

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 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. 662 of 2005-2006)

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

Barrow Education Action Zone Account 1 April 2004 to 9 January 2005

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

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Legal and Administrative Information

Trustees

	Appointed	Resigned	Organisation	Staffing SC	Finance SC
Bryan Caine	12 January 2000		BAE Systems	No	No
Paul Davies	12 January 2000		Cumbria Education Service	Yes	Yes
Linda Dean	12 January 2000		Headteacher Cambridge Primary School	Yes	Yes
Enid Fraser	12 January 2000		Headteacher Parkview School	No	No
Julie Fryer	17 July 2003		Headteacher Barrow Island Primary School	No	No
Brian Boyle	1 November 2004		DfES	No	No
John Swainston	16 October 2003	31 October 2004	DfES	No	No
Jane Murphy	12 January 2000		Cumbria County Council	No	No
John Burden-Bailey	20 March 2003		Campus Ventures	No	Yes
Murray Saunders (Chairman)	12 January 2000		Lancaster University	Yes	No
Colin Smith	12 January 2000		Greengate Junior School	No	Yes
Linda Potts	1 September 2003		Headteacher Alfred Barrow School	No	No
Steve Lenartowicz	28 November 2002		Brathay	No	No

Officer

Mason Minnitt	Director BCLP	Yes	Yes
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Clerk

Pam Corkish	Snr Team Secretary BCLP	Yes	Yes
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Barrow Community Learning Partnership

The Nan Tait Centre
Abbey Road
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Cumbria LA14 1LG

Auditors

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

Bankers

Lloyds TSB
121/135 Dalton Road
Barrow in Furness
Cumbria
LA14 1HZ

Solicitors

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 9 January 2005.

Constitution and principal activities

The Action 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".

Future prospects

Under the 1998 School Standards and Framework Act the Barrow Community Learning Partnership was given statutory life of no more than five years. As this period was completed on 9 January 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this 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 going concern basis to be appropriate. Upon closure the Zone's asset and liabilities 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.

Organisation and objectives

The sole activity of the Forum is the operation of the Barrow Community Learning Partnership. Details of the present Trustees are set out on page two. These include details of membership of the sub-committees to which the Forum delegates some elements of strategic decision making.

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 (transferred to Cumbria County Council on 1 September 2004), a Senior Psychologist (left 31 August 2004) and an Emotional Health Development Coordinator. These eight (now six) 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 Action Forum has two sub committees to which it devolves responsibilities for finance and staffing. These are

- Finance Sub Committee; and
- Staffing Sub Committee.

Developments, activities and achievements

During the final eight months of operation from April 2004 - 9 January 2005 the Forum and Partnership have

- expanded the Supporting Emotional Resilience in Schools (SERIS) project, funded by DfES, Children's Fund and Cumbria County Council and Neighbourhood Renewal monies ;
- co-established a new 14-19 Development group to drive forward curriculum change for Post-14 students in Furness ;
- secured a further £115,000 of Neighbourhood Renewal Funding to support learning and inclusion programmes within and beyond BCLP schools;
- appointed a Knowledge Transfer Partnership associate, in conjunction with Lancaster University, who is now researching and networking best practice in the management of change within BCLP schools, related agencies and the wider community;
- celebrated the very positive OFSTED report on the only BCLP School in challenging circumstances. No BCLP school has gone into the "special measures" or "serious weaknesses" categories during the Zone's existence;
- collaborated with Age Concern to create an intergenerational Philosophy for Children video – which is being used as an exemplar, nationally and internationally to demonstrate best practice in inter-generational learning;
- celebrated the publication of the fourth edition of Effective School Management (Everard, Morris and Wilson) which contains significant BCLP case studies; and
- contributed to the highly acclaimed "Thinking on the Edge" publication which set new learning methodologies within the context of the ecology and history of Morecambe Bay.

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 the period ending 9 January 2005 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

At 9 January 2005 the Barrow Community Learning Partnership had no fixed assets.

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 utilised in fulfilment of the Zone's objectives. Immediately prior to cessation £172,000 was transferred to Cumbria LEA, which has been nominated as successor body committed to overseeing any outstanding matters. 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. Additional activity was supported through funding from Neighbourhood Renewal £115,000, The Children's Fund £43,000, and Cumbria Country Council £42,000.

Connected organisations

The Barrow Community Learning Partnership worked closely with its partnership schools

Alfred Barrow School
Barrow Island Primary School
Bram Longstaffe Nursery School
Brisbane Park County Infant School
Cambridge Primary 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
St George's CE Junior School
St James' CE Junior School
Thornccliffe 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 personnel, accounting and financial services (SLA) and office accommodation services (in-Kind support).

Research and development

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

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into the Barrow Excellence Cluster Partnership. Expenditure for the period ended 31 December 2004 included redundancy costs of £12,224 relating to three members of staff.

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.

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 January 2004 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 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 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.

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

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

- insufficient funds to meet liabilities;
- the risk of not fully deploying DfES funds;
- lack of availability of key personnel to assist with post-Zone accounts issues (e.g. key staff move early); and
- lack of continuity in deployment of related funding streams to support BCLP/Excellence Cluster Programmes.

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 which have continued until 9 January 2005

- identification and review 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.

In order to ensure the continuation of best practice during the period ending 9 January 2005, the following arrangements were put in place

- the appointment of a Transformation Committee; and
- arranging sub-committee meetings immediately prior to Forum meetings in order to allow more timely exploration of key issues at Forum level.

The Trustees' 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 basis that the Forum's activities were 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 given by the Secretary of State. 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 23 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 to 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 also 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.

Following the passing of the Barrow 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 Barrow Education Action Zone 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

8 November 2005

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

Statement of Financial Activities for the period ended 9 January 2005

		Unrestricted funds	DfES	Restricted funds		Total Period ended 9 January 2005	Total 2003-2004
	Notes	£000	£000	Other £000	Fixed assets £000	£000	£000
Incoming resources							
DfES grants receivable	2,3	0	547	44	0	591	1,091
Other government grants receivable	4	0	0	359	0	359	367
Private sector contributions	5	9	0	0	0	9	73
Public sector contributions	5	7	0	0	0	7	7
Other income	6	49	0	0	0	49	155
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		65	547	403	0	1,015	1,693
Resources expended							
Costs of generating funds	7	0	0	0	0	0	0
Net incoming resources for charitable application		65	547	403	0	1,015	1,693
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	0	0	0	0	0
Education support costs	7	58	74	403	0	535	1,237
Grants payable	7	0	349	0	0	349	278
Management and administration	7	7	166	0	0	173	168
Total charitable expenditure		65	589	403	0	1,057	1,683
Costs of termination of operations	9	0	16	0	0	16	0
Total resources expended		65	605	403	0	1,073	1,683
Net incoming/(outgoing) resources before transfers		0	(58)	0	0	(58)	10
Transfers between funds		0	0	0	0	0	0
Net movement in funds		0	(58)	0	0	(58)	10
Fund balances brought forward at 1 April 2004		0	58	0	0	58	48
Fund balances at 9 January 2005	18,19	0	0	0	0	0	58

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 the period ended 9 January 2005 relate to discontinued operations.

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 23 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

		Period ended 9 January 2005	2003-2004
	Notes	£000	£000
Income			
DfES EAZ recurrent grant	2	547	1,028
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	44	63
Other government grants	4	359	367
Private sector contributions	5	9	73
Public sector contributions	5	7	7
Other income	6	49	155
Total income		1,015	1,693
Charitable expenditure			
DfES EAZ grant expenditure	7	589	1,018
Other DfES grant expenditure	7	44	63
Other government grant expenditure	7	359	367
Depreciation	7	0	0
Other expenditure	7	65	235
Total charitable expenditure		1,057	1,683
Costs of generating funds	7	0	0
Costs of termination of operations	9	16	0
Total resources expended		1,073	1,683
Excess of income over expenditure		(58)	10
Net transfers to/from funds			
DfES EAZ fund	18	(58)	10
Other restricted funds	18	0	0
Unrestricted funds	19	0	0
Net movement in funds		(58)	10

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 23 provide full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the excess of income over expenditure for the period ended 9 January 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 gains and losses has been presented.

Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £000	31 March 2004 £000
Fixed assets			
Tangible assets	13	0	0
		<u>0</u>	<u>0</u>
Current assets			
Debtors	15	0	25
Cash at bank and in hand		0	332
		<u>0</u>	<u>357</u>
Creditors: amounts falling due within one period	16	0	299
		<u>0</u>	<u>58</u>
Net current assets		<u>0</u>	<u>58</u>
Net assets		<u>0</u>	<u>58</u>
Funds			
Restricted funds	18	0	58
Unrestricted funds	19	0	0
		<u>0</u>	<u>58</u>

The notes on pages 15 to 23 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 Sanders
Chairman

Cash Flow Statement for the period ended 9 January 2005

	Note	Period ended 9 January	
		2005 £000	2003-2004 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		547	1,028
Capital grant from DfES		0	0
Other government grants		314	367
Other DfES grants		44	63
Private sector sponsorship		0	0
Public sector sponsorship		0	0
Other receipts		43	151
		948	1,609
<i>Payments</i>			
Staff costs		322	438
Other cash payments		963	1,180
Net cash inflow from operating activities	24	(337)	(9)
Returns on Investments and Servicing of Finance			
Interest received		5	4
Interest paid		0	0
		5	4
Capital expenditure			
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
		0	0
Financing			
Deferred grant received		0	0
		0	0
Increase/(decrease) in cash in the period		(332)	(5)

The notes on pages 15 to 23 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 Forum came to the end of its statutory 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 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 requirements, and 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 9 January 2005. 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.

Pensions

The full cost of the Forum's pension contribution on behalf on 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

	Period ended 9 January 2005	2003-2004
	£000	£000
DfES grant received in period	547	1,028
Carry over from previous period	58	48
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	605	1,076
Spent in the period	605	1,018
Underspent grant/[funded from General Fund]	0	58
Maximum permitted carry over level	0	75
Excess grant to surrender	0	0

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

3 Other DfES grants

	Period ended 9 January 2005		2003-2004
	£000		£000
Aim Higher/Excellence Challenge	42		54
Easter School	2		0
Gifted and Talented Summer Schools	0		9
	44		63

4 Other government grants

	Period ended 9 January 2005		2003-2004
	£000		£000
Cumbria County Council	42		38
New Opportunity Fund	52		108
National College of School Leadership	105		0
Childrens Fund	43		20
NHS Sure Start	2		6
Neighbourhood Renewal Fund	115		195
	359		367

5 Business contributions

			Total Period ended 9 January 2005	Total
	Cash £000	In Kind £000	£000	2003-2004 £000
Private Sector contributions				
Business Dynamic	0	0	0	11
Momentum Workshop	0	0	0	11
Miller Waite	0	9	9	0
W H Smith	0	0	0	5
NSPCC	0	0	0	10
BNFL	0	0	0	2
Others	0	0	0	34
	0	9	9	73
Public Sector contributions				
Cumbria County Council	0	7	7	7
	0	16	16	80

In addition volunteer hours of £2,000 were received (2003-2004: £303,000).

6 Other income

	Period ended 9 January 2005 £000	2003-2004 £000
Interest receivable	5	4
Income from schools/others	44	151
	49	155

7 Total resources expended

	Staff £000	Depreciation £000	Other £000	Total Period ended 9 January 2005 £000	Total 2003-2004 £000
Direct provision of education	0	0	0	0	0
Education support costs	235	0	300	535	1,237
Grants payable*	0	0	349	349	278
Management and administration	74	0	99	173	168
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	13	0	3	16	0
	322	0	751	1,073	1,683
*Of which					
DfES grant expenditure	309	0	280	589	1,010
Other DfES grant expenditure	0	0	44	44	63
Other government grant expenditure	0	0	359	359	367
Depreciation	0	0	0	0	0
Other expenditure	0	0	65	65	243
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	13	0	3	16	0
	322	0	751	1,073	1,683

8 General expenditure

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

	Period ended 9 January 2005 £000	2003-2004 £000
Educational supplies and services	709	1,197
Occupancy costs	7	7
Supplies and services	19	24
Operating lease rentals	0	0
Auditor's remuneration	8	8
Trustees' expenses	0	0
Support services	8	9
Miscellaneous	0	0
	751	1,245

9 Costs of termination of operations

	Period ended 9 January 2005 £000	2003-2004 £000
Staff costs arising from Zone closure	13	0
Cost of post-Zone services provided by Nominated Successor Body	3	0
	16	0

10 Staff costs

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

	Period ended 9 January 2005	2003-2004
Management	1.0	1.0
Administration	3.0	3.3
Teachers	6.5	7.5
Total employees	10.5	11.8

	Period ended 9 January 2005 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	253	363
Social security costs	22	32
Other pension costs (see note 17)	34	43
Costs associated with Zone closure	13	0
Total staff costs	322	438

Costs associated with Zone closure comprised redundancy payments of £12,422.

One employee earned more than £50,000 during 2003-2004. The total emoluments of this employee were in the following range

	Period ended 9 January 2005	2003-2004
£60,000 - £70,000	0	1

11 Emoluments of Trustees

	Period ended	
	9 January 2005	2003-2004
	£000	£000
Emoluments of Trustees	0	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.

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 arm's length value.

12 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 period ended 9 January 2005 was £2,895 (2003-2004: £3,497).

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 period ended 9 January 2005 was £733 (2003-2004: £898).

13 Tangible fixed assets

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

14 Stocks

	9 January	
	2005	2003-2004
	£000	£000
	0	0
	0	0

15 Debtors

	9 January	
	2005	2003-2004
	£000	£000
Prepayments	0	0
Sundry debtors	0	25
Amounts due from DfES	0	0
	0	25

16 Creditors

	9 January	
	2005	2003-2004
	£000	£000
Amounts falling due within one year		
Taxation and Social Security	0	0
Sundry creditors	0	238
Amounts due to DfES	0	0
Accruals and deferred income	0	61
	0	299

17 Pensions and similar obligations

	Period ended	
	9 January	2003-2004
	2005	£000
	£000	£000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	34	43
Defined contribution scheme	0	0

The Zone's employees belong to the following pension schemes

Teachers' Superannuation Scheme for England and Wales

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	13.50%
Zone's contribution in 2004-2005	£21,051

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

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	14.70%
Zone's contribution in 2004-2005	£13,030

The Cumbria County Council Pension Scheme is a multi-employer scheme. 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 actuarially valued. The date of the last actuarial valuation was 31 March 2001 at which date the Scheme was 94% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed. However the Zone will not be required to meet the cost of any capitalisation deficit attributable to its staff.

18 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	58	547	605	0	58
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	0	403	403	0	0
	<u>58</u>	<u>950</u>	<u>1,008</u>	<u>0</u>	<u>58</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.

19 Unrestricted funds

	Period ended 9 January 2005 £000	2003-2004 £000
Brought forward at 1 April 2004	0	0
Excess of income over expenditure	0	0
Balance at 9 January 2005	<u>0</u>	<u>0</u>

20 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	Total Period ended 9 January 2005 £000	Total 2003-2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	357
Current liabilities	0	0	0	(254)
Deferred income	0	0	0	(45)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>58</u>

21 Capital commitments

	9 January 2005 £000	2003-2004 £000
Contracted for, but not provided in the accounts	0	0
Authorised by Trustees, but not yet contracted	0	0

22 Lease commitments

	9 January	
	2005	2003-2004
	£000	£000
Operating leases		
<i>The payments which the Forum is committed to make in the next period for operating leases</i>		
Within one period	0	0
One to five periods	0	0

23 Contingent liabilities

As at 9 January 2005 there were no contingent liabilities (nil at 31 March 2004).

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

	Period ended	
	9 January	2003-2004
	2005	£000
	£000	£000
Net incoming resources	(58)	10
Interest received	(5)	(4)
Depreciation	0	0
Deferred grant released to income	0	0
Profit/(loss) on disposal of fixed assets	0	0
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	25	0
Increase/(decrease) in creditors	(299)	(15)
Net cash inflow from operating activities	(337)	(9)

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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