

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 Heart of Slough Education Action Zone for the year ended 30 November 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1103 of 2003-2004).

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

Heart of Slough Education Action Zone Account 1 April 2004 to 30 November 2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 19 JULY 2005

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Legal and Administrative Information

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Pat Cornell
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Paul Dieppe
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David Mansell
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Frank Newhofer
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Jeff Richardson
Jean Smith
Chris Spencer
Ann Stainton
Gordon Storey
Roger Thomas
Janet Tomlinson

EAZ Executive Committee

Jeff Richardson (Chair)
Dave Mansell
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Frank Newhofer
Pat Cornell
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Auditors

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Report of the Trustees

The Trustees' present their report and the audited financial statements for the eight month period ended 30 November 2004.

Constitution and principle activities

The Forum is a corporate body and exempt charity established on 1 December 1999 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 the partners.

The principle activity of the Forum is to improve standards within schools that are part of the 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 the following three priorities

- 1 Learning to Learn: enabling more effective teaching and learning for pupil progress and attainment;
- 2 A curriculum for the 21st century: creating more high quality, relevant and stimulating 21st century curriculum experiences that are inclusive and accessible to all pupils in a variety of settings; and
- 3 Structure and culture: helping to develop thinking schools as innovative learning organisations that are responsive to families and communities and where the pupil voice is active.

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 was completed on 30 November 2004 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 30 November 2004 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets 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 Heart of Slough EAZ.

The operational management structure of the EAZ consists of a Project Director, an assistant director, one executive assistant, one part time finance manager (0.4), and an administrative assistant (0.6). These five posts constitute the EAZ Management Team which report 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. In addition there are 7.4 FTE teacher and teacher co-ordinator posts.

The present Trustees of the EAZ are set out as part of the legal and administrative information.

Developments, activities and achievements

In the fifth (financial) year of Slough EAZ's operation the following were among the significant aspects of progress being made

Slough EAZ has

- trained and intensively supported 75 teaching and learning coaches in accelerated learning techniques and produced a resource box for all schools;
- trained and coached 20 primary teachers in 'Cognitive Acceleration';
- trained and supported staff in EAZ schools to be able to better teach pupils who have English as a second language in mainstream classrooms;
- supported the training of 40+ teachers, teaching assistants, governors and parents in information technology;
- trained 100 undergraduate mentors to mentor pupils in EAZ schools;
- trained 50 teachers and teaching assistants to use family learning materials with parents and enabled 50 parents to attend groups run by these staff;
- trained and supported 50 teachers in the visual arts;
- trained 50 teachers to be able to teach singing;
- involved 20 arts teachers in three day training courses;
- enabled more than 50 teachers to attend National Conferences;
- enabled 18 teachers to have half-a-day each week to conduct classroom-based enquiries into learning;
- enabled more than 600 school staff to participate in workshop activities and to hear internationally renowned speakers at our annual conference;
- enabled 12 staff to shadow good practice in other local schools for a week;
- provided booster teaching for 87 Year 7 pupils in literacy;
- joint funded a reading journal for every Year 6 pupil to take to their secondary school;
- trained 140 Year 10 mentors and enabled a further 300 school based mentors to receive further training;
- supported 700 Year 7 pupils on a residential experience;
- enabled 350 Year 9/10 pupils to attend residentials at Reading and Birmingham Universities;
- displayed the art works of 100 pupils which have been seen by in excess of 400 people;
- involved 200+ pupils in dancing at annual dance festival;
- involved 80 Year 9 pupils in preparing for a Model United Nations General Assembly Project (MUNGA);
- enabled six Year 9 pupils and three staff to spend a week in Uganda on Citizenship programmes. (Six Ugandan pupils and three staff also visited Slough EAZ Schools);
- involved eight schools (700 pupils and five teachers) in the 'Tigers Club experience' – an active global citizenship project based on street children in Uganda;
- enabled more than 100 pupils to be supported by sports coaches in and out of school time;
- provided gifted and talented residential Masterclasses and workshops for 500 able pupils;
- enabled 40 UK students and teachers and 20 South African students and three teachers to take part in video conferences on HIV/AIDs and refugees;

- trained three schools in Talking Partners;
- provided ICT technician support on an on-going basis to ten schools;
- part-funded the appointment of five 'Reach-Out' workers across three schools who support approximately 200 pupils and their families on a regular basis;
- developed Viewpoint software programmes in two schools to enable the 'Pupil Voice' to be better heard;
- supported eight school student councils with a budget and worked with 360 pupils and 60 teachers/support staff involved in a Slough School Councils network;
- organised two primary school student council conferences (final one on Teaching and Learning);
- supported EAZ schools to become 'Healthy Schools';
- enabled six schools to work towards the 'Eco Schools' award;
- supported the Slough e-Learning Foundation (which has enabled six schools to acquire 140 laptop computers) and run four Family Learning courses using laptops;
- put on inset for secondary school citizenship co-ordinators on recording and assessing citizenship education at KS3 and KS4;
- developed Citizenship Co-ordinator's Handbook and related resources provided for secondary schools;
- organised a parliamentary visit for student council representatives;
- Art and Citizenship project: Ugandan artist ran clay figure workshops for four schools followed by exhibition of Ugandan clay figures at Slough Museum; and
- produced and distributed case study and DVD material showing examples of good practice in Slough EAZ.

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 are shown as restricted funds in the Statement of Financial Activities.

During 2004-2005 the EAZ also received other restricted grants from the DfES and from commercial sponsors, the details of which are in notes 3 and 5. The donations have been given to the EAZ to assist it to achieve its objectives.

Funding: £36,000 was received for 'Aim Higher' projects. This was applied to several activities including: study support, Year 10 making progress project, University master-classes and the costs of a co-ordinator.

As a Zone we acknowledge that there is a value and benefit of business contributions received, which is sometimes greater than the matched funding available.

At 30 November 2004 the book value of the fixed assets was £nil and movements in tangible fixed assets are shown in note 13 of the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the EAZ.

Fund review

When the EAZ ceased to operate on 30 November 2004 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 £2,000 was transferred to Slough LEA, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

The EAZ is working closely with its partnership schools within the Slough Community and the LEA to achieve the Forum's objectives.

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 its priority school activities.

Risk management

In 2003 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 at each quarterly 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; 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 period ended 30 November 2004 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 2004-2005 the Forum has established the following processes

- the establishment of systems and procedures to mitigate the risks identified in the plan. This includes systems to ensure compliance with specific regulations or procedures laid down by central government departments;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- procedures for monitoring progress against the strategic objectives set out in the plan at regular meetings; and
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face.

Statement of Trustees' responsibilities for the financial statements

Under 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 on 2 November 2004 and signed on its behalf by

Jeff Richardson
Chairman

7 July 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 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 15 to 17.

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 Treasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the HM 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 Heart of Slough Education Action Zone (Dissolution) Order 2004, the Zone ceased to exist with effect from 30 November 2004. 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 Heart of Slough EAZ at 30 November 2004 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

14 July 2005

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Statement of Financial Activities for the period ended 30 November 2004

| | Notes | Unrestricted funds £000 | DfES £000 | Restricted funds Other £000 | Fixed assets £000 | Total 2004-2005 £000 | Total 2003-2004 £000 |
|---|-------|-------------------------------|--------------|-----------------------------------|----------------------|-------------------------------------|----------------------------|
| Incoming resources | | | | | | | |
| DfES grants receivable | 2,3 | 0 | 771 | 0 | 0 | 771 | 1,048 |
| Other government grants receivable | 4 | 0 | 0 | 0 | 0 | 0 | 0 |
| Private sector contributions | 5 | 184 | 0 | 31 | 0 | 215 | 304 |
| Public sector contributions | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | 6 | 11 | 0 | 0 | 0 | 11 | 19 |
| Amortisation transfer | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total incoming resources | | 195 | 771 | 31 | 0 | 997 | 1,371 |
| Resources expended | | | | | | | |
| Costs of generating funds | 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net incoming resources for charitable application | | 195 | 771 | 31 | 0 | 997 | 1,371 |
| Charitable expenditure | | | | | | | |
| <i>Costs in furtherance of charitable objectives</i> | | | | | | | |
| Provision of education | 7 | 24 | 66 | 0 | 0 | 90 | 134 |
| Education support costs | 7 | 172 | 90 | 31 | 0 | 293 | 419 |
| Grants payable | 7 | 50 | 308 | 0 | 0 | 358 | 516 |
| Management and administration | 7 | 45 | 177 | 0 | 0 | 222 | 254 |
| Total charitable expenditure | | 291 | 641 | 31 | 0 | 963 | 1,323 |
| Costs of termination of operations | 9 | 2 | 80 | 0 | 0 | 82 | 0 |
| Total resources expended | | 293 | 721 | 31 | 0 | 1,045 | 1,323 |
| Net incoming/(outgoing) Resources before transfers | | (98) | 50 | 0 | 0 | (48) | 48 |
| Transfers between funds | | 0 | 0 | 0 | 0 | 0 | 0 |
| Net movement in funds | | (98) | 50 | 0 | 0 | (48) | 48 |
| Fund balances brought forward at 1 April 2004 | | 98 | (50) | 0 | 0 | 48 | 0 |
| Fund balances carried forward at 30 November 2004 | 18,19 | 0 | 0 | 0 | 0 | 0 | 48 |

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 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 25 form part of these accounts.

Income and Expenditure Account for the period ended 30 November 2004

| | Notes | 2004-2005 £000 | 2003-2004 £000 |
|--|-------|-------------------|-------------------|
| Income | | | |
| DfES EAZ recurrent grant | 2 | 771 | 1,048 |
| DfES EAZ fixed asset grant | 2 | 0 | 0 |
| Other DfES grants | 3 | 0 | 0 |
| Other government grants | 4 | 0 | 0 |
| Private sector contributions | 5 | 215 | 304 |
| Public sector contributions | 5 | 0 | 0 |
| Other income | 6 | 11 | 19 |
| Amortisation/deferred income | | 0 | 0 |
| Total income | | 997 | 1,371 |
| Charitable expenditure | | | |
| DfES EAZ grant expenditure | 7 | 641 | 1,037 |
| Other DfES grant expenditure | 7 | 0 | 0 |
| Other government grant expenditure | 7 | 0 | 0 |
| Depreciation | 7 | 0 | 0 |
| Other expenditure | 7 | 322 | 286 |
| Total charitable expenditure | | 963 | 1,323 |
| Costs of generating funds | 7 | 0 | 0 |
| Costs of termination of operations | 9 | 82 | 0 |
| Total resources expended | | 1,045 | 1,323 |
| Excess of income over expenditure | | (48) | 48 |
| Net transfers to/from funds | | | |
| DfES EAZ fund | 18 | 50 | 11 |
| Other restricted funds | 18 | 0 | 0 |
| Unrestricted funds | 19 | (98) | 37 |
| Net movement in funds | | (48) | 48 |

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 25 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 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 15 to 25 form part of these accounts.

Balance Sheet as at 30 November 2004

| | Notes | 30 November 2004 £000 | 31 March 2004 £000 |
|---|-------|--------------------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 13 | <u>0</u> | <u>0</u> |
| | | 0 | 0 |
| Current assets | | | |
| Debtors | 15 | 0 | 10 |
| Cash at bank and in hand | | <u>0</u> | <u>110</u> |
| | | 0 | 120 |
| Creditors: amounts falling due within one period | 16 | <u>0</u> | <u>72</u> |
| Net current assets | | 0 | 48 |
| Net assets | | 0 | 48 |
| Funds | | | |
| Restricted funds | 18 | 0 | (50) |
| Unrestricted funds | 19 | <u>0</u> | <u>98</u> |
| | | <u>0</u> | <u>48</u> |

The financial statements were approved by the Forum on 2 November 2004 and signed on its behalf by

Jeff Richardson
Chairman

7 July 2005

Cash Flow Statement for the period ended 30 November 2004

| | Note | 2004-2005 £000 | 2003-2004 £000 |
|--|------|-------------------|-------------------|
| Operating activities | | | |
| <i>Receipts</i> | | | |
| Recurrent EAZ grant received from DfES | | 771 | 1,048 |
| Capital grant from DfES | | 0 | 0 |
| Other government grants | | 0 | 0 |
| Private sector sponsorship | | 31 | 102 |
| Public sector sponsorship | | 0 | 0 |
| Other receipts | | 21 | 9 |
| | | <u>823</u> | <u>1,159</u> |
| <i>Payments</i> | | | |
| Staff costs | | 330 | 372 |
| Other cash payments | | 603 | 718 |
| | | <u>933</u> | <u>1,090</u> |
| Net cash (outflow)/inflow from operating activities | 24 | (110) | 69 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 0 | 0 |
| Interest paid | | 0 | 0 |
| | | <u>0</u> | <u>0</u> |
| 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 |
| | | <u>0</u> | <u>0</u> |
| Financing | | | |
| Deferred grant received | | 0 | 0 |
| | | <u>0</u> | <u>0</u> |
| | | <u>0</u> | <u>0</u> |
| (Decrease)/increase in cash in the period | | (110) | 69 |

Notes to the Accounts

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, with the exception of listed fixed asset investments, which are included at market value. The Forum came to the end of its statutory five year life on 30 November 2004. 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 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.

Amortisation transfer

The amortisation transfer relates to depreciation on assets acquired using funding provided by government grants. Additional depreciation is charged on assets acquired using other funds.

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 Slough 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 un-depreciated balance on that fund is not available to 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.

Stocks

Unused stores are valued at the lower of cost or net realisable value.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to Slough LEA to meet outstanding liabilities as directed by the Secretary of State for Education and Skills.

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 provided on freehold land. The principle annual rates used for other assets are Furniture and equipment 33%, Computer equipment and software 33%.

Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

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 pension costs charged against profits are based on assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll.

2 DfES EAZ grant

| | 2004-2005 | 2003-2004 |
|---|------------------|-----------|
| | £000 | £000 |
| DfES grant received in period | 771 | 1,048 |
| Carry over from previous period | (196) | (253) |
| <i>Less</i> | | |
| Amounts due from DfES | 0 | 0 |
| Amount used to purchase fixed assets | 0 | 0 |
| Total grant available to spend | 575 | 795 |
| Spent in the period | 721 | 991 |
| Underspent grant/[funded from general fund] | (146) | (196) |
| 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

| | 2004-2005 | 2003-2004 |
|--|------------------|-----------|
| | £000 | £000 |
| Excellence Challenge | 36 | 46 |
| Schools Facing Challenging Circumstances | 0 | 0 |
| Gifted and Talented Summer Schools | 4 | 11 |
| | 40 | 57 |

4 Other government grants

| | 2004-2005 | 2003-2004 |
|--|------------------|-----------|
| | £000 | £000 |
| | 0 | 0 |

5 Business contributions

| | Cash | In Kind | Total | Total |
|-------------------------------------|-----------|------------|------------------|------------|
| | £000 | £000 | 2004-2005 | 2003-2004 |
| | | | £000 | £000 |
| Private sector contributions | | | | |
| BAA | 5 | 0 | 5 | 1 |
| CAF | 1 | 0 | 1 | 0 |
| Centrica | 0 | 1 | 1 | 4 |
| Computer Associates | 5 | 5 | 10 | 68 |
| Drivers Jonas | 0 | 0 | 0 | 1 |
| Eton College | 6 | 0 | 6 | 17 |
| FM Global | 0 | 3 | 3 | 0 |
| GlaxoSmithKline | 0 | 19 | 19 | 32 |
| Hitcham | 1 | 0 | 1 | 0 |
| Ivo Prints | 0 | 12 | 12 | 4 |
| Lucent | 0 | 34 | 34 | 58 |
| Masterfoods | 3 | 0 | 3 | 16 |
| Sara Lee | 0 | 12 | 12 | 19 |
| SGI/UK | 0 | 10 | 10 | 0 |
| Slough Observer | 0 | 38 | 38 | 56 |
| Slough social fund | 10 | 0 | 10 | 0 |
| Sodexo | 0 | 0 | 0 | 4 |
| St Barnabas School | 0 | 50 | 50 | 0 |
| St Mary's Charity | 0 | 0 | 0 | 18 |
| Thames Water | 0 | 0 | 0 | 3 |
| YELL | 0 | 0 | 0 | 3 |
| Total | 31 | 184 | 215 | 304 |

6 Other income

| | 2004-2005 | 2003-2004 |
|---------------------|------------------|-----------|
| | £000 | £000 |
| Interest receivable | 0 | 0 |
| Sundry income | 11 | 19 |
| | 11 | 19 |

7 Total resources expended

| | Staff Depreciation | | Other | Total | Total |
|------------------------------------|--------------------|----------|------------|---------------------|--------------|
| | £000 | £000 | £000 | 2004-2005 | 2003-2004 |
| | | | | £000 | £000 |
| Direct provision of education | 9 | 0 | 81 | 90 | 134 |
| Education support costs | 156 | 0 | 137 | 293 | 419 |
| Grants payable | 0 | 0 | 358 | 358 | 516 |
| Management and administration | 85 | 0 | 137 | 222 | 254 |
| Costs of generating funds | 0 | 0 | 0 | 0 | 0 |
| Costs of termination of operations | 80 | 0 | 2 | 82 | 0 |
| | <u>330</u> | <u>0</u> | <u>715</u> | <u>1,045</u> | <u>1,323</u> |
| Of which | | | | | |
| DfES grant expenditure | 250 | 0 | 391 | 641 | 1,037 |
| Other DfES grant expenditure | 0 | 0 | 0 | 0 | 0 |
| Other government grant expenditure | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 | 0 | 0 |
| Other expenditure | 0 | 0 | 322 | 322 | 286 |
| Costs of generating funds | 0 | 0 | 0 | 0 | 0 |
| Costs of termination of operations | 80 | 0 | 2 | 82 | 0 |
| | <u>330</u> | <u>0</u> | <u>715</u> | <u>1,045</u> | <u>1,323</u> |

8 General expenditure

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

| | 2004-2005 | 2003-2004 |
|-----------------------------------|-------------------|------------|
| | £000 | £000 |
| Educational supplies and services | 555 | 788 |
| Occupancy costs | 19 | 32 |
| Supplies and services | 132 | 125 |
| Operating lease rentals | 0 | 0 |
| Auditor's remuneration | 6 | 6 |
| Trustees' expenses | 0 | 0 |
| Ex-gratia payments | 0 | 0 |
| Miscellaneous | 0 | 0 |
| | <u>712</u> | <u>951</u> |

9 Costs of termination of operations

| | 2004-2005 | 2003-2004 |
|---|------------------|-----------|
| | £000 | £000 |
| Staff costs arising from Zone closure | 77 | 0 |
| Cost of post-Zone services provided by nominated successor body | 5 | 0 |
| | <u>82</u> | <u>0</u> |

10 Staff costs

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

| | 2004-2005 | 2003-2004 |
|------------------------|------------------|-----------|
| Management | 2.0 | 2.0 |
| Administration | 2.0 | 2.0 |
| Teachers | 7.4 | 7.8 |
| Total employees | 11.4 | 11.8 |

| | 2004-2005 | 2003-2004 |
|--|------------------|-----------|
| | £000 | £000 |
| Staff costs for the above persons | | |
| Wages and salaries | 221 | 323 |
| Social security costs | 19 | 30 |
| Other pension costs (see note 17) | 13 | 19 |
| Costs of termination of operations | 77 | 0 |
| Total staff costs | 330 | 372 |

Costs associated with Zone closure comprised retention payments of £17,534, redundancy costs of £59,576 and early retirement costs of £nil.

One employee earned more than £50,000 during 2004-2005. The total emoluments of this employee were in the following range

| | 2004-2005 | 2003-2004 |
|-------------------|------------------|-----------|
| £60,001 - £70,000 | 1 | 1 |

11 Emoluments of Trustees

| | 2004-2005 | 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 reimbursements of travel and subsistence expenses incurred in the course of their duties.

Travel and subsistence expenses reimbursed in the period to 30 November 2004 totalled £nil.

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 £5,000,000 on any one claim and the cost for 2004-2005 was £600 (2003-2004: £575).

13 Tangible fixed assets

| | Furniture and equipment £000 | Computer equipment and software £000 | Total 2004-2005 £000 | Total 2003-2004 £000 |
|--|------------------------------------|---|-------------------------------------|----------------------------|
| Cost acquired since incorporation | | | | |
| At 1 April 2004 | 11 | 0 | 11 | 11 |
| Capital expenditure | 0 | 0 | 0 | 0 |
| Disposals | 11 | 0 | 11 | 0 |
| At 30 November 2004 | 0 | 0 | 0 | 11 |
| Depreciation | | | | |
| At 1 April 2004 | 11 | 0 | 11 | 11 |
| Charged in period | 0 | 0 | 0 | 0 |
| Disposals | 11 | 0 | 11 | 0 |
| At 30 November 2004 | 0 | 0 | 0 | 11 |
| Net book value | | | | |
| At 30 November 2004 | 0 | 0 | 0 | 0 |

The net book value at 30 November 2004 represents fixed assets used for

| | Furniture and equipment £000 | Computer equipment and software £000 | Total 2004-2005 £000 | Total 2003-2004 £000 |
|-------------------------------|------------------------------------|---|-------------------------------------|----------------------------|
| Charitable purposes | | | | |
| Educational provision | 0 | 0 | 0 | 0 |
| Support services | 0 | 0 | 0 | 0 |
| Management and administration | 0 | 0 | 0 | 0 |
| Other purposes | | | | |
| Fundraising | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |

Source of funding for assets acquired

| | Total 2004-2005 £000 | Total 2003-2004 £000 |
|------------------------------------|--------------------------------------|----------------------------|
| DfES EAZ grant | 0 | 0 |
| Other DfES grants | 0 | 0 |
| Other government grants | 0 | 0 |
| Private sector capital sponsorship | 0 | 0 |
| | 0 | 0 |
| | 30 November 2004 £000 | 31 March 2004 £000 |

| | | |
|--|----------|----------|
| Net book value of fixed assets transferred to schools upon Zone closure | 0 | 0 |
| | <hr/> | <hr/> |

14 Stocks

| | 30 November 2004 £000 | 31 March 2004 £000 |
|------------|--------------------------------------|--------------------------|
| Stationery | 0 | 0 |
| | <hr/> | <hr/> |
| | 0 | 0 |
| | <hr/> | <hr/> |

The replacement cost of the above stocks would not be significantly different from the values stated.

15 Debtors

| | 30 November 2004 £000 | 31 March 2004 £000 |
|-----------------------|--------------------------------------|--------------------------|
| Prepayments | 0 | 0 |
| Sundry debtors | 0 | 10 |
| Amounts due from DfES | 0 | 0 |
| | <hr/> | <hr/> |
| | 0 | 10 |
| | <hr/> | <hr/> |

16 Creditors: amounts falling due within one year

| | 30 November 2004 £000 | 31 March 2004 £000 |
|---------------------------------------|--------------------------------------|--------------------------|
| Payroll, taxation and social security | 0 | 0 |
| Sundry creditors | 0 | 66 |
| Amounts due to DfES | 0 | 0 |
| Accruals | 0 | 6 |
| | <hr/> | <hr/> |
| | 0 | 72 |
| | <hr/> | <hr/> |

17 Pensions and similar obligations

| | 2004-2005 £000 | 2003-2004 £000 |
|---------------------------------------|---------------------------|-------------------|
| Other pension costs comprise | | |
| Defined benefit scheme - regular cost | 13 | 18 |
| 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 | £7,964 |
| Zone's contribution in future years | N/A |

The next valuation will be as at 31 March 2005 but this has yet to be completed. Our best estimate of future year contribution rates of this scheme is that used for 2004-2005.

The Teachers' Superannuation 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.

Slough Borough Pension Scheme

| Nature of scheme | Defined benefit |
|---------------------------------------|------------------------|
| Zone's contribution rate in 2004-2005 | 9.30% |
| Zone's contribution in 2004-2005 | £5,585 |
| Zone's contribution in future years | N/A |

The next valuation will be as at 31 March 2005 but this has yet to be completed. Our best estimate of future year contribution rates of this scheme is that used for 2004-2005.

The Slough Borough 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.

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 30 November 2004 £000 | Total 31 March 2004 £000 |
|------------------------|---------------------------------------|-------------------------------|---|---|-----------------------------------|
| DfES recurrent grant | (50) | 771 | (721) | 0 | (50) |
| DfES fixed asset grant | 0 | 0 | 0 | 0 | 0 |
| Amortisation transfer | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| | <u>(50)</u> | <u>771</u> | <u>(721)</u> | <u>0</u> | <u>(50)</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

| | 2004-2005 £000 | 2003-2004 £000 |
|--|---------------------------|-------------------|
| Brought forward at 1 April 2004 | 98 | 61 |
| Excess of income over expenditure | (98) | 37 |
| Carried forward at 30 November 2004 | <u>0</u> | <u>98</u> |

20 Analysis of net assets between funds

Fund balances at 30 November 2004 are represented by

| | Unrestricted funds £000 | Restricted funds £000 | Total 2004-2005 £000 | Total 2003-2004 £000 |
|-----------------------|-------------------------------|-----------------------------|-------------------------------------|----------------------------|
| Tangible fixed assets | 0 | 0 | 0 | 0 |
| Current assets | 0 | 0 | 0 | 120 |
| Current liabilities | 0 | 0 | 0 | (72) |
| Deferred income | 0 | 0 | 0 | 0 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>48</u> |

21 Capital commitments

| | 30 November 2004 £000 | 31 March 2004 £000 |
|--|--------------------------------------|--------------------------|
| Contracted for, but not provided in the accounts | 0 | 0 |
| Authorised by Trustees, but not yet contracted | 0 | 0 |

22 Lease commitments

| | 30 November 2004 £000 | 31 March 2004 £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

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.

As at 30 November 2004 there were no contingent liabilities (nil at 31 March 2004).

- **Costs of Termination of Operations**

The Zone is due to close on 30 November 2004 at which point retention/redundancy/early retirement costs estimated at £77,110 may arise.

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

| | 30 November | 31 March |
|--|--------------------|----------|
| | 2004 | 2004 |
| | £000 | £000 |
| Net incoming resources | (48) | 48 |
| Interest received | 0 | 0 |
| Depreciation | 0 | 0 |
| Deferred grant released to income | 0 | 0 |
| Profit/(loss) on disposal of fixed assets | 0 | 0 |
| Fixed assets transferred to schools on Zone closure date (if required) | 0 | 0 |
| (Increase)/decrease in stocks | 0 | 0 |
| (Increase)/decrease in debtors | 10 | (10) |
| Increase/(decrease) in creditors | (72) | 31 |
| Net cash inflow from operating activities | (110) | 69 |

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 Slough 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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