

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 Leigh Park 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. 1196 of 2003-2004)

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

Leigh Park Education Action Zone Account 1 April 2004 to 9 January 2005

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

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Legal and Administrative Information

Action Forum Members and Trustees

	Appointed
P Howe	7 January 2000
M Causer	1 April 2001
D Bellfield	7 January 2000
D Jones	7 January 2000*
S Linham	7 January 2000
S Dickinson	7 January 2000
P Smith	7 January 2000
D Oastler	7 January 2000
B Johnson	7 January 2000*
M Madden	7 January 2000
R Smith	7 January 2000
D Willis	7 January 2000
J Haywood	1 September 2001
D Nottingham	7 January 2000
B Francis	1 April 2001
C Harris	7 January 2000*
B Harwood	1 April 2001
S Harrold	7 January 2000
R Cousins	1 April 2001
J Legg	1 October 2002*
A Stanley	1 September 2002*
J Templeman	1 September 2001*
J Woolley	7 January 2000*
A Begley	8 March 2000*
S Wright	1 May 2000*
C Longhurst	1 September 2001*
M Saunders	1 September 2003*

* These members are also Executive Members and Trustees

	Appointed
Chairperson B Johnson	10 September 2003
Project Director S Wright	1 May 2000
Secretary to the Board S Francis	25 May 2003

EAZ Office

Staunton Park Campus
Wakefords Way
Havant
Hampshire
PO9 5JD

Auditors

Comptroller and Auditor General
Buckingham Palace Rd
London
SW1W 9SP

Bankers

Lloyds TSB Bank PLC
4 West Street
Havant
Hampshire
PO9 1PE

Report of the Trustees

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

Constitution and principal activities

The Leigh Park Action 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 Bodies of the original 16 schools (now 14) comprising the Zone;
- the Secretary of State;
- Hampshire County Council; and
- partners as listed in the Statutory Instrument.

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

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills.

The Action Plan document begins with the title 'The Partnership on the Park.'

It is the intention of the Trustees that the Zone adopts 'Partnership on the Park' as the trading name for The Leigh Park Education Action Forum.

The Action Plan outlines eight main strategies, to

- significantly raise the level of achievement of every child on The Park, making The Park schools the natural first choice of parents for the education of their children;
- make Early Years Development the bedrock of the Zone's commitment to raising achievement;
- make an absolute commitment to develop the quality of teaching, the leadership and management of teaching, and school leadership throughout all Zone schools;
- accelerate the development of a partnership culture, which embraces our children, their families, schools and our business and agency partners on The Park;
- promote Social Inclusion by increasing the engagement of young people in the learning process;
- create a 'learning community' which raises the self-esteem of our children and parents, elevates the profile of education in the community, and promotes life-long learning;
- create, in partnership with business and other agencies, an electronic community which will help all children and their families to use Information Communication Technology effectively; and
- recruit, retain and develop a high quality and sufficient staff team to make The Park a great place to work and an even better place to learn.

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.

Organisation and objectives

The sole activity of the Forum is the operation of the Leigh Park Education Action Zone.

The operational management structure of the EAZ consists of a Project Director and a part time Finance Officer. These two posts constitute the EAZ Senior Management Team which reports to the Forum.

The Action Forum has two other committees to which it devolves many of its day-to-day management responsibilities. These are

- the Executive Forum; and
- the School Improvement Group.

The aim of the management structure is to involve schools and business partners and encourage involvement in decision making at all levels.

The present Trustees of the EAZ are set out on page 2 of these accounts.

Developments, activities and achievements

The Forum is in its fifth and final period of operation. During the past nine months of operation the Forum's activities have been within the following structure

- school improvement
 - the leadership and management of teaching and learning;
 - basic skills of literacy and numeracy; and
 - the learning continuum.
- inclusion
 - PAVES and mentoring;
 - early years; and
 - enrichment.
- community
 - information communication technology;
 - secondary partnership; and
 - communications, PR and marketing.

The principles by which the Forum has operated during the last five years have been based on a context of the continuum in which the EAZ came after the Achieve Project and before the Hampshire Excellence Cluster.

Leigh Park's bid to become an EAZ was Head-teacher-led with strong support from Hampshire County Council. It came out of an established tradition of cluster working and was driven by a shared vision and determination to raise standards. This shaped its unique approach to planning. Whilst the EAZ welcomed innovation and was enthusiastic about business partnership, it held as fundamental that proven good practice, properly resourced, was the key to improvement.

Further, there was an acute awareness that additional projects create additional demands, which can divert energy away from core purpose and may leave little mark when resources are withdrawn. Finally, there was a shared belief that people are the most valuable resource and that investment in their development would create the capacity for continuing growth necessary to benefit future generations of Leigh Park children.

The Leigh Park EAZ action plan was therefore drawn up as a means to support schools and their communities in a unified way, complementing and underpinning their improvement plans while balancing innovative initiatives, locally developed frameworks for learning and national strategies. A key element of the process has been the drive to meet the needs of every child and the recognition that some needs cannot be met by education alone - anticipating 'Every Child Matters.'

The retention of such principles by the Action Forum, the Zone's governing body, has been brave in the context of DfES scrutiny and the (reasonable) requirement for detailed evaluation. A flexible system of challenge and support is more demanding than the imposition of bolt-on projects across the board. It relies on trust in the judgement of head teachers to know what is best for their schools and in their willingness to be led in terms of common good. It has in many ways anticipated the 'new relationship with schools.' It is, therefore, more difficult to quantify its impact, but this in no way lessens its value. The summary of achievement standards below shows clearly the improvements in Leigh Park.

A booklet describing projects and responses of individual schools illustrates the extent to which head teachers, school staff, students and members of the community have valued the EAZ. The photographs and quotations convey something of the climate in which its special ethos has grown. The Excellence Cluster will be built on lessons learned in the EAZ and will thrive in its legacy of genuine partnership.

Summary of achievement standards

- overall standards in the Leigh Park EAZ have risen at each key stage at a faster rate than nationally;
- the greatest improvements have been at Key Stages 3 and 4. In 1999 the percentage of students gaining 5+ A* - C grades was 12.5%; in 2004 it was 48%;
- the number of 16 year-olds progressing to further education, modern apprenticeships and jobs with quality training has increased from 53% in 1999 to 77% in 2004. This reflects the improved standards but also owes much to Aimhigher input;
- the quality of teaching has improved significantly in all schools with the proportion of good, very good and excellent teaching much increased;
- attendance has improved, with the greatest rise in the secondary schools and a general reduction in unauthorised absence in the primary phase;
- every EAZ school inspected by Ofsted during the lifetime of the Zone has received a positive report. Some have been exceptional;
- each of the EAZ schools has a substantive head-teacher; and
- £1,358,200 has been raised through business sponsorship over the life of the Zone.

As agreed in February 2003, any under-spend or savings is diverted to the inclusion fund and divided between schools. Expenditure is monitored through reference to the Action Plan and via a proforma which schools return termly.

A full account of finance was given to the Executive Forum on 2 December 2004 and the draft accounts presented were approved.

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 Department of Education and Skills (DfES) in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during 2004-2005 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2004-2005 the EAZ also received other restricted grants from the DfES and other Government Departments/ Agencies and donations from commercial sponsors, the details of which are in notes 3 to 5. 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.

Funding of £41,548 was received for Aimhigher projects. This was applied to inclusion and enrichment activities.

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

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 £3,000 and sufficient funds to cover obligations was transferred to Hampshire LEA, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

The EAZ worked closely with its partnership schools to achieve the Forum's objectives. The partnership schools were

Barncroft Junior School	Sharps Copse Primary School
Front Lawn Infant School	Staunton Park Community School
Front Lawn Junior School	St Thomas More RC Aided School
Park Community School	Trosnant Infant School
Riders Infant School	Trosnant Junior School
Riders Junior School	Warren Park Primary School
Riverside School	Barncroft Infant School

The Portsmouth Evening News, BBC, IBM and others were business sponsors of the Forum and have donated the amounts shown in note 5 to assist the Forum to achieve its objectives. The Forum also contracted with Menzies to provide accounting and Hampshire LEA for 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

No events have occurred since the balance sheet date that affect the financial statements.

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into the Hampshire Excellence Cluster. Expenditure for the period ended 9 January 2005 included redundancy costs of £35,822.26, 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. Where the Forum has earned unrestricted income (e.g. bank interest) it is the Forum's policy to apply these reserves to its inclusion programme.

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 at each quarterly meeting and a comprehensive review of the plan is carried out annually. It was last reviewed in September 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 established by the Forum is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system 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.

The 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.

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

- loss of Project Director;
- loss of Finance Officer; and
- failure to meet matched-funding targets.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2001-2002 the Forum has established the following processes; which has been maintained through 2004 to closure

- a risk assessment, agreed by the Finance Committee and approved by the Forum - has been reviewed and revised as necessary on an annual basis;
- the adoption of Hampshire County Council systems and procedures to mitigate the risks identified in the risk assessment;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- procedures for monitoring progress against the strategic objectives set out in the plan at regular meetings (e.g. quarterly);
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face (see above);
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director - these are identified in the risk assessment; and
- the practice of 'spot-checking' on internal systems undertaken by a business partner.

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; and
- followed applicable accounting standards; and
- prepared the financial statements on the basis that the Forum's activities were ceasing.

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

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

Auditors

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

Approval

The report of the Trustees was approved on 2 December 2004 and signed on its behalf by

Brenda Johnson
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 12 to 23 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 16 and 17.

Respective responsibilities of the Trustees and Auditor

As described on page 9 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 8 reflect the Forum's compliance with HM Treasury's guidance 'Corporate Governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Forum's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Following the passing of the Leigh Park 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 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 Leigh Park EAZ at 9 January 2005 and of its incoming resources, application of resources and cash flows for the period then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

22 March 2005

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Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted Funds	Restricted funds		Total 2004-2005	Total 2003-2004
	£	£	DfES £	Other £	£	£
Incoming resources						
DfES grants receivable	2,3	0	950,849	41,548	992,397	875,000
Private sector contributions	5	266,240	0	0	266,240	279,878
Public sector contributions	5	0	0	6,640	6,640	1,200
Other income	6	2,525	0	0	2,525	4,177
Total incoming resources		268,765	950,849	48,188	1,267,802	1,160,255
Resources expended						
Costs of generating funds		0	0	0	0	0
Net incoming resources for Charitable application		268,765	950,849	48,188	1,267,802	1,160,255
Charitable expenditure						
<i>Costs in furtherance of charitable objectives</i>						
Provision of education	7	0	0	0	0	0
Education support costs	7	268,765	781,326	48,188	1,098,279	990,346
Grants payable	7	0	0	0	0	0
Management and administration	7	0	124,910	0	124,910	154,749
Total charitable expenditure		268,765	906,236	48,188	1,223,189	1,145,095
Costs of termination of operations	9	0	46,315	0	46,315	0
Total resources expended		268,765	952,551	48,188	1,269,504	1,145,095
Net incoming/(outgoing)						
Resources before transfers		0	(1,702)	0	(1,702)	15,160
Transfers between funds		(6,675)	6,675	0	0	0
Net movement in funds		(6,675)	4,973	0	(1,702)	15,160
Fund balances brought forward at 1 April 2004		6,675	(4,973)	0	1,702	(13,458)
Fund balances carried forward at 9 January 2005	19, 20	0	0	0	0	1,702

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

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

Further analysis of the income and expenditure for the period is shown on page 13 and the overall financial position at the period end is summarised in the balance sheet on page 14.

The notes on pages 16 to 23 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	950,849	810,000
Other DfES grants	3	41,548	65,000
Other government grants	4	0	0
Private sector contributions	5	266,240	279,878
Public sector contributions	5	6,640	1,200
Other income	6	2,525	4,177
Total income		1,267,802	1,160,255
Charitable expenditure			
DfES EAZ grant expenditure	7	906,236	794,840
Other DfES grant expenditure	7	41,548	65,000
Other government grant expenditure	7	0	0
Depreciation	7	0	0
Other expenditure	7	275,405	285,255
Total charitable expenditure		1,223,189	1,145,095
Costs of generating funds	7	0	0
Costs of termination of operations	7	46,315	0
Total resources expended		1,269,504	1,145,095
Excess of income over expenditure		(1,702)	15,160
Net transfers to/from funds			
DfES EAZ fund	19	4,973	15,160
Other restricted funds		0	0
Unrestricted funds	20	(6,675)	0
Net movement in funds		(1,702)	15,160

The Income and Expenditure account is derived from the Statement of Financial Activities on page 12 which, together with the notes to the accounts on pages 16 to 23 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 16 to 23 form part of these accounts.

Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £	31 March 2004 £
Fixed assets			
Tangible assets		0	0
		0	0
Current assets			
Debtors	15	0	2,469
Cash at bank and in hand		0	56,658
		0	59,127
Creditors: amounts falling due within one period	16	0	57,425
Net current assets		0	1,702
Net assets		0	1,702
Funds			
Restricted funds	19	0	(4,973)
Unrestricted funds	20	0	6,675
		0	1,702
		0	1,702

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

Brenda Johnson
Chairperson

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		950,849	810,000
Capital grant from DfES		41,548	65,000
Other government grants		0	0
Private sector sponsorship		0	0
Public sector sponsorship		6,640	1,200
Other receipts		1,025	3,479
		1,000,062	879,679
<i>Payments</i>			
Staff costs		196,232	207,389
Other cash payments		861,988	658,160
Net cash inflow from operating activities	25	(58,158)	14,130
Returns on Investments and servicing of finance			
Interest received		1,500	698
Interest paid		0	0
		1,500	698
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	
Increase/(decrease) in cash in the period		(56,658)	14,828

Notes to the financial statements

1 Accounting policies

Format of accounts

The financial statements have been prepared in accordance with the 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. 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.

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 education support costs 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 EAZ is the operation of the Leigh Park EAZ and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the EAZ. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include

Cost category	Basis of apportionment
Staff costs	Time spent
Supplies	Direct allocation to cost centres

Tangible Fixed assets

The purchase of all assets over £2,500 must be approved by the Forum or included in the Action Plan.

Depreciation

No depreciation policy is required for these accounts as all items are valued at less than the capitalisation level of £2,500.

Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred. No leases were in place in the period to 9 January 2005.

Investments

Fixed asset investments are carried at historical cost less any provision for a permanent diminution in their value.

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

Stocks

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

Funds structure

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

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

No pension scheme is operated by the Forum, as the staff are seconded from Hampshire County Council, they are covered by the scheme for Hampshire County Council staff.

2 DfES EAZ grant

	2004-2005	2003-2004
	£	£
DfES grant received in period	950,849	810,000
Carry over from previous period	(5,450)	(20,610)
Total grant available to spend	945,399	789,390
Spent in the period	952,551	794,840
Overspent grant/[funded from general fund]	(7,152)	(5,450)
Maximum permitted carry over level	0	68,620
Excess grant to surrender	0	0

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

3 Other DfES grants

	2004-2005	2003-2004
	£	£
Easter School Grant	0	2,000
Aim Higher	41,548	54,000
Schools in Challenging Circumstances	0	0
Gifted and Talented Summer Schools	0	9,000
	41,548	65,000

4 Other government grants

Nil

5 Business contributions

	Cash	In Kind	Total	Total
	£	£	2004-2005	2003-2004
	£	£	£	£
Private sector contributions				
BBC	0	28,300	28,300	27,450
The News	0	82,750	82,750	108,600
IBM	0	5,895	5,895	600
Asda	0	0	0	1,894
Southern Water	0	0	0	200
R Harper	0	0	0	500
Barclays	0	0	0	10,000
Work placements and other contributions	0	149,295	149,295	130,634
	0	266,240	266,240	279,878
Public sector contributions				
Hampshire County Council - Excellence Cluster	340	0	340	0
Thinking Schools Conference	0	0	0	200
Southern Arts Grant	6,300	0	6,300	1,000
	6,640	266,240	272,880	281,078

In addition to the above there is £4,920 of contributions from private individuals.

6 Other income

	2004-2005	2003-2004
	£	£
Interest receivable	1,500	698
Sundry Income	25	75
Ofsted Fees	1,000	3,404
	2,525	4,177

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	2004-2005	2004-2005	2004-2005	2004-2005	2003-2004
	£	£	£	£	£
Direct provision of education	0	0	0	0	0
Education support costs	26,379	0	1,071,900	1,098,279	990,346
Grants payable	0	0	0	0	0
Management and administration	100,719	0	24,191	124,910	154,749
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	39,206	0	7,109	46,315	0
	<u>166,304</u>	<u>0</u>	<u>1,103,200</u>	<u>1,269,504</u>	<u>1,145,095</u>
Of which					
DfES grant expenditure	127,098	0	779,138	906,236	794,840
Other DfES grant expenditure	0	0	41,548	41,548	65,000
Other Government grant expenditure	0	0	0	0	0
Depreciation	0	0	0	0	0
Other expenditure	0	0	275,405	275,405	285,255
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	39,206	0	7,109	46,315	0
	<u>166,304</u>	<u>0</u>	<u>1,103,200</u>	<u>1,269,504</u>	<u>1,145,095</u>

8 General expenditure

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

	2004-2005	2003-2004
	£	£
Educational supplies and services	1,071,900	922,213
Occupancy costs	4,750	6,328
Supplies and services	11,706	16,146
Operating lease rentals	0	0
Auditor's remuneration	5,750	5,750
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	1,985	1,855
Termination costs	7,109	0
	<u>1,103,200</u>	<u>952,292</u>

Prior year figures have been reanalysed to separately disclose occupancy costs.

9 Costs of termination of operations

	2004-2005	2003-2004
	£	£
Staff costs arising from Zone closure	39,206	0
Cost of Post Zone services provided by Hampshire County Council	3,000	0
Amounts transferred to Hampshire County Council to meet		
Residual Zone liabilities	4,109	0
Transformation consultancy	0	0
	<u>46,315</u>	<u>0</u>

10 Staff costs

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

	2004-2005	2003-2004
Management	1	1
Administration	2	3
Teachers	0	0
Total employees	3	4

	2004-2005	2003-2004
	£	£
Staff costs for the above persons		
Wages and salaries	111,624	168,320
Social security costs	6,775	10,220
Other pension costs (see note 18)	8,699	14,263
Costs of termination of operations	39,206	0
Total staff costs	166,304	192,803

Costs associated with Zone closure comprised of redundancy costs of £35,822, Honorarium of £3,000, and the employers NIC of £384 on the Honoraria.

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

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

11 Emoluments of Trustees

	2004-2005	2003-2004
	£	£
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 9 January 2005 totalled £nil. (31 March 2004 totalled £nil).

Trustees have made a formal declaration of interests. There have been no cases where Trustees had 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, omissions or terrorism occurring whilst on Forum business. The Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provides cover up to £250,000 and the cost for 2004-2005 was £1,985 (2003-2004 £1,855).

13 Tangible fixed assets

No assets were acquired in the period.

There were no disposals.

As the value of no one item exceeded £2,500 none have been capitalised, but the value has been written to the Income and Expenditure Account.

14 Investments

There were no investments as at 9 January 2005.

15 Stocks

There was no stock as at 9 January 2005.

16 Debtors

	9 January 2005	31 March 2004
	£	£
Prepayments	0	2,469
Sundry debtors	0	0
Amounts due from DfES	0	0
	<u>0</u>	<u>2,469</u>

17 Creditors

	9 January 2005	31 March 2004
	£	£
Taxation and social security	0	0
Sundry creditors	0	10,897
Amounts due to DfES	0	0
Accruals and deferred income	0	46,528
	<u>0</u>	<u>57,425</u>

18 Pensions and Similar Obligations

	2004-2005	2003-2004
	£	£
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost		
Defined contribution scheme	8,699	14,263

Hampshire County Council Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	13.50%
Zone's contribution in 2004-2005	£8,699
Zone's contribution in future years	£0

The date of the last full actuarial valuation was 31 March 2001 at which date the scheme was 100% funded. The next valuation was at 31 March 2004 but this has not yet been completed.

The Hampshire 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.

19 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 9 January 2005 £000	Balance at 31 March 2004 £000
DfES Recurrent grant	(4,973)	950,849	(945,876)	0	(4,973)
Other DfES grants	0	41,548	(41,548)	0	0
Amortisation Transfer	0	0	0	0	0
Other	0	6,640	(6,640)	0	0
	<u>(4,973)</u>	<u>999,037</u>	<u>(994,064)</u>	<u>0</u>	<u>(4,973)</u>

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

20 Unrestricted funds

	2004-2005 £	2003-2004 £
Brought forward at 1 April 2004	6,675	6,675
Transfer between funds	(6,675)	0
Excess of Income over Expenditure	0	0
Carried Forward at 9 January 2005	<u>0</u>	<u>6,675</u>

21 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted Funds £	Restricted Funds £	Total 2004-2005 £	Total 2003-2004 £
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	59,127
Current liabilities	0	0	0	(57,425)
Deferred income	0	0	0	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,702</u>

22 Capital commitments

At 9 January 2005 there were no capital commitments authorised, and none contracted.

23 Lease commitments

At 9 January 2005 the Forum had not taken any leases.

24 Contingent liabilities

As at 9 January 2005 there were no contingent liabilities (£35,822 at 31 March 2004).

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

	9 January 2005 £	31 March 2004 £
Net incoming resources	(1,702)	15,160
Interest received	(1,500)	(698)
Deferred grant released to income	0	0
(Increase)/decrease in debtors	2,469	(144)
Increase/(decrease) in creditors	(57,425)	(188)
Net cash inflow from operating activities	<u>(58,158)</u>	<u>14,130</u>

Accounts Direction given by the Secretary of State for Education and Skills, with the approval of the Treasury, in accordance with the School Standards and Framework Act

- 1 The Education Action Zone shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising
 - a a Trustees' Report;
 - b a statement of financial activity and an income and expenditure account;
 - c a balance sheet;
 - d a cash flow statement; and
 - e a statement of total recognised gains and losses,including such notes as may be necessary for the purposes referred to in the following paragraphs.
- 2 The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with
 - a generally accepted accounting practice in the United Kingdom (UK GAAP), including the provisions of the Statement of Recommended Practice, Accounting by Charities. Forums shall not adopt Financial Reporting Standard, Small Entities;
 - b the disclosure and accounting requirements contained in 'The Fees and Charges Guide' (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;insofar as these are appropriate to Leigh Park 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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