

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 Camborne, Pool and Redruth Education Action Zone for the period ended 9 January 2005, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 190 of 2004-2005)

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

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# Camborne, Pool and Redruth Education Action Zone Account 1 April 2004 to 9 January 2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 18 MAY 2005

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# Contents

	Page
Legal and Administrative Information	2
Report of the Trustees	4
Statement on Internal Control	12
Statement of Trustees' responsibilities	13
The Certificate and Report of the Comptroller and Auditor General	14
Statement of Financial Activities	16
Income and Expenditure Account	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20
Accounts Direction	33

## Legal and Administrative Information

Throughout this report and accounts, the abbreviations 'EAZ', 'Forum', and 'Zone' are used to refer to the Camborne, Pool and Redruth Success Forum and the schools which collectively formed the Zone.

The Forum was the body responsible for the affairs of the Success Zone.

### Trustees of the Forum

All Trustees held office throughout the period and ceased to hold office on 9 January 2005.

Ms C Andrews  
Mr J Appleton  
Mr B Banks  
Mr R Bell  
Mr D Brewer  
Mr P Brinton  
Ms D Bryant  
Mr V Burton  
Ms M Cooper  
Ms C Crallin-Whitty (DfES)  
Mr M Dooley  
Mr G Fenn  
Ms J Frost  
Mr R Gambier  
Ms L Garbett  
Ms A Gazzard  
Mr C Gillingham  
Mrs J Green  
Mr P Hanbury  
Mrs N Hann  
Mr T Harman  
Mr J Hart  
Ms J Howard  
Ms P Ince  
Mrs J Jarram  
Ms S Neal  
Mr S Newman  
Mr P Nicholls  
Mr J Perry  
Mr P Philpott  
Mr A Price  
Mr J Pykett  
Ms B Quintrell  
Mr E R Robbins  
Mr P Rodda  
Ms J Ross  
Ms L Seymour  
Mr J Shears (Chair)  
Mrs C Simpson  
Ms A Slattery  
Mr M Smith  
Mr D Smith  
Ms S Stenson-Smythe  
Mr D Symonds  
Ms L Thornton  
Mr J Veall  
Mrs J Wakeman  
Mrs C Watmore  
Mr J Whetter  
Mr H Williams  
Ms H Williams

Mr J Witcher  
Mrs J Wyglendcz  
Ms P Yabsley  
Mr V Young

### Executive Committee

Ms C Andrews  
Mr B Banks  
Mr D Brewer  
Ms D Bryant  
Ms M Cooper  
Ms C Crallin-Whitty  
Mr P Hanbury  
Mr J Perry  
Mr P Rodda  
Ms J Ross  
Mr J Shears  
Ms A Slattery  
Mr M Smith  
Mrs J Wakeman

### ICT Group

Mr B Banks  
Mr G Fenn  
Mr T Harman  
Mrs C Watmore

### Employability Group

Mr D Brewer  
Mr J Hart  
Mr S Newman  
Mr P Rodda  
Mrs C Simpson  
Ms A Slattery  
Mr D Smith  
Mr J Veall  
Mr J Witcher  
Mrs J Wyglendcz

### Early Years Group

Ms L Garbett  
Ms A Gazzard  
Ms P Ince

### Staff Opportunity Group

Mr R Bell  
Mr V Burton  
Mr R Gambier  
Mr J Perry  
Mr M Smith  
Ms S Stenson-Smythe

**Project Director**

Paul Hanbury

**Secretary to the Forum**

Rosemary Strongman

**EAZ Office**

The Family Activity Centre Trevu  
Trevu Road  
Camborne

**Auditor**

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

**Forum's Bank**

Barclays Bank plc  
28 Chapel Street  
Camborne

**This office has been closed any enquiry should be made to the successor body**

Cornwall County Council  
Education Department  
New County Hall  
Truro  
TR1 3AY  
Tel: 01872 323444

**Schools which comprised the Zone**

The Curnow Community Special  
Cusgarne Community Primary  
Kehelland Village  
Pencoys Primary  
Penponds  
Rosemellin Community Primary  
St Day and Carharrack Community  
St Meriodoc CE Nursery and Infant  
Stithians Community Primary  
Treloweth Community Primary  
Trewirgie Infants'  
Troon Community Primary  
Camborne Science & Community College  
Redruth School: A Technology College

Crowan Primary  
Illogan  
Lanner Primary  
Pennyweth  
Portreath Community Primary  
Roskear  
St John's Catholic Primary  
St Meriodoc CE Junior  
Treleigh Community Primary  
Trevithick  
Trewirgie Junior  
Weeth Community Primary  
Pool School & Community College

## Report of the Trustees

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

### Constitution and principal activities

The Forum was a corporate body and exempt charity which was established on 10 January 2000 under the School Standards and Framework Act 1998. This Act and its associated Regulations, specifically Statutory Instruments 1998/1964 and 1999/3414 were the primary governing documents of the Forum. The Forum did not have a share capital.

The initial period of the Zone was for three years but the Trustees were pleased to receive an extension of the Forum until 9 January 2005 in Statutory Instrument 2002/3085. On that basis the Trustees planned for a Zone life of that length.

Members of the Forum were nominated by

- the Governing Bodies of the schools comprising the Zone;
- either one or two persons appointed by the Secretary of State for Education and Skills;
- persons appointed by each 'partner' unless that partner chose not to make an appointment; (seven) (Partners were defined in the Statutory Instruments); and
- Cornwall County Council (up to four).

The Project Director was appointed as a member by the Statutory Instrument. In addition, a further ten members could be selected by the Forum to represent Diocesan Bodies, parents, business, professional teachers' associations and further and higher education.

The principal activity of the Forum during the period of these accounts was to improve standards within the Schools that were part of its Education Action Zone.

The EAZ Action Plan adopted by the Forum for the period specified the Forum's aims and objectives as to

- narrow the gap between Zone performance and national performance;
- engage parents in their children's education;
- integrate early years education and care services;
- improve access to ICT both within and beyond the school;
- reduce social exclusion;
- tackle unemployment;
- provide enrichment for the more able;
- explore curriculum modification in Early Years and KS3/KS4;
- provide new opportunities for staff development;
- extend the role of adults other than teachers in school; and
- encourage schools to work together.

## Organisation and objectives

The only activity of the Forum was the operation of the Camborne, Pool and Redruth Success Zone which was an Education Action Zone.

The operational management structure of the Forum comprised the Project Director, Paul Hanbury, and

Administrator:	Mrs Rosemary Strongman
Finance Manager:	Ms Lydia Baker
Work Related Team Leader:	Mr Alan Rowling
Early Years Team Leader:	Mrs Sandie Hawkey
Learning and Teaching Team Leader:	Miss Sue Sayer

These posts constituted the EAZ Senior Management Team which reported to the Forum. The aim of the management structure was to involve Schools and Business Partners and encourage involvement in decision making at all levels.

The full Forum had the responsibility of the Charity, as all members were Trustees. The Forum delegated powers to a smaller executive, with members being drawn from the main interested parties within the full Forum. The Chair of the Forum was also Chair of the Executive. The executive met twice in the period of these accounts.

The most important relationship for the Charity was with the schools. The Project Director was responsible for the overview of that partnership. We also had a close partnership with the County Council (which covered education and social service functions as well as property issues connected with the Classroom of the Future), the local Primary Care Trust, Sure Start Trevu, the local Music Action Zone, Health Action Zone, Local Strategic Partnership and Government Office South West.

The Trustees of the Charity are set out on page 2.

## Developments, activities and achievements

The programmes of the Camborne Pool and Redruth Success Zone continued to build on the successes of the previous years. A full account of the activities for the period can be found in the Zone Action plan for this period.

Key programme areas were as follows

### Enriching the curriculum

Project reference	Page number in action plan	Key stage	Programme	Element	Sustainability	Who?
EC01	54	KS1 and 2	Extending opportunities for high achieving pupils	I	Excellence Cluster (G and T), School budgets	SH/SS
EC02	65	KS2	Masterclasses	I	Excellence Cluster	MH
EC03	68	KS4	Developing teamwork and leadership skills (including CSLA and JSLA)	WR	Excellence Cluster (learning mentors), Excellence Challenge/ P4P	AR
EC04	68	KS5	Business dynamics	WR	Excellence Challenge/ P4P, Excellence Cluster (learning mentors G and T),	AR
EC05	69	KS1 and 2	Breakfast clubs	I	NOF, School budgets,	MH
EC06	69	KS4	Midnight basketball	I	SAZ/Sport England	MH
EC07	69	KS3 and 4	Surf academy and skate project	I	SAZ/Sport England	MH
EC08	64	All	Wild card ideas	CI	Excellence Cluster (tailored)	SS
EC09	KS3, 4 and 5		Excellence Challenge (see separate action plan)	I	Excellence Challenge/ P4P	JO
EC10	67	KS3, 4 and 5	Teacher placement days	WR	LIG, EBP	AR
EC11	60	KS2, 3 and 4	Summer/easter schools	I	Initiative Funding, NOF	SS

### Professional development

Project reference	Page number in action plan	Key stage	Programme	Sustainability (post Jan 2005)	Who?
PD01	51	F, KS1 and 2	Arts workshops for staff and parents	School budgets	SH
PD02	51 and 55	F and KS 1	Professional Early Years base including resources and training	Excellence Cluster (tailored) NLC	SH
PD03	59	KS3, 4 and 5	Peer tutor development	Excellence Cluster (G and T and tailored), Excellence Challenge /P4P	SS
PD04	54	F, KS 1	Loan Zone	School budgets, Sure Start EYDCP, EEC,	SH
PD05	61	All	Action research/ teacher enquiry	NLC/NCSL/LEA/DfES	SS
PD06	57	All	Spreading good practice	Excellence cluster (tailored), LEA, Beacon and specialist funds	SS
PD07	63	All	liE	School budgets	SS



**Professional development (continued)**

Project reference	Page number in action plan	Key stage	Programme	Sustainability (post Jan 2005)	Who?
PD08	63	All	liP	School budgets	SS
PD09		All	Head teachers development days	School budgets	PH
PD10		N/A	Zone staff team professional development	N/A	PH
PD11	70	All	PE support for staff	School budgets	MH
PD12	70	All	Awards for All inset	Self financing	MH
PD13	70	All	MSA training (play)	School budgets	MH

**School support**

Project reference	Page number in action plan	Key Stage	Programme	Sustainability (post January 2005)	Who?
SS01	63	All	School self evaluation	Excellence Cluster (tailored), LIG, LEA EDP2, School budget	SS
SS02		All	Homestart support	Sure Start, County Council CYPT, NRF	PH
SS03		All	ICT consultancy, training and technical back-up	School budgets, LIG,	CK
SS04		All	Behaviour management Support	Excellence Cluster (LSU), LIG	PH
SS05	64	KS3 and 4	Multi disciplinary team pupil support	Excellence Cluster (LSU), Connexions, Behaviour Improvement programme(?)	PH
SS06	64	KS2, 3 and 4	Traveller education worker	Excellence Cluster (LSU), LEA	PH

**Transforming Teaching and Learning**

Project reference	Page number in action plan	Key stage	Programme	Element	Sustainability (post January 2005)	Who?
TTL01	53	F and KS1	Forest School	CI	EYDCP/LEA through Excellence Cluster (tailored)	SH
TTL02	48	F, KS1, 2 and 3	Literacy through storytelling	CI	School budgets	PH
TTL03	49	KS2	Make it Real Game	WR	School budgets	PH
TTL04	65	KS3	The Real Game	WR	School Budgets	AR
TTL05		All	Innovation in modern technology	CI	School budgets	CK
TTL06	49	KS1, 2 and 3	Development of cross curricular links	CI	LIG, Excellence Cluster (tailored)	RB
TTL07	65	KS3	Enterprise day	WR	School budgets	AR
TTL08	65	KS3	Key Skill work	WR	School budgets	AR
TTL09	66	KS3	Trailblazer programme	I	School budgets	AR
TTL10	66	KS3	Preventing exclusions	I	School budgets with objective one funding	AR
TTL11	56	All	Accelerated learning techniques	CI	Excellence Cluster (tailored), LIG	SS
TTL12	65	KS4	Passport to employability	CI	School budgets, Excellence Challenge /P4P	AR
TTL13	67	KS4	Accreditation of Key Skills through work experience	WR	School budgets, LIG, Excellence Cluster (learning mentors)	AR
TTL14	67	KS4	Enhanced work experience	WR	School budgets, LIG, Excellence Cluster (learning mentors)	AR
TTL15	68	KS4	Business mentoring	WR	School budgets	AR
TTL16		KS2, 3 and 4	NLP as a teaching strategy	CI	School budgets, LIG, Excellence Cluster (tailored)	SS
TTL17	61	KS2, 3 and 4	Super learning days	CI	School budgets, LIG, Excellence Cluster (tailored) LEA (UFA)	SS
TTL18	58	KS2, 3 and 4	Brain Wave2	CI	Excellence Cluster (tailored) LIG,	SS
TTL19	60	KS1 and 2	UFA principles into primary schools	CI	Excellence Cluster (tailored)	SS
TTL20	62	All	Classroom of the Future		Excellence Cluster (LSU), LIG, LSC, CUC, LEA, Excellence Challenge/P4P	SS
TTL21	50	All	Development of the role of TA and other support staff	CI	School budgets, LIG, Excellence Cluster (LSU)	PH
TTL22	67	KS4	Interactive Business Studies CD	CI	Sales	AR
TTL23	47	All	Teaching Assistant hours and support	CI	School budgets, Excellence Cluster	PH

During the period, the following staff were employed by the Zone

<i>Project Director</i> Paul Hanbury	employed directly by the Zone for life of the Zone
<i>Early Years and KS1 team leader</i> Sandie Hawkey	seconded to January 2005
<i>Learning and Teaching team leader</i> Sue Sayer	seconded to January 2005
<i>Work Related team leader</i> Alan Rowling	Seconded to January 2005
<i>PA to the Director/Office Administrator</i> Rosemary Strongman	employed directly by Zone for life of Zone
<i>Finance Manager</i> Lydia Baker	employed directly by Zone for life of the Zone
<i>Excellence Challenge Co-ordinator</i> John Oddy	seconded to August 2004
<i>IT Consultant</i> Craig Kinloch	employed directly by Zone for life of Zone
<i>IT Technician</i> Martin Goodswen	employed directly by Zone until October 2004
<i>Professional Assistant</i> Rebecca Williams	employed directly by Zone for life of Zone
<i>Regeneration and funding team leader</i> Claire Waterhouse	employed directly by Zone for life of Zone
<i>Administrative Assistant</i> Natasha Bickham	employed directly by Zone until November 2004

In the main part, the charity continued to develop the work started in previous years. The flagship project, the Classroom of the Future, was opened by the Minister of State for School Standards, in November. This Zone project, in partnership with the LEA, will form the basis of a gifted and talented learning centre beyond the life of the Zone.

### Grant making policy

The Zone published a detailed action plan each year in consultation with all schools and other partners and this made explicit the details of grant funding. Grants made in the period are shown in note 10 to the accounts.

### 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 was obtained from the DfES in the form of recurrent grants, the use of which was restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period of these accounts, the EAZ received donations 'in Kind' from commercial sponsors and others. The main donors are listed in note 5 but this does not identify the vast range of small businesses and branches of national businesses which assisted in the mentoring programme. The Forum was grateful to each business which gave time so freely to these initiatives. The Forum was also very grateful to the large number of individuals who gave their time in schools in support of the EAZ by assisting in programme delivery: because of accounting requirements these accounts cannot show the value of their contributions in the accounts but they have been assessed as £167,492 (2003-2004: £273,247).

As a result of these donations to the Zone's programmes, the Zone passed the total of £1,250,000 over 5 years that had been set by the DfES. The Forum was able to draw down the balance of the maximum 'matched funding' grant during this period.

Donations given to the EAZ to assist it to achieve its Action Plan were expended.

EAZ expenditure for the period was fully covered by grants from the DfES and other income. The excess of resources expended over incoming resources was £88,944.

At the close of the Zone there were no fixed assets belonging to the EAZ. Items valued at below £4,000 were not treated as fixed assets but held on registers.

The Zone spent £40,429 on 'Aim Higher' (formerly 'Excellence Challenge'; 2003-2004: £76,063) activities including promotion of University courses and expanding careers awareness. Activities included visits to higher education sites including Oxford and Cambridge, the establishment of e-buddies, the students communicating with students at the three secondary schools, and the visit of a HE roadshow to the area in Autumn 2004. Surplus grant for this purpose was returned to DfES in accordance with the accounting requirements: the pro rata payment of grant did not match exactly the planned events. The Forum understood that the DfES would make that sum available to Cornwall County Council to continue the work of the programme.

## Fund review

The Forum's surplus balances at 9 January 2005 of £643 were passed to Cornwall County Council as the successor body. In addition that Council received funds estimated to be the total necessary to pay invoices not presented for payment by the close of the Zone.

The balances on all restricted funds were reduced to nil during the period, as shown in Note 19 to the accounts. The sum of £18,925 was returned to DfES as restricted grant not able to be expended in the period on 'Aim Higher'. This sum is included in the income and expenditure shown in Note 19 to the accounts.

## Connected organisations

The EAZ worked closely with its partnership schools (see list on page 3) to achieve the Forum's objectives.

The Forum contracted with the Cornwall County Council to provide personnel and payroll management services. Other contracts for service from the County Council were developed and contracts were placed for the EAZ to provide services to the Council. These contracts provided efficient and economic use of the resources of both bodies and assisted in the provision of a co-ordinated service to schools.

## Post balance sheet events

There were none.

### Disabled persons

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

### Reserves policy

The Forum could not build reserves of DfES grants as they had to be used in the year of receipt – subject to carry forward provisions of up to 10% on the main EAZ grant. Unrestricted income was applied to the programme generating that income or, if not easily identifiable, to administrative costs. All reserves were expended during this period with the exception of the refund of grant disclosed above.

### Risk management

In 2001 the Trustees carried out a detailed review of the Charity's activities and produced a comprehensive schedule of the risks to which it is exposed. The Trustees implemented a risk management strategy which included annual reviews covering the risks, establishing and reviewing systems and procedures to manage those risks and to minimise impact.

## Statement on Internal Control

### Maintenance of internal controls

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

The system of internal control was designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it could therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control was 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 was in place for the period of these accounts and accorded with Treasury guidance.

### Review of controls

The Trustees also had responsibility for reviewing the effectiveness of the system of internal control. In the period of these accounts the Forum established or reviewed the following processes

- review of the Forum's objectives and key risks and reviewed systems and procedures to mitigate the risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- procedures for monitoring progress against the strategic objectives set out in the plan at regular intervals;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face; and
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director.

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

The Forum was made aware of the Zone's objectives at each meeting, through reference to the Action Plan. At each termly Forum meeting, there was a report from each of the Zone's Team Leaders, updating progress in each key area. Those projects that were not hitting targets were discussed and strategies put in place to improve outputs. The Charity was not put at risk, because schools were only paid for providing services after the project had achieved defined outcomes.

## Statement of Trustees' responsibilities for the Financial Statements

Under the School Standards and Framework Act 1998, the Trustees were required to prepare financial statements for each financial period in the form and on the basis determined by the Secretary of State for Education and Skills. In preparing these financial statements, the Trustees

- 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 Zone ceased operations on 9 January 2005.

The Trustees were responsible for keeping proper accounting records which disclosed with reasonable accuracy at any time the financial position of the Forum and enabled them to ensure that the financial statements complied with the Accounts Direction. They were 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 had a responsibility to ensure that the Forum's accounting records and system of internal financial control for the relevant financial period complied with the obligations placed on the Forum by the Secretary of State for Education and Skills.

### Auditor

The auditor, the Comptroller and Auditor General, was appointed by the School Standards and Framework Act 1998.

### Approval

At their meeting on 12 November 2004 the Trustees delegated power to approve and sign this report on their behalf.

*J Shears*  
formerly Chairman  
7 February 2005

*P Hanbury*  
formerly Project Director

# 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 16 to 32 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 20 to 22.

## Respective responsibilities of the Trustees and Auditor

As described on page 13 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 12 reflects the Forum's compliance with HM Treasury's guidance 'Corporate Governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Trustees' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

## Basis of audit opinion

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

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

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



## Opinion

In my opinion

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

I have no observations to make on these financial statements.

*John Bourn*  
Comptroller and Auditor General

22 March 2005

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

## Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted funds	Restricted funds Other	DfES	<b>Total 1 April 2004 - 9 January 2005</b>	Total 2003-2004
		£	£	£	£	£
<b>Incoming resources</b>						
<i>Donations and grant income</i>						
Grants receivable - EAZ main grant	2	0	0	761,900	<b>761,900</b>	788,000
Other DfES grants	3	0	0	82,123	<b>82,123</b>	58,200
Other Government grants - see below	4	0	0	0	<b>0</b>	3,981
Private sector contributions	5	0	134,100	0	<b>134,100</b>	70,397
Public sector contributions	5	0	93,506	0	<b>93,506</b>	161,558
Other income	6	2,631	0	18,880	<b>21,511</b>	71,065
<b>Total incoming resources</b>		2,631	227,606	862,903	<b>1,093,140</b>	1,153,201
<b>Resources expended</b>						
Cost of generating funds	7	0	0	9,600	<b>9,600</b>	14,084
<b>Net incoming resources for charitable application</b>		2,631	227,606	853,303	<b>1,083,540</b>	1,139,117
<b>Charitable expenditure</b>						
<i>Costs in furtherance of charitable objects</i>						
Education support costs	7	0	181,886	595,027	<b>776,913</b>	787,427
Grants payable	10	0	0	206,454	<b>206,454</b>	165,124
Management and administration	7, 8	2,631	0	146,093	<b>148,724</b>	188,100
<b>Total charitable expenditure</b>		2,631	181,886	947,574	<b>1,132,091</b>	1,140,651
Costs of termination of operations	9	0	0	40,393	<b>40,393</b>	0
<b>Total resources expended</b>		2,631	181,886	997,567	<b>1,182,084</b>	1,154,735
<b>Net incoming/(outgoing) resources before transfers</b>		0	45,720	(134,664)	<b>(88,944)</b>	(1,534)
Transfers between funds		0	(71,506)	71,506	<b>0</b>	0
<b>Net movement in funds</b>		0	(25,786)	(63,158)	<b>(88,944)</b>	(1,534)
Fund balances brought forward 1 April 2004		0	25,786	63,158	<b>88,944</b>	90,478
<b>Fund balances carried forward 9 January 2005</b>	19,20	0	0	0	<b>0</b>	88,944

There is no difference in the net movement of funds stated above and its historical cost equivalent.

The Statement of Financial Activities analyses all the capital and income resources and expenditure of the Forum during the period and reconciles the movements in funds. Further analysis of the income and expenditure for the period is shown on page 17 and the overall financial position at the period end is summarised in the balance sheet on page 18.

*The notes on pages 20 to 32 form part of these accounts*

## Income and Expenditure Account for the period ended 9 January 2005

	Notes	1 April 2004 - 9 January 2005 £	2003-2004 £
<b>Income</b>			
DfES EAZ recurrent grant	2	<b>761,900</b>	788,000
Other DfES grants	3	<b>82,123</b>	58,200
Other Government grants	4	<b>0</b>	3,981
Private sector contributions	5	<b>134,100</b>	70,397
Public sector contributions	5	<b>93,506</b>	161,558
Other income	6	<b>21,511</b>	71,065
<b>Total income</b>		<b>1,093,140</b>	1,153,201
<b>Charitable expenditure</b>			
DfES EAZ recurrent grant expenditure	7	<b>775,065</b>	787,088
Other DfES grant expenditure	7	<b>99,929</b>	88,173
Other government grant expenditure	7	<b>6,687</b>	13,519
Other expenditure	7	<b>250,410</b>	265,955
<b>Total charitable expenditure</b>		<b>1,132,091</b>	1,154,735
Costs of generating funds		<b>9,600</b>	0
Costs of termination of operations	9	<b>40,393</b>	0
<b>Total resources expended</b>		<b>1,182,084</b>	1,154,735
<b>Excess of expenditure over income</b>		<b>(88,944)</b>	(1,534)
<b>Net transfers to/from funds</b>			
DfES EAZ fund	19	<b>(63,158)</b>	912
DfES other funds	19	<b>0</b>	(1,973)
Other restricted funds	19	<b>(25,786)</b>	(473)
Unrestricted funds	19	<b>0</b>	0
<b>Net movement in funds</b>		<b>(88,944)</b>	(1,534)

The income and expenditure account is derived from the Statement of Financial Activities on page 16 which, together with the notes to the accounts on pages 20 to 32 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 the period relate to operations which ceased on 9 January 2005.

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

*The notes on pages 20 to 32 form part of these accounts.*

## Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £	31 March 2004 £
<b>Fixed assets</b>			
Tangible assets	14	0	0
		<u>0</u>	<u>0</u>
<b>Current assets</b>			
Debtors	15	0	84,391
Cash at bank and in hand		0	96,619
		<u>0</u>	<u>181,010</u>
<b>Creditors: amounts falling due within one period</b>	16	0	(92,066)
		<u>0</u>	<u>88,944</u>
<b>Net current assets</b>			
Deferred income	17	0	0
		<u>0</u>	<u>88,944</u>
<b>Net assets</b>			
<b>Funds</b>			
Restricted funds	19	0	88,944
Unrestricted funds	20	0	0
		<u>0</u>	<u>88,944</u>

The financial statements were approved by us under powers delegated at the Forum on 12 November 2004 and signed on its behalf by

*J Shears*  
formerly Chairman  
7 February 2005

*P Hanbury*  
formerly Project Director

## Cash Flow Statement for the period ended 9 January 2005

	Note 1 April 2004 - 9 January 2005 £	2003-2004 £
<b>Operating activities</b>		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES	<b>761,900</b>	788,000
Other receipts from DfES	<b>101,048</b>	58,200
Other Government grants	<b>0</b>	3,981
Private sector sponsorship	<b>0</b>	0
Other receipts from central and local government	<b>39,806</b>	161,558
Other receipts	<b>98,448</b>	13,405
	<b>1,001,202</b>	1,025,144
<i>Payments</i>		
Staff costs: employed staff only	<b>239,801</b>	285,997
Grant returned to DfES	<b>18,925</b>	0
Other cash payments	<b>841,726</b>	859,214
<b>Net cash in flow from operating activities</b>	25 <b>(99,250)</b>	(120,067)
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>2,631</b>	1,291
Interest paid	<b>0</b>	0
	<b>2,631</b>	1,291
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<b>0</b>	0
Receipts from sale of tangible fixed assets	<b>0</b>	0
Transfer to schools of tangible fixed assets	<b>0</b>	0
Deferred grant received	<b>0</b>	0
	<b>0</b>	0
<b>Increase (decrease) in cash in the period</b>	<b>(96,619)</b>	(118,776)

# Notes to the Financial Statements

## 1 Accounting policies

### *Format of accounts*

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

### *Basis of accounting*

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. The Camborne, Pool and Redruth Success Forum was established under the School Standards and Framework Act 1998 and had a five year life. These financial statements have been prepared on the basis that the Zone ceased operations on 9 January 2005 at the conclusion of that statutory life.

### *Recognition of income*

The annual EAZ grant from the DfES, which was intended to meet recurrent costs and, where specified, to purchase fixed assets, was credited direct to the income and expenditure account as restricted income. Sponsorship cash and other grants were credited direct to the income and expenditure account as restricted income, as the Forum had no discretion in how to apply such contributions to meet its objectives.

The EAZ was entitled to claim matched funding from the DfES in respect of business contributions raised up to a ceiling of £1,250,000 over the five year life. The matched funding grant was only treated as income in the year in which the DfES accepted its use in funding the approved action plan. Therefore 'banked' entitlement to matched funding (that which was not drawn against in the period of account) was not treated as a debtor because all the conditions were not met until DfES approval was received. This accords with a DfES direction.

### *Contributions in Kind*

In accordance with the Accounts Direction provided by the Secretary of State, an income value was attributed to contributions in Kind received from businesses. These contributions were brought into the accounts at a reasonable estimate of their value to the Forum. All gifts in Kind represented expenditure which the Forum would have had to incur; a notional expenditure charge was recorded equal to the value of the contribution in Kind to the Forum.

### *Grants receivable*

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

### *Interest receivable*

This is included in the financial statements on an accruals basis. No tax was paid on such income.

### *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 direct charitable and other expenditure. The only activities undertaken by the Forum in the year were the operation of Camborne, Pool and Redruth Success Zone. Indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the EAZ. Other 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

<b>Value</b>	<b>Cost category</b>	<b>Basis of apportionment</b>
£12,900	Project management	Estimated time and costs of Project Director, 'soft charged' to EAZ projects (2003-2004: £20,168).
£9,600	Cost of generating funds	8% of Project Director and 9% of Work Related Team Leader's salary costs. (2003-04: £14,084; 10% and 12% respectively)

*Tangible fixed assets*

Tangible fixed assets, which cost more than £4,000 (but see below), acquired since the Forum was established would have been included in the accounts at cost. As at 9 January 2005 there were none. Items costing less than that sum were recorded in an inventory.

*Depreciation*

A depreciation policy was not set for the EAZ because all items purchased were charged to the expenditure account as they individually fell below £4,000.

*Leased assets*

There was no policy as there were none.

*Resources expended*

Items are included as direct charitable expenditure where, in the view of the Forum, the activities related to staff costs incurred when in direct contact with pupils. This did not arise and costs are shown as 'support'.

*Investments*

No investments were made beyond a simple interest bearing account with the Forum's bank. As such no gain or loss of capital was expected. All interest earned was treated as belonging to the EAZ.

*Stocks*

Stocks were minimal and reduced to nil at the end of the period by passing over minor stationery stores to the Excellence Cluster.

*Funds structure*

The Forum did not designate any funds. Funds designated by the funding bodies were retained for the purpose granted. Balances were either fully expended in the period or returned to the funding body at the close of the EAZ.

*Taxation*

The Forum was an exempt charity and as such was exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. VAT is not separately identified in the accounts.

*Pensions*

Employers' contributions to pensions were brought to account in the period the contribution was due. Further information is set out in note 18. The DfES advised that any costs arising from a capital deficit in the Cornwall County Superannuation Fund and attributable to the Zone at its dissolution will be met by the Local Education Authority.

**2 DfES EAZ grants**

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
DfES grant received in period	<b>761,900</b>	788,000
Carry over from previous period	<b>63,158</b>	62,246
Total grant available to spend	<b>825,058</b>	850,246
Spent in the period on recurrent	<b>825,058</b>	787,088
Spent in the period on capital items	<b>0</b>	0
Underspent grant	<b>0</b>	63,158
Maximum permitted carry over level	<b>see below</b>	63,661
Excess grant to surrender	<b>0</b>	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**

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
Excellence Challenge/Aim Higher	<b>41,548</b>	46,000
less balance of Aim Higher grant returned to DfES	<b>(18,925)</b>	0
Easter/Summer Schools	<b>4,500</b>	11,000
Teachers' pay	<b>0</b>	1,200
Closure	<b>55,000</b>	0
	<b>82,123</b>	58,200



**4 Other grants from government**

	Basic skills	<b>Total 1 April 2004 - 9 January 2005 £</b>	Total 2003-2004 £
Brought forward	6,687	<b>6,687</b>	16,225
Received in the year	0	<b>0</b>	3,981
Total grant available to spend	6,687	<b>6,687</b>	20,206
Expenditure in period	(6,687)	<b>(6,687)</b>	(13,519)
<b>Balance carried forward</b>	<b>0</b>	<b>0</b>	<b>6,687</b>

**5 Business contributions**

	Cash £	In-Kind £	<b>Total 1 April 2004 - 9 January 2005 £</b>	Total 2003-2004 £
<b>Private sector contributions</b>				
Business mentoring	0	134,100	<b>134,100</b>	70,397
Volunteers with EAZ programmes **	0	0	<b>0</b>	0
	0	134,100	<b>134,100</b>	70,397
<b>Public sector contributions</b>				
Cornwall County Council	10,000	0	<b>10,000</b>	27,200
Cornwall College	7,700	0	<b>7,700</b>	28,000
NRF	0	0	<b>0</b>	86,952
NOF Summer Schools	0	0	<b>0</b>	10,567
Plymouth University	10,106	0	<b>10,106</b>	0
Sport England	12,000	0	<b>12,000</b>	0
Miscellaneous - mentoring	0	53,700	<b>53,700</b>	0
Other	0	0	<b>0</b>	8,839
	39,806	53,700	<b>93,506</b>	161,558
	39,806	187,800	<b>227,606</b>	231,955

\*\* Additional sponsorship

In addition to the contributions in cash and Kind disclosed above, the Forum records its thanks to the many volunteers who have contributed to the success of the Zone by Kind donation of their time and efforts. A change of accounting rules meant that these were no longer able to be recognised in the table above. However they still were allowed to be counted and valued for drawing matched funding grant. The Zone attributed the value of £167,492 (2003-2004: £273,247) to these donations.

**6 Other income**

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
Interest receivable	<b>2,631</b>	1,291
Threshold payments	<b>2,089</b>	2,759
Sundry income including staff recharges	<b>16,791</b>	67,015
	<b><u>21,511</u></b>	<u>71,065</u>

**7 Total resources expended**

	Staff costs	Depreciation	Other costs	<b>Total 1 April 2004 - 9 January 2005</b>	Total 2003-2004
	£	£	£	£	£
<b>Education support costs</b>					
Transforming teaching and learning	21,276	0	614,689	<b>635,965</b>	464,317
Enriching the curriculum	10,850	0	35,044	<b>45,894</b>	83,056
Professional development	795	0	39,865	<b>40,660</b>	64,495
School support	46,046	0	18,618	<b>64,664</b>	89,545
Zone central staff	104,701	0	8,776	<b>113,477</b>	154,907
Aim Higher/Excellence Challenge	7,180	0	33,249	<b>40,429</b>	76,063
Other educational initiatives	12,900	0	29,378	<b>42,278</b>	20,168
Management and administration	99,091	0	49,633	<b>148,724</b>	188,100
Cost of generating funds	9,600	0	0	<b>9,600</b>	14,084
Costs of termination of operations - see Note 9	31,950	0	8,443	<b>40,393</b>	0
	<u>344,389</u>	<u>0</u>	<u>837,695</u>	<b><u>1,182,084</u></b>	<u>1,154,735</u>
<b>Of which</b>					
DfES EAZ grant expenditure	277,061	0	547,997	<b>825,058</b>	787,088
DfES other grant expenditure	39,130	0	60,799	<b>99,929</b>	88,173
Other government grant exp	6,687	0	0	<b>6,687</b>	13,519
Other expenditure in Kind	0	0	187,800	<b>187,800</b>	70,397
Other expenditure in cash	0	0	879	<b>879</b>	0
Interest and other income	21,511	0	0	<b>21,511</b>	71,065
Other public sector resources	0	0	40,220	<b>40,220</b>	124,493
Depreciation	0	0	0	<b>0</b>	0
	<u>344,389</u>	<u>0</u>	<u>837,695</u>	<b><u>1,182,084</u></b>	<u>1,154,735</u>

**8 General expenditure**

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

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
Education support costs and initiatives	<b>788,062</b>	650,638
Staff recruitment	<b>0</b>	371
Occupancy costs	<b>7,986</b>	16,807
Furnish and equipment office	<b>0</b>	1,048
Supplies and services	<b>18,799</b>	32,927
Operating lease rentals	<b>0</b>	0
Professional fees	<b>13,777</b>	15,297
Auditor's fee	<b>5,750</b>	7,400
Trustees expenses	<b>0</b>	0
Ex-gratia payments	<b>0</b>	0
Miscellaneous	<b>3,321</b>	2,955
	<b><u>837,695</u></b>	<u>727,443</u>

**9 Costs of termination of operations**

This note expands on the totals in Note 7

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
Staff costs arising from Zone closure	<b>31,950</b>	0
Costs of post-Zone services provided by nominated successor body	<b>3,525</b>	0
Transformation consultancy services post closure	<b>2,316</b>	0
Distribution of assets	<b>288</b>	0
Storage of documents	<b>1,671</b>	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	<b>643</b>	0
	<b><u>40,393</u></b>	<u>0</u>

## 10 Grants to schools 1 April 2004 to 9 January 2005

(2003-2004: £165,124)

Grants paid to schools	Literacy through story telling	Innovations in modern technology	Key Skills	Passport to employability	Accred Key Skills	Brainwave III	UFA principles	Learning space	Develop the role of teacher assistants
	£	£	£	£	£	£	£	£	£
Crowan Primary	0	0	0	0	0	0	0	0	0
Cusgarne Community Primary	0	0	0	0	0	0	0	0	0
Illogan	0	200	0	0	0	0	0	0	0
Kehelland Village	0	0	0	0	0	0	0	0	0
Lanner Primary	0	0	0	0	0	0	0	0	0
Pencoys Primary	0	539	0	0	0	0	0	0	375
Pennoweth	0	5,205	0	0	0	0	0	0	750
Penponds	0	0	0	0	0	0	0	0	0
Portreath Community Primary	0	0	0	0	0	342	0	0	0
Rosemellin Community Primary	0	0	0	0	0	0	0	0	0
Roskear	0	5,205	0	0	0	0	250	0	0
St Day and Carharrack Community	0	5,205	0	0	0	0	0	0	0
Stithians Community Primary	0	1,000	0	0	0	0	0	0	0
St John's Catholic Primary	0	0	0	0	0	0	0	0	0
St Meriodoc CE Nursery and Infant	0	6,205	0	0	0	0	0	0	0
St Meriodoc CE Junior	0	5,205	0	0	0	0	0	0	0
Treleigh Community Primary	0	0	0	0	0	0	0	0	0
Treloweth Community Primary	0	5,205	0	0	0	0	0	0	1,045
Trevithick	0	5,533	0	0	0	0	250	0	0
Trewirgie Infants'	0	0	0	0	0	0	0	0	0
Trewirgie Junior	0	0	0	0	0	0	0	0	0
Troon Community Primary	0	5,205	0	0	0	0	0	0	0
Weeth Community Primary	0	5,205	0	0	0	0	0	0	395
Camborne Science & Community College	4,037	0	0	0	138	0	500	0	0
Pool School & Community College	0	0	5,724	4,274	0	0	500	0	0
Redruth School: A Technology College	0	0	0	0	352	0	500	4,172	0
<b>Totals</b>	<u>4,037</u>	<u>49,912</u>	<u>5,724</u>	<u>4,274</u>	<u>490</u>	<u>342</u>	<u>2,000</u>	<u>4,172</u>	<u>2,565</u>

**10 Grants to schools (continued)**

Grants paid to schools	Learning space	Teacher assistant hours	Wild card ideas	Multi discipline support	Excellence Cluster Creation	Learning support Units	Totals
	£	£	£	£	£	£	£
Crowan Primary	0	888	0	0	0	0	<b>888</b>
Cusgarne Community Primary	0	888	0	0	0	0	<b>888</b>
Illogan	0	1,331	0	0	0	0	<b>1,531</b>
Kehelland Village	0	1,331	0	0	0	0	<b>1,331</b>
Lanner Primary	0	1,775	0	0	0	0	<b>1,775</b>
Pencoys Primary	0	1,775	0	0	0	0	<b>2,689</b>
Pennoweth	0	7,804	0	0	0	0	<b>13,759</b>
Penponds	0	888	0	0	0	0	<b>888</b>
Portreath Community Primary	0	888	0	0	0	0	<b>1,230</b>
Rosemellin Community Primary	0	8,184	0	0	660	0	<b>8,844</b>
Roskear	0	7,601	0	0	0	1,000	<b>14,056</b>
St Day and Carharrack Community	0	4,864	0	0	0	1,750	<b>11,819</b>
Stithians Community Primary	0	703	0	0	0	0	<b>1,703</b>
St John's Catholic Primary	0	1,686	0	0	0	0	<b>1,686</b>
St Meriodoc CE Nursery and Infant	0	8,474	0	0	0	0	<b>14,679</b>
St Meriodoc CE Junior	0	3,773	0	0	0	0	<b>8,978</b>
Treleigh Community Primary	0	1,331	0	0	0	0	<b>1,331</b>
Treloweth Community Primary	0	8,932	0	0	220	0	<b>15,402</b>
Trevithick	0	10,848	0	0	0	1,998	<b>18,629</b>
Trewirgie Infants'	0	666	0	0	0	0	<b>666</b>
Trewirgie Junior	0	888	0	0	0	0	<b>888</b>
Troon Community Primary	0	26,108	1,000	0	0	0	<b>32,313</b>
Weeth Community Primary	0	4,642	0	0	440	0	<b>10,682</b>
Camborne Science & Community College	2,350	0	0	0	0	2,470	<b>9,495</b>
Pool School & Community College	0	8,757	0	0	0	2,175	<b>21,430</b>
Redruth School: A Technology College	0	0	0	500	0	3,350	<b>8,874</b>
<b>Totals</b>	<b>2,350</b>	<b>115,025</b>	<b>1,000</b>	<b>500</b>	<b>1,320</b>	<b>12,743</b>	<b>206,454</b>

## 11 Staff costs

The average number of persons (including senior post holders) engaged by the Forum during the period, expressed as full time full year equivalents was

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
Management	<b>0.75</b>	0.75
Administration	<b>2.56</b>	2.42
Projects	<b>9.36</b>	11.45
<b>Total employees includes secondees</b>	<b><u>12.67</u></b>	<u>14.62</u>

Staff costs for the above persons

	Employees	Others	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£	£	£
Wages and salaries	201,940	85,887	<b>287,827</b>	355,913
Social security costs	16,044	7,421	<b>23,465</b>	26,957
Other pension costs (see note 18)	21,817	11,280	<b>33,097</b>	44,422
<b>Total staff costs</b>	<u>239,801</u>	<u>104,588</u>	<b><u>344,389</u></b>	<u>427,292</u>

One employee earned more than £50,000 during the period. The total emolument of that employee was in the range

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
£60,001 - £70,000	<b>1</b>	1

## 12 Emoluments of Trustees

The Project Director was a Trustee under the terms of the Statutory Instrument. As such, he received salary, other benefits and expenses as provided for in his contract. Those costs are not disclosed separately. His travel costs are reported as part of the costs in note 8.

One Trustee received £820 in respect of commercial services provided (2003-2004: nil).

One other Trustee received reimbursement of travel costs incurred as part of his duties. The payment totalled £80.52 (2003-2004: Six Trustees, total £773).

### *Interests in transactions*

Some of the Trustees were appointed by Cornwall County Council. The Zone had contracts with the Council for the provision of payroll and personnel services. The Zone provided some services to the Council and charged on the basis of cost incurred.

**13 Trustees' and officers' insurance**

In accordance with normal commercial practice the Forum purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provided cover up to £1,000,000 on any one claim. The cost for the period was £1,365 (2003-2004: £1,260).

The Forum also insured against the normal range of commercial risks, including public liability (£5,000,000) and business interruption. The cost of this policy was £1,400 (2003-2004: £1,290).

**14 Tangible fixed assets**

There were none.

**15 Debtors**

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
Trade debtors	0	75,744
Prepayments	0	4,823
Schools, etc.	0	3,669
Sundry debtors	0	155
	<u>0</u>	<u>84,391</u>

**16 Creditors: amounts falling due within one year**

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
Trade creditors	0	11,517
Sundry creditors	0	789
Schools etc	0	791
Accruals	0	78,969
	<u>0</u>	<u>92,066</u>

Sums due to creditors and for accruals were paid to Cornwall County Council at the end of the Zone so that the Council may discharge those liabilities.

**17 Deferred income**

There was none. (2003-2004: nil)

**18 Pensions**

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	£	£
<b>Other pension costs comprise</b>		
Defined benefit scheme - regular cost in respect of employees only	<b>21,817</b>	28,635

One Zone employee at 9 January 2005 (one at 31 March 2004) belonged to the Teacher's Superannuation Scheme, England and Wales (TSS). The scheme is a defined benefit one and is subject to actuarial review. The employer's contributions were at the rate of 13.5%, (2003-2004: 13.5%). Contributions are actuarially valued as part of the statutory basis for the scheme but there are no underlying investments. No liability accrued to the Forum for any deficit or surplus.

Six Zone employees at 9 January 2005 (seven at 31 March 2004) belonged to the Cornwall Local Government Pension Scheme. The scheme is a defined benefit one and is subject to actuarial review – the last being at 31 March 2001 and the next due as at 31 March 2004. The employer's contributions were at the rate of 16.8%, (2003-2004: 15.5%). Any capital deficit on the fund at the date of closure of the Zone and attributable to the Forum became a liability of Cornwall County Council. Accordingly the Forum did not make a provision for any capital deficit.

The following are extracts from a 17 page report of the Cornwall Fund's Actuary prepared for the purposes required in FRS 17 for the year to 31 March 2004. No separate report was requested at the end of the Zone as it would not have had any relevance.

'3.2 It is not possible to assess the accuracy of the estimated liability as at 31 March 2003 without conducting a full valuation'

'4.2 The results of my calculations for the year ended 31 March 2004 are set out in Appendix A. I estimate that the Net Pension Asset at 31 March 2004 is a liability of £11,000.'

The actuary reported that at 31 March 2004 the estimated value of assets attributed to the Zone were £79,000 and the estimated liabilities were £90,000.

'4.5 The figures presented in this report are prepared only for the purposes of FRS 17 and have no validity in other circumstances. In particular, they are not relevant for calculations undertaken for funding purposes, for accounting under the UK accounting standard SSAP 24 or international accounting standards or for other statutory purposes under UK pensions legislation.'

The EAZ reimbursed the employers of other staff seconded to it. Any rise or fall in pension costs would have been reflected in those payments.

## 19 Restricted funds

The income 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 9 January 2005	Balance at 31 March 2004
	£	£	£	£	£
DfES EAZ grant	63,158	761,900	825,058	0	63,158
DfES Excellence Challenge	0	* 59,354	** 59,354	0	0
DfES Easter and Summer Schools	0	4,500	4,500	0	0
DfES Closure Grant	0	55,000	55,000	0	
Basic Skills Agency	6,687	0	6,687	0	6,687
Opie Oils	879	0	879	0	879
Sports England Basketball	1,743	12,000	13,743	0	1,743
Enterprise Pathfinder CCC	15,510	0	15,510	0	15,510
Excellence Cluster set-up CCC	0	10,000	10,000	0	0
Summer Schools/New Opportunities Fund	967	0	967	0	967
	<u>88,944</u>	<u>902,754</u>	<u>991,698</u>	<u>0</u>	<u>88,944</u>



\* Includes £7,700 contribution from Cornwall College, (2003-2004: £28,000) and £10,106 from Plymouth University (2003-2004: nil) – see Note 5.

\*\* Includes return to DfES of £18,925 being unspent balance of grant.

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

## 20 Unrestricted funds

There were no unrestricted funds brought forward at 1 April 2004 and all such funds arising during the period to 9 January 2005 were applied (2003-2004: nil).

## 21 Analysis of net assets between funds

Fund balances at 9 January 2005 were nil. The comparative is presented as a matter of record.

	Unrestricted funds	Restricted funds	<b>Total</b> <b>9 January</b> <b>2005</b>	Total 31 March 2004
	£	£	£	£
Tangible fixed assets	0	0	<b>0</b>	0
Current assets	0	0	<b>0</b>	181,010
Current liabilities	0	0	<b>0</b>	(92,066)
Deferred income	0	0	<b>0</b>	0
	<u>0</u>	<u>0</u>	<u><b>0</b></u>	<u>88,944</u>

## 22 Capital commitments

There were none. (2003-2004: nil).

## 23 Lease commitments

There were none. (2003-2004: nil).

## 24 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 had, if it did not re-invest the proceeds, to 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 had to 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.

The Forum disposed of its assets to Zone schools or to the Cornwall County Council as provided by an Order made by the Secretary of State or as agreed with the DfES for lesser items.

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

	<b>1 April 2004 - 9 January 2005</b>	2003-2004
	<b>£</b>	<b>£</b>
Net incoming resources	<b>(88,944)</b>	(1,534)
Interest received	<b>(2,631)</b>	(1,291)
Depreciation	<b>0</b>	0
Deferred grant released to income	<b>0</b>	0
Increase in stocks	<b>0</b>	0
Increase in debtors	<b>84,391</b>	(44,806)
Increase in creditors	<b>(92,066)</b>	(72,436)
<b>Net cash inflow from operating activities</b>	<b><u>(99,250)</u></b>	<b><u>(120,067)</u></b>

## 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 Camborne, Pool and Redruth 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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