

SCHOOL STANDARDS AND FRAMEWORK ACT 1998

Account, prepared pursuant to Schedule 1, para 7(1) of the School Standards and Framework Act 1998, of the South Bradford Education Action Zone for the period ended 9 January 2005, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 77 of 2004-2005)

Presented pursuant to School Standards and Framework Act 1998, Sch. 1, s 11, para 7(3)

South Bradford Education Action Zone Account 1 April 2004 to 9 January 2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 23 JANUARY 2006

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Legal and Administrative Information

Trustees as at January 2005

Cllr Eileen McNally (Chairman)*
Rev Alan Evans*
Bernard Dady
Dr Chris Oates
Dave Johnston
Geoff Layer
Jane Rendle
John Anderson
John Ashton
John Flockton*
John Francis*
John Lewis
John McGill*
John Player*
Keith Fair*
Sarah Dawson

* members of the sub-committees

Resignations/removals during 2004-2005

Alan Caygill
Margaret Bardley

Secretary

Tara Parveen

EAZ Office

Future House
Bolling Road
Bradford
BD4 7EB

Auditors

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
London
SW1W 9SP

Accountants

Forrester Boyd, Chartered Accountants
26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW

Bankers

Co-operative Bank
Kings Valley
Yew Street
Stockport
Cheshire
SK4 2JU

Solicitors

Sampson Horner
233 High Street
Wibsey
Bradford
BD6 1QR

Report of the Trustees

The Trustees present their report and the audited financial statements for the period ending 9 January 2005.

Constitution and principal activities

The Forum is a corporate body and exempt charity established on 10 January 2000 under the 1998 Schools Standards and Framework Act. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. Representatives on the Forum include partners and schools named in the Statutory Instrument.

The principal activity of the Forum is to improve standards and provision within the schools that are part of its Education Action Zone. A secondary aim is to develop new partnerships between the schools, the community and business partners.

In accordance with the Act the Forum adopted an 'Action Plan' approved by the Secretary of State for Education and Skills.

The Action Plan specifies, amongst other things

- improving the interface between schools, parents and communities;
- taking school-based actions that will promote higher achievement, particularly in English, mathematics and ICT;
- utilise the expertise of Zone staff to develop new solutions to underachievement through school improvement, adaptations of curriculum and teaching and learning; and
- blur the distinction between learning in, around and beyond school, providing opportunities for young people to succeed.

The Trustees feel that the Framework, which underlies these priorities, formed a flexible yet manageable basis for work with our partners.

A final review of the South Bradford Education Action Zone took place during Autumn Term 2004 with visits to schools, centrally funded projects and collation of centrally held data.

The focus of review for 2004 has been to look at the overall impact of the EAZ building upon the review of 2003 and how these findings relate to the broader EAZ aims and objectives.

The Zone, has yet again, faced a year of change in leadership with a new Director being appointed during March 2004. The appointment has been a shared responsibility between two advisors from Education Bradford who have undertaken the role to administer closure and act as successor body managers ensuring a smooth transition period. The leadership team is seeking to ensure the effective operation of the Zone through to its closure.

Future prospects

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. As this period is complete on 9 January 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from that date.

Going concern

In view of the cessation of the Forum's activities on 9 January 2005 the Trustees no longer consider the preparation of the accounts on a going concern basis appropriate. Upon closure the Zone's assets and liabilities will have been transferred to Zone schools at net book value. No adjustments have been necessary to the net book values of assets held immediately prior to closure.

The Successor body has been identified as "Serco Ltd Trading as Education Bradford acting on behalf of Bradford Council". Any rights and obligations relating to residual assets, liabilities and pensions (if any) will be transferred to Bradford Council.

Education Bradford will act as successor body for the clearance of post Zone activities.

Organisation and objectives

The sole objective of the Forum is the operation of the South Bradford Community Learning Partnership, EAZ and related projects (e.g. EU funded Programmes). In 2004-2005 the Central Management Team of the EAZ consists of a Project Director, Project Manager, Finance and Administration Manager, Parental Involvement Co-ordinator, Employment Link Worker, Community Development Worker, Office Secretary/Course Administrator and a Finance Assistant. This team reports to the Forum and its Executive and Finance sub-groups.

The present Trustees of the EAZ are all members of the Forum. Memberships as at 9 January 2005, along with resignations during the year to this date, are set out on page 2.

The Forum has three other sub committees to which it devolves many of its day-to-day management responsibilities. These are

- the Executive Committee;
- the Finance Committee; and
- the Zone Closure Committee.

The aim of the management structure is to involve partners in decision making related to Zone closure.

Developments, activities and achievements

The Forum is in its final period of operation. During the past ten months of operation the Forum has

- a consolidated delivery and initiated impact assessment of its planned programmes in support of school improvement;
- b addressed issues pertaining to Zone management and administration;
- c celebrated success and reviewed performance;
- d produced a final report and accounts; and
- e dealt with Zone closure issues.

The Trustees are confident that the management arrangements and structure provide stability and a more coherent approach in the delivery of the strategy in the final year of the Zone.

The Trustees received monitoring reports in March 2003 and March 2004 and a final review in December 2004.

Priority 1: Improving the interface between schools, parents and the community.

Measures within this priority have had a significant impact over a wide range of areas in the primary schools in the Zone. It is clear that the work of Parental Involvement Officers has impacted directly on attendance attitudes to work and behaviour either through direct work with the pupils or through having generated increased levels of involvement by parents in the education of their children. Many of these supported measures are vital underpinnings to effective teaching and learning by pupils not directly addressed through the National Strategies.

The review identified a wide variety of approaches across the Zone which illustrates that the priority is broad enough to support flexible approaches which enable schools to tailor provision to their specific needs whilst remaining true to the aims and objectives of the priority.

The support for parents has similarly been extensive with provision covering recreational, life skills, parenting skills and academic and vocational courses. Without doubt this provision has made a major contribution to the building of parental and community links in addition to meeting a wide range of personal development needs. The impact of the Zone in this respect is to make a contribution towards the economic regeneration of local communities and increases their capacity for sustained economic activity.

Parental Involvement will become the elected Theme Zone initiative through Excellence in Cities for 2005.

Priority 2: School based measures to promote higher achievements.

Within this priority lies the greatest scope for individual application by the Zone schools with measures being influenced by their own School Improvement and Development Plans. Measures include the employment of additional support staff, classroom assistants, an assessment officer and a school counsellor. Release time for school and subject managers has provided a valued, flexible and effective school resource. A wide range of equipment and resources to support teaching and learning is evident across the schools of the Zone with a major impact arising from the expansion of ICT capacity and capability. The acquisition of whiteboards continues to be a successful initiative supported by this priority.

Many of the benefits of the above are linked by schools directly to their improvements in levels of attainment and even where the outcomes are not so readily quantifiable schools are convinced of their positive contribution to the learning process through the acquisition by pupils of more confidence, higher motivation and increased self esteem. The actions under this priority continue to make a major contribution to the improvements being enjoyed by the schools through the value which is added to teaching and learning.

Priority 3: Utilise the expertise of Zone Staff to develop new solutions to underachievement, through school improvement, adaptation of curriculum, and to teaching and learning.

The year has seen a realignment of Zone activity within this priority as a result of a reduction in the effective use by staff of the programme of centrally organised Development Groups. The new more focussed programme, funding specific projects, provided better value for money to the Zone. Significant impact was identified on the quality of teaching and learning from centrally provided courses. These, at times, have resulted in quite profound changes in practice in schools.

There has been a move to sustain some of the positive element of the development group work by in-house provision for staff training and development. Many of the changes in approach were as a result of the imminent Zone closure. Perhaps the single most pronounced outcome from this priority is the number of schools who have successfully been awarded Investors in People.

Priority 4: Blur the distinction between learning in, around and beyond the school.

In this priority the review illustrates a range of clear impacts in enabling the schools to add value to their programmes of study. These take the form of additional activities and enhancements of existing work. Examples of the above extensions and enhancements of provision include the use of Artists in Residence, support for visits, and residential experiences, provision of Breakfast Clubs, School Councils and a wide range of out of hours and out of school clubs and activities. In a number of cases, where the schools have been inspected the report draws attention to the contribution being made towards the quality of the educational experience of the students and its role in relation to inclusion. Whilst there are some measurable outcomes, such as the degree of engagement, qualitative outcomes are most noticeable at both whole school and pupil level. The 'softer' measures related to the ethos of the school and the personal development of the pupils are visible and contribute indirectly but no less significantly to the quantitative measures in terms of levels of attainment.

In 2004-2005 the Trustees have noted considerable success in the following areas

- there have been continued improvements to the ICT infrastructure building on the work of the previous years especially in the use of interactive white board technology;
- the authority-wide adoption of Parental Involvement Officers and extended school provision;
- the benefits gained from the majority of Zone schools achieving liP and a number of additional Quality Marks;
- continued school specific support to address raising achievement – the Zone has been successful in developing harmonization of EAZ and school improvement plans;
- maintenance of reading partnership in both primary and secondary schools;
- appointment of additional teaching assistants to support literacy and numeracy development in KS2; and
- delivery of the fourth Outward Bound Young Mentors Scheme with Y10 mentors working with Y8 mentees through residential and school based programmes.

The programmes have succeeded in increasing collaboration between Zone schools and have initiated our aspiration to build a networked learning community.

All school-based activity was formally monitored through a Monitoring Review commissioned by the Trustees and completed in December 2004 by David Whitfield. This review will form the basis for the final Zone report and will sit alongside the 'Celebrating Success' brochure providing a summary of Zone schools and projects' achievements.

Operating and financial review

The financial statements have been prepared in accordance with current statutory requirements and the Forum's governing documents.

Most of the EAZ's income is obtained from the DfES in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during 2004-2005 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

During 2004-2005 the EAZ also received other restricted grants from the DfES and other Government Agencies and donations from commercial sponsors, the details of which are in notes 3 to 6. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended.

Expenditure for the period was covered by grants from the DfES and other income. Total income for the period was £1,132,239 against expenditure of £1,371,182 and the excess of resources expended over incoming resources for the period was £238,943.

Funding of £4,500 was received for Gifted and Talented Summer School. This was applied to Summer School activities at Tong School.

Sponsorship to the value of £222,845 was received during the ten months to 9 January 2005.

At 9 January 2005 the net book value of assets was Nil. The assets, prior to being sold or transferred to schools, were used exclusively for providing education and associated support services to the pupils of the EAZ.

Fund review

When the EAZ ceased to operate on 9 January 2005 its fund balances were nil. Fund balances existing prior to this date were utilized in fulfilment of the Zone's objectives. Immediately prior to cessation £3,990 was transferred to Education Bradford, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve the Action Plan objectives the EAZ remained dependant on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

The EAZ is working closely with its partnership schools to achieve the Forum's objectives. The schools are

Bankfoot Primary	Bolling Special School
Bradford Cathedral Community College	Carrwood Primary
Grange Technology College	Haycliffe Special School
Horton Park Primary	Wedgwood Special School
Ryecroft Primary	St Colomba's Catholic Primary
St John's CE Primary	St Matthew's CE Primary
St Oswald's	Tong School
Usher Street Primary	Yorkshire Martyr's
Knowleswood Primary	Newhall Park Primary
Lower Fields Primary	

The Forum has designated its sponsors into three bands: Lead Corporate Sponsors (committing £50,000 or over per year); corporate sponsors (making significant contributions) and Friends of the Zone (making small contributions in Kind).

The Zone's lead corporate sponsor is Dixon's Charitable Trust.

Corporate Sponsors are

Bradford Bulls	Bradford University
Education Bradford	Outward Bound
Newsquest	Haycliffe Parents Association
Emerald Publications	Yorkshire Post

Friends of the Zone include

Reading Matters for Life and Yorkshire Water	Volunteer Reading Help
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The Forum has also contracted with Education Bradford to provide personnel services.

The Zone team has employed the services of accountants for production of the year-end accounts and for support in provision of management information.

Disabled persons

The policy of the Forum is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the Forum, as well as generally through training and career development.

Post balance events

No events have occurred since the balance sheet date that affects the financial statements. The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transforms into the Parental Involvement Themed Excellence in Cities Programme. Expenditure for the period ended on 9 January 2005 included redundancy costs of £10,374 and early retirement benefit costs of £3,913 due to redundancy, relating to three members of staff.

Reserves policy

The Forum cannot build up restricted reserves of DfES grant, as the department requires that this grant should be applied in the year in which it is received. Where the Forum has earned unrestricted income (e.g. bank interest) it is the Forum's policy to apply these reserves to its ICT programme.

Risk management

In 2004 the Trustees carried out a review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed.

The Trustees monitor progress against the strategic objectives set out in the plan at each meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy, which comprises

- an annual review of the risks, which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Statement on Internal Control

a Maintenance of internal controls

As Trustees, we have responsibility for maintaining a sound system of internal control that supports the achievement of the Forum's policies, aims and objectives whilst safeguarding the public funds and assets for which we are responsible, in accordance with the responsibilities assigned to us in our Financial Memorandum and Government Accounting.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; and can therefore only provide reasonable and not absolute assurance of effectiveness. The system is based on an ongoing process designed to identify the principal risks to the achievement of Forum policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process has been in place for the period ending 9 January 2005 and up to the date of approval of the annual report and accounts and in accordance with Treasury guidance.

The Trustees employed a firm of management accountants to review the management reports and these have been used to scrutinise the Zone finances during the period up to closure of the Zone.

The Executive and Finance Committees have met jointly twice a month during the last four months of the Zone to monitor and review progress leading to the closure of the Zone.

As the Forum ceased on 9 January 2005 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, including

Financial

Sponsorship falls below target levels

Action Additional resources deployed centrally to ensure that sponsorship can be identified and secured.

Unforeseen costs related to the EAZ closure

Action Investigate accurate and true costs related to zone closure.

Personnel

Loss of key personnel

Action Look to external contracts/outsourcing for final phase of EAZ.

Negative impact of discipline and sickness procedures (adopted from LEA)

Action Look to LEA for support and additional capacity.

Delivery of Programmes

Zone unprepared for Ofsted inspection

Action Reporting procedure enhanced. Statistical information to be collected and collated.

Zone fails to effect transfer to Excellence in Cities Action Zone status in 2005

Action Investigate all options.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control.

In 2004 the Forum established the following processes to align the coordination of activities and financial reporting with the objectives of winding down Zone activities and funds in an orderly manner whilst maintaining full service delivery

- the Zone undertook a detailed risk assessment, which was discussed at the Forum, Executive Committee and Finance Committee meetings;
- responsibilities for key areas were allocated as part of the Risk Assessment process;
- the main risks identified are monitored by the Forum and relevant sub-committees on a regular basis;
- the Project Director is responsible for monitoring progress against the Action Plan and targets;
- the Project Director undertakes a review of the Action Plan at the end of each financial year;
- the Planning and Budgeting cycle of the Zone has been more closely aligned with the objectives of orderly closure and service delivery within the lifetime of the Zone. This process has included a revision of the financial reports of the Zone and fortnightly Finance Committee meetings to discuss those reports and Zone progress generally;
- financial reporting system developed, with the help of external management accountants, allowing for improved financial management and budget monitoring;
- the Zone set up a Closure Committee, which consists of certain Trustees, and the Zone Director. Specialist advice is sought from Education Bradford staff as the need arises;
- the Closure Committee is working through the DfES closure checklist to ensure all relevant issues are dealt with in an orderly and efficient manner;
- management of the £55,000 Zone closure grant is delegated to the Closure Committee; and
- the Closure Committee regularly reports its progress to the Executive and Finance Committee and the Forum.

Statement of Trustees' responsibilities for the financial statements

Schedule 1 of the 1998 Schools Standards and Framework Act requires the Trustees to prepare financial statements for each financial period in the form and on the basis determined by the Secretary of State with the approval of the Treasury. In preparing these financial statements, the Trustees have

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the basis that the Forum's activities are ceasing.

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

The Trustees have a responsibility to ensure that the Forum's accounting records and system of internal financial control for the relevant financial period comply with the obligations placed on the Forum by the Secretary of State for Education and Skills.

Auditors

The auditor, the Comptroller and Auditor General, is appointed under the terms of the 1998 School Standards and Framework Act.

Approval

The Trustees report was approved by the Forum on the 8 December 2004, and was signed on its behalf by

Eileen McNally
Chairperson

28 October 2005

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 14 to 25 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 18 to 19.

Respective responsibilities of the Trustees and Auditor

As described on page 11 the Trustees are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Trustees are also responsible for the preparation of the Trustees' Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills, whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and whether the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Forum has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 9 to 10 reflects the Forum's compliance with HM Treasury's guidance 'Corporate Governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Trustees' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Zone's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Following the passing of the South Bradford Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 9 January 2005. Accordingly as explained in the Trustees' report and Note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the South Bradford EAZ at 9 January 2005 and of its incoming resources, application of resources and cash flows for the period then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

17 January 2006

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted	Restricted funds			Total 2004-2005 £000	Total 2003-2004 £000
		funds £000	DfES £000	Other £000	Fixed assets £000		
Incoming resources							
DfES grants receivable	2,3	0	788	59	0	847	659
Other grants receivable	4	0	0	41	0	41	241
Private sector contributions	5	152	0	63	0	215	93
Public sector contributions	5	8	0	0	0	8	25
Other income	6	21	0	0	0	21	9
Total incoming resources		181	788	163	0	1,132	1,027
Resources expended							
Costs of generating funds	7	0	0	0	0	0	0
Net incoming resources for charitable application		181	788	163	0	1,132	1,027
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	32	194	8	0	234	85
Education support costs	7	109	22	58	0	189	157
Grants payable	7	0	690	38	0	728	572
Management and administration	7	17	182	0	0	199	158
Total charitable expenditure		158	1,088	104	0	1,350	972
Costs of termination of operations		0	0	21	0	21	0
Total resources expended		158	1,088	125	0	1,371	972
Net incoming (outgoing) resources before transfers		23	(300)	38	0	(239)	55
Transfers between funds		(221)	300	(79)	0	0	0
Net movement in funds		(198)	0	(41)	0	(239)	55
Fund balances brought forward at 1 April 2004		198	0	41	0	239	184
Fund balances carried forward at 9 January 2005	17,18	0	0	0	0	0	239

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the EAZ during the period and reconciles the movement in funds. There is no difference in the net movement of funds stated above and its historical equivalent.

All items dealt with in arriving at the Net Movement in Funds for 2004-2005 relate to discontinued operations. Further analysis of the income and expenditure for the period is shown on page 15 and the overall financial position at the period end is summarised in the balance sheet on page 16.

The notes on pages 18 to 25 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

	Notes	2004-2005 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	788	650
Other DfES grants	3	59	9
Other grants	4	41	241
Private sector contributions	5	215	93
Public sector contributions	5	8	25
Other income	6	21	9
Total income		1,132	1,027
Charitable expenditure			
DfES EAZ grant expenditure	7	1,088	712
Other DfES grant expenditure	7	59	9
Other government grant expenditure	7	45	171
Other expenditure	7	158	80
Total charitable expenditure		1,350	972
Costs of generating funds		0	0
Costs of termination of operations	7	21	0
Total resources expended		1,371	972
Excess of (expenditure over income) income over expenditure		(239)	55
Net transfers to/from funds			
Other restricted funds	17	(41)	14
Unrestricted funds	18	(198)	41
Net movement in funds		(239)	55

The Income and Expenditure account is derived from the Statement of Financial Activities on page 14 which, together with the notes to the accounts on pages 18 to 25 provide full information on the movements during the period on all the funds of the Zone.

All items dealt with in arriving at the excess of income over expenditure for 2004-2005 relate to discontinued operations.

The Forum has no recognised gains and losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 18 to 25 form part of these accounts.

Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £000	31 March 2004 £000
Current assets			
Debtors	14	0	40
Cash at bank and in hand		0	595
		<u>0</u>	<u>635</u>
Creditors: amounts falling due within one period	15	0	396
Net current assets		<u>0</u>	<u>239</u>
Net assets		<u>0</u>	<u>239</u>
Funds			
Restricted funds	17	0	41
Unrestricted funds	18	0	198
		<u>0</u>	<u>239</u>

The financial statements were approved by the Forum on 8 December 2004 and signed on its behalf by

Eileen McNally
Chair

Cash Flow Statement for the period ended 9 January 2005

	2004-2005	2003-2004
	Note	£000
		£000
Operating activities		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES		847
Other government grants		77
Private sector sponsorship		65
Public sector contributions		0
Other receipts		1
		<u>990</u>
<i>Payments</i>		
Staff costs		185
Other cash payments		1,420
		<u>1,605</u>
Net cash outflow from operating activities	22	(615)
Returns on investments and servicing of finance		
Interest received		20
		<u>9</u>
Decrease in cash in the period		(595)
		<u>(57)</u>

Notes to the Financial Statements

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP 2000), 'Accounting and Reporting by Charities' published in October 2000 and the Charities Act 1993. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The Forum came to the end of its statutory five year life on 9 January 2005. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

The annual EAZ grant from the DfES, which is intended to meet recurrent costs and, where specified, to purchase fixed assets, is credited direct to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

Contributions in Kind

In accordance with the Accounts Direction provided by the Department of Education and Skills an income value is attributed to Contributions in Kind from businesses. These contributions are brought into the accounts at a reasonable estimate of their value to the Forum in the period in which they are receivable. As all gifts in Kind represent expenditure which the Forum would have had to incur; a notional expenditure charge is recorded equal to the value of the Contribution in Kind to the Forum.

Grants receivable

Where other grants have been received, these are credited to the income and expenditure account as restricted income.

Investment income and interest receivable

Interest receivable is included in the financial statements on an accruals basis, and is stated inclusive of related tax credits.

Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP expenditure has been analysed between charitable and other expenditure. The only activity undertaken by the EAZ is the operation of South Bradford EAZ. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include

Cost Category	Basis of Apportionment
Staff costs	Time spent

Tangible fixed assets

Tangible fixed assets, which cost more than £2,500 acquired since the Forum was established are included in the accounts at cost.

Where tangible fixed assets have been acquired with the aid of grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Such fixed assets are shown within a restricted fund, as the undepreciated balance on that fund is not available for the Forum to spend.

Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to staff costs incurred when in direct contact with pupils.

Investments

Fixed asset investments are included at their market value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

Funds structure

The Forum has not designated any funds. Fund balances existing immediately prior to the Zone's closure were transferred to Education Bradford to meet outstanding liabilities or returned to DfES as directed by the Secretary of State for Education and Skills.

Taxation

The Forum is an exempt charity and as such is exempt from Income and Corporation Taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable Value Added Tax incurred by the Forum has been included as part of the relevant expense in the income and expenditure account.

Pensions

The full cost of the Zone's pension contributions on behalf of its employees is recognised in the year those contributions are made. Employees of the Zone are members of the West Yorkshire Pension Fund, administered by the City of Bradford Metropolitan District Council.

The cost of pension contributions on behalf of secondees from schools is accounted for on the same basis as above, save that contributions are paid to the Teachers' Pension Fund.

2 DfES EAZ grant

	2004-2005	2003-2004
	£000	£000
DfES grant received in period	788	650
Total grant available to spend	788	650
Spent in the period	1,088	712
Funded from general, other and brought forward funds	(300)	(62)

The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern.

3 Other DfES grants

	2004-2005 £000	2003-2004 £000
Gifted and talented summer schools	4	9
Closure grant	55	0
	59	9

4 Other government grants

	2004-2005 £000	2003-2004 £000
LSC	0	66
NRF	0	100
ESF	41	75
	41	241

5 Business contributions

	Cash £000	In Kind £000	Total 2004-2005 £000	Total 2003-2004 £000
Private sector contributions				
Dixon's Charitable Trust	63	0	63	38
Emerald	0	40	40	0
Newsquest	0	66	66	0
Yorkshire Building Society	0	17	17	0
Yorkshire Post	0	5	5	0
Other private sector bodies	2	22	24	55
	65	150	215	93
Public sector contributions				
Public sector bodies	0	8	8	25
	65	158	223	118

The Zone also received £34,215 (2003-2004: £28,445) contributions for parent helper volunteers which was match funded by the DfES. Under the Charities SORP this has been excluded from income, and likewise notional expenditure.

6 Other income

	2004-2005 £000	2003-2004 £000
Interest receivable	20	9
Sundry income	1	0
	21	9

7 Total resources expended

	Staff Depreciation	Other	Total	Total
	£000	£000	2004-2005	2003-2004
			£000	£000
Direct provision of education	0	0	234	85
Education support costs	59	0	130	157
Grants payable*	0	0	728	572
Management and administration	108	0	91	158
Costs of termination of operations	18	0	3	0
	<u>185</u>	<u>0</u>	<u>1,186</u>	<u>972</u>
Of which				
DfES grant expenditure	128	0	960	712
Other DfES grant expenditure	18	0	41	9
Other government grant expenditure	39	0	27	171
Other expenditure	0	0	158	80
	<u>185</u>	<u>0</u>	<u>1,186</u>	<u>972</u>

* Grants Payable include the following amounts

	Total
	£000
Organisation	
Bankfoot Primary	33
Bolling Special School	18
Bradford Cathedral CC	44
Canterbury Children's Centre	7
Carrwood Primary	18
Grange Technology College	109
Haycliffe Special	28
Horton Park Primary	17
Knowleswood Primary	10
Lower Fields Primary	31
Newhall Park Primary	35
Ryecroft Primary	23
St Columba's Catholic	28
St Johns CE Primary	35
St Matthews CE	23
St Oswald's	23
Tong School	92
Usher Street Primary	17
Wedgwood Special School	12
Yorkshire Martyr's CC	61
	<u>664</u>
Other grants	64
Total grants	<u>728</u>

8 General expenditure

Included in expenditure in the income and expenditure accounts and in other costs above are

	2004-2005 £000	2003-2004 £000
Educational supplies and services	1,092	740
Occupancy costs	13	17
Supplies and services	74	17
Auditor's remuneration	6	6
Trustees' expenses	1	2
	<u>1,186</u>	<u>782</u>

9 Costs of termination of operations

	2004-2005 £000	2003-2004 £000
Staff costs arising from Zone closure	18	0
Costs of post-Zone services provided by nominated successor body	3	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	0	0
	<u>21</u>	<u>0</u>

10 Staff costs

The average number of persons (including senior post holders) employed by the EAZ during the period expressed as full time equivalents was

	2004-2005	2003-2004
Management	2.00	1.50
Administration	5.00	4.50
Total employees	<u>7.00</u>	<u>6.00</u>

	2004-2005 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	143	161
Social security costs	12	15
Other pension costs (see note 16)	12	14
Termination payments	18	0
Total staff costs	<u>185</u>	<u>190</u>

No employee earned more than £50,000 during 2004-2005 (2003-2004: none).

Termination costs comprise retention payments of £3,368, redundancy costs of £10,374, early retirement costs of £3,913 and post closure staffing costs of £775.

11 Emoluments of Trustees

The Trustees of the Forum did not receive any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Travel and subsistence expenses reimbursed in the period to 9 January 2005 total £1,021 (year to 31 March 2004 £1,966).

Travel and subsistence expenses were paid to one Trustee (2003-2004: one) during the period.

Interests in transactions

The following organisations represented on the Forum were sponsors of the zone

Dixon's Charitable Trust (John Francis) – £62,500

Education Bradford (Bernard Dady) – £15,700

University of Bradford (Geoff Layer) – £8,000

The following organisations represented on the Forum received grants from the Zone

West Yorkshire Police (John McGill) – £20,659

All services were provided to the Forum on commercial arm's length terms.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £250,000 on any one claim and the cost for 2004-2005 was £538 (2003-2004: £630).

The Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provides cover up to £10,000,000 and the cost for 2004-2005 was £327 (2003-2004: £414).

13 Stocks

The Trustees consider the value of stock held to be immaterial.

14 Debtors

	9 January 2005 £000	31 March 2004 £000
Prepayments and accrued income	<u>0</u>	<u>40</u>

15 Creditors: amounts falling due within one year

	9 January 2005 £000	31 March 2004 £000
Trade creditors	0	379
Accruals	0	17
Income in advance	0	0
	<u>0</u>	<u>396</u>

16 Pensions and similar obligations

	2004-2005	2003-2004
	£000	£000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	12	14

The Zone's staff belong to the following pension schemes

Teachers' Pension Scheme (England and Wales)

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	8.35%
Zone's contribution in 2004-2005	£7,075
Zone's contribution in future years	£0

The Teachers' Pension Scheme is an unfunded multi-employer scheme. Contributions are based on valuations made by the Government Actuary. The Actuary's last report was in March 2003 using data primarily from the period 1 April 1996 to 31 March 2001.

West Yorkshire Local Government Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	8.5%
Zone's contribution in 2004-2005	£5,123
Zone's contribution in future years	£0

Contributions are actuarially valued. An actuarial valuation of the fund was carried out as at 31 March 2001 at which date the scheme was 107% funded. The next valuation was as at 31 March 2004 but this has not yet been published.

The West Yorkshire Local Government Pension Scheme is a multi-employer scheme. Any liabilities arising from the presence of a pension fund capitalisation deficit attributable to the Zone staff will be met by the local education authority and not treated as a cost to the Zone.

17 Restricted funds

The incoming funds of the EAZ comprise the following balances of grants to be applied for specific purposes

	Balance at 1 April 2004 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 9 January 2005 £000	Total 31 March 2004 £000
DfES recurrent grant	0	788	(788)	0	0
Other	41	163	(204)	0	41
	<u>41</u>	<u>951</u>	<u>(992)</u>	<u>0</u>	<u>41</u>

DfES EAZ recurrent grant must be used for the normal running costs of the EAZ including salaries and related costs, overheads, repairs and maintenance and insurance. The EAZ is allowed to carry forward up to 10% of the grant for programme expenditure and 2% of grant for administrative expenditure.

18 Unrestricted funds

	2004-2005 £000	2003-2004 £000
Brought forward at beginning of period	198	157
Excess of (expenditure over income) income over expenditure	(198)	41
Carried forward at end of period	0	198

19 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004-2005 £000	Total 2003-2004 £000
Current assets	0	0	0	635
Current liabilities	0	0	0	(396)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>239</u>

20 Capital and lease commitments

The Trustees have neither authorised nor contracted for any future capital expenditure (2004: £Nil). In addition, the Zone has no leasing commitments (2004: £Nil).

21 Contingent liabilities

There were no contingent liabilities at 9 January 2005 (31 March 2004: £Nil).

22 Reconciliation of net incoming resources to net cash inflow from operating activities

	9 January 2005 £000	31 March 2004 £000
Net (outgoing) incoming resources	(239)	55
Interest received	(20)	(9)
(Increase)/decrease in debtors	40	(36)
(Decrease)/increase in creditors	(396)	(76)
Net cash (outflow) inflow from operating activities	(615)	(66)

Accounts Direction given by the Secretary of State for Education and Skills, with the approval of the Treasury, in accordance with the School Standards and Framework Act

- 1 The Education Action Zone shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising
 - a a Trustees' Report;
 - b a statement of financial activity and an income and expenditure account;
 - c a balance sheet;
 - d a cash flow statement; and
 - e a statement of total recognised gains and losses,including such notes as may be necessary for the purposes referred to in the following paragraphs.
- 2 The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with
 - a generally accepted accounting practice in the United Kingdom (UK GAAP), including the provisions of the Statement of Recommended Practice, Accounting by Charities. Forums shall not adopt Financial Reporting Standard, Small Entities;
 - b the disclosure and accounting requirements contained in 'The Fees and Charges Guide' (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;insofar as these are appropriate to South Bradford Education Action Zone and are in force for the financial year for which the statement of accounts is to be prepared.
- 4 The statement of financial activity, income and expenditure account and balance sheet shall be prepared under the historical cost convention. Assets and liabilities shall be included in the balance sheet at the following amounts
 - a fixed assets at cost (or valuation) less an appropriate provision for depreciation;
 - b fixed asset investments at market value;
 - c current assets (other than investments) at the lower of cost and net realisable value; and
 - d liabilities at their settlement value.
- 5 The value of contributions from business, both assets and services, should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.
- 6 This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Secretary of State for Education and Skills.

Barnaby Shaw
Head of Standards Division
Department for Education and Skills

26 February 2002

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