

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 East Manchester Education Action Zone for the period ended 30 November 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 23 of 2004-2005).

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

East Manchester Education Action Zone Account 1 April 2004 to 30 November 2004

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Legal and Administrative Information

Trustees

Father Tim Hopkins*	St Brigid's/Corpus Christi Primary Schools (Chair of Action Forum)
Peter Henry	AMEC (Deputy Chair)
Jeff Smith	LEA Representative
Janet Fitzgerald	St Clements Primary School
Kate Farrell	Non Teaching Union Representative
Claire Evans	Teaching Union Representative
John McNerney	St Peter's High School
Colin Brierley*	Wright Robinson Sports College
Roy Chow	St Barnabas/CE School of the Resurrection Primary School
Martin Cash	DfES
Barbara Forshaw	Medlock Valley
Andy Harland	Bank Meadow/Ancoats
Jack Carney	Manchester College of Arts and Technology
Mary Connery	Education Business Partnership
Neil Swannick*	Ashbury
Alma Smith	Ravensbury/St Willibrord's
Irene Baron	New Deal for Community Beacons Board Representative

* These Trustees are members of Action Group 4, the monitoring, evaluation and finance sub committee of the Action Forum.

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Report of the Trustees

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

Constitution and principal activities

The East Manchester Action Forum was a corporate body and exempt charity established on 1 December 1999 under the 1998 School Standards and Framework Act. The Forum did not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. The Action Forum nominates the Trustees.

The principal activity of the Forum was to improve standards within the schools that were part of its Education Action Zone (EAZ).

In accordance with the Act the Forum adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, amongst other things, the improvement of teaching and learning within the Zone's schools; the promotion of social inclusion and of curriculum enrichment within the Zone; the development of Parental and community involvement, the implementation of the 14-19 Pathfinder, ICT to underpin effective teaching and learning and the creation of home school links, and the efficient, effective and accountable management of the Zone's programmes.

Future prospects

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. As this period was completed on 30 November 2004 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

Going concern

In view of the cessation of the Forum's activities on 30 November 2004 the Trustees no longer consider the preparation of accounts on a going concern basis to be appropriate. Upon closure the majority of the Zone's assets and liabilities were transferred to Zone schools at net book value. The Action Forum gave its approval for a small number of assets to be transferred to the Nominated Successor Body in order to provide continuity in service to schools from those staff transferred to the Excellence in Cities Action Zone. 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 was the operation of East Manchester EAZ. The operational management structure of the EAZ consists of a Project Director, Operations Manager, three Teaching and Learning Consultants, ICT Strategy Manager, ICT and Special Projects Officer, e-Learning Manager, Information and Systems Manager, Technical Support Officer, Senior Project Officer, Home School Liaison Manager, Neighbourhood Schools Development Officer, Inclusion Strategy Manager, Office Manager and two Administrative Assistants. These posts constitute the EAZ Executive Team, which report to the Forum. The Zone was also complemented by several field staff. The aim of the management structure is to involve Schools and Business Partners and encourage involvement in decision making at all levels.

The Trustees of the EAZ are set out on page 2. All the Trustees served throughout the period. The Action Forum had one subcommittee to which it devolved many of its day-to-day management responsibilities. This subcommittee was Action Group 4 – Monitoring and Evaluation.

Developments, activities and achievements

The Forum ceased to operate on 30 November 2004 after five years of activity, and transformed into an EiC Action Zone, within the structure of New East Manchester Ltd, its successor body, to continue the Education Programme of this regeneration organisation in East Manchester.

During its five year life span the Action Zone has had many achievements. There is evidence of substantial progress in attainment in East Manchester in a context of multiple deprivation. Since January 2000 it has recruited, trained and supported over 600 staff working in schools to raise attainment, improve attendance and widen opportunities for pupils. During the last 12 months of operation the Forum's programmes of activity continued to make an impact on educational standards, inclusion, life long learning and ICT, and this is reflected in the 2004 summer examination results.

The aspiration of the Zone was to close the achievement gap between East Manchester schools and the Manchester and national averages. At Key Stage(KS)2 the Zone average for the percentage of level 4+ achieved (74%) is now above the Manchester average (72%).

KS2: %Level 4+

	English	Maths	Science
EMEAZ	71	70	80
Manchester	70	67	79
England	75	74	86

At KS4 the Zone average rate of improvement in 5 GCSE A*-Cs was higher than both the Manchester and national averages (33% in 2003 to 37% in 2004), there was only a 2% improvement overall in the LEA figures (39% in 2003 and 41% in 2004).

Attendance at Primary Schools is now level with the Manchester average (93%) and attendance at secondary schools (86% 2004 from 82% in 2003) improved at a greater rate than the Manchester (89% in both 2003 and 2004) and national averages (92% in both 2003 and 2004). Improvements in attendance are steadily increasing, and parents, pupils, schools, other agencies and the Home School Liaison Service are working together to address the issues contributing to poor attendance.

In its programme to raise standards in its 16 constituent schools, the East Manchester Education Action Zone has sought to implement innovative approaches to supporting teaching, learning, social inclusion and parental involvement.

Ofsted has inspected 13 of the EAZ schools since January 2000 and all have received favourable reports with the EAZ's contribution mentioned positively in the reports. Four primary schools achieved Beacons status, with St Barnabas being one of the top five most improved schools in the country. Cedar Mount High School is also one of the top 100 most improved schools in the country. There are no schools in special measures. In September 2003 there was a reduction by a third in the number of pupils transferring at age 11 to schools outside of East Manchester. This reflects the changing perception of local parents about the schools in East Manchester. The EAZ is integrally linked to the regeneration of East Manchester, and is recognised as the key agent of delivery, in partnership with Manchester LEA, of its educational priorities.

The Zone has promoted innovation in East Manchester schools in two specific ways

- the development of new ways of working that are original and can be rolled out to other schools, Zones and LEAs; and
- the introduction of practice that has been piloted elsewhere but which is new to East Manchester schools and has been adapted and developed to the local context.

Teaching and learning

The Zone Teaching and Learning Consultants (TLC) worked with schools to support their improvements in teaching and learning. The support came in a variety of ways from team teaching, lesson observation, support in preparation of lessons, teaching and learning techniques, use of the interactive whiteboard, supporting the leadership and management of secondary core subject departments, providing a range of additional opportunities to develop and enhance cultural capital; and writing Development Plans. The schools have found it very useful and this support for school improvement has been recognised by the LEA.

The Zone TLCs have introduced the work of the University of the First Age, which is an initiative that was first introduced in Birmingham and adopted by the Manchester Education Partnership (MEP). It is a virtual university that embraces accelerated learning techniques. Its work was led by the TLCs in the Zone, who have been asked to do the training by MEP, as a pilot with the East Manchester schools, as they are fully trained in Accelerated Learning. The training occurred regularly at Medlock Valley High School with representatives from each school attending. These teachers then disseminated the training back in their own schools.

The TLCs worked on the transition between primary and secondary school. High quality flyers were produced to make parents aware of the 'Bridging Units' being undertaken by primary pupils in Year 6 in July each year, which they then completed in September when they started Secondary school. The Bridging Units have been shown to increase the preparedness of primary pupils for secondary school. The TLCs provided training in the spring and summer terms each year to both primary and secondary teachers. The TLCs worked with the Wright Robinson Networked Learning Community on a pilot to continue the work on transition issues and broaden this to the schools in the Zone Networked Learning Community (for further information about this look under ICT).

"The transfer project in 2002 has also been a factor in reversing the trend of pupils moving out of the Zone at the end of Year 6. It has also been significant in supporting pupils' progress beyond Year 7." (Ofsted Inspection of the Zone)

The Zone piloted new internal transition arrangements in Primary Schools. This involved year groups moving up at the end of the summer term rather than at the beginning of the academic year. Evidence shows that these arrangements enhanced pupil progress.

The TLCs have provided additional support both on a one-to-one and group basis, through classroom support and observation, to Newly Qualified Teachers (NQT) to help them improve and develop their classroom practice. Student Teachers were given similar support, and additional training in the use of interactive whiteboards. Manchester Metropolitan University has now adopted this model of support in other areas of the city. The NQTs have also received a Zone resource on Levelling Writing that will aid consistency in assessing the level at which pupils are learning. The project has demonstrably contributed to the Zone's teacher recruitment and retention strategy.

"Staff have greatly appreciated professional dialogue and support from EAZ Managers provided for Year 5/6 phase and NQTs". (Zone Coordinator)

The Zone has brokered joint advertisements for Primary Schools wishing to recruit teachers. By highlighting the many increased professional development opportunities in the Zone, these advertisements have attracted over five times the number of applicants than previously experienced.

Each Zone school nominated a teacher as a Zone Co-ordinator to act as a focal point for communication and support for EAZ-promoted activities within the school and to have a central role in school self-evaluation. Every school produced a Baseline Report each year, containing all information relevant to the school's plans to raise standards and pupil and staff attitudinal interviews to provide a qualitative assessment of progress to complement quantitative analysis of data on school improvement. In 2003 it was decided that the work of the Zone Coordinators (who were representatives from each school who fed back information to their schools about the work of the Zone) should be refocused as the Zone's work increasingly became embedded in each school. The Coordinators then transformed into five Consultants who coordinated a cluster of schools and disseminated information with a focus on pupil and school voice. This builds on the work of the Zone Directory of Lead Staff of primary teachers from 30 schools in the East Cluster that was praised by the LEA and allows them to share their best practice.

“Through the school coordinator there is active involvement in the Education Action Zone (EAZ) which has brought enormous benefits to the school such as training and development in ICT, better links with parents and improved attendance and greater community involvement. The school is recognised as providing a high level of commitment to the development of the EAZ. The appointment of a Parents’ Coordinator through the EAZ has been a successful initiative.” (St Willibrord’s Ofsted Report)

In partnership with Wright Robinson Sports College and Manchester Metropolitan University, the Zone developed a project that raised standards at KS3 through developing thinking skills via structured play in PE and through the CASE materials in Science.

The Zone deployed classroom assistants in its schools to raise standards in Literacy, Numeracy and ICT. The work of these Core Skills Development Assistants (CSDAs) and SEN Classroom Assistants (SENCAAs) was closely targeted to ensure optimum impact on attainment. The CSDAs and SENCAAs underwent accredited and customised training to enhance their effectiveness, and also received training in Accelerated learning techniques. Evidence from the KS2 results indicates that this approach has raised the attainment of the targeted pupils. Schools have adopted this approach in their deployment of support staff funded from sources other than the EMEAZ, and after the Zone’s extension agreed to employ the staff previously funded and employed by the Zone.

“Additional resources and staffing funded through the East Manchester Education Action Zone are impacting very well on pupils’ progress and understanding.” (Corpus Christi with St Anne’s Ofsted Report)

The Zone’s engagement of the Shakespeare for Kidz theatre group energised the KS2 curriculum in the Zone’s Primary Schools, resulting in performances of Macbeth and A Midsummer Night’s Dream in schools which had previously not attempted such productions. The initiative was highlighted in the national seminar on literacy innovations in EAZs.

The Zone offered a programme of summer and Easter school activities to pupils that focused on the development of literacy and numeracy skills through ICT; the creative arts, gifted and talented; and also supported the transition from KS2 to KS3. More than 2500 pupils participated in summer and Easter schools over the life of the Zone. The Zone also set up an Advanced Learning Centre for gifted and talented pupils from all the Zone Primaries. This was held on a Saturday and was mainly focused on ICT with the pupils acting as Ambassadors for their schools in ICT. The Zone also successfully bid for New Opportunities Funding to fund an extensive range of term time pre and after school learning opportunities and also breakfast clubs.

“There is a good range of activities for pupils outside the classroom and through the Education Action Zone the school has positive relationships with its partner institutions.” (St Willibrord’s Ofsted Report)

“Links with EAZ help extend pupils’ learning beyond the classroom”. (St Clements Ofsted Report)

“The support staff from the EAZ are well trained, well motivated and a real asset”. (Zone Coordinator)

The Zone was the lead organisation in the implementation of the School Sports Coordinator project funded by Sport England. This project supported the work on transition from Year 6 to Year 7 and also provided opportunities for schools to network and share good practice, especially between primary and secondary. The project was also subject to an Ofsted Inspection which gave it high praise.

All schools produced an article each year in the bi-weekly publication ‘The Advertiser’, which is a free newspaper distributed to all homes in East Manchester. This allowed schools to share their successes and gave pupils an opportunity to see their work in print, which raised their self-esteem.

ICT

The EMEAZ secured £1.8 million from the e-Learning Foundation and installed state-of-the-art ICT equipment in all its schools. This included additional white boards, laptops, hand-held devices and kiosks, which enabled the Zone’s schools to meet National Grid for Learning Targets two years ahead of schedule. All schools now access broadband through East Serve (a local community provider). As a result of this achievement one of the Zone schools was featured in the Classroom of the Future Conference in Manchester. A training programme to ensure full use of the equipment, based on the audited needs of teachers, was implemented. The Zone has successfully

trained pupils, teachers and non-teaching staff on Interactive Whiteboards with 16 pupils being accredited with IWB Advanced (Wizard) Level.

"The children's enthusiasm for the IWB and its uses is demonstrated by their increased attention span and decreased instances of misbehaviour!" (Year 5/6 teacher).

"The children were very excited about receiving emails from Cedar Mount. Many have friends and family in mainstream so they were really pleased to be involved and felt proud to be included in activities with other pupils of the same age. The group learnt about emails – how to send and receive and how to add attachments." (Special High School Innovator)

Schools were supported in ICT technical advice by being able to contact the Zone with their ICT faults and being guided to solutions.

"The contribution of the ICT technician to maintaining the operation of the networks is especially useful. The department also benefits from the service of a core skills development assistant funded by the Education Action Zone. Her high level ICT and personal skills are a valuable resource in assisting individual pupils with a wide range of special needs." (St Peters Ofsted Report)

The Class Server project was piloted in several primary schools in the Zone. It is on-line software to teach lessons and allows marking and assessment of pupil work to be easily recorded. There is also a facility for parents to view pupil progress. St Willibrord's and Medlock Valley High School are creating and using Class Server resources, and approximately 70 pupils have accessed Class Server.

Microsoft's Innovative Teachers Scheme accepted seven teachers from Zone schools. They attended Microsoft training and received materials, resources and equipment to take back into schools with the expectation that they act as exemplar teachers and conduct a piece of research focused on a 'Virtual Classroom Tour'.

The Zone has also initiated research in to the use of Tablet PCs that were purchased as part of the e-LF implementation. This research has been published in conjunction with MMU on the Digital THINK website. Interactive Whiteboard research with Promethean will be implemented through the Advanced Learning Centre.

The Zone successfully bid for a Networked Learning Community through the National College of School Leadership in January 2003, which is called "A Leading e-Learning Networked Learning Community". Through this NLC the position of ICT Innovators was created in all schools in the Zone (with two in each secondary school). The role of the ICT Innovator was initially to learn ICT developments to underpin teaching and learning and to disseminate this good practice in their schools through working with their colleagues. Another development of becoming a network was that six Headteachers completed the SLICT (Senior Leaders in ICT) course through the National College. The Zone is also involved in other National initiatives on: Transforming Learning (an electronic tool for school self evaluation promoting pupil voice); Community Leadership Strategy; and Teacher Research.

"EAZ fosters links with other schools and staff in the area." (Zone Coordinator)

The Zone supported schools in Assessment and school self-evaluation through the use of SIMS (School Information Management Software) Assessment Manager in both primary and secondary schools and PIPS (Performance Indicators for Primary Schools) in primary and Lesson Monitoring in secondary. SIMS e-Registration has also been introduced in two of the three secondary schools. This is electronic registration of attendance and supports lesson monitoring.

Inclusion

In partnership with Medlock Valley High School (a special school for pupils with Moderate Learning Difficulties) and Manchester Youth Service the EMEAZ established an innovative off-site learning support centre where cohorts of disaffected KS3 pupils undertook a structured learning programme to enable them to re-integrate effectively to the school.

The Zone's parental involvement initiative has increased the participation of parents in family learning, their own lifelong learning and the support of their children's learning. Evidence of the effectiveness of the approach is provided as over 500 parents of pupils in Zone schools and 200 agencies attend a 'Very Important Parents' conference at the Manchester Stadium each year. Over 500 parents have completed Family Learning courses, with some parents then continuing on to jobs or further study. One parent who at the age of 31 has her first job said "doing courses in school has built up my confidence and made me believe in myself as well as enabling me to help the kids!" The "Active Dads" project has also been successful in working with a traditionally hard to reach group.

"Parents have benefited from and enjoyed 'Positive Parenting Courses'. Some have gone on to attend further training to extend their own skills and training". (Zone Coordinator)

To improve attendance and punctuality in the Zone's schools Home School Liaison Officers (HSLOs) were appointed and deployed to work with pupils and their families. By complementing the work of the Educational Welfare Service the HSLOs were able to promote the value of education in families where attendance has been problematic, and have had a measurable impact on both attendance and punctuality. Schools, after the Zone's extension, agreed to fund these posts. The HSLO model has now been adopted throughout Manchester.

"The HSLO's support is integral to the raising of standards in East Manchester". (Headteacher)

"It is good to have HSLO in school. I can talk to them if I have any worries". (Parent)

"Equally, the appointment by the EAZ of an officer to liaise between the school and the pupils' homes has not only had a marked effect upon attendance and punctuality, but has enabled a multi-disciplinary approach to develop". (St Barnabas Ofsted Report)

The Zone implemented a Mediation Project in East Manchester and worked closely with Manchester City Council for a City Wide implementation of this initiative. This initiative has provided substantial training on both mediation and conflict resolution for schools and community volunteers. Work on mediation as a response to bullying has been developed within the Zone.

The Zone introduced pupil counselling to three of its High Schools. Pupils whose progress at school was impeded by issues that could be resolved through interaction with a qualified counsellor have benefited from the service. In particular, the counselling service has been effective in addressing issues of bullying.

The Zone engaged the National Literacy Champion Paul Sleem to act as the Zone's Reading Champion. Working in all of the Zone's schools in both group and one-to-one situations, Paul has engaged, motivated and mentored pupils with demonstrable impact. His work has been featured twice on BBC Radio 4's The Learning Curve. Each year in March the Zone held a "Read Together Month" which recruited an average per year of 75 volunteers from local agencies, businesses, community and parents to go into schools and work with pupils.

"I enjoyed this so much last year I would love to do this again". (2002 Volunteer)

"Paul Sleem's Book Month proved to be successful and literacy within the nursery setting has been supported by numerous members of the community visiting the nursery and sharing books with children". (Zone Coordinator)

"Read Together Month" and the RESPECT project are aimed at encouraging young people to want to learn and attend school. The RESPECT project has pioneered new ways of motivating pupils who are disengaged from the curriculum.

"The pupils thoroughly enjoyed the RESPECT work." (Teacher)

"I really like this project. I have never been asked to do anything like this before." (Pupil)

Family Fun days extended the knowledge of the Zone within the community encouraging children to learn positive attitudes and conduct by observing family, friends and community members within a variety of different contexts.

Both the Pyramid Project (funded by Ontrack) and Neighbourhood Friends (funded by the Quakers) recruited volunteers to work with disengaged young people in primary schools.

“Staff praised the success of the Pyramid Club as a really worthwhile project which has enhanced the personal and social development of pupils”. (Zone Coordinator)

“The Ontrack after school club using volunteers from British Gas was hugely successful in boosting pupil learning”. (Year 5 teacher)

Beswick Library homework and study support was used by pupils after school, by class groups from schools and also by school refusers.

A ‘Full Service District’ pilot was implemented which aimed to develop local solutions to local need. This was established with multi-agency clusters meeting the needs of a geographical neighbourhood of schools. The Full Service District pilot tested out new approaches in multi-agency local management that will ultimately be rolled out across Manchester. Its coordination of resources and support through the Educational Psychology Service, Ethnic Minority Achievement Service, Behaviour Support Service and Speech and Language Service has benefited pupils through providing mental health and counselling. This work will continue as the Zone transforms with the East District schools.

The KS4 Complementary Education Project provided college placements for disaffected 14-16 year olds, and extended its brief to pupils at KS3. 80% of the pupils who attended the college placements went on to further education courses. The Complementary Education initiatives have developed effective multi-agency practice with persistent non-attenders and disaffected students.

14-19 Pathfinder

Within the context of East Manchester’s regeneration, and the Zone’s engagement of its business partners, there was an identified need to bridge the gap between labour market opportunity and the school curriculum. The East Manchester Vocational Learning Centre was established in a redundant wing of Medlock Valley High School to offer NVQ level1 training in construction skills at KS4 to over 100 pupils per year. The Project was supported by Laing, Bovis and the Construction Industry Trust for Youth, and is a partnership between the Zone, local regeneration agencies and MANCAT (the local FE College). Some of the pupils attending from the Zone’s High Schools were previously disaffected, but are now engaging and attending at school more fully. The other vocational subjects they offer contribute to the Vocational GCSEs that the pupils are taking in school. The Zone also supported all 3 High Schools in offering the GNVQ ICT on-line course to KS4 pupils.

The 14-19 Pathfinder has been successfully implemented and has become recognised for its work nationally with many requests to visit and discuss the work that was being undertaken, including visits from Government Office North West and East, and Southampton City Council. The Pathfinder has instigated in the three High Schools mainstream high schools and also Mellands and Medlock Valley Special Schools. The main priorities of the Pathfinder were: a highly vocationalised curriculum; the development and implementation of electronic Individual Learning Plans which are linked to the pupil progress file, teaching and learning and target setting; enterprise champions and enterprise education; the development of a schools cluster curriculum (XPL); increased Connexions Personal Advisor support; the mapping of progression pathways and a district partnership model. In addition the Zone successfully bid on behalf of the high schools for the Enterprise Education Pathfinder, which has built on previous enterprise work through Youth Enterprise and has been coordinated by the Enterprise Learning Coordinator to increase employability and enterprise skills of Zone pupils. The Zone was also responsible for managing the Regional Pathfinder Manager.

The National Mentoring Pilot Project was implemented in the Zone’s three High Schools, offering mentoring from undergraduates at Manchester Metropolitan University to pupils who have the potential to progress to Higher Education. Approximately 40 undergraduates each year provided mentoring.

Other Zone activity

The staff and Action Forum of the EMEAZ were proud to become the first EAZ in the country to gain Investor in People status. Six of the Zone’s schools also gained the award, with a number of others about to embark on the process of gaining recognition.

“The support staff from the EAZ are well trained, well motivated and a real asset”. (Headteacher)

Business support for the Zone has provided some useful examples of partnership. These have included

- the involvement of senior managers from British Gas in training teachers in conflict resolution as part of the Zone's anti-bullying initiative;
- a KS3 numeracy project with Friends Provident;
- a school banking initiative in partnership with HSBC;
- support for the East Manchester Vocational Learning Centre from Laing, Bovis and the Construction Industry Trust for Youth;
- additional mentoring and work experience programmes for pupils in Zone schools from a number of firms;
- involvement with the new ASDA WALMART store in East Manchester at a variety of levels;
- business sponsorship to support the bid by St Peter's RC High School to become a specialist Business and Enterprise College;
- a targeted access scheme to encourage progression into science, engineering and technology in partnership with the Ernest Mather Trust; and
- work with CAPITA on a pupil level database with access for parents.

Zone Project Officers produced a CD Rom, which is partly a celebration of its work over the last 5 years, but also as a training tool for other Zones, LEAs, and Regeneration Areas. The CD Rom was launched at the very successful Zone Conference in September 2005 at which Mike Gibbons from the Innovation Unit spoke and which was attended by educationalists and regeneration works from all over the country.

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 Department for Education and Skills (DfES) in the form of recurrent grants the use of which was restricted to particular purposes. The grants received during 2004 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The EAZ also received other restricted grants from the DfES and other Government Agencies.

During the period to 30 November 2004 the EAZ did not receive any donations.

Expenditure for the period was financed by grants from the DfES and other income and the deficit of incoming resources over resources expended for the period was £10,000. This amount was not included within the amounts transferred to the Nominated Successor Body to meet residual Zone liabilities, which are liabilities of £10,000. The nominated successor body, New East Manchester Ltd has agreed in writing to meet these liabilities. Income of £10,000 from New East Manchester Ltd has therefore been recognised in the accounts.

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

During the closure period, the Zone incurring expenditure of £10,000 in excess of its available funds. These additional liabilities have been met by the successor body and this funding has been included within income on these accounts.

Fund review

When the EAZ ceased to operate on 30 November 2004 its fund balances were £ Nil. Fund balances existing prior to this date were utilised in fulfilment of the Zone's objectives. Immediately prior to the cessation £197,405 was transferred to New East Manchester Ltd, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants both from the DfES and other Government Agencies.

Connected organisations

The EAZ worked closely with its partnership schools

Wright Robinson High School	St Willibrord's Primary School
St Peters High School	St Brigid's Primary School
Cedar Mount High School	St Clements Primary School
Medlock Valley High School	Ravensbury Primary School
Ashbury Meadow Primary School	St Barnabas Primary School
Corpus Christi with St Anne Primary School	CE School of Resurrection Primary School
Higher Openshaw Community School	Seymour Road Primary School
Varna Street Primary School	Ancoats Nursery

to achieve the Forum's objectives

- the improvement of teaching and learning;
- the innovative use of ICT to transform teaching and learning and to underpin school improvement;
- the promotion of learning for all through inclusion, a coherent 14-19 strategy and parental and community involvement; and
- the efficient, effective and accountable management of its programmes.

AMEC (Peter Henry) and Fujitsu were business sponsors of the Forum. AMEC supported the Action Forum and the Forum Deputy in management support, advice and guidance.

The Forum contracted with Manchester City Council to provide payroll services. The Forum also contracted with Manchester Metropolitan University to monitor and evaluate the Zone.

Disabled persons

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

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 30 November 2004. At this date it transformed into the East Manchester Excellence in Cities Action Zone. Expenditure for the period ended 30 November 2004 did not include any redundancy or early retirement costs.

Reserves policy

The Forum did not build up restricted reserves of DfES grant, as the Department required that this grant should be applied in the year in which it is received. Where the Forum earned unrestricted income (e.g. bank interest), it was the Forum's policy to apply these reserves to its Advanced Learning Centre.

Risk management

As the Forum ceased on 30 November 2004 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure including

- loss of key staff;
- transitional support will not be available from Payroll Body;
- identification of Successor Body;
- continuation of programme and project operation during transformation;
- storage not identified for EAZ records;
- difficulty in producing cash flow projections;
- transfer of reserves to the Successor Body;
- completion of Accounts;
- the Zone would have an overspend at transformation;
- delegated authority to sign accounts; and
- ensuring that key financial controls are in place if key staff leave.

In 2001 the Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed.

The Trustees monitored progress against the strategic objectives set out in the plan at each quarterly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy that comprises

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Statement on Internal Control

a Maintenance of internal controls

As Trustees, we 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, therefore, only provided 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 ended 30 November 2004 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

b Review of controls

As Trustees, we had responsibility for reviewing the effectiveness of the system of internal control. In the period to 30 November 2004 the Forum established the following processes

- identification of the Forum's objectives and key risks. The Forum compiled a Risk Register in June 2001, which was agreed by the Action Forum. This was reviewed in August 2004;
- the establishment of systems and procedures to mitigate the risks identified in the plan. The Action Forum was fully compliant with all the procedures as laid down in the Zone handbook, with especial regard to Action Planning and Financial Procedures;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise. The risk register assessed the risk, and the response if risks materialised;
- procedures for monitoring progress against the strategic objectives set out in the plan at regular meetings. The Zone reviewed income and expenditure on a quarterly basis in returns to the DfES, and management reports to Action Group 4 (responsible for Management, Monitoring and Evaluation and Finance). Action Group 4 also received a complete report of action to be taken in response to any risks/comments identified in the Auditors' report. The Zone has also implemented quarterly progress review of projects against milestones;
- a comprehensive annual review of the plan, including a review of the risks that the Forum may face. The Zone has now ceased its activities, however it monitored and evaluated its work with reference to the Action Plan that was produced in March 2003. A full review of progress with regard to risk and full evaluation of the targets met by the projects will be completed for all five periods for the final set of accounts; and
- the allocation of risk ownership. The Risk Register made an assessment of the action required if risk arose within the projects and who was responsible on behalf of the Action Forum to carry out that action.

The Forum aimed to ensure the continuation of good practice achieved by the Zone by

- the separation of staff duties wherever possible;
- the appointment of the Transformation Planning Group to oversee the Zone's transformation;
- the appointment of a working party on Best Practice;

- improving the clarity of meeting papers, notes and minutes; and
- identifying opportunities for staff development and setting clear objectives through Professional Development Interviews.

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

Weakness was identified in the monitoring of the Zone's liabilities during the closure period. This resulted in the Zone incurring expenditure in excess of its available funds. These additional liabilities have been met by the successor body.

Statement of Trustees' responsibilities for the Financial Statements

Under Schedule 1 of 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, 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 were responsible for keeping proper accounting records that disclosed with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with Accounts Direction given by the Secretary of State. 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 have a responsibility to ensure that the Forum's accounting records and system of internal financial control for the relevant financial period comply with the obligations placed on the Forum by the Secretary of State for Education and Skills.

Auditors

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

Approval

The report of the Trustees was approved on 18 March 2005 and signed on its behalf by

Father Tim Hopkins
Chair

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 18 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 22 to 23.

Respective responsibilities of the Trustees

As described on page 15 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 guided by the Auditing Practices Board and the auditing profession's ethical guidance.

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 pages 13 and 14 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 of Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the East Manchester Education Action Zone at 30 November 2004 and of its incoming resources, application of resources and cash flows for the year then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills.; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

24 March 2005

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

Statement of Financial Activities for the period ended 30 November 2004

		Unrestricted funds	Restricted funds			Total	Total
	Notes	£000	DfES £000	Other £000	Fixed assets £000	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Incoming resources							
DfES grants receivable	2,3	0	694	15	0	709	814
Other government grants receivable	4	0	0	0	0	0	0
Private sector contributions	5	0	0	638	0	638	731
Public sector contributions	5	0	0	721	0	721	1,638
Other income	6	0	0	0	0	0	0
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		0	694	1,374	0	2,068	3,183
Resources expended							
Costs of generating funds	7	0	29	0	0	29	24
Net incoming resources for charitable application		0	665	1,374	0	2,039	3,159
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	0	0	0	0	0
Education support costs	7	0	516	1,502	0	2,018	2,893
Grants payable	7	0	0	0	0	0	0
Management and administration	7	0	146	84	0	230	241
Total charitable expenditure		0	662	1,586	0	2,248	3,134
Costs of termination of operations	9	0	3	0	0	3	0
Total resources expended		0	694	1,586	0	2,280	3,158
Net incoming/(outgoing) resources before transfers							
		0	0	(212)	0	(212)	25
Transfers between funds		0	0	0	0	0	0
Net movement in funds		0	0	(212)	0	(212)	25
Fund balances brought forward at 1 April 2004		0	0	212	0	212	187
Fund balances carried forward at 30 November 2004	18,19	0	0	0	0	0	212

The Statement of Financial Activities analyses all the capital and income resources and expenditure of the EAZ during the period and reconciles the movement in funds. There is no difference in the net movement of funds stated above and its historical equivalent.

All items dealt with in arriving at the Net Movement in Funds for the period ended 30 November 2004 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 19 and the overall financial position at the period end is summarised in the balance sheet on page 20.

The notes on pages 22 to 32 form part of these accounts.

Income and Expenditure Account for the period ended 30 November 2004

	Notes	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Income			
DfES EAZ recurrent grant	2	694	800
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	15	14
Other government grants	4	0	0
Private sector contributions	5	638	731
Public sector contributions	5	721	1,638
Other income	6	0	0
Amortisation/deferred income		0	0
Total income		2,068	3,183
Charitable expenditure			
DfES EAZ grant expenditure	7	662	776
Other DfES grant expenditure	7	15	14
Other government grant expenditure	7	0	0
Depreciation	7	0	8
Other expenditure	7	1,571	2,336
Total charitable expenditure		2,248	3,134
Costs of generating funds	7	29	24
Costs of termination of operations	9	3	0
Total resources expended		2,280	3,158
Excess of expenditure over income		(212)	25
Net transfers to/(from) funds			
DfES EAZ fund	18	0	0
Other restricted funds	18	(212)	25
Unrestricted funds	19	0	0
Net movement in funds		(212)	25

The Income and Expenditure account is derived from the Statement of Financial Activities on page 18 which, together with the notes to the accounts on pages 22 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 ended 30 November 2004 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 22 to 32 form part of these accounts.

Balance Sheet as at 30 November 2004

	Notes	30 November 2004 £000	31 March 2004 £000
Fixed assets			
Tangible assets	13	<u>0</u>	<u>0</u>
		0	0
Current assets			
Debtors	15	0	229
Cash at bank and in hand		<u>0</u>	<u>544</u>
		0	773
Creditors: amounts falling due within one period	16	<u>0</u>	<u>561</u>
Net current assets		0	212
Net assets		<u>0</u>	<u>212</u>
Funds			
Restricted funds	18	0	212
Unrestricted funds	19	<u>0</u>	<u>0</u>
		0	212

The financial statements were approved by the Forum on 18 March 2005 and signed on its behalf by

Father Tim Hopkins
Chair of the Action Forum

Cash Flow Statement for the period ended 30 November 2004

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Operating activities		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES	694	800
Capital grant from DfES	0	0
Other DfES grants	15	14
Other government grants	0	0
Private sector sponsorship	0	7
Public sector sponsorship	507	1,278
Other receipts	0	0
	1,216	2,099
<i>Payments</i>		
Staff costs	463	846
Other cash payments	1,297	1,263
Net cash (outflow)/inflow from operating activities	24 (544)	(10)
Returns on investments and servicing of finance		
Interest received	0	0
Interest paid	0	0
	0	0
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)/increase in cash in the period	(544)	(10)

Notes to the Financial Statements 30 November 2004

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 East Manchester Education Action Zone was established under the School Standards and Framework Act initially for three years, then subsequently extended by the Secretary of State for a further two years.

The Forum came to the end of its statutory five year life on 30 November 2004. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

The annual EAZ grant from the DfES, which 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 monies were credited direct to the income and expenditure account as restricted income.

Contributions in Kind

In accordance with the Accounts Direction provided by the Department for Education and Skills an income value was attributed to Contributions in Kind from business. These contributions were brought into the accounts at a reasonable estimate of their value to the Forum in the period in which they were receivable. As all gifts in Kind represent expenditure which the Forum would have had to incur a notional expenditure charge is recorded equal to the value of the Contribution in Kind to the Forum.

Grants receivable

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

Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and 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 activity undertaken by the Forum is the operation of East Manchester Forum and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the Forum. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include

Cost category

Staff costs

Basis of apportionment

Time spent

Tangible fixed assets

Tangible fixed assets, which cost more than £2,500, acquired since the Forum was established are included at cost.

Where tangible fixed assets have been acquired with the aid of grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Such fixed assets are shown within a restricted fund, as the undepreciated balance on that fund is not available to the Forum to spend.

Assets purchased for use by Zone schools were treated as owned directly by the school and are accordingly not recorded on the Zone balance sheet.

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 expected useful economic life of the Fixed Assets is three years. The assets are not depreciated in the first month of ownership. After the first month of ownership the assets will be depreciated at the end of each financial year. The principal annual rates used for other assets are

Furniture and equipment	33%
Computer equipment and software	33%

Leased assets

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

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.

Funds structure

Funds were designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to New East Manchester to meet outstanding liabilities.

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

Pensions

The East Manchester Education Action Zone made contributions to the Greater Manchester Pension Fund on behalf of its employees who were members of the scheme administered by Tameside Borough Council (with one exception). The scheme is of the defined benefit type. The securities portfolio of the fund is managed by two external professional investment managers and the property portfolio is managed internally. Participation is by virtue of the Education Action Zone's status as an 'adopted body' to the fund. One employee is a member of the Teachers' Pension Scheme which is an unfunded multi-employee scheme.

The contribution rate is determined periodically by a qualified actuary, the latest formal valuation for funding purposes, for both schemes, was at 31 March 2004.

2 DfES EAZ grant

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
DfES grant received in period	694	800
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	694	800
Spent in the period	694	800
Underspent grant/[funded from general fund]	0	0
Excess grant to surrender	0	0

The Zone operated under the match funding regime. Core funding from the DfES was £550,000 per annum.

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

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

3 Other DfES grants

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Gifted and Talented Summer Schools	5	9
Booster Easter School	0	2
Transformation grant	10	0
Teacher Threshold grant	0	3
	15	14

4 Other government grants

During the year the EAZ received no 'Other Government Grants' (Year ended 31 March 2004: £nil).

5 Business contributions

	Cash	In Kind	Total period ended 30 November 2004 £000	Total year ended 31 March 2004 £000
	£000	£000	£000	£000
Private sector contributions				
ICT	0	4	4	38
Neighbourhood Friends	0	0	0	0
East Manchester Partnership	0	4	4	3
Paul Sleem	0	0	0	13
Manchester City Pride - EBP	0	630	630	667
Other	0	0	0	10
	<u>0</u>	<u>638</u>	<u>638</u>	<u>731</u>
Public sector contributions (including schools income)				
NDC/SRB	127	0	127	563
Sport England Lottery Fund	0	0	0	117
ESF	0	0	0	81
Big Lottery Fund	33	0	33	68
Other ²	23	0	23	336
National College for School Leadership - Network Learning Communities	65	0	65	30
Manchester City Pride - EBP	0	283	283	236
LEA ¹	190	0	190	207
	<u>438</u>	<u>921</u>	<u>1,359</u>	<u>2,369</u>

1 This includes deferred income of £144,437 from year ended 31 March 2004.

2 This includes deferred income of £12,751 from year ended 31 March 2004.

6 Other income

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Interest receivable	0	0
Sundry income	0	0
	<u>0</u>	<u>0</u>

7 Total resources expended

	Staff	Depreciation	Other	Total period ended 30 November 2004 £000	Total year ended 31 March 2004 £000
	£000	£000	£000	£000	£000
Direct provision of education	0	0	0	0	0
Education support costs	317	0	1,701	2,018	2,893
Grants payable*	0	0	0	0	0
Management and administration	146	0	84	230	241
Costs of generating funds	0	0	29	29	24
Costs of termination of operations	0	0	3	3	0
	<u>463</u>	<u>0</u>	<u>1,817</u>	<u>2,280</u>	<u>3,158</u>
Of which					
DfES grant expenditure	146	0	516	662	776
Other DfES grant expenditure	0	0	15	15	14
Other government grant expenditure	0	0	0	0	0
Depreciation	0	0	0	0	8
Other expenditure	317	0	1,254	1,571	2,336
Costs of generating funds	0	0	29	29	24
Costs of termination of operations	0	0	3	3	0
	<u>463</u>	<u>0</u>	<u>1,817</u>	<u>2,280</u>	<u>3,158</u>

* In period ended 30 November 2004 the Zone did not pay any grants to schools.

8 General expenditure

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

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Educational supplies and services	1,701	2,223
Occupancy costs	14	19
Supplies and services	33	30
Operating lease rentals	2	2
Auditor's remuneration	6	6
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	61	24
	<u>1,817</u>	<u>2,304</u>

9 Costs of termination of operations

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Cost of post-Zone services provided by nominated successor body	3	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	197	0
	200	0

The cost of termination of operations in this note differs from that disclosed elsewhere in the accounts, due to the inclusion of the amounts transferred to the nominated successor body to meet the Zone's residual liabilities. As these residual liabilities relate to normal non-closure expenses they have not been disclosed as costs of termination of operations elsewhere in the accounts.

Not included within Amounts Transferred to Nominated Successor Body to Meet Residual Zone Liabilities are liabilities of £10,000. The nominated successor body, New East Manchester Ltd has agreed in writing to meet these liabilities. Income of £10,000 from New East Manchester Ltd has therefore been recognised in the accounts.

10 Staff costs

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

	Period ended 30 November 2004	Year ended 31 March 2004
Management and administration	5	5
Student Pathways	4	6
Home School E-learning	5	6
Full Service Districts	6	9
Total employees	20	26

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Staff costs for the above persons		
Wages and salaries	394	726
Social security costs	33	60
Other pension costs (see note 17)	36	60
Total staff costs	463	846

No employee earned more than £50,000 during period ended 30 November 2004 (Year ended 31 March 2004: one). The total emoluments of this employee were in the following range

	Period ended 30 November 2004	Year ended 31 March 2004
£60,000 - £70,000	0	1

During period ended 30 November 2004 there were no seconded members of staff from a school (Year ended 31 March 2004: one). The total included within wages and salaries for this is £nil (Year ended 31 March 2004: £11,785).

11 Emoluments of Trustees

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Travel and subsistence expenses reimbursed in the period to 30 November 2004 totalled £nil (Year ended 31 March 2004: £21). Travel and subsistence expenses were paid to no Trustees (Year ended 31 March 2004: 1) during the period.

Interests in transactions

Funding of £3,540 was made during the period to East Manchester Sports Club, of which Colin Brierley is Chairman.

The following member of the Action Forum was employed by an entity who provided funds to East Manchester Education Zone during the period. However, the EAZ is unaware of any involvement of this individual in the provision of these funds.

Mary Connery - Manchester City Pride

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £1,000,000 on any one claim and the cost for period ended 30 November 2004 was £833 (year ended 31 March 2004: £1,000).

The Forum also insured against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provided cover up to £50,000 and the cost for period ended 30 November 2004 was £125 (year ended 31 March 2004: £150).

13 Tangible fixed assets

	Furniture and equipment £000	Computer equipment and software £000	Total 30 November 2004 £000	Total 31 March 2004 £000
Cost acquired since incorporation				
At 1 April 2004	0	36	36	36
Capital expenditure	0	0	0	0
Disposals	0	(36)	(36)	0
At 30 November 2004	0	0	0	36
Depreciation				
At 1 April 2004	0	36	36	28
Charged in period	0	0	0	8
Disposals	0	(36)	(36)	0
At 30 November 2004	0	0	0	36
Net book value at 30 November 2004	0	0	0	0

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

	Furniture and equipment £000	Computer equipment and software £000	Total 30 November 2004 £000	Total 31 March 2004 £000
Charitable purposes				
Educational provision	0	0	0	0
Support services	0	0	0	0
Other purposes				
Management and administration	0	0	0	0
Fundraising	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
			Total 30 November 2004 £000	Total 31 March 2004 £000
Source of funding for assets acquired				
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 Stocks

There were no stocks at 30 November 2004 (31 March 2004: £nil).

15 Debtors

	30 November 2004 £000	31 March 2004 £000
Trade debtors	0	82
Prepayments	0	147
Sundry debtors	0	0
Amounts due from DfES	0	0
	<u>0</u>	<u>229</u>

Included within Prepayments is Accrued Income of £nil (31 March 2004: £144,437).

16 Creditors: amounts falling due within one year

	30 November 2004 £000	31 March 2004 £000
Trade creditors	0	337
Taxation and social security	0	0
Sundry creditors	0	0
Amounts due to DfES	0	0
Accruals	0	224
	<u>0</u>	<u>561</u>

Included within Accruals is Deferred Income of £nil (31 March 2004: £157,188).

17 Pensions and similar obligations

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	36	60

The Zone's employees belong to the following pension schemes

Greater Manchester Pension Fund for Tameside Metropolitan Borough Council

Nature of scheme	Defined benefit
Zone's contribution rate in period ended 30 November 2004	9.60%
Zone's contribution in period ended 30 November 2004	£32,904
Zone's contribution in future years	£nil

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 March 2004 at which date the scheme was 110% funded.

The Greater Manchester Pension Scheme is a multi-employer scheme. As such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

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.

Teachers' Pension Scheme (England and Wales)

Nature of scheme	Defined benefit
Zone's contribution rate in period ended 30 November 2004	13.50%
Zone's contribution in period ended 30 November 2004	£3,579
Zone's contribution in future years	£nil

The Teachers' Pension Scheme is an unfunded 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.

18 Restricted funds

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

	Balance at 1 April 2004 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 30 November 2004 £000	Total 31 March 2004 £000
DfES recurrent grant	0	694	(694)	0	0
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	212	1,374	(1,586)	0	212
	<u>212</u>	<u>2,068</u>	<u>(2,280)</u>	<u>0</u>	<u>212</u>

DfES EAZ recurrent grant was used for the normal running costs of the EAZ including salaries and related costs, overheads, repairs and maintenance and insurance.

19 Unrestricted funds

	30 November 2004 £000	31 March 2004 £000
Brought forward at 1 April 2004	0	0
Excess of income over expenditure	0	0
Carried forward at 30 November 2004	<u>0</u>	<u>0</u>

20 Analysis of net assets between funds

Fund balances at 30 November 2004 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 30 November 2004 £000	Total 31 March 2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	773
Current liabilities	0	0	0	(561)
Deferred income	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>212</u>

21 Capital commitments

There were no capital commitments as at 30 November 2004.

22 Lease commitments

The payments which the Forum is committed to make in the next period for operating leases

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Operating leases		
Within one period	0	1
One to five periods	0	0

23 Contingent liabilities

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

24 Reconciliation of net incoming resources to net cash (outflow)/inflow from operating activities

	Period ended 30 November 2004 £000	Year ended 31 March 2004 £000
Net (outgoing)/incoming resources	(212)	25
Interest received	0	0
Depreciation	0	8
Deferred grant released to income	0	0
Profit/(loss) on disposal of fixed assets	0	0
(Increase)/decrease in stocks	0	0
Decrease/(increase) in debtors	229	(23)
(Decrease)/increase in creditors	(561)	(20)
Net cash (outflow)/inflow from operating activities	(544)	(10)

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 East Manchester 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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