

SCHOOL STANDARDS AND FRAMEWORK ACT 1998

Account, prepared pursuant to Schedule 1, para 7(1) of the School Standards and Framework Act 1998, of the South East Sheffield Education Action Zone for the period ended 16 April 2005, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 78 of 2004-2005)

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

South East Sheffield Education Action Zone Account 1 April 2004 to 16 April 2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 13 JULY 2005

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Legal and Administrative Information

Trustees

Anita Redfearn*	Sheffield Futures - Sign Posts
Barbara Skillen	Wybourn Youth Trust
Pat Nelis	St Theresa's School
Brigidin Crowther	Cultural Industries Quarter Agency
Chris McKee	Workers' Educational Association
Jean Jones	Grace Owen Nursery School
Dave Clarkson*	Manor and Castle Development Trust (Action Forum Chair)
Brian Taylor*	Wybourn Community Primary School
Frank Abel	Governing Body - Waltheof School
Andy Gardiner	Waltheof School
Ed Wydenbach	Myrtle Springs School
Gaynor Worrall	Greenlands Junior School
Anthea Twomey	Governing Body - Arbouthorne Community Primary School
Mike Patterson*	Manor and Castle Development Trust
Larry Angel*	Woodthorpe Forum (Executive Committee Chair)
Richard Foster*	Manor, Castle Woodthorpe Area Panel
Margaret Booth*	Project Director, SESEAZ
Marie Lowe*	Sheffield LEA
Mike Reid*	Sheffield United Football Club
Henry Hui	Sheffield College
Pat Midgley	Councillor - Manor Ward
Sid Slater	DfES
Steve Jackson	Open Performance Centre
Michelle Tudor	SES Primary Care Trust
Tony Allcroft	Governing Body - Acres Hill Primary
Viv Nicholson	Governing Body - Manor Lodge Primary
Kate Roberts	Manor Training and Resource Centre
Jan Fitzgerald*	Sheffield City Council
Lisa Pickerill* (ex officio)	Project Manager, SESEAZ

* members of the Executive Sub-Committee

EAZ Office

The Alison Centre
39 Alison Crescent
Manor
Sheffield S2 1AS

Auditors

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

Bankers

Lloyds TSB
14 Church Street
Sheffield
S1 1HP

Report of the Trustees

The Trustees' present their report and the audited financial statements for the period ended 16 April 2005.

Constitution and principal activities

The Forum is a corporate body and exempt charity established on 10 April 2000 under the 1998 School Standards and Framework Act. The Forum does not have share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum are nominated annually by their respective organisations as identified in Schedule 1 Article 2 of the Statutory Instrument.

The principal activity of the Forum is to improve educational attainment and standards within the schools that are covered by the 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 strategic objectives for the Zone and sets out how it intends to deliver those objectives. The primary objectives of the Forum – as stated in the Action plan – are to

- 1 raise pupil achievement in the Zone's schools;
- 2 improve leadership and management and the quality of teaching in the Zone's schools; and
- 3 extend social inclusion, particularly through: improved behaviour; increased pupil attendance; reduction in exclusions; improved post-16 take-up, and; enhanced home-school contact.

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 16 April 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 16 April 2005 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 South East Sheffield Education Action Zone.

The operational management of the Zone is the responsibility of the Project Director, Margaret Booth. The Trustees of the EAZ as at 16 April 2005 were as set out on page 2 of this report. All of these Trustees were appointed on 1 September 2004 and will serve until closure of the Zone.

Activities and achievements

During the period covered by this report, the Zone has achieved some notable successes, including

- three successful Ofsted inspections. No schools placed in an Ofsted category;
- Key Stage (KS) 1 SATS results and GCSE results show improvements greater than the LEA average;
- attendance in Zone primary and secondary schools improved faster than the LEA or national averages;

- £256,097 matched funding raised;
- dissemination of project outcomes: nursery testing, emotional literacy, Time for Talk, sexual relationships education, Small Voices, Big Noises (2);
- Study Support programme completed, with target numbers for pupil and student involvement significantly exceeded;
- Zone-commissioned musical Armbands performed at Sheffield Children's Festival;
- funding secured to continue the successful School Community Coordinator Programme in 2005-2006; and
- arrangements in place for end of SESEAZ celebrations and Action Plan for the SES EIC AZ making good progress.

Operating and financial review

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

Most of the Zone'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 financial year 2004-2005 and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year the Zone also received donations and commercial sponsorship worth a total of £261,097. This amount was given to the Zone in order to assist it to work towards the Action Plan objectives.

Expenditure during 2004-2005 was covered by grants from DfES, fund reserves brought forward and other income and the excess of resources expended over incoming resources during the year was £144,167.

Fund review

When the EAZ ceased to operate on 16 April 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 £113,359 was transferred to Sheffield City Council, which has been nominated as a 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 Zone works closely with its partnership schools and other partner organisations (as listed in the Statutory Instrument) in order to progress towards achievement of strategic objectives.

The Zone has a service level agreement with the Local Education Authority to provide payroll and personnel services.

Disabled persons

The Zone has a policy to support the employment of disabled persons both through recruitment and retention and strives to ensure that the objectives of equal opportunities and social inclusion are applied to everything that it does.

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 16 April 2005. At this date it transformed into the South East Sheffield EIC EAZ. Expenditure for the period ended 16 April 2005 included redundancy costs of £20,080 relating to three members of staff, and retention costs of £17,500 relating to two members of staff.

Reserves policy

The Zone cannot build up reserves of DfES restricted grants which it endeavours to defray upon activities agreed within the EAZ Action Plan within the period to which it applies. Where unrestricted funds are received and are not spent during the year, it is the Zone's policy to hold such funds in reserve for as short a period as possible and then to apply them to agreed activities.

Risk management

During 2001-2002, the Zone carried out a detailed review of its activities and completed a comprehensive risk assessment that has been submitted separately to DfES. This assessment has recently been reviewed by the Executive Committee.

Specific examples of Risk Management are

- 1 regular contact between Project Manager, Project Director and Sheffield LEA Senior Personnel Officer on all matters relating to personnel, tax, salary and pension issues;
- 2 regular information to Action Forum members in relation to their responsibilities as charity Trustees;
- 3 annual requirement for Action Forum members to complete register of business interests;
- 4 regular monitoring of the work of Zone Staff Team members by Project Director in accordance with Action Plan targets;
- 5 Health and Safety support provided on request by the LEA Health and Safety team;
- 6 full reports on organisation management and running of the Zone provided by the Project Director to the Action Forum and Executive Committee at each meeting;
- 7 the Zone is working in full co-operation with the LEA and other Sheffield Zones in relation to transformation at the end of its working life. A timeline of key activities leading to March 2005 has already been agreed; and
- 8 further specific information of risk management strategies can be provided on request.

Statement on Internal Control

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 only therefore 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 effectively and economically. This process has been in place for the period ended 16 April 2005 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

As the Forum ceased on 16 April 2005 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, including

- 1 loss of key staff;
- 2 identification of staffing needs during wind down;
- 3 deadlines for receipt of claims;
- 4 arrangements with HR for payroll details and calculation of payments;
- 5 maintenance of records - seven years;
- 6 grants - final claims made early;
- 7 asset list - identification and distribution;
- 8 intellectual property - identification;
- 9 equipment lease and other contracts - termination;
- 10 insurance - inform of closure, settle any outstanding claims, agreement from nominated successor for ongoing cover;
- 11 budgeting - high risk areas and costs necessary to closure;
- 12 reviewing budget and actuals on weekly basis to identify and deal with underspends;
- 13 deadline for school claims;
- 14 timing of payments and timetable for the post Zone accounting period;
- 15 creditors circularisation;
- 16 systems for completion of previous period's accounts;
- 17 arrangement with Nominated Successor Body - Service Level Agreement; and
- 18 responsibility for audit issues after closure.

Specific examples of financial control are as follows

- 1 all payments to schools are made only on the basis that appropriate expenditure has already been paid;
- 2 regular feedback from the Zone to school finance officers, headteachers and EAZ Co-ordinators to ensure that Zone financial regulations and systems are understood;

- 3 each item of approved funding is individually identified on a monthly funding sheet to each school. Subsequent expenditure on each individual item is clearly indicated;
- 4 Project Manager and Project Director regularly review and update the overall position and specific headings;
- 5 Zone staff team members regularly updated by Project Manager on the budget headings for which they are responsible;
- 6 the Executive committee meets approximately every six weeks and receives full up-to-date budget statements at every meeting; and
- 7 we have a tightly planned accountancy system working in conjunction with a reputable local company.

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 year 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 affairs of the Zone 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 Zone and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The Trustees have a responsibility to ensure that the Zone's accounting records and systems of internal financial control for the relevant 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 6 July 2005 and signed on behalf of the Forum by

Dave Clarson
Chairman

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 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 6 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.

Following the passing of the South East Sheffield Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 16 April 2005. Accordingly as explained in the Trustees' report and Note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the South East Sheffield EAZ at 16 April 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 July 2005

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

Statement of Financial Activities for the period ended 16 April 2005

	Notes	Unrestricted funds £	DfES £	Restricted funds Other £	Fixed assets £	Total 2004-2005 £	Total 2003-2004 £
Incoming resources							
DfES grants receivable	2,3	0	918,498	10,000	0	928,498	1,031,216
Other government grants receivable	4	0	0	59,858	0	59,858	61,058
Private sector contributions	5	256,097	0	5,000	0	261,097	341,402
Public sector contributions	5	0	0	0	0	0	160,700
Other income	6	15,077	0	0	0	15,077	9,073
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		271,174	918,498	74,858	0	1,264,530	1,603,449
Resources expended							
Costs of generating funds		0	0	0	0	0	0
Net incoming resources for charitable application		271,174	918,498	74,858	0	1,264,530	1,603,449
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	11,816	0	0	11,816	11,563
Education support costs	7	351,806	309,494	74,858	0	736,158	855,931
Grants payable	7	0	487,608	0	0	487,608	640,086
Management and administration	7	63,535	67,210	0	0	130,745	119,253
Total charitable expenditure		415,341	876,128	74,858	0	1,366,327	1,626,833
Costs of termination of operations	9	0	42,370	0	0	42,370	0
Total resources expended		415,341	918,498	74,858	0	1,408,697	1,626,833
Net incoming/(outgoing) Resources before transfers		(144,167)	0	0	0	(144,167)	(23,384)
Transfers between funds		0	0	0	0	0	0
Net movement in funds		(144,167)	0	0	0	(144,167)	(23,384)
Fund balances brought forward at 1 April 2004		144,167	0	0	0	144,167	167,551
Fund balances carried forward at 16 April 2005	17,18	0	0	0	0	0	144,167

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 16 April 2005

	Notes	2004-2005 £	2003-2004 £
Income			
DfES EAZ recurrent grant	2	918,498	1,022,216
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	10,000	9,000
Other government grants	4	59,858	61,058
Private sector contributions	5	261,097	341,402
Public sector contributions	5	0	160,700
Other income	6	15,077	9,073
Amortisation/deferred income		0	0
Total income		1,264,530	1,603,449
Charitable expenditure			
DfES EAZ grant expenditure	7	876,128	1,022,216
Other DfES grant expenditure	7	10,000	9,000
Other government grant expenditure	7	59,858	61,058
Depreciation	7	0	753
Other expenditure	7	420,341	533,806
Total charitable expenditure		1,366,327	1,626,833
Costs of generating funds	7	0	0
Costs of termination of operations	9	42,370	0
Total resources expended		1,408,697	1,626,833
Excess of income over expenditure		(144,167)	(23,384)
Net transfers to/from funds			
DfES EAZ fund		0	0
Other restricted funds	17	0	(753)
Unrestricted funds	18	(144,167)	(22,631)
Net movement in funds		(144,167)	(23,384)

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 expenditure over income 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 16 April 2005

	Notes	16 April 2005 £	31 March 2004 £
Fixed assets			
Tangible assets	13	0	0
		<u>0</u>	<u>0</u>
Current assets			
Debtors	14	0	30,495
Cash at bank and in hand		0	126,413
		<u>0</u>	<u>156,908</u>
Creditors: amounts falling due within one period	15	0	12,741
		<u>0</u>	<u>144,167</u>
Net current assets		0	144,167
Net assets		0	144,167
Funds			
Restricted funds	17	0	0
Unrestricted funds	18	0	144,167
		<u>0</u>	<u>144,167</u>

The notes on pages 15 to 25 form part of these accounts.

The financial statements were approved by the Forum on 6 July 2005 and signed on its behalf by

Dave Clarson
Chairman

Cash Flow Statement for the period ended 16 April 2005

	Note	2004-2005 £	2003-2004 £
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		918,498	1,022,216
Other DfES		10,000	9,000
Other government grants		70,366	63,992
Private sector sponsorship		10,000	5,000
Public sector sponsorship		14,712	145,988
Other receipts		6,433	881
		1,030,009	1,247,077
<i>Payments</i>			
Staff costs		280,411	242,730
Other cash payments		884,930	1,066,726
Net cash outflow from operating activities	22	(135,332)	(62,379)
Returns on investments and servicing of finance			
Interest received		8,919	7,917
Interest paid		0	0
		8,919	7,917
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
(Decrease) in cash in the period		(126,413)	(54,462)

The notes on pages 15 to 25 form part of these accounts.

Notes to the Financial Statements

1 Accounting policies

Format of accounts

The accounts have been prepared to comply with the format required by the Statement of Recommended Practice (SORP) 'Accounting by Charities'. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The Forum came to the end of its statutory five year life on 16 April 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 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 directly to the income and expenditure account as either restricted or unrestricted income, depending upon whether the contribution is for a specific purpose or not. Where contributions are unrestricted the Forum has discretion in how to apply such monies to meet its objectives.

Contributions in Kind

In accordance with the Accounts Direction provided by DfES an income value is attributed to contributions in Kind from other organisations and individuals. 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 otherwise have had to incur; a notional expenditure charge is recorded equal to the value of the contribution in Kind to the Forum.

Grants receivable

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

Investment income and interest receivable

The Forum has no investments and during the year received interest on the cash balance held at the bank. This receipt is included in the accounts on an accruals basis and the amount stated includes any related tax credit.

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 costs 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 South East Sheffield 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. For example, the Zone Director's salary and oncosts are apportioned to educational activities on a pro-rata basis relevant to the amount of 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 the private sector, they are included in the balance sheet at cost and depreciated over their useful economic life. Such fixed assets are shown within a restricted fund, as the undepreciated balance on that fund is not available to the Forum to spend.

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. The principal annual rates used for assets are

Equipment and computers	33.3%
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Leased assets

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

Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to costs incurred directly in pursuit of educational activity.

Investments

Fixed asset investments are included at their market value.

Current assets are included in the balance sheet at the lower of their original cost or net realisable value.

Funds structure

When the EAZ ceased to operate on 16 April 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 £113,359 was transferred to Sheffield City Council, which has been nominated as a 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.

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 contributions on behalf of its employees is recognised in the year those contributions are made. The Zone's employees belong to two principal pension schemes, the Sheffield LEA Superannuation Scheme and The Teachers' Superannuation Scheme for England and Wales (TSS).

2 DfES EAZ grant

	2004-2005	2003-2004
	£	£
DfES grant received in period	918,498	1,022,216
Carry over from previous period	0	0
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	918,498	1,022,216
Spent in the period	918,498	1,022,216
Underspent grant/[funded from general fund]	0	0
Maximum permitted carry over level	0	95,278
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
	£	£
Gifted and Talented summer school	0	9,000
Transformation grant	10,000	0
	10,000	9,000

4 Other government grants

	2004-2005	2003-2004
	£	£
New Opportunities funding	53,431	50,834
BPRS Money	0	10,224
Family Learning Project	6,427	0
	59,858	61,058

5 Business contributions

	Cash	In Kind	Total	Total
	£	£	2004-2005	2003-2004
	£	£	£	£
Private sector contributions				
MCDT	5,000	0	5,000	10,000
act	0	0	0	1,266
Arbourthorne Community Church	0	0	0	1,160
iD8 Photography	0	1,266	1,266	1,266
KnowGames Ltd	0	0	0	6,330
LaFarge Cement	0	0	0	1,078
Learn to Lead	0	10,409	10,409	14,255
RM	0	0	0	5,908
Radio Sheffield	0	0	0	2,532
The Showroom	0	0	0	2,532
Sheffield University	0	14,400	14,400	8,400
Studio of the North	0	21,522	21,522	13,546
Sheffield United FC	0	14,360	14,360	36,525
Trimac	0	0	0	1,266
WH Smith	0	0	0	4,000
The Workshop	0	0	0	1,266
Youth Hostel Association	0	0	0	1,164
Others	0	194,140	194,140	228,908
	5,000	256,097	261,097	341,402
Public sector contributions				
Sheffield City Council	0	0	0	105,300
MCDT	0	0	0	50,000
Other public sector bodies	0	0	0	5,400
	0	0	0	160,700
	5,000	256,097	261,097	502,102

Other private sector contributions include contributions from private individuals amounting to £194,140 (2003-2004: £227,323).

6 Other income

	2004-2005	2003-2004
	£	£
Interest receivable	8,919	7,917
Sundry income	6,158	1,156
	15,077	9,073

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£	£	£	2004-2005	2003-2004
	£	£	£	£	£
Direct provision of education	11,643	0	173	11,816	11,563
Education support costs	162,187	0	573,971	736,158	855,931
Grants payable*	0	0	487,608	487,608	640,086
Management and administration	67,211	0	63,534	130,745	119,253
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	39,370	0	3,000	42,370	0
	<u>280,411</u>	<u>0</u>	<u>1,128,286</u>	<u>1,408,697</u>	<u>1,626,833</u>
Of which					
DfES grant expenditure	241,041	0	635,087	876,128	1,022,216
Other DfES grant expenditure	0	0	10,000	10,000	9,000
Other government grant expenditure	0	0	59,858	59,858	61,058
Depreciation	0	0	0	0	753
Other expenditure	0	0	420,341	420,341	533,806
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	39,370	0	3,000	42,370	0
	<u>280,411</u>	<u>0</u>	<u>1,128,286</u>	<u>1,408,697</u>	<u>1,626,833</u>

* In 2004-2005 the Zone paid the following grants to schools

	Programmes		Total
	Raising achievement	Developing employability	
	£	£	£
Acres Hill Primary	23,988	0	23,988
Arbourthorne Community Primary	23,053	0	23,053
Grace Owen Nursery	16,634	0	16,634
Greenlands Junior	18,118	0	18,118
Greenlands Nursery Infant	20,433	0	20,433
Manor Lodge C Primary	17,773	0	17,773
Manor Young Children's Centre	9,598	0	9,598
Myrtle Springs School	59,844	0	59,844
Norfolk Community Primary	26,628	0	26,628
Park Hill Primary	15,640	0	15,640
Pipworth Junior School	20,783	0	20,783
Pipworth Nursery Infant	20,622	0	20,622
Prince Edward Primary	27,930	0	27,930
St Johns C of E Primary	26,491	0	26,491
St Oswalds Catholic Primary	30,723	0	30,723
St Theresa's Catholic Primary	16,326	0	16,326
Waltheof School	57,638	0	57,638
Woodthorpe Community Primary	25,971	0	25,971
Wybourn Community Primary	16,429	0	16,429
Wybourn Nursery	12,986	0	12,986
	<u>487,608</u>	<u>0</u>	<u>487,608</u>

8 General expenditure

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

	2004-2005	2003-2004
	£	£
Educational supplies and services	1,058,718	1,324,219
Premises costs	21,740	19,164
Operating lease rentals	1,073	1,048
Auditor's remuneration	5,750	5,800
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	41,005	33,119
	<u>1,128,286</u>	<u>1,383,350</u>

9 Costs of termination of operations

	2004-2005	2003-2004
	£	£
Staff costs arising from Zone closure	39,370	0
Other costs of termination	3,000	0
	<u>42,370</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	1	1
Administration	4	4
Teachers	1	1
Total employees	<u>6</u>	<u>6</u>

	2004-2005	2003-2004
	£	£
Staff costs for the above persons		
Wages and salaries	197,659	199,005
Social security costs	17,570	17,457
Superannuation (note 16)	25,812	26,268
Costs of termination of operations	39,370	0
Total staff costs	<u>280,411</u>	<u>242,730</u>

Two employees earned more than £50,000 during 2004-2005 (2003-2004: One). The total emoluments of these employees were in the following range

	2004-2005	2003-2004
£50,001 - £60,000	1	0
£70,001 - £80,000	0	1
£100,001 - £110,000	1	0

Costs associated with Zone closure comprised redundancy payments of £20,080 and retention costs of £17,500. There were no early retirement costs.

11 Emoluments of Trustees

	2004-2005	2003-2004
	£	£
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment from the Forum.

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 £2,000,000 on any one claim and the cost for 2004-2005 was £1,192 (2003-2004: £677).

13 Tangible fixed assets

	Furniture and equipment £	Computer equipment and software £	Total 2004-2005 £	Total 2003-2004 £
Cost acquired since incorporation				
At 1 April 2004	0	3,878	3,878	3,878
Capital expenditure	0	0	0	0
Disposals	0	3,878	3,878	0
At 16 April 2005	0	0	0	3,878
Depreciation				
At 1 April 2004	0	3,878	3,878	3,125
Charged in period	0	0	0	753
Disposals	0	3,878	3,878	0
At 16 April 2005	0	0	0	3,878
Net book value				
At 16 April 2005	0	0	0	0

The net book value at 16 April 2005 represents fixed assets used for

	Furniture and equipment £	Computer equipment and software £	Total 2004-2005 £	Total 2003-2004 £
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
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Source of funding for assets acquired

	Total 2004-2005 £	Total 2003-2004 £
DfES EAZ grant	0	0
Other DfES grants	0	0
Other government grants	0	0
Private sector capital sponsorship	0	0
	<u>0</u>	<u>0</u>

14 Debtors

	16 April 2005 £	31 March 2004 £
Prepayments	0	0
Sundry debtors	0	30,495
Amounts due from DfES	0	0
	<u>0</u>	<u>30,495</u>

15 Creditors: amounts falling due within one year

	16 April 2005 £	31 March 2004 £
Taxation and Social Security	0	0
Sundry creditors	0	1,991
Amounts due to DfES	0	0
Accruals	0	10,750
	<u>0</u>	<u>12,741</u>

16 Pensions and similar obligations

	2004-2005	2003-2004
	£	£
Other pension costs comprise		
Defined benefit schemes	25,812	26,268

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	13.5%
Zone's contribution in 2004-2005	£13,771
Zone's contribution in future years	£Nil

The Teacher's Pension Scheme is a funded multi-employer scheme.

Contributions are based on valuations made by the Government Actuary. The actuary's last report was in March 2003 using data primarily from the period April 1996 to March 2001.

Sheffield LEA Superannuation Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	15.2%
Zone's contribution in 2004-2005	£12,041
Zone's contribution in future years	£Nil

The Sheffield LEA Pension Scheme is a funded multi-employer scheme.

The date of the last full actuarial valuation was 31 March 2001 at which date the scheme was 90% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed.

Any liabilities arising from the presence of a pension fund capitalisation deficit, attributable to Zone staff, will be met by the local education authority and not treated as a cost to the Zone.

17 Restricted funds

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

	Balance at 1 April 2004 £	Incoming resources £	Expenditure gains, losses and transfers £	Balance at 16 April 2005 £	Total 31 March 2004 £
DfES recurrent grant	0	918,498	(918,498)	0	0
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	0	74,858	(74,858)	0	0
	<u>0</u>	<u>993,356</u>	<u>(993,356)</u>	<u>0</u>	<u>0</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.

18 Unrestricted funds

	2004-2005	2003-2004
	£	£
Brought forward at 1 April 2004	144,167	166,798
Excess of income over expenditure	(144,167)	(22,631)
Carried forward at 16 April 2005	0	144,167

19 Analysis of net assets between funds

Fund balances at 16 April 2005 are represented by

	Unrestricted funds	Restricted funds	Total 2004-2005	Total 2003-2004
	£	£	£	£
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	156,908
Current liabilities	0	0	0	(12,741)
Deferred income	0	0	0	0
	0	0	0	144,167

20 Capital commitments

	16 April 2005	31 March 2004
	£	£
Contracted for, but not provided in the accounts	0	0
Authorised by Trustees, but not yet contracted	0	0

21 Lease commitments

	16 April 2005	31 March 2004
	£	£
Operating leases		
The payments which the Forum is committed to make in the next period for operating leases		
Within one period	0	1,048

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

	16 April 2005 £	31 March 2004 £
Net (outgoing)/incoming resources	(144,167)	(23,384)
Interest received	(8,919)	(7,917)
Depreciation	0	753
Deferred grant released to income	0	0
(Increase)/decrease in debtors	30,495	(17,053)
Increase/(decrease) in creditors	(12,741)	(14,778)
Net cash outflow from operating activities	<u>(135,332)</u>	<u>(62,379)</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 South East Sheffield 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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National Audit Office
Press Office
157-197 Buckingham Palace Road
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