

Account, prepared pursuant to Schedule 1, para 7(1) of the School Standards and Framework Act 1998, of the Bridgwater 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. 1083 of 2003-2004.)

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

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

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 8 JUNE 2005

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Legal and Administrative Information

Trustees

John Bloomfield+ (Chairman)
Jon Blake
John Calvert
John Crew*
Betty Francis
Donna Gillespie
David Hatrey+
Pat Hollinghurst
Owen James
Iain Kerr+
Martin Keswick+*
Mick Lerry+**
Chris Lowe
Irene Cox
Fiona McMillan+**
Sue Neale
Patrick Parker
Clive Perry
Sandra Pidoux
Ray Saunders+* (Vice Chairman)
Mustafa Shaikh
Julie Simms (left June 2004)
David Solomon
Phil Spooner**
Vanda Squire+
Glenys Warlow
Joanna Whitehead (left June 2004)
Carole Whitty+
Ann Winter
Fran Winward+**
Robin Withers

- * Members of the Finance Sub Committee
- ** Members of the Personnel Sub Committee
- + Members of the Executive Committee

Secretary

Michelle Tillsley (Administrator)

EAZ Office

130 Taunton Road
Bridgwater, Somerset
TA6 6BB
Tel: 01278 434111

Solicitors

N/A

Auditors

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

Bankers

National Westminster Bank
49 North Street
Taunton
Somerset

Report of the Trustees

The Trustees of the 'Breaking the Cycle' Bridgwater Education Achievement Forum present their report and the audited financial statements for the period ending 9 January 2005.

Constitution and principal activities

The Forum is a corporate body and exempt charity established on 10 January 2000 under the 1998 School Standards and Framework Act. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum.

Trustees of the Forum are nominated by the governing body of each school (up to one each), the Secretary of State (one to two), the partners of the Zone (up to one each), Somerset County Council (one to five), and a professional teaching association (one). Additional members may be appointed by the Forum from business, parents of pupils in Zone schools and the voluntary sector (up to two each).

The principal activity of the Forum is to improve standards within the Schools that are part of its Education Achievement Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, that the Zone's principal objectives are to

- raise standards of achievement in education 3-19;
- create new opportunities for learners of all ages; and
- work in partnership with business, industry and the community.

The objectives of the BEAZ will be achieved through the six programmes as set out below. The focus of some of the work within each of the programmes is shown underneath each heading.

Support for families

- reducing pupil absence; and
- working with families experiencing a range of difficulties.

Support for learners

- developing communication - language skills Key Stage (KS)1,2,3;
- an extension programme for Gifted & Talented pupils;
- improving the motivation and attainment of children under achieving through learning mentors and student learning accounts;
- development of thinking skills across the curriculum; and
- providing access to opportunities and experiences outside Bridgwater.

Raising the quality of learning

- enhancing the range and quality of physical education and sport activities;
- providing a wide range of art activities which tackle issues including cultural differences;
- to improve pupil motivation and attainment through the effective use of ICT; and
- to improve pupils writing skills.

Raising the quality of teaching

- providing professional development opportunities for subject leaders/co-ordinators;
- improving teaching and learning across the three secondary schools; and
- to raise attainment in Maths.

Working in partnership with business and other organisations

- providing a broader curriculum for students who will thrive through access to vocational studies and extended work experience placements; and
- to provide opportunities for pupils to be mentored using volunteers from the local communities.

Joined up services to tackle social exclusion

- providing children with a learning environment they would not normally have access to;
- reducing the number of disaffected children at risk of exclusion through continuing with the nurture groups;
- to improve pupil behaviour; and
- further developing the peer mediation programme in schools.

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 9 January 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

Going concern

In view of the cessation of the Forum's activities on 9 January 2005 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities have been transferred to Zone schools at net book value. No adjustments have been necessary to the net book value of assets held immediately prior to closure.

Organisation and objectives

The sole activity of the Forum is the operation of the Bridgwater EAZ.

The operational management structure of the EAZ consists of a Project Director, and Administrator. These two posts constitute the EAZ Senior Management Team which reports to the Forum. The aim of the management structure is to involve Schools and Business Partners and encourage involvement in decision making at all levels. An Excellence Challenge Co-ordinator was also employed by the Zone (20 days) from April until the end of July 2004.

The number of meetings held was as follows: Full Forum one, Executive three, Finance Sub Committee three. The Full Forum is the decision making body but powers of delegation are given to the Chair of the Forum or Sub-Committees for specific purposes. Decisions which have been taken are always referred back to the Full Forum.

The present Trustees of the EAZ are set out on page 2. All the Trustees were appointed on 10 January 2000 and served throughout the period with the exception of Jon Blake (appointed October 2001), John Calvert (appointed June 2003), Betty Francis (appointed June 2002), Donna Gillespie (appointed October 2000), David Hatrey (appointed October 2000), Owen James (appointed September 2002), Iain Kerr (appointed September 2003), Martin Keswick (appointed June 2001), Irene Cox (appointed September 2000), Sue Neale (appointed October 2003), Pat Parker (appointed July 2001), Mustafa Shaikh (appointed January 2001), Julie Simms who resigned June 2004 (appointed October 2003), David Solomon (appointed October 2000), Vanda Squire (appointed April 2002), Glenys Warlow (appointed December 2002), Joanna Whitehead who resigned June 2004 (appointed April 2002); Carole Whitty (appointed June 2003), Ann Winter (appointed January 2002), Fran Winward (appointed April 2002), Robin Withers (appointed October 2003).

Bridgwater Education Achievement Zone (BEAZ) is committed to working with pupils, parents, teachers, business and the wider community to raise achievement, expectations and self-esteem.

The principal objectives of the BEAZ are to

- raise standards of achievement in education 3-19;
- create new opportunities for learners of all ages; and
- work in partnership with business, industry and the community.

Opportunities to work with other programmes or organisations where the aims and objectives overlap with BEAZ are continually being sought and developed and include Sure Start Bridgwater, Homestart, Hamp SRB, Connexions, Somerset LEA and the development of community learning partnerships, Community Education, Bridgwater and Cannington College, YOT, YMCA, Somerset Mediation Services, Family Centres at Sydenham and Hamp, Social Services, Children's & Family Services, and Safer Sedgemoor.

The Excellence Challenge programme is providing us with the opportunity to develop further the projects for Y10 & 11 students in partnership with our FE & HE colleagues and provide a range of opportunities for young people to develop the confidence and motivation to go on to Higher Education.

The collaboration and curriculum development across schools will be further enhanced through their respective roles as specialist colleges. Chilton Trinity is now a Technology College, Blake is Science College and East Bridgwater Community School was awarded Performing Arts Status as from September 2004.

Developments, activities and achievements

During the past nine months of operation the Forum has seen

- improved attainment levels of pupils at Key Stage (KS) 3 and two of the three secondary schools at KS4;
- improvement in attainment levels at KS2;
- increase in the number of pupils gaining Level 5 at KS2;
- improvement in pupil attendance and behaviour as a result of the Nurture Groups and the Peer Mediation Programme;
- more detailed targeting through use of Assessment Manager and tracking of pupil achievement;
- 45 students involved in the Extended Work Experience Programme;
- Parent Support Group continue at Thorncombe House (short stay home);
- one Family Advice Liaison Worker linking into one of the secondary schools;
- over 200 students on link courses;
- 16 email mentors trained and 22 mentees assigned;

- 39 face to face mentors recruited and trained;
- Gifted & Talented Maths Residential Summer school for Yr 6 & 9;
- Gifted & Talented programme which included: Science Challenge for Y5 & 6, Science week for Y9, Poetry days Y1 Y5, Modern Foreign Languages Y6;
- residential Sailing experience for a group of pupils from Elmwood, Hamp Junior & Sedgemoor Manor Junior;
- collaborative working across the three secondary schools on teaching and learning;
- sport coordinator Programme impacting on an increasing number of students across the schools and CPD opportunities for staff in all phases;
- effective programmes of work being developed by the Speech & Language therapists in conjunction with the County's literacy consultants;
- Total Communication professional development programmes delivered which have impacted on the behaviour and motivation of children; and
- individual school projects including Thinking Skills, ICT developed across the curriculum, Gifted & Talented provision developed within schools, developing a practical based curriculum for KS1.

Operating and financial review

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

Most of the EAZ's income is obtained from the DfES in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during the period ending 9 January 2005 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.

During the period ending 9 January 2005 the EAZ received donations from commercial sponsors including Gerber Foods Ltd, and Sainsbury's and Parent Teacher Associations. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended.

Expenditure for the period was covered by grants from the DfES and other income and the excess of incoming resources over resources expended for the nine months was nil.

Funding of £41,688 was received for Excellence Challenge projects. This was applied to establishing: links across the three secondary schools, Bridgwater College and Higher Education institutions including Plymouth, Exeter, Bath Spa and the University of West of England to develop e-mail mentoring, improvements in the teaching and resources in Modern Foreign Languages and Science. Funds have also been used to establish student learning accounts which enable students on the C/D borderline to access additional resources including tuition.

At 9 January 2005 the net book value of fixed assets was £nil.

Fund review

When the EAZ ceased to operate on 9 January 2005 its fund balances were £nil. Fund balances existing prior to this date were utilised in fulfilment of the Zone's objectives. Immediately prior to cessation £38,857.29 was transferred to Somerset County Council, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

The EAZ is working closely with its partnership schools to achieve the Forum's objectives as stated on page 4.

The partnership schools are as follows

Primary/special

Eastover Primary
Westover Green Primary
Hamp Infants
Hamp Juniors
St John & St Francis Primary
St Joseph's Primary
St Mary's Primary
Sedgemoor Manor Infants
Sedgemoor Manor Juniors
Wembdon St George's Primary
Elmwood Special
Penrose Special

Secondary

East Bridgwater Community School
Chilton Trinity Technology College
Robert Blake Science College
Sedgemoor Centre Pupil Referral Unit

The business sponsors of the Forum are as follows

A1 MOT Centre
Allan Radbourne Training
Amazon Sound & Light
Ambersil Ltd
Arlow & Haggett
Augmentis Integrated Systems
Ken Baker Hair Design
Barclays
Birmingham Midshires
Bobs Hairstylists
Bridgwater Mercury
Business Dynamics
C & C Motors
Central Motor Company
D&G Plumbing
Express Cleaning Services
Fisher and Friends
Gingers
Gerber Foods Ltd
Harris Bros & Collard
HBOS

Innovia Films (UCB Cellophane)
Irvines
JJ Motors
Live Music Now
Magnox Electric
Maxwells
Network Training
Graham Palmer Builders
Pardoes
PDB Plastering
Sainsburys
Graham Saunders Builders
Select
Staceys Motors
Stage Electrics
Steve Langridge Autos
Stretcholt Builders
Thales Optronics
Tudor Hotel
WPA Health Insurance

The Forum has also contracted with Somerset LEA to provide accounting, payroll and personnel services.

Disabled persons

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

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into Bridgwater Excellence Cluster. Expenditure for the period included redundancy costs of £32,995.12 and early retirement benefit costs of £120,012.15 due to redundancy, relating to one member of staff.

Reserves policy

The Forum cannot build up restricted reserves of DfES grant as the Department requires that this grant should be applied in the year in which it is received.

Risk management

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 monitor progress against the strategic objectives set out in the plan and a comprehensive review of the plan is carried out annually. This was last reviewed on 29 June 2004. As part of this process, the Trustees have implemented a risk management strategy which comprises

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

Statement on Internal Control

a Maintenance of internal controls

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

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of Forum policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

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

b Review of controls

As the Forum ceased on 9 January 2005 the system of internal controls reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure including

- failure to comply with Employment Law;
- retention of Staff – ability to continue to deliver programmes and the administration of the Zone until January 2005;
- contractual risks – Zone entering into commitments which go beyond the life of the Zone and which are not picked up by the Cluster;
- funds allocated by DfES and sponsorship not fully spent by the 9 January on the agreed Action Plan;
- budget overcommitted due to estimates for match funding not materialising;
- records and accounts documentation not complete or passed across to the LEA for final accounts or for archiving;
- assets not accounted for; and
- loss/resignation of members of the Executive Forum.

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.

Statement of Trustees' responsibilities for the Financial Statements

Under the School Standards and Framework Act 1998, Trustees are required to prepare financial statements for each financial period in the form and on the basis determined by the Secretary of State with the approval of the Treasury. In preparing these financial statements, the Trustees have

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the basis that the Forum's activities were ceasing.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction given by the Secretary of State. They are also responsible for safeguarding the assets of the Forum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have a responsibility to ensure that the Forum's accounting records and system of internal financial control for the relevant financial period comply with the obligations placed on the Forum by the Secretary of State for Education and Skills.

Auditors

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

Approval

The report of the Trustees was approved on 16 May 2005 and signed on its behalf by

John Bloomfield
Chairman

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 13 to 25 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 17 to 19.

Respective responsibilities of the Trustees and Auditor

As described on page 10 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 9 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.

Following the passing of the Bridgwater 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 Bridgwater 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

1 June 2005

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Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted funds £	DfES £	Restricted funds Other £	Fixed assets £	Total 2004-2005 £	Total 2003-2004 £
Incoming resources							
DfES grants receivable	2,3	0	1,036,999	46,188	0	1,083,187	879,008
Other government grants receivable	4	0	0	0	0	0	0
Private sector contributions	5	165,454	0	0	0	165,454	189,081
Public sector contributions	5	70,464	0	0	0	70,464	81,712
Other income	6	0	0	0	0	0	0
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		235,918	1,036,999	46,188	0	1,319,105	1,149,801
Resources expended							
Costs of generating funds	7	5,604	2,687	0	0	8,291	20,682
Net incoming resources for charitable application		230,314	1,034,312	46,188	0	1,310,814	1,129,119
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	27,280	298,793	13,151	0	339,224	300,534
Education support costs	7	222,217	2,432	19,849	0	244,498	437,941
Grants payable	7	0	464,079	21,748	0	485,827	245,894
Management and administration	7	3,108	108,330	0	0	111,438	119,004
Total charitable expenditure		252,605	873,634	54,748	0	1,180,987	1,103,373
Costs of termination of operations	9	0	156,727	0	0	156,727	0
Total resources expended		258,209	1,033,048	54,748	0	1,346,005	1,124,055
Net incoming/(outgoing) Resources before transfers		(22,291)	3,951	(8,560)	0	(26,900)	25,746
Transfers between funds		0	0	0	0	0	0
Net movement in funds		(22,291)	3,951	(8,560)	0	(26,900)	25,746
Fund balances brought forward at 1 April 2004		22,291	(3,951)	8,560	0	26,900	1,154
Fund balances carried forward at 9 January 2005	18,19	0	0	0	0	0	26,900

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

All items dealt with in arriving at the Net Movement in Funds for 2004-2005 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 14 and the overall financial position at the period end is summarised in the balance sheet on page 15.

The notes on pages 17 to 25 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

	Notes	2004-2005 £	2003-2004 £
Income			
DfES EAZ recurrent grant	2	1,036,999	814,108
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	46,188	64,900
Other government grants	4	0	0
Private sector contributions	5	165,454	189,081
Public sector contributions	5	70,464	81,712
Other income	6	0	0
Amortisation/deferred income		0	0
Total income		1,319,105	1,149,801
Charitable expenditure			
DfES EAZ grant expenditure	7	873,634	809,715
Other DfES grant expenditure	7	54,748	60,291
Other government grant expenditure	7	0	0
Depreciation	7	0	0
Other expenditure	7	252,605	233,367
Total charitable expenditure		1,180,987	1,103,373
Costs of generating funds	7	8,291	20,682
Costs of termination of operations	9	156,727	0
Total resources expended		1,346,005	1,124,055
Excess of income over expenditure		(26,900)	25,746
Net transfers to/from funds			
DfES EAZ fund	18	3,951	0
Other restricted funds	18	(8,560)	4,609
Unrestricted funds	19	(22,291)	21,137
Net movement in funds		(26,900)	25,746

The Income and Expenditure account is derived from the Statement of Financial Activities on page 13 which, together with the notes to the accounts on pages 17 to 25 provide full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the excess of income over expenditure for 2004-2005 relate to discontinued operations.

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

The notes on pages 17 to 25 form part of these accounts.

Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £	31 March 2004 £
Fixed assets			
Tangible assets	13	<u>0</u>	<u>0</u>
		0	0
Current assets			
Debtors	15	0	10,588
Cash at bank and in hand		<u>0</u>	<u>70,052</u>
		0	80,640
Creditors: amounts falling due within one period	16	<u>0</u>	<u>53,740</u>
Net current assets		0	26,900
Net assets		0	26,900
Funds			
Restricted funds	18	0	4,609
Unrestricted funds	19	<u>0</u>	<u>22,291</u>
		0	26,900

The financial statements were approved by the Forum on 16 May 2005 and signed on its behalf by

John Bloomfield
Chairman

Cash Flow Statement for the period ended 9 January 2005

	Note	2004-2005 £	2003-2004 £
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		1,036,999	879,008
Capital grant from DfES		0	0
Other government grants		46,188	0
Private sector sponsorship		112,873	78,084
Public sector sponsorship		8,450	20
Other receipts		0	0
		1,204,510	957,112
Payments			
Staff costs		228,687	122,075
Other cash payments		1,045,875	812,752
Net cash in flow from operating activities	22	(70,052)	22,285
Returns on investments and servicing of finance			
Interest received		0	0
Interest paid		0	0
		0	0
Increase/(decrease) in cash in the period		(70,052)	22,285

Notes to the Financial Statements

1 Accounting policies

Format of accounts

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

Basis of accounting

The Forum came to the end of its statutory five year life on 9 January 2005. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

The annual EAZ grant from the DfES, which is intended to meet recurrent costs and, where specified, to purchase fixed assets, is credited direct to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

Contributions in Kind

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

Grants receivable

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

Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP expenditure has been analysed between charitable and other expenditure. The only activity undertaken by the EAZ is the operation of Bridgwater Education Achievement Zone.

Tangible fixed assets

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

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

All assets purchased by the Zone for use in schools are gifted to the school. Such items are treated as expenditure in the year of acquisition and are not capitalized in the Zone's accounts.

Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are

Furniture and equipment	25%
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 provision of education where, in the view of the Forum, the activities relate to staff costs incurred when in direct contact with pupils.

Items are included as educational support costs where, in the view of the Forum, the activities relate to other educational costs such as training, equipment.

Items are included as grants payable where funds are passed to a third party which has some degree of control over how those funds are spent.

Items are included as management and administration where the costs relate to central management and administration and compliance with constitutional and statutory requirements.

Investments

Fixed asset investments are included at their market value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

Stocks

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

Funds structure

Funds have been designated for restricted and unrestricted purposes.

Taxation

The Forum is an exempt charity and as such is exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of Value Added Tax incurred by the Forum has been included in the Income and Expenditure Account.

Pensions

The full cost of the Forum's pension contributions on behalf of its employees is recognised in the year those contributions are made.

The Forum makes contributions to the Local Government Pension Scheme on behalf of its project director, administrator and excellence challenge co-ordinator.

Related party transactions

Transactions undertaken by the EAZ with related parties are disclosed in the notes to the accounts, including where a supplier to the Zone is also making contributions to the Zone.

2 DfES EAZ grant

	2004-2005	2003-2004
	£	£
DfES grant received in period	1,036,999	814,108
Carry over from previous period	11,343	6,950
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	1,048,342	821,058
Spent in the period	1,033,048	809,715
Underspent grant/[funded from general fund]	15,294	11,343

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

3 Other DfES grants

	2004-2005	2003-2004
	£	£
Aim Higher/Excellence Challenge	41,688	53,900
Gifted and Talented Easter School	0	2,000
Gifted and Talented Summer Schools	4,500	9,000
	46,188	64,900

4 Other government grants

There were no other Government Grants in the period to 9 January 2005.

5 Business contributions

	Cash	In Kind	Total	Total
			2004-2005	2003-2004
	£	£	£	£
Private sector contributions				
Amazon	0	0	0	4,200
Bridgwater Mercury	0	5,604	5,604	16,289
Central Motor Co.	0	2,850	2,850	5,550
Harris & Collard	0	0	0	3,750
JJ Motors	0	2,325	2,325	0
Live Music Now! South West	0	3,641	3,641	0
PDB Plastering Ltd.	0	6,000	6,000	0
Steve Langridge Autos	0	2,700	2,700	0
UCB Cellophane	0	3,108	3,108	4,028
Other Private Sector Bodies	112,873	26,353	139,226	155,264
	<u>112,873</u>	<u>52,581</u>	<u>165,454</u>	<u>189,081</u>
Public sector contributions				
Bridgwater Opportunity Play Group	0	1,200	1,200	0
Blake School	0	0	0	50,000
Rainbows/Rainbow Pre School	0	0	0	9,000
Sedgemoor Furniture Store	0	1,950	1,950	6,300
Other Public Sector Bodies	8,450	8,864	17,314	16,412
East Bridgwater	0	50,000	50,000	0
	<u>8,450</u>	<u>62,014</u>	<u>70,464</u>	<u>81,712</u>

During the Year £11,443 was received in respect of contributions in Kind from parents and private individuals.

6 Other income

There was no other income in the period to 9 January 2005.

7 Total resources expended

	Staff Depreciation		Other	Total	Total
	£	£	£	2004-2005	2003-2004
	£	£	£	£	£
Direct provision of education	0	0	339,224	339,224	300,534
Education support costs	3,440	0	241,058	244,498	437,941
Grants payable*	0	0	485,827	485,827	245,894
Management and administration	72,240	0	39,198	111,438	119,004
Costs of generating funds	0	0	8,291	8,291	20,682
Costs of termination of operations	153,007	0	3,720	156,727	0
	<u>228,687</u>	<u>0</u>	<u>1,117,318</u>	<u>1,346,005</u>	<u>1,124,055</u>
Of which					
DfES grant expenditure	72,240	0	801,394	873,634	809,715
Other DfES grant expenditure	3,440	0	51,308	54,748	60,291
Other Government grant expenditure	0	0	0	0	0
Depreciation	0	0	0	0	0
Other expenditure	0	0	252,605	252,605	233,367
Costs of generating funds	0	0	8,291	8,291	20,682
Costs of termination of operations	153,007	0	3,720	156,727	0
	<u>228,687</u>	<u>0</u>	<u>1,117,318</u>	<u>1,346,005</u>	<u>1,124,055</u>

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

	Programmes				Total
	SFF & SFL	RQL & RQT	PWB	TSE & EC	
Eastover	3,169	21,465	0	7,036	31,670
Elmwood	0	2,450	0	19,080	21,530
Hamp Infants	0	9,727	0	0	9,727
Hamp Junior	0	12,400	0	0	12,400
Penrose	66,304	8,200	0	0	74,504
Sedgemoor Manor Infants	0	25,675	0	0	25,675
Sedgemoor Manor Junior	0	15,052	0	0	15,052
St John & St Francis	4,969	22,899	0	9,433	37,301
St Josephs	0	9,017	0	7,650	16,667
St Marys	0	17,625	0	6,960	24,585
St Georges	7,500	19,915	0	0	27,415
Westover Green	2,687	19,900	0	4,999	27,586
Chilton Trinity	22,915	31,950	2,388	6,000	63,253
East Bridgwater	4,151	27,909	3,950	12,960	48,970
Blake School	3,246	26,241	6,688	9,106	45,281
Dodgson C	11	0	0	0	11
Bridgwater Czech Slovak	0	4,200	0	0	4,200
	<u>114,952</u>	<u>274,625</u>	<u>13,026</u>	<u>83,224</u>	<u>485,827</u>

8 General expenditure

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

	2004-2005	2003-2004
	£	£
Educational supplies and services	1,070,628	991,933
Occupancy costs	2,058	2,745
Supplies and services	38,882	22,725
Operating lease rentals	0	0
Auditor's remuneration	5,750	5,750
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	0	0
	<u>1,117,318</u>	<u>1,023,153</u>

9 Costs of termination of operations

	2004-2005	2003-2004
	£	£
Staff costs arising from Zone closure	153,007	0
Cost of post-Zone services provided by nominated successor body	3,525	0
Removal costs	195	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	38,857	0
	<u>195,584</u>	<u>0</u>

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

	2004-2005	2003-2004
Management	1	1
Administration	1	1
Teachers	0.05	0.6
Total employees	<u>2.05</u>	<u>2.6</u>

	2004-2005	2003-2004
	£	£
Staff costs for the above persons		
Wages and salaries	64,071	102,109
Social security costs	5,444	8,852
Other pension costs (see note 17)	6,165	11,114
Costs of termination of operations	153,007	0
Total staff costs	<u>228,687</u>	<u>122,075</u>

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

	2004-2005	2003-2004
£50,001 - £60,000	1	1

11 Emoluments of Trustees

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 9 January 2005 totalled £nil.

Interests in transactions

Several of the Trustees are employees of organisations which provide services to the Zone, but there were no direct interests in transactions.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £5,000,000 on any one claim and the cost for 2004-2005 was £865 (2003-2004: £865).

13 Tangible fixed assets

There were no Fixed Assets held as at 9 January 2005. All assets purchased for use in schools have been gifted to the schools by the EAZ.

14 Stocks

2004-2005	2003-2004
£	£
0	0
0	0

15 Debtors

	2004-2005	2003-2004
	£	£
Prepayments	0	10,588
Sundry debtors	0	0
	0	10,588

16 Creditors: amounts falling due within one year

	2004-2005	2003-2004
	£	£
Sundry creditors	0	2,304
Accruals	0	51,436
	0	53,740

17 Pensions and similar obligations

	2004-2005	2003-2004
	£	£
Other pension costs comprise		
Defined benefit scheme - regular cost	6,165	11,114
Defined contribution scheme	0	0

Somerset County Council Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	10.50%
Zone's contribution in 2004-2005	£6,165

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 March 2001 at which date the scheme was 97% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed.

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

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 £	Incoming resources £	Expenditure gains, losses and transfers £	Balance at 9 January 2005 £	Total 31 March 2004 £
DfES recurrent grant	(3,951)	1,036,999	(1,033,048)	0	(3,951)
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	8,560	46,188	(54,748)	0	8,560
	4,609	1,083,187	(1,087,796)	0	4,609

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

19 Unrestricted funds

	2004-2005	2003-2004
	£	£
Brought forward at 1 April 2004	22,291	1,154
Excess of income over expenditure	(22,291)	21,137
Carried forward at 9 January 2005	0	22,291

20 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds	Restricted funds	Total	Total
	£	£	2004-2005	2003-2004
	£	£	£	£
Current assets	0	0	0	80,640
Current liabilities	0	0	0	(53,740)
	<u>0</u>	<u>0</u>	0	<u>26,900</u>

21 Contingent liabilities

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

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

	9 January	31 March
	2005	2004
	£	£
Net incoming resources	(26,900)	25,746
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	10,588	(6,393)
Increase/(decrease) in creditors	(53,740)	2,932
Net cash inflow from operating activities	(70,052)	22,285

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 Bridgwater 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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