

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 Barrow Education Action Zone for the year ended 31 March 2003, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 595 of 2002-2003)

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

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# Barrow Education Action Zone Account 2002-2003

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 10 NOVEMBER 2005

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## Legal and Administrative Information

<b>Trustees</b>	Bryan Caine Paul Davies Linda Dean Enid Fraser Pat Jefferson Jane Murphy John Burden-Bailey Murray Saunders (Chairman) Colin Smith Roger Titcombe Steve Lenartowicz
<b>Secretary</b>	Eva Robertson
<b>Barrow Community Learning Partnership</b>	The Nan Tait Centre Abbey Road Barrow in Furness Cumbria LA14 1LG
<b>Auditors</b>	Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP
<b>Bankers</b>	Lloyds TSB 121/135 Dalton Road Barrow in Furness Cumbria LA14 1HZ
<b>Solicitors</b>	Cumbria County Council Legal Services The Courts CA3 8LZ

# Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 31 March 2003.

## Constitution and principal activities

The Forum is a corporate body and exempt charity established on 1 January 2000 under the 1998 School 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. Trustees of the Forum are nominated by representatives from the Headteachers of participating schools, representatives of Zone partners and Cumbria County Council, according to the following criteria

- extent of management experience;
- commitment to the Zone and availability; and
- existing involvement in education and business in a variety of roles e.g. school governor, parent, business manager and involvement in other partnerships such as the Education Business Partnership or Local Employers Network.

The principal activity of the Forum is to improve standards within the Schools that are part of its Education Action Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, amongst other things

'The creation of a better future for the people of Barrow in which they will be able to extend their horizons and shape their own destinies through raised aspirations, higher levels of achievement, enterprise and greater self-reliance and independence'.

## Organisation and objectives

The sole activity of the Forum is the operation of the Barrow Community Learning Partnership.

The operational management structure of the Barrow Community Learning Partnership consists of a Project Director, a Deputy Director, three Raising Achievement Coordinators, an Out of Hours Learning Manager, a Senior Psychologist, a Mental Health Development Coordinator and an Alternative Curriculum Coordinator. These nine posts constitute the Barrow Community Learning Partnership Management Team which reports to the Forum. The aim of the management structure is to involve Schools and Business Partners and encourage involvement in decision making at all levels.

The present Trustees of the Barrow Community Learning Partnership are set out on page 2. All the Trustees were appointed on 12 January 2000 and served throughout the period.

## Developments, activities and achievements

The Forum is in its fourth period of operation. During the twelve months of operation from April 2002 - March 2003 the Forum and Partnership have

- appointed an Emotional Health Development Coordinator, generating a major emotional and learning resilience programme which has attracted additional funding of £58,000 for financial year 2003-2004 (from Children's Fund and Cumbria County Council);
- appointed an Alternative and Vocational Curriculum Coordinator, predominantly funded by a consortium of Furness secondary schools and colleges, who has taken a lead role in developing successful 14-16 Flexibility and 14-19 Pathfinder bids;

- developed increasingly dynamic and productive relationships with 20 core schools, associate/partner schools and colleges and a wide range of partner organisations;
- successfully bid for, and established a pilot Leadership Learning Group in partnership with the National College for School Leadership;
- successfully bid for two Networked Learning Communities (out of three in Cumbria, and only 26 successful bids nationally from 174 submissions to the National College for School Leadership);
- secured £119,000 of Neighbourhood Renewal funding from the Furness Strategic Partnership to support regeneration through learning and inclusion programmes within and beyond BCLP core schools;
- developed the Critical Skills Programme into a cutting edge, UK leading, initiative involving over 130 teachers from primary through to F.E. and including the production of a video now used on Critical Skills Programme courses, nationally and internationally;
- secured £561,000 in matched funding to support the development of BCLP programmes;
- researched and published the text book 'Gifted and Talented Learners: Creating a Policy for Inclusion' – which is now influencing the national debate about the DfES Gifted and Talented policy;
- radically enhanced learning using new technologies through provision of mobile ICT kit, curriculum software and the installation of Espresso satellite curriculum context;
- created a local Espresso domain, addressing Key Stage (KS)2 literacy, now being used nationally as an example of effective practice using new technologies;
- created a KS2/KS3 curriculum pack in partnership with Age Concern and distributed free copies to all statutory EAZs;
- consolidated the upward trends in KS1 and KS3 results; and
- developed links between BCLP, Networked Learning Community and Leadership Incentive Grant planning to address the continued issue of low attainment at KS4.

## Operating and financial review

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

Most of Barrow Community Learning Partnership'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 2002-2003 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2002-2003 Barrow Community Learning Partnership received strategic in-kind support from partners including NSPCC and Brathay. This support has been given to the Barrow Community Learning Partnership to assist it to achieve its Action Plan.

At the 31 March 2003 the Barrow Community Learning Partnership had no fixed assets.

## Fund review

To achieve the Action Plan objectives the Barrow Community Learning Partnership remains dependent on the provision of grants from both the DfES and commercial sponsors.

## Connected organisations

The Barrow Community Learning Partnership is working closely with its partnership schools

Abbotsmead Junior School  
 Alfred Barrow School  
 Barrow Island Primary School  
 Bram Longstaffe Nursery School  
 Brisbane Park County Infant School  
 George Hastwell Special School  
 Greengate Infant School  
 Greengate Junior School  
 Hindpool Nursery School  
 Newbarns Primary School  
 Newbridge House  
 North Walney Primary School  
 Ormsgill Primary School  
 Parkview School  
 Priory Grove Infant School  
 St George's CE Junior School  
 St James' CE Junior School  
 Thorncliffe School  
 Vickerstown School  
 Walney School  
 Yarlside School

to achieve the Forum's objectives

- positive change in school ethos;
- improvements in school planning and management;
- improvements in the quality of teaching, particularly in some subject areas;
- evidence of changes in pupil behaviour, motivation and relationships with each other and school staff;
- evidence of personal and social development gains, especially with regard to self-esteem and self-confidence;
- evidence of the development of pupils' skills and interests;
- evidence of improved staff morale ['feel good' factor];
- evidence of parents; and the wider community's involvement in and attitude to education;
- evidence of effective closer links between businesses and schools in the education process;
- establishment of networks to identify and share best practice across Barrow Community Learning Partnership;
- development of teacher classroom evaluation skills; using these to inform worthwhile changes to teaching and learning practice;
- the raising of achievement in all key stages, for all students, including those within the public care system, whilst reducing the gap between boys' and girls' performances; and
- the improvement of attendance levels and reduction in levels of authorised and unauthorised absence.

The Forum has also contracted with Cumbria Local Education Authority to provide accounting and financial services (SLA) and personnel and office accommodation services (in-kind support).

### Post balance sheet events

No events have occurred since the year end that affect the Financial Statements.

### 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.

### Research and development

The Forum has contracted with Lancaster University to provide evaluation services.

### 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 activities within the Action Plan.

### Risk management

In 2001 the Trustees carried out a detailed 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 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 established by the Forum is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control 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.

This process has been in place for the year ended 31 March 2003 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

### b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2001 the Forum established the following processes

- identification of the Forum's objectives and key risks;
- the establishment of systems and procedures to mitigate the risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face; and
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director.

Our review of the effectiveness of the system of internal control is informed by comments made by the external auditors in their management letter and other reports.

While in general the control arrangements operated as expected, the Zone experienced difficulties producing balancing and supported accounts. These have resulted in delays in finalising accounts presentation and audit.

## Statement of Trustees' responsibilities for the Financial Statements

Under Schedule 1 of the School Standards and Framework Act 1998, Trustees are required 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 going concern basis.

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 attached to the Financial Memorandum. 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 report of the Trustees was approved by the Forum and signed on its behalf by

*Professor Murray Saunders*  
Chairman

5 November 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 11 to 22 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 15 and 16.

## Respective responsibilities of the Trustees and Auditor

As described on page 8 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 page 7 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 Forum's 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.

## Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Barrow Education Action Zone at 31 March 2003 and of its incoming resources, application of resources and cash flows for the year 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

8 November 2005

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Victoria  
London SW1W 9SP

## Statement of Financial Activities for the period ended 31 March 2003

	Notes	Unrestricted funds £000	DfES £000	Restricted funds Other £000	Fixed assets £000	<b>Total 2002-2003 £000</b>	Total 2001-2002 £000
<b>Incoming resources</b>							
DfES grants receivable	2,3	0	1,131	88	0	<b>1,219</b>	741
Other government grants receivable	4	0	0	233	0	<b>233</b>	217
Private sector contributions	5	422	0	0	0	<b>422</b>	239
Public sector contributions	5	7	0	0	0	<b>7</b>	6
Other income	6	0	0	49	0	<b>49</b>	8
Amortisation transfer		0	0	0	0	<b>0</b>	0
<b>Total incoming resources</b>		<b>429</b>	<b>1,131</b>	<b>370</b>	<b>0</b>	<b>1,930</b>	1,211
<b>Resources expended</b>							
Costs of generating funds	7	0	0	0	0	<b>0</b>	0
<b>Net incoming resources for Charitable application</b>		<b>429</b>	<b>1,131</b>	<b>370</b>	<b>0</b>	<b>1,930</b>	1,211
<b>Charitable expenditure</b>							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	0	0	0	<b>0</b>	165
Education support costs	7	429	576	370	0	<b>1,375</b>	915
Grants payable	7	0	289	0	0	<b>289</b>	0
Management and administration	7	0	178	0	0	<b>178</b>	165
<b>Total charitable expenditure</b>		<b>429</b>	<b>1,043</b>	<b>370</b>	<b>0</b>	<b>1,842</b>	1,245
Costs of termination of operations		0	0	0	0	<b>0</b>	0
<b>Total resources expended</b>		<b>429</b>	<b>1,043</b>	<b>370</b>	<b>0</b>	<b>1,842</b>	1,245
<b>Net incoming/(outgoing) resources before transfers</b>		<b>0</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>88</b>	(34)
Transfers between funds		0	0	0	0	<b>0</b>	0
<b>Net movement in funds</b>		<b>0</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>88</b>	(34)
Fund Balances brought forward at 1 April 2002			(40)	0	0	<b>(40)</b>	(6)
<b>Fund balances carried forward at 31 March 2003</b>	17,18	<b>0</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>48</b>	(40)

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.

Further analysis of the income and expenditure for the period is shown on page 12 and the overall financial position at the period end is summarised in the balance sheet on page 13.

*The notes on pages 15 to 22 form part of these accounts.*

## Income and Expenditure Account for the period ended 31 March 2003

	Notes	2002-2003 £000	2001-2002 £000
<b>Income</b>			
DfES EAZ recurrent grant	2	1,131	682
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	88	59
Other government grants	4	233	217
Private sector contributions	5	422	239
Public sector contributions	5	7	6
Other income	6	49	8
Amortisation/deferred income		0	0
<b>Total income</b>		<b>1,930</b>	1,211
<b>Charitable expenditure</b>			
DfES EAZ grant expenditure	7	1,043	682
Other DfES grant expenditure	7	88	59
Other government grant expenditure	7	233	217
Depreciation	7	0	0
Other expenditure	7	478	287
<b>Total charitable expenditure</b>		<b>1,842</b>	1,245
Costs of generating funds	7	0	0
Costs of termination of operations		0	0
<b>Total resources expended</b>		<b>1,842</b>	1,245
<b>Excess of income over expenditure</b>		<b>88</b>	(34)
<b>Net transfers to/from funds</b>			
DfES EAZ fund	17	88	(34)
Other restricted funds	17	0	0
Unrestricted funds	18	0	0
<b>Net movement in funds</b>		<b>88</b>	(34)

The Income and Expenditure account is derived from the Statement of Financial Activities on page 11 which, together with the notes to the accounts on pages 15 to 22 provide full information on the movements during the period on all the funds of the Forum.

*The notes on pages 15 to 22 form part of these accounts.*

## Balance Sheet as at 31 March 2003

	Notes	31 March 2003 £000	31 March 2002 £000
<b>Fixed assets</b>			
Tangible assets	12	<u>0</u>	<u>0</u>
		<b>0</b>	<b>0</b>
<b>Current assets</b>			
Debtors	14	<b>25</b>	147
Cash at bank and in hand		<u>337</u>	<u>40</u>
		<b>362</b>	187
<b>Creditors:</b> amounts falling due within one period	15	<u>314</u>	<u>227</u>
<b>Net current assets</b>		<u><b>48</b></u>	<u>(40)</u>
<b>Net assets</b>		<u><b>48</b></u>	<u>(40)</u>
<b>Funds</b>			
Restricted funds	17	<b>48</b>	(40)
Unrestricted funds	18	<u>0</u>	<u>0</u>
		<u><b>48</b></u>	<u>(40)</u>

*The notes on pages 15 to 22 form part of these accounts.*

The financial statements were approved by the Forum on 5 November 2005 and signed on its behalf by

*Professor Murray Saunders*  
Chairman

## Cash Flow Statement for the period ended 31 March 2003

	Note	2002-2003 £000	2001-2002 £000
<b>Operating activities</b>			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		1,131	721
Capital grant from DfES		0	0
Private sector sponsorship		0	0
Other government grants		360	82
Other DfES grants		108	59
Public sector sponsorship		0	0
Other receipts		44	2
		<u>1,643</u>	<u>864</u>
<i>Payments</i>			
Staff costs		446	285
Other cash payments		905	628
		<u>1,351</u>	<u>913</u>
<b>Net cash inflow from operating activities</b>	23	<b>292</b>	(49)
<b>Returns on investments and servicing of finance</b>			
Interest received		5	4
Interest paid		0	0
		<u>5</u>	<u>4</u>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		0	0
Receipts from sale of tangible fixed assets		0	0
Transfer of tangible fixed assets to schools		0	0
		<u>0</u>	<u>0</u>
<b>Financing</b>			
Deferred grant received		0	0
		<u>0</u>	<u>0</u>
<b>Increase/(decrease) in cash in the period</b>		<b>297</b>	(45)

The notes on pages 15 to 22 form part of these accounts.

# Notes to the Financial Statements

## 1 Accounting policies

### *Format of accounts*

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 financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. Barrow Community Learning Partnership Forum was established under the Schools Standards and Framework Act 1998 initially for three years, subsequently extended by The Secretary of State for a further two years. These financial statements have been prepared on a going concern basis.

### *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 for Education and Skills an income value is attributed to Contributions in Kind from business. These contributions are brought into the accounts at a reasonable estimate of their value to the Forum. 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.

### *Management and administration*

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirement, 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 the Barrow Community Learning Partnership. 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; for example staff costs are apportioned on the basis of time spent.

### *Tangible fixed assets*

The Zone retains ownership of assets for its own use during the life of the Zone. These are accounted for using the historic cost convention. There are no fixed assets at 31 March 2003. The Zone has adopted a capitalisation threshold of £2,500.

*Depreciation*

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is included in the accounts.

*Leased assets*

There are no leased assets included in the accounts.

*Resources expended*

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

*Investments*

There are no fixed or current asset investments in the accounts.

*Stocks*

There are no unused stocks included in the accounts.

*Funds Structure*

Funds have been designated for restricted and unrestricted purposes. Funds carried forward will be applied to future programmes in accordance with the Action Plan.

*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 Value Added Tax incurred by the Forum has been included in the Income and Expenditure Account.

*Pension*

The full cost of the Forum's pension contribution on behalf of its employees is recognised in the year the contribution is made. The Forum make pension contributions on behalf of its employees via the Local Education Authority who operate the payroll. Contributions are made to the Teachers' Superannuation Scheme of England and Wales (TSS) and the Cumbria County Council Pension Scheme. These are defined benefit schemes.

**2 DfES EAZ grant**

	<b>2002-2003</b>	<b>2001-2002</b>
	<b>£000</b>	<b>£000</b>
DfES grant received in period	<b>1,131</b>	682
Carry over from previous period	<b>(40)</b>	(6)
<i>Less</i>		
Amounts due from DfES	<b>0</b>	0
Amount used to purchase fixed assets	<b>0</b>	0
Total grant available to spend	<b>1,091</b>	676
Spent in the period	<b>1,043</b>	716
Underspent grant/[funded from general fund]	<b>48</b>	(40)
Maximum permitted carry over level	<b>75</b>	75
Excess grant to surrender	<b>0</b>	0

The Zone now operates under the match funding regime. Core funding from the DfES is now £550,000 per annum.

The Zone is expected to raise sponsorship from private sector sources, and further grant, to a maximum of £250,000 per annum will be made available to match any such sponsorship.

### 3 Other DfES grants

	<b>2002-2003</b> <b>£000</b>	2001-2002 £000
Excellence Challenge	<b>49</b>	20
Schools Facing Challenging Circumstances	<b>30</b>	30
Gifted and Talented Summer Schools	<b>9</b>	9
	<b>0</b>	0
	<b>88</b>	59

### 4 Other government grants

	<b>2002-2003</b> <b>£000</b>	2001-2002 £000
Cumbria County Council	<b>6</b>	14
New Opportunities Fund	<b>108</b>	54
Neighbourhood Renewal Fund	<b>119</b>	103
Basic Skills Council	<b>0</b>	46
	<b>233</b>	217

### 5 Business contributions

	Cash £000	In kind £000	<b>Total</b> <b>2002-2003</b> <b>£000</b>	Total 2001-2002 £000
<b>Private sector contributions</b>				
Age Concern	0	81	<b>81</b>	0
Cycloan	0	81	<b>81</b>	0
Brathay	0	33	<b>33</b>	42
NSPCC	0	29	<b>29</b>	39
BNFL	0	20	<b>20</b>	18
Ocean Youth Trust	0	16	<b>16</b>	0
Youth Inclusion	0	15	<b>15</b>	0
CITB	0	14	<b>14</b>	0
Miller Waite	0	11	<b>11</b>	0
World Challenge	0	11	<b>11</b>	9
Water Park	0	11	<b>11</b>	0
Cope Parenting	0	8	<b>8</b>	0
Evening Mail	0	7	<b>7</b>	7
Recreate	0	7	<b>7</b>	0
Children in Need	0	7	<b>7</b>	0
BAE Systems	0	6	<b>6</b>	24
British Telecom	0	6	<b>6</b>	0
Pathways	0	6	<b>6</b>	0
Business Dynamics	0	0	<b>0</b>	23
CEDC	0	0	<b>0</b>	7

**Private sector contributions continued**

Kimberley Clark	0	0	<b>0</b>	6
E Dawson	0	0	<b>0</b>	5
Wordsworth Trust	0	0	<b>0</b>	5
Cumbria Youth Alliance	0	0	<b>0</b>	5
WH Smith	0	0	<b>0</b>	5
Centric	0	0	<b>0</b>	5
Others	0	53	<b>53</b>	39
	0	422	<b>422</b>	239

**Public sector contributions**

Cumbria County Council	0	7	<b>7</b>	6
	0	429	<b>429</b>	245

The contribution from Cumbria County Council relates to the free use of the office space (owned by the County Council) that the Zone occupy.

**6 Other income**

	<b>2002-2003</b>	2001-2002
	<b>£000</b>	£000
Interest receivable	<b>5</b>	4
Income from schools/others	<b>44</b>	4
	<b>49</b>	8

**7 Total resources expended**

	Staff	Depreciation	Other	<b>Total</b>	Total
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>2002-2003</b>	2001-2002
				<b>£000</b>	£000
Direct provision of education	0	0	0	<b>0</b>	165
Education support costs	321	0	1,054	<b>1,375</b>	915
Grants payable*	0	0	289	<b>289</b>	0
Management and administration	125	0	53	<b>178</b>	165
Costs of generating funds	0	0	0	<b>0</b>	0
Costs of termination of operations	0	0	0	<b>0</b>	0
	446	0	1,396	<b>1,842</b>	1,245

**\*Of which**

DfES grant expenditure	446	0	597	<b>1,043</b>	682
Other DfES grant expenditure	0	0	88	<b>88</b>	59
Other government grant expenditure	0	0	233	<b>233</b>	0
Depreciation	0	0	0	<b>0</b>	0
Other expenditure	0	0	478	<b>478</b>	504
Costs of generating funds	0	0	0	<b>0</b>	0
Costs of termination of operations	0	0	0	<b>0</b>	0
	446	0	1,396	<b>1,842</b>	1,245

## 8 General expenditure

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

	<b>2002-2003</b> <b>£000</b>	2001-2002 £000
Educational supplies and services	<b>1,314</b>	894
Occupancy costs	<b>7</b>	6
Supplies and services	<b>52</b>	29
Operating lease rentals	<b>0</b>	8
Auditor's remuneration	<b>8</b>	8
Trustees' expenses	<b>0</b>	0
Support services	<b>15</b>	15
Miscellaneous	<b>0</b>	0
	<b><u>1,396</u></b>	<u>960</u>

## 9 Staff costs

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

	<b>2002-2003</b>	2001-2002
Management	<b>1.0</b>	1.0
Administration	<b>3.4</b>	2.5
Teachers	<b>9.2</b>	5.5
<b>Total employees</b>	<b><u>13.6</u></b>	<u>9.0</u>

	<b>2002-2003</b> <b>£000</b>	2001-2002 £000
<b>Staff costs for the above persons</b>		
Wages and salaries	<b>380</b>	240
Social security costs	<b>27</b>	18
Other pension costs (see note 16)	<b>39</b>	27
<b>Total Staff Costs</b>	<b><u>446</u></b>	<u>285</u>

One employee earned more than £50,000 during 2002-2003. The total emoluments of this employee were in the following range

	<b>2002-2003</b>	2001-2002
£50,001 - £60,000	<b>1</b>	1
<i>One employee was seconded from Crumbria County Council.</i>		

## 10 Emoluments of Trustees

	<b>2002-2003</b> <b>£000</b>	2001-2002 £000
	<b>0</b>	0

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 31 March 2003 totalled £nil. Travel and subsistence expenses were paid to no Trustees during the period.

*Interests in transactions*

Trustees of the Forum include representatives of organisations involved in transactions with the Zone. These services were provided to the Zone at an arms length value.

**11 Trustees' and officers' insurance**

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £1,000,000 on any one claim and the cost for 2002-2003 was £2,642 (2001-2002 £822).

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 £250,000 and the cost for 2002-2003 was £708 (2001-2002 £325).

**12 Tangible fixed assets**

Barrow Community Learning Partnership does not own any tangible fixed assets.

**13 Stocks**

<b>31 March 2003 £000</b>	31 March 2002 £000
<b>0</b>	0
<b>0</b>	0

**14 Debtors**

	<b>31 March 2003 £000</b>	31 March 2002 £000
Prepayments	<b>0</b>	0
Sundry debtors	<b>25</b>	147
Amounts due from DfES	<b>0</b>	0
	<b>25</b>	147

**15 Creditors**

	<b>31 March 2003 £000</b>	31 March 2002 £000
<b>Amounts falling due within one year</b>		
Taxation and Social Security	<b>0</b>	0
Sundry creditors	<b>300</b>	213
Amounts due to DfES	<b>0</b>	0
Accruals	<b>14</b>	14
	<b>314</b>	227

**16 Pensions and similar obligations**

	<b>2002-2003 £000</b>	2001-2002 £000
<i>Other pension costs comprise</i>		
Defined benefit scheme — regular cost	<b>39</b>	28
Defined contribution scheme	<b>0</b>	0

The Zone's employees belong to the following pension schemes.

*Teachers' Pension Scheme (England and Wales)*

<b>Nature of scheme</b>	<b>Defined benefit</b>
Zone's contribution rate in 2002-2003	8.35%
Zone's contribution in 2002-2003	£26,360

The Teachers' Pension Scheme is an unfunded multi-employer scheme and as such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. 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 April 1996 to March 2001.

*Cumbria County Council Pension Scheme*

<b>Nature of scheme</b>	<b>Defined benefit</b>
Zone's contribution rate in 2002-2003	14.70%
Zone's contribution in 2002-2003	£12,213

The Cumbria County Council Pension Scheme is a multi-employer scheme and as such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Contributions are based on valuations made by the Scheme Actuary. The Actuary's last report was in March 2001 using data primarily from the period April 1998 to March 2001.

## 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 2002 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	<b>Balance at 31 March 2003 £000</b>	Total 31 March 2002 £000
DfES recurrent grant	(40)	1,131	1,043	<b>48</b>	(40)
DfES fixed asset grant	0	0	0	<b>0</b>	0
Other DfES grants	0	88	88	<b>0</b>	0
Other government grants	0	233	233	<b>0</b>	0
Other	0	49	49	<b>0</b>	0
	<u>(40)</u>	<u>1,501</u>	<u>1,413</u>	<u><b>48</b></u>	<u>(40)</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

	<b>2002-2003 £000</b>	2001-2002 £000
Brought forward at 1 April 2002	<b>0</b>	0
Excess of income over expenditure	<b>0</b>	0
Carried forward at 31 March 2003	<u><b>0</b></u>	<u>0</u>

**19 Analysis of net assets between funds**

Fund balances at 31 March 2003 are represented by

	Unrestricted funds £000	Restricted funds £000	<b>Total 2002-2003 £000</b>	Total 2001-2002 £000
Tangible fixed assets	0	0	<b>0</b>	0
Current assets	0	362	<b>362</b>	187
Current liabilities	0	(314)	<b>(314)</b>	(227)
Deferred income	0	0	<b>0</b>	0
	<u>0</u>	<u>48</u>	<u><b>48</b></u>	<u>(40)</u>

**20 Capital commitments**

	<b>31 March 2003 £000</b>	31 March 2002 £000
Contracted for, but not provided in the accounts	<b>0</b>	0
Authorised by Trustees, but not yet contracted	<b>0</b>	0

**21 Lease commitments**

	<b>31 March 2003 £000</b>	31 March 2002 £000
<b>Operating leases</b>		
<i>The payments which the Forum is committed to make in the next period for operating leases</i>		
within one period	<b>0</b>	0
one to five periods	<b>0</b>	8

**22 Contingent liabilities**

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a DfES grant was received, the Forum shall if it does not re-invest the proceeds, repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Forum serving notice, the Forum may repay to the Secretary of State sums determined by reference to

- the value at that time of the EAZ's assets held for the purpose of the Forum; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

At as at 31 March 2003 there were no contingent liabilities (nil at 31 March 2002).

**23 Reconciliation of net incoming resources to net cash inflow from operating activities**

	<b>31 March 2003 £000</b>	31 March 2002 £000
Net incoming resources	<b>88</b>	(34)
Interest received	<b>(5)</b>	(4)
(Increase)/decrease in debtors	<b>122</b>	(98)
Increase/(decrease) in creditors	<b>87</b>	87
<b>Net cash inflow from operating activities</b>	<u><b>292</b></u>	<u>(49)</u>

## 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 Barrow 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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