

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 Barrow Education Action Zone for the year ended 31 March 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 661 of 2005-2006)

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

Barrow Education Action Zone Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 10 NOVEMBER 2005

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Legal and Administrative Information

	Appointed	Resigned	Organisation	Staffing SC	Finance SC
Trustees					
Bryan Caine	12 January 2000		B.A.E Systems	No	No
Paul Davies	12 January 2000		Cumbria Education Service	Yes	Yes
Linda Dean	12 January 2000		Headteacher Cambridge Primary School	Yes	Yes
Enid Fraser	12 January 2000		Headteacher Parkview School	No	No
Julie Fryer	17 July 2003		Headteacher Barrow Island Primary School	No	No
Pat Jefferson	10 January 2001	3 September 2003	DfES	No	No
John Swainston	16 October 2003		DfES	No	No
Jane Murphy	12 January 2000		Cumbria County Council	No	No
John Burden-Bailey	20 March 2003		Campus Ventures	No	Yes
Murray Saunders (Chairman)	12 January 2000		Lancaster University	Yes	No
Colin Smith	12 January 2000		Greengate Junior School	No	Yes
Linda Potts	1 September 2003		Headteacher Alfred Barrow School	No	No
Steve Lenartowicz	28 November 2002		Brathay	No	No
Officer					
Mason Minnitt			Director BCLP	Yes	Yes
Clerk					
Pam Corkish			Snr Team Secretary BCLP	Yes	Yes
Barrow Community Learning Partnership			Bankers		
The Nan Tait Centre Abbey Road Barrow in Furness Cumbria LA14 1LG			Lloyds TSB 121/135 Dalton Road Barrow in Furness Cumbria LA14 1HZ		
Auditors			Solicitors		
Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP			Cumbria County Council Legal Services The Courts CA3 8LZ		

Report of the Trustees

The Trustees present their report and the audited financial statements for period ended 31 March 2004.

Constitution and principal activities

The Action Forum is a corporate body and exempt charity established on 1 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 representatives from the headteachers of participating schools, representatives of Zone partners and Cumbria County Council, according to the following criteria

- extent of management experience;
- commitment to the Zone and availability; and
- existing involvement in education and business in a variety of roles e.g. school governor, parent, business manager and involvement in other partnerships such as the Education Business Partnership or Local Employers Network.

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 specifies, amongst other things

'The creation of a better future for the people of Barrow in which they will be able to extend their horizons and shape their own destinies through raised aspirations, higher levels of achievement, enterprise and greater self-reliance and independence.'

Organisation and objectives

The sole activity of the Forum is the operation of the Barrow Community Learning Partnership. Details of the present Trustees are set out on page 2. These include details of membership of the two sub-committees to which the Forum delegates some elements of strategic decision making.

The operational management structure of the Barrow Community Learning Partnership consists of a Project Director, a Deputy Director, three Raising Achievement Coordinators, an Out of Hours Learning Manager, a Senior Psychologist, an Emotional Health Development Coordinator and a 14-19 Development Coordinator. These nine posts constitute the Barrow Community Learning Partnership 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.

Developments, activities and achievements

The Forum is in its fifth period of operation. During the twelve months of operation from April 2003 – March 2004 the Forum and Partnership have

- developed the Supporting Emotional Resilience in Schools (SERIS) project, funded by DfES, Children's Fund and Cumbria County Council;
- created significant new 14-19 curriculum developments through a joint-funded 14-19 Development Coordinator leading on Increased Flexibility and 14-19 Pathfinder projects;
- secured £195,000 of Neighbourhood Renewal Funding to support learning and inclusion programmes within and beyond BCLP schools;
- submitted a successful proposal to appoint a Knowledge Transfer Partnership associate, in conjunction with Lancaster University, to research and network best practice in the management of change within BCLP schools, related agencies and the wider community;

- celebrated the removal of the only BCLP school in the serious weaknesses category – and its achievement as a ‘good school’ with practice included in OfSTED’s ‘Best Practice’ website: (BCLP has never had a school in special measures – the school placed in the ‘serious weaknesses category’ pre-dated the EAZ);
- created new Critical Skills Programme and Philosophy for Children video – both of which are being used as exemplars, nationally and internationally to demonstrate best practice in learning and continuing professional development methodologies;
- contributed significant case studies for inclusion in the fourth edition of Effective School Management (Everard, Morris and Wilson);
- developed a successful proposal to establish a Testbed Learning Community in Barrow;
- reached the matched-funding limit of £1.25 million, with a year of operation still available; and
- facilitated the Furness Education Consortium of secondary schools and colleges in achieving a radical new vision for 14-19 learning and for innovative approaches to lifelong learning over the next 10 years.

Operating and financial review

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

Most of Barrow Community Learning Partnership’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 2003-2004 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2003-2004 Barrow Community Learning Partnership received strategic in-kind support from partners including NSPCC, and Business Dynamic. This support has been given to the Barrow Community Learning Partnership to assist it to achieve its Action Plan.

At the 31 March 2004 the Barrow Community Learning Partnership had no fixed assets.

Fund review

To achieve the Action Plan objectives the Barrow Community Learning Partnership remains dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

Barrow Community Learning Partnership is working closely with its partnership schools

Abbotsmead Junior School*	Alfred Barrow School
Barrow Island Primary School	Bram Longstaffe Nursery School
Brisbane Park County Infant School	Cambridge Primary School*
George Hastwell Special School	Greengate Infant School
Greengate Junior School	Hindpool Nursery School
Newbarns Primary School	Newbridge House
North Walney Primary School	Ormsgill Primary School
Parkview School	Priory Grove Infant School*
St George’s CE Junior School	St James’ CE Junior School
Thornccliffe School	Vickerstown School
Walney School	Yarlside School

* In September 2003, Abbotsmead Junior School and Priory Grove Infant School amalgamated to form Cambridge Primary School.

to achieve the Forum's objectives

- positive change in school ethos;
- improvements in school planning and management;
- improvements in the quality of teaching, particularly in some subject areas;
- evidence of changes in pupil behaviour, motivation and relationships with each other and school staff;
- evidence of personal and social development gains, especially with regard to self-esteem and self-confidence;
- evidence of the development of pupils' skills and interests;
- evidence of improved staff 'morale' ['feel good' factor];
- evidence of parents, and the wider community's involvement in and attitude to education;
- evidence of effective closer links between businesses and schools in the education process;
- establishment of networks to identify and share best practice across Barrow Community Learning Partnership;
- development of teacher classroom evaluation skills; using these to inform worthwhile changes to teaching and learning practice;
- the raising of achievement in all key stages, for all students, including those within the public care system, whilst reducing the gap between boys' and girls' performances; and
- the improvement of attendance levels and reduction in levels of authorised and unauthorised absence.

The Forum has also contracted with Cumbria Local Education Authority to provide personnel, accounting and financial services (SLA) and office accommodation services (in-kind support).

Research and development

The Forum has contracted with Lancaster University to provide evaluation services.

Post balance sheet events

No events have occurred since the year end that affect the Financial Statements.

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.

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 activities within the Action Plan.

Risk management

In January 2004 the Trustees carried out a further annual review of the charity's activities, based on the comprehensive strategic plan (2001), setting out the major opportunities available to the charity and the risks to which it is exposed. This plan had a particular focus on preparation for closure (9 January 2005) and the measures required to ensure continuation of best practice during the period leading up to that date.

The Trustees monitor progress against the strategic objectives set in the plan and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy which comprises

- an annual 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 risk 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 the Trustees are responsible, in accordance with the responsibilities assigned in the 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; 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.

The process has been in place for the year ended 31 March 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 also have responsibility for reviewing the effectiveness of the system of internal control. In 2001 the Forum established the following processes

- identification of the Forum's objectives and key risks;
- the establishment of systems and procedures to mitigate the risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face;
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director;

In order to ensure the continuation of best practice during the period up to 9 January 2005, the following arrangements were put in place

- close monitoring and review of changes to strategic and operational management staffing levels to eliminate any adverse impact on programme delivery;
- close monitoring and review of the impact of new and additional funding streams which may affect expected budget out-turn;
- active involvement of the Shadow Excellence Cluster Forum in the identification of transitional programmes which meet both EAZ and EIC criteria; and
- identification of new partnership and networking opportunities to ensure maximum future impact of networked best practice.

As Trustees 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.

While in general the control arrangements operated as expected, the Zone experienced difficulties producing balancing and supported accounts. These have resulted in delays in finalising accounts presentation and audit.

Statement of Trustees' responsibilities for the Financial Statements

Under Schedule 1 of the School Standards and Framework Act 1998, we as 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, we as 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 going concern basis.

We as Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Forum and enable us to ensure that the financial statements comply with the Accounts Direction attached to the Financial Memorandum. We 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.

We as 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 by the Forum and signed on its behalf by

Professor Murray Saunders
Chairman

5 November 2005

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

I certify that I have audited the financial statements on pages 11 to 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 15 to 16.

Respective Responsibilities of the Trustees and Auditor

As described on page 8 the Trustees are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Trustees are also responsible for the preparation of the Trustees' Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills, whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and whether the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Forum has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 7 reflects the Forum's compliance with HM Treasury's guidance 'Corporate Governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider nor have I considered whether the Forum's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risks 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 Barrow Education Action Zone at 31 March 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

8 November 2005

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Statement of Financial Activities for the period ended 31 March 2004

	Notes	Unrestricted funds £000	DfES £000	Restricted funds Other £000	Fixed assets £000	Total 2003-2004 £000	Total 2002-2003 £000
Incoming resources							
DfES grants receivable	2,3	0	1,028	63	0	1,091	1,219
Other government grants receivable	4	0	0	367	0	367	233
Private sector contributions	5	73	0	0	0	73	422
Public sector contributions	5	7	0	0	0	7	7
Other income	6	4	0	151	0	155	49
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		84	1,028	581	0	1,693	1,930
Resources expended							
Costs of generating funds	7	0	0	0	0	0	0
Net incoming resources for charitable application		84	1,028	581	0	1,693	1,930
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	0	0	0	0	0
Education support costs	7	77	613	547	0	1,237	1,375
Grants payable	7	0	278	0	0	278	289
Management and administration	7	7	127	34	0	168	178
Total charitable expenditure		84	1,018	581	0	1,683	1,842
Costs of termination of operations	9	0	0	0	0	0	0
Total resources expended		84	1,018	581	0	1,683	1,842
Net incoming/(outgoing) resources before transfers		0	10	0	0	10	88
Transfers between funds		0	0	0	0	0	0
Net movement in funds		0	10	0	0	10	88
Fund balances brought forward at 1 April 2003		0	48	0	0	48	(40)
Fund balances carried forward at 31 March 2004	18,19	0	58	0	0	58	48

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.

Further analysis of the income and expenditure for the period is shown on page 12 and the overall financial position at the period end is summarised in the balance sheet on page 13.

The notes on pages 15 to 23 form part of these accounts.

Income and Expenditure Account for the period ended 31 March 2004

	Notes	2003-2004 £000	2002-2003 £000
Income			
DfES EAZ recurrent grant	2	1,028	1,131
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	63	88
Other government grants	4	367	233
Private sector contributions	5	73	422
Public sector contributions	5	7	7
Other income	6	155	49
Amortisation/deferred income		0	0
Total income		1,693	1,930
Charitable expenditure			
DfES EAZ grant expenditure	7	1,018	1,043
Other DfES grant expenditure	7	63	88
Other government grant expenditure	7	367	233
Depreciation	7	0	0
Other expenditure	7	235	478
Total charitable expenditure		1,683	1,842
Costs of generating funds	7	0	0
Costs of termination of operations	9	0	0
Total resources expended		1,683	1,842
Excess of income over expenditure		10	88
Net transfers to/from funds			
DfES EAZ fund	18	10	88
Other restricted funds	18	0	0
Unrestricted funds	19	0	0
Net movement in funds		10	88

The Income and Expenditure account is derived from the Statement of Financial Activities on page 11 which, together with the notes to the accounts on pages 15 to 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 2003-2004 relate to continuing operations.

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

The notes on pages 15 to 23 form part of these accounts.

Balance Sheet as at 31 March 2004

	Notes	31 March 2004 £000	31 March 2003 £000
Fixed assets			
Tangible assets	13	<u>0</u>	<u>0</u>
		0	0
Current assets			
Debtors	15	25	25
Cash at bank and in hand		<u>332</u>	<u>337</u>
		357	362
Creditors: amounts falling due within one period	16	<u>299</u>	<u>314</u>
Net current assets		58	48
Net assets		<u>58</u>	<u>48</u>
Funds			
Restricted funds	18	58	48
Unrestricted funds	19	<u>0</u>	<u>0</u>
		58	48

The notes on pages 15 to 23 form part of these accounts.

The financial statements were approved by the Forum on 5 November 2005 and signed on its behalf by

Professor Murray Saunders
Chairman

Cash Flow Statement for the period ended 31 March 2004

	Note	2003-2004 £000	2002-2003 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		1,028	1,131
Capital grant from DfES		0	0
Other government grants		367	360
Other DfES grants		63	108
Private sector sponsorship		0	0
Public sector sponsorship		0	0
Other receipts		151	44
		1,609	1,643
<i>Payments</i>			
Staff costs		438	446
Other cash payments		1,180	905
Net cash inflow from operating activities	24	(9)	292
Returns on investments and servicing of finance			
Interest received		4	5
Interest paid		0	0
		4	5
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
Increase/(decrease) in cash in the period		(5)	297

The notes on pages 15 to 23 form part of these accounts.

Notes to the Financial Statements

1 Accounting policies

Format of accounts

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

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. Barrow Community Learning Partnership Forum was established under the Schools Standards and Framework Act 1998 initially for three years, subsequently extended by The Secretary of State for a further two years. These financial statements have been prepared on a going concern basis.

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.

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 the Barrow Community Learning Partnership. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, for example staff costs are apportioned on the basis of time spent.

Tangible fixed assets

The Zone retains ownership of assets for its own use during the life of the Zone. These are accounted for using the historic cost convention. There are no fixed assets at 31 March 2004. The Zone has adopted a capitalisation threshold of £2,500.

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. No depreciation is included in the accounts.

Leased assets

There are no leased assets included in the accounts.

Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to staff costs incurred in direct contact with pupils.

Investments

There are no fixed or current asset investments in the accounts.

Stocks

There are no unused stocks included in the accounts.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Funds carried forward will be applied to future programmes in accordance with the Action Plan.

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.

Pension

The full cost of the Forum's pension contribution on behalf on its employees is recognised in the year the contribution is made. The Forum makes pension contributions on behalf of its employees via the Local Education Authority who operate the payroll. Contributions are made to the Teachers' Superannuation Scheme of England and Wales (TSS) and the Cumbria County Council Pension Scheme. These are defined benefit schemes.

2 DfES EAZ grant

	2003-2004	2002-2003
	£000	£000
DfES grant received in period	1,028	1,131
Carry over from previous period	48	(40)
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	1,076	1,091
Spent in the period	1,018	1,043
Balance to carry forward	58	48
Maximum permitted carry over level	75	75
Excess grant to surrender	0	0

3 Other DfES grants

	2003-2004 £000	2002-2003 £000
Excellence Challenge	54	49
Schools Facing Challenging Circumstances	0	30
Gifted and Talented Summer Schools	9	9
	63	88

4 Other government grants

	2003-2004 £000	2002-2003 £000
Cumbria County Council	38	6
New Opportunity Fund	108	108
Neighbourhood Renewal Fund	195	119
Childrens Fund	20	0
NHS Sure Start	6	0
	367	233

5 Business contributions

	Cash £000	In kind £000	Total 2003-2004 £000	Total 2002-2003 £000
Private sector contributions				
Business Dynamic	0	11	11	0
Momentum Workshop	0	11	11	0
Age Concern	0	0	0	81
Cycloan	0	0	0	81
Brathay	0	0	0	33
W H Smith	0	5	5	0
NSPCC	0	10	10	29
BNFL	0	2	2	20
Ocean Youth Trust	0	0	0	16
Youth Inclusion	0	0	0	15
CITB	0	0	0	14
Miller Waite	0	0	0	11
World Challenge	0	0	0	11
Water Park	0	0	0	11
Others	0	34	34	100
	0	73	73	422
Public sector contributions				
Cumbria County Council	0	7	7	7
	0	80	80	429

In addition, volunteer contribution hours at Alfred Barrow, St Georges and Walney Schools were received by the Zone in 2003-2004 totalling £303,000.

6 Other income

	2003-2004	2002-2003
	£000	£000
Interest receivable	4	5
Income from schools/others	151	44
	155	49

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£000	£000	£000	2003-2004	2002-2003
				£000	£000
Direct provision of education	0	0	0	0	0
Education support costs	327	0	910	1,237	1,375
Grants payable*	0	0	278	278	289
Management and administration	111	0	57	168	178
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	0	0	0	0	0
	438	0	1,245	1,683	1,842

***Of which**

DfES grant expenditure	438	0	580	1,018	1,043
Other DfES grant expenditure	0	0	63	63	88
Other government grant expenditure	0	0	367	367	233
Depreciation	0	0	0	0	0
Other expenditure	0	0	235	235	478
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	0	0	0	0	0
	438	0	1,245	1,683	1,842

8 General expenditure

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

	2003-2004	2002-2003
	£000	£000
Educational supplies and services	1,197	1,314
Occupancy costs	7	7
Supplies and services	24	52
Operating lease rentals	0	0
Auditor's remuneration	8	8
Trustees' expenses	0	0
Support services	9	15
Miscellaneous	0	0
	1,245	1,396

9 Costs of termination of operations

	2003-2004 £000	2002-2003 £000
Staff costs arising from Zone closure	0	0
Cost of post-Zone services provided by nominated successor body	0	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	0	0
Transformation consultancy	0	0
	0	0

10 Staff costs

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

	2003-2004	2002-2003
Management	1.0	1.0
Administration	3.3	3.4
Teachers	7.5	9.2
Total employees	11.8	13.6

	2003-2004 £000	2002-2003 £000
Staff costs for the above persons		
Wages and salaries	363	380
Social security costs	32	27
Other pension costs (see note 17)	43	39
Total staff costs	438	446

One employee earned more than £50,000 during 2003-2004. The total emoluments of this employee were in the following range

	2003-2004	2002-2003
£60,000 - £70,000	1	0
£50,001 - £60,000	0	1

11 Emoluments of Trustees

	2003-2004 £000	2002-2003 £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.

Interests in transactions

Trustees of the Forum include representatives of organisations involved in transactions with the Zone. These services were provided to the Zone at an arm's length value.

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 2003-2004 was £3,497 (2002-2003 £2,642).

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 2003-2004 was £898 (2002-2003 £708).

13 Tangible fixed assets

Barrow Community Learning Partnership does not own any tangible fixed assets.

14 Stocks

31 March 2004 £000	31 March 2003 £000
0	0
0	0

15 Debtors

	31 March 2004 £000	31 March 2003 £000
Sundry debtors	25	25
Amounts due from DfES	0	0
	25	25

16 Creditors

	31 March 2004 £000	31 March 2003 £000
Amounts falling due within one year		
Taxation and Social Security	0	0
Sundry creditors	238	300
Amounts due to DfES	0	0
Accruals and deferred income	61	14
	299	314

17 Pensions and similar obligations

	2003-2004	2002-2003
	£000	£000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	43	39
Defined contribution scheme	0	0

The Zone's employees belong to the following pension schemes

Teachers' Superannuation Scheme for England and Wales

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	13.50%
Zone's contribution in 2003-2004	£26,174
Zone's contribution rate in 2004-2005	13.50%
Estimated Zone's contribution in 2004-2005	£19,363

The Teachers' Pension Scheme is an unfunded multi-employer scheme and 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. 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.

Cumbria County Council Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	14.70%
Zone's contribution in 2003-2004	£17,231
Zone's contribution rate in 2004-2005	14.70%
Estimated Zone's contribution in 2004-2005	£15,418

The Cumbria 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. Contributions are based on valuations made by the Scheme Actuary. The Actuary's last report was in March 2001 using data primarily from the period April 1998 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 2003 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 31 March 2004 £000	Total 31 March 2003 £000
DfES Recurrent grant	48	1,028	1,018	58	48
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	0	581	581	0	0
	<u>48</u>	<u>1,609</u>	<u>1,599</u>	<u>58</u>	<u>48</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. 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

	2003-2004 £000	2002-2003 £000
Brought forward at 1 April 2003	0	0
Excess of income over expenditure	0	0
Carried forward at 31 March 2004	<u>0</u>	<u>0</u>

20 Analysis of net assets between funds

Fund balances at 31 March 2004 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2003-2004 £000	Total 2002-2003 £000
Tangible fixed assets	0	0	0	0
Current assets	0	357	357	362
Current liabilities	0	(299)	(299)	(314)
	<u>0</u>	<u>58</u>	<u>58</u>	<u>48</u>

21 Capital commitments

	31 March 2004 £000	31 March 2003 £000
Contracted for, but not provided in the accounts	0	0
Authorised by Trustees, but not yet contracted	0	0

22 Lease commitments

	31 March 2004 £000	31 March 2003 £000
Operating leases		
<i>The payments which the Forum is committed to make in the next period for operating leases</i>		
within one period	0	0
one to five periods	0	0

23 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a DfES grant was received, the Forum shall if it does not re-invest the proceeds, repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Forum serving notice, the Forum may repay to the Secretary of State sums determined by reference to

The value at that time of the EAZ's assets held for the purpose of the Forum, and the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As at 31 March 2004 there were the following contingent liabilities (nil at 31 March 2003)

* *Costs of Termination of Operations*

The Zone is due to close on 9 January 2005 at which point retention/redundancy/early retirement costs estimated at £16,000 may arise.

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

	31 March 2004 £000	31 March 2003 £000
Net incoming resources	10	88
Interest received	(4)	(5)
Depreciation	0	0
Deferred grant released to income	0	0
Profit/(loss) on disposal of fixed assets	0	0
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	0	122
Increase/(decrease) in creditors	(15)	87
Net cash inflow from operating activities	(9)	292

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. Forum shall not adopt Financial Reporting Standard, Small Entities; and
 - 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 Barrow 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 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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