



The Froebel Trust

Annual Report and Financial Statements

31 October 2015

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 M Neale CB (Chair appointed November 2015)

Mrs F Bayliss Froebel Cert Ed., FRSA

Professor M Craft PhD DLitt (Chairman of the Education Committee)

Ms P J Chapman

Ms B M Duffy OBE MA BEd

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

Mr G N Fisher MA FCA (Honorary Treasurer/Chairman of Audit Committee)

Mr T G Knight FRICS

Professor P O'Prey PhD

Dr S A Robson MA, BA, PGCE, FHEA

Mrs J Whinnett MA (Hon), PGCE, DPSEE

Chief Executive

Mr Duncan Jackman (to 15 May 2015)

Ms Gillian Morris (appointed 11 May 2015)

Registered Office

Clarence Lodge

Clarence Lane

Roehampton

London

SW15 5JW

Telephone 0208 878 7546

E-mail: office@froebeltrust.org.uk

Website: www.froebeltrust.org.uk

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

Barclays Bank
Wandsworth Group
PO Box 3847
London
SW11 1TR

Solicitors

Bircham Dyson Bell LLP
50 Broadway
London
SW1H 0BL

Carter Bells LLP
Kings' Stone House
12 High Street
Kingston Upon Thames
Surrey
KT1 1HD

Investment Advisors

Rathbone Investment Management
1 Curzon Street
London
W1J 5FB

Property Advisors

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Trustees' report

The Froebel Trust ('TFT' or 'the Charity') 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 2015. The financial statements have been prepared using the accounting policies set out in pages 14 and 15 and comply with the Charity's Articles, and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities', and the Companies Act 2006.

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 principal activities are the sponsoring of research work, Froebelian practitioner training, project work in the UK and abroad to enhance conditions at early-years schools, and work to provide new teaching materials for both trainee teachers and school pupils. Under the terms of the 999 year lease the Trustees continue to monitor the relevant activities of the University, which has contractual obligations to continue Froebelian work.

OBJECTIVES

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.

Trustees' report

OBJECTIVES (continued)

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.

GOVERNANCE AND MANAGEMENT

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. Currently there are 47 members of the Association. The first Annual General Meeting of TFT was held in March 2013 to approve the demerger.

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

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

Appointment of Trustees

The Trustees of TFT are appointed by Association members at AGMs for a term of four years or less, at the Trustee's option, retiring by rotation and being eligible for re-election. 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. The Council is empowered to appoint new Trustees to fill any casual vacancy, subject to ratification at the next Annual General Meeting. As part of the Deed of Amalgamation between the Charity and the National Froebel Foundation in January 2013 two of the Foundations Trustees were appointed as Trustees of TFT.

The Trustees listed on page 1 served during the year. Also serving were Mr W I Macintyre CB MA (Chairman) and Professor T C Bruce CBE MA BEd Cert (Deaf). Mr Macintyre retired on 5 November 2015 and Professor Bruce retired on 29 October 2015.

At the March 2015 AGM William Macintyre, Guy Fisher and Tina Bruce retired by rotation and received a unanimous vote and were re-elected.

After long and distinguished service, Professor Tina Bruce CBE resigned as a Trustee of the Froebel Trust on 29 October 2015. A leading national and international expert in Froebelian theory and practice, author of numerous books and papers, and adviser to HM Government, Professor Bruce has been influential in the development of many of the Trust's projects, and her insight and experience have been greatly valued by her fellow Trustees. The Froebel Trust is very grateful for the many inspirational contributions that Professor Bruce has made across every aspect of its work, and will greatly miss her. The Trustees are particularly grateful that Professor Bruce will continue to support key projects, including leading on the pilot Froebel Travelling Trainers programme.

Trustees' report

GOVERNANCE AND MANAGEMENT (continued)

Appointment of Trustees (continued)

The Chairman, William Macintyre CB, retired on 5 November, and thus this year was the last in his remarkable service to the Charity. Mr Macintyre's leadership has secured the future of the Trust. He led the structural changes, ensured the Trust's financial security, and encouraged the development of the research and education programmes. In his final year, Mr Macintyre supported a review of the Trust's strategy and projects. The new Chairman, Mark Neale CB, was appointed with effect from 5 November 2015.

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.

REVIEW OF ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

TFT's charitable objects are to promote Froebelian principles in the UK and internationally. The Trust focuses on the birth to 8 age group. To this end, the Charity provides fee assistance and grants to support research and professional development for early years practitioners.

TFT continued offering PhD grants, full-time and part-time, to scholars on topics relevant to Froebel. The charity also provided a number of smaller research grants to support research and teaching.

TFT continued to support conferences at Canterbury Christ Church and Edinburgh Universities, both centres with a Froebelian focus. The conferences brought new insights and debate to a growing number of participants.

Support continued for the Certificate course in Froebelian education at the University of Roehampton. Our two projects overseas continued to advance, in Soweto and in Kolkata.

Through the application of the terms of the 999 year lease agreement, the Charity has continued to take an active role in the promotion of appropriate early years' teaching principles within The University of Roehampton. The agreement provides for the Charity to monitor the work of the University as a 'champion' of Froebelianism. Within these arrangements the objects of TFT are protected and 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.

PUBLIC BENEFIT

TFT provides a wide range of public benefit to beneficiaries in the education sector. It has 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, and other

Trustees' report

PUBLIC BENEFIT (continued)

Colleges at Roehampton have followed this example thereby supporting and assisting the growth and financial stability of the University. The Charity continues to subsidise and sponsor research into both early-years' teaching and the development of Froebelian principles within a modern environment, through the provision of postgraduate bursaries and the funding of research packages at universities. The amount of funding provided for research has increased during this period. The Charity continues to support the Froebel Certificate course run at the University of Roehampton. Its package of public benefit provided overseas continues to expand with further support for institutions in South Africa, and continuation of a project in India providing teacher training in Police schools within the Kolkata area for children from deprived backgrounds. Further projects will be considered on a sensible basis to ensure that the range of projects can be managed properly and the Charity's funds are not stretched. Funds are also provided for projects involving the development of teaching materials and aids which have a major impact on teaching methods and development of the Froebelian knowledge base.

Grants and Fee Assistance

Grants and fee assistance by the Charity is designed to support the promotion of Froebelian principles in the UK and internationally. In particular, TFT continues to support three centres within the UK that conduct Froebelian research, Canterbury Christ Church, Edinburgh, and Roehampton Universities.

The Charity provided bursaries to two PhD students and two MA students. In addition it has provided a range of small research grants for work at a range of universities. Grants made during this year have been to researchers in the UK to investigate reception teachers' and heads of schools perspectives and experiences of an observation led baseline assessment that focuses on child-initiated activity; and promoting Froebel and his principles in the baby room using singing as a tool for co-constructing theory and pedagogy for babies' early childhood education and care.

TFT will continue to support three centres within the UK that conduct Froebelian research.

FINANCIAL REVIEW

TFT's net incoming resources for the year, before other gains and losses, were £38,014 (2014 – net outgoing resources of £13,211). TFT did not draw down any of its investment income but instead has funded its work through cash assets and the funds transferred to it under the amalgamation with the National Froebel Foundation.

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.

Trustees' report

FINANCIAL REVIEW (continued)

Risk Management

The Trustees have an established process to analyse the risks faced by the Charity. Comprehensive registers are maintained and reviewed regularly by Trustees to ensure that risks are identified at an early stage and exposure to them is reduced and managed as far as is possible. The principal risk for the Charity is a national or worldwide financial crisis which could result in the Charity being unable to generate sufficient funds to be able to continue its operations.

Reserves policy and position

The Trustees aim to build the Charity's reserves to a level that will provide appropriate protection against normal and economic risks and which will also provide a stable financial foundation to meet current financial commitments, fund planned activities and provide investment for future growth. The Trustees policy is to ensure that the investment capital is retained and that the annual investment returns provide a mixture of growth to counter inflation and income to meet the charitable objects and the current programme of activities. The balance between these aspects is discussed on a regular basis with the Charity's investment managers to take into account current and projected market conditions.

TFT has free reserves of £16,878,884 at 31 October 2015 (2014 - £16,323,013). The reserves comprise the unrestricted funds at the year end excluding the carrying value of tangible fixed assets. 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.

PLANS FOR THE FUTURE

Governance review

The Charity is conducting a Governance Review that will review the governance of the Froebel Trust in the light of the requirements of Charity Commission, of good practice in the charities and corporate sectors and of the size of the Trust, and to make appropriate recommendations, including on:

- ◆ Board membership and the recruitment, development and appraisal of Board members;
- ◆ Effectiveness of the Board in setting strategic direction, exercising financial stewardship and overseeing governance;
- ◆ The Board committees and their roles;
- ◆ The identification of risk and the control environment; and
- ◆ The accountability of the executive for the delivery of strategy and sound financial management and associated delegations of Board authority to the CEO.

The initial review is expected to be completed by Spring 2016, with further work to address its recommendations to take place during the course of 2016.

Trustees' report

PLANS FOR THE FUTURE (continued)

Strategy review

The Trust Froebel is engaged in a strategy review that aims to increase the Trust's impact and grant-making. The outcome will be a five year plan that:

- ◆ Sets out how the Trust will seek to achieve its charitable objects;
- ◆ Implements a new financial strategy that will enable the Trust to increase charitable spend;
- ◆ Adopts a statement of the Charity's values;
- ◆ Identifies key interventions that will be used to measure the effectiveness of the Trust's work; and
- ◆ Secures the core planks of the charity's work – its research and education programmes.

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).

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 incoming resources and application of resources, including 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 the charities' Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ 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.

Trustees' report

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

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:

M Neale

Chair of Trustees

Date

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 2015 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).

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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

Statement of financial activities
(incorporating an Income and Expenditure Account) Year ended 31 October 2015

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2015 £	Total funds 2014 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Investment income and interest receivable	1	440,459	—	440,459	416,948
<i>Incoming resources from charitable activities</i>					
Grants receivable		—	12,200	12,200	—
Other income		1,332	—	1,332	1,151
Total incoming resources		441,791	12,200	453,991	418,099
Resources expended					
<i>Cost of generating funds</i>					
Investment management costs		70,768	—	70,768	68,595
<i>Charitable activities</i>					
Information, guidance and advice	2	309,179	2,113	311,292	343,441
<i>Governance costs</i>	3	33,917	—	33,917	19,274
Total resources expended		413,864	2,113	415,977	431,310
Net incoming (outgoing) resources for the year before other recognised gains and losses		27,927	10,087	38,014	(13,211)
Other recognised gains/losses					
Net gains (losses) on revaluation and disposal of listed investments	8	239,044	—	239,044	(81,958)
Net gains on revaluation of investment properties	8	—	—	—	1,085,000
Actuarial gain (loss) on the defined benefits pension scheme	12	2,000	—	2,000	(83,000)
Gain on settlements in respect of the defined benefit pension scheme	12	56,000	—	56,000	—
Total recognised gains for the period		324,971	10,087	335,058	906,831
Net movement in funds		324,971	10,087	335,058	906,831
Fund balances brought forward at 1 November 2014		16,553,913	—	16,553,913	15,647,082
Fund balances carried forward at 31 October 2015		16,878,884	10,087	16,888,971	16,553,913

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

The Charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet as at 31 October 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	7		212,596		230,900
Investments	8		17,400,999		16,915,250
			<u>17,613,595</u>		<u>17,146,150</u>
Current assets					
Debtors	9	5,945		13,455	
Cash at bank and in hand		<u>24,347</u>		<u>203,749</u>	
		30,292		217,204	
Creditors: amounts falling due within one year	10	<u>(105,916)</u>		<u>(89,441)</u>	
Net current (liabilities) assets			(75,624)		127,763
Net assets excluding Pension liability					
			<u>17,537,971</u>		<u>17,273,913</u>
Defined benefit scheme pension liability	12		(649,000)		(720,000)
Total net assets			<u>16,888,971</u>		<u>16,553,913</u>
Funds and reserves					
<i>Unrestricted funds</i>					
General funds			16,878,884		16,553,913
<i>Restricted funds</i>			10,087		—
			<u>16,888,971</u>		<u>16,553,913</u>

Approved by the trustees and signed on their behalf by

Trustee

Date:

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

Principal accounting policies to year ended 31 October 2015

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include investments at market value, and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published by the Charity Commission in March 2005 and applicable accounting standards.

Incoming resources

Incoming resources are 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.

Resources expended

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 the use of the resources.

Resources expended comprise the following:

- a. The costs of generating funds include direct costs and overheads associated with generating income.
- 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.
- c. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity it is necessary to provide support in the form of personnel development, provision of office services and equipment and a suitable working environment.
- d. Governance costs comprise the costs which are directly attributable to the management of the Charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

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%
◆ Computers	33 $\frac{1}{3}$ %

Principal accounting policies to year ended 31 October 2015

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.

Cash flow

The financial statements do not include a cash flow statement because the Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

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 (details are given in Note 9).

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 of the scheme interest cost and the expected return on scheme assets 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 to year ended 31 October 2015

1 Investment income and interest receivable

	2015 £	2014 £
Rental income from investment properties	71,380	66,561
Interest on cash balances	1,051	7,079
Investment income	368,028	343,308
	440,459	416,948

2 Information, guidance and advice

	Unrestricted funds £	Restricted funds £	2015 £	2014 £
Staff costs (note 5)	128,056	—	128,056	148,282
Property expenses	24,988	—	24,988	16,021
Grants payable (see below)	110,625	2,113	112,738	134,369
Depreciation (note 7)	18,304	—	18,304	11,826
Pension finance costs (note 12)	13,000	—	13,000	19,000
Other expenses	14,206	—	14,206	13,943
	309,179	2,113	311,292	343,441

The following grants were awarded during the year ended 31 October 2015:

	£
Project work	
Kolkata project	14,612
Soweto project	8,970
FT Archive (Froebel Bibliographic project)	4,000
Froebel Trainers	1,330
Moderation of Froebel Certificate courses	1,796
	30,708
Grants	
University of Roehampton	
. Research grant: "Reception Teacher's and Heads of School Perspectives"	10,000
. Research grant "Voice of Child"	5,000
. MA Bursaries	580
. PhD Bursaries	23,131
. Froebel Certificate course grant	7,040
Canterbury Christ Church University	
. Research grant: "Mother's Songs in Day-care"	16,450
. Conference support grant	16,573
Edinburgh Network Conference	
. Conference support grant	2,000
	80,774
Other grants payable	1,256
	112,738

Notes to the financial statements to year ended 31 October 2015

3 Governance Costs

	2015 £	2014 £
Legal and professional fees	32,037	17,473
Council member expenses	1,880	1,801
	33,917	19,274

4 Net outgoing resources for the year

This is stated after charging:

	2015 £	2014 £
Staff costs (note 5)	128,056	148,282
Auditor's remuneration (including VAT)	6,000	6,000
Depreciation (note 7)	18,304	11,826

5 Staff costs and Trustees' remuneration

	2015 £	2014 £
Staff costs during the year were as follows:		
Wages and salaries	97,752	105,225
Social security costs	5,798	9,617
Pension costs	24,506	33,440
	128,056	148,282

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:

	2015	2014
Information, guidance and advice	3	3
	3	3

No Trustee received any remuneration in respect of their services as a Trustee during the period. Amounts reimbursed to Trustees during the period, in connection with travel expenses, totalled £1,880 (2014 - £1,801).

6 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 to year ended 31 October 2015

7 Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 November 2014 and 31 October 2015	187,410	72,787	1,800	261,997
Depreciation				
At 1 November 2014	9,996	19,301	1,800	31,097
Charge for year	3,748	14,556	—	18,304
At 31 October 2015	13,744	33,857	1,800	49,401
Net book values				
At 31 October 2015	173,666	38,930	—	212,596
At 31 October 2014	177,414	53,486	—	230,900

At 31 October 2015, 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.

8 Investments

At 31 October fixed asset investments comprised:

	2015 £	2014 £
Freehold investment properties	2,615,000	2,615,000
Listed investments and cash held for re-investment	14,785,999	14,300,250
	17,400,999	16,915,250
	2015 £	2014 £
Freehold Investment properties		
Balance brought forward	2,615,000	1,530,000
Revaluations	—	1,085,000
Market value at 31 October 2015	2,615,000	2,615,000

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 2015, 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 12 to the financial statements.

Notes to the financial statements to year ended 31 October 2015

8 Investments (continued)

	2015 £	2014 £
Listed investments		
Market value at 1 November 2014	14,075,856	13,936,238
Additions at cost	1,572,631	2,441,873
Disposals at book value (Proceeds: £1,860,093 and realised gains: £7,399)	(1,852,694)	(2,208,793)
Unrealised gains (losses) on revaluation	231,645	(93,462)
Market value at 31 October 2015	14,027,438	14,075,856
Cash held by investment managers	758,561	224,394
Total investments	14,785,999	14,300,250
Cost of listed investments at 31 October 2015	13,229,398	12,539,898

At 31 October 2015, 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 2015 comprised the following:

	2015 £	2014 £
UK Index linked	523,752	526,716
UK fixed interest	1,463,666	1,466,426
UK equities	5,120,276	6,076,022
Overseas fixed interest	407,142	419,059
Overseas equities	4,946,414	4,737,889
Property funds	818,087	581,040
Hedge funds	748,101	268,704
	14,027,438	14,075,856

9 Debtors

	2015 £	2014 £
Prepayments	4,495	13,255
Other debtors	1,450	200
	5,945	13,455

10 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	4,575	627
Social security and other taxes	11,137	6,328
Accruals	90,004	82,038
Other creditors	200	448
	105,916	89,441

Notes to the financial statements to year ended 31 October 2015

11 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.

12 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 2015 by a qualified independent actuary. The major assumptions used by the actuary were:

	2015 %	2014 %
Rate of increase in salaries	3.9	4.1
Rate of increase in pension payments	2.1	2.3
Discount rate	3.5	3.6
Inflation assumptions		
. RPI increase	3.0	3.1
. CPI increase	2.1	2.3

The assets of the Scheme and the expected average rate of return were:

	Value at 31 October 2015 £'000	Long-term rate of return expected 2014* %	Value at 31 October 2014 £'000
Equities	170	6.8	175
Target return portfolio	75	5.7	122
Infrastructure	21	5.9	19
Commodities	2	5.7	5
Property	12	5.9	12
Cash	46	2.8	43
Cash flow matching	51	3.0	38
Present value of scheme assets	377		414

* No long-term expected rate of return at 31 October 2015 has been provided, as for accounting periods beginning on or after 1 January 2015, the expected return and interest cost will be replaced with a single net interest cost. This will effectively set the expected return at a level equal to the discount rate of 3.5%.

Notes to the financial statements to year ended 31 October 2015

12 Pension commitments (continued)

London Pension Fund Authority (continued)

The actual return on scheme assets was £7,000 (2014 - £3,000).

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

	2015 years	2014 years
Retiring today / current pensioners		
Males	23.4	23.3
Females	25.0	24.9
Retiring in 20 years / future pensioners		
Males	25.7	25.6
Females	27.3	27.2

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 17 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 £51,000 (2014 - £44,000), of which employer's contributions totalled £47,000 (2014 - £37,000) and employees' contributions totalled £4,000 (2014 - £7,000). The agreed contribution rates for future years are 23.4% (2014: 23.4%) for employers and between 5.5% and 7.2% 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 2015 £'000	Year ended 31 October 2014 £'000
Current service cost	(21)	(29)
Expected return on scheme assets	18	24
Interest on pension liabilities	(31)	(43)
Net actuarial gain/(loss)	2	(83)
Employer contributions	47	37
Total operating charge	15	(94)

Notes to the financial statements to year ended 31 October 2015

12 Pension commitments (continued)

London Pension Fund Authority (continued)

Analysis of net finance cost of pension scheme

	Year ended 31 October 2015 £'000	Year ended 31 October 2014 £'000
Interest on pension liabilities	(31)	(43)
Expected return on pension scheme assets	18	24
Net pension finance cost	(13)	(19)

Amounts recognised as other gains and losses

	Year ended 31 October 2015 £'000	Year ended 31 October 2014 £'000
Settlements and curtailments	56	—
Actual return less expected return on pension scheme assets	(11)	(21)
Experience gains arising on the scheme liabilities	—	(20)
Changes in financial and demographic assumptions underlying the scheme liabilities	13	(42)
	2	(83)
Net actuarial gain/(loss) recognised	58	(83)

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 £355,000 (2014 - £357,000).

Movement in deficit during the period

	Year ended 31 October 2015 £'000	Year ended 31 October 2014 £'000
Deficit at the beginning of the year	(720)	(626)
Current service cost	(21)	(29)
Employer contributions	47	37
Net pension finance cost	(13)	(19)
Net actuarial gain/(loss)	2	(83)
Settlements & curtailments	56	—
Deficit at 31 October 2015	(649)	(720)

The estimated value of the employer contributions for the year ending 31 October 2016 is £46,000 (2015 - £52,000).

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 to year ended 31 October 2015

13 Transactions with related parties

Three of the Trustees, Mr W I Macintyre, Professor P O'Prey and Mr T G Knight, acted as Pro-Chancellor (now relinquished), Vice-Chancellor, and Chairman of the Estates Committee respectively of the University of Roehampton. During the year the Froebel Trust had various transactions with the University all of which took place on an arm's length basis.

Penelope Chapman, a Trustee, is also a partner of Bircham Dyson Bell LLP. During the year ended 31 October 2015 The Froebel Trust paid £3,645 (2014: £4,200) 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 2015.

14 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 2014 £	Incoming resources £	Expenditure, gains, losses and transfers £	At 30 October 2015 £
Montefiore fund	—	12,200	(2,113)	10,087
	—	12,200	(2,113)	10,087

The Montefiore fund consists of monies received from the David Montefiore Trust which is 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.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	At 1 October 2015 £
Fund balances at 31 October 2015 are represented by:			
Fixed Assets	17,613,595	—	17,613,595
Current assets	20,205	10,087	30,292
Creditors: amounts falling due within one year	(105,916)	—	(105,916)
Pension liability	(649,000)	—	(649,000)
Total net assets	16,878,884	10,087	16,888,971