 2016.

**13 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	At 1 November 2015 £	Incoming resources £	Expenditure, gains, losses and transfers £	At 30 October 2016 £
Montefiore fund	10,087	—	(10,087)	—
	10,087	—	(10,087)	—

The Montefiore fund consisted of monies received from the David Montefiore Trust which was to be applied towards the Saveto project in South Africa which consists of training teachers following the Froebelian Principles and consultation work for universities in Johannesburg and Cape Town. In the year to 31 October 2016, the remaining balance of the Montefiore fund was paid as a grant, in accordance with the restrictions imposed, to an Anonymous Donor Trust as The Froebel Trust's association with the ongoing Froebelian work in South Africa is coming to an end. The Trustees considered that this transfer would best enable the funds to be used to support the work into the future.

Notes to the financial statements Year ended 31 October 2016

**14 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	At 1 October 2016 £
<b>Fund balances at 31 October 2016 are represented by:</b>			
Fixed Assets	19,098,069	—	<b>19,098,069</b>
Current assets	80,532	—	<b>80,532</b>
Creditors: amounts falling due within one year	(390,511)	—	<b>(390,511)</b>
Creditors: amounts falling due after more than one year	(101,593)	—	<b>(101,593)</b>
Pension liability	(794,000)	—	<b>(794,000)</b>
<b>Total net assets</b>	<b>17,892,497</b>	<b>—</b>	<b>17,892,497</b>

	2016 £	2015 £
<b>Unrealised gains Included above:</b>		
On listed investments	<b>2,676,732</b>	1,556,601
On investment properties	<b>1,085,000</b>	1,085,000
Total unrealised gains at 31 October 2016	<b>3,761,732</b>	2,641,601
<b>Reconciliation of movements in unrealised gains:</b>		
Total unrealised gains at 1 November 2015	<b>2,641,601</b>	2,845,352
add: in respect to disposals in the year	<b>(469,715)</b>	(435,396)
add: net (losses) gains arising on revaluations in the year (note 8)	<b>1,589,846</b>	231,645
Total unrealised gains at 31 October 2016	<b>3,761,732</b>	2,641,601

**15 Liability of directors**

The Froebel Trust is a company limited by guarantee and has no share capital. In the event of the company being wound up the liability of the Trustees (who are the members of the company) is limited to £1 each.