

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 North East Derbyshire Coalfields Education Action Zone for the period ended 30 November 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1192 of 2003-2004)

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

North East Derbyshire Coalfields Education Action Zone Account 1 April 2004 to 30 November 2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 23 FEBRUARY 2005

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Legal and Administrative Information

Trustees

D Flanagan
C Holmes-Elenor
S Fritchley
D Spencer (1 September 2002)
K Dean (1 September 2002)
R White
L Greenhough (9 September 2002)
Y Jacques
D Hynd
B Feeney
J Brown (1 September 2002)
J James
P Davie
J Rodgers
S Hewitt-Richards (1 September 2002)
G Brown
J Youdan
D Parkin

New Bolsover School (Chair of Action Forum)
Bolsover I&N School (Vice Chair of Forum)
Shirebrook School
Heritage Community School
The Bolsover School
Bolsover CoE School
Bramley Vale School
Duckmanton School
Anthony Bek School
Langwith Bassett School
Arkwright School
Brookfield School
Model Village School
Park I&N School
Park Junior School
Duckmanton School
Stubbin Wood School
Synergy Rail

Executive Committee

D Flanagan
D Spencer
C Holmes-Elenor
I Buxton
L Lord
D Parkin
A Marsh

Director

J Young

Secretary

K Godfrey

EAZ Office

Unit K2, Pleasley Vale Business Park
Outgang Lane, Pleasley
Mansfield, Notts
NG19 8RL

Auditors

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

Bankers

NATWEST
5 Market Place
Chesterfield
Derbyshire
S40 1TJ

Report of the Trustees

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

All comparative figures relate to the period 1 April 2003 to 31 March 2004.

Constitution and principal activities

The Forum is a corporate body and exempt charity established on 1 December 1999 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 each partner organisation and by the DfES.

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, that the main objectives of the Education Action Zone are to raise attainment, reduce social exclusion and involve parents and the wider community in the education of its young people.

Future prospects

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

Going concern

In view of the cessation of the Forum's activities on 30 November 2004, the Trustees no longer consider the preparation of 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 values of assets held immediately prior to closure.

Organisation and objectives

The sole activity of the Forum is the operation of the NE Derbyshire Coalfields Education Action Zone.

The operational management structure of the EAZ consists of a Project Director and a Personal Assistant. The Forum Chairperson, the Vice-Chairperson and four others constitute the EAZ Executive Committee that meets every six weeks and reports to the Forum six times a year. There is also a Finance sub-committee that meets monthly to discharge its functions in monitoring all aspects of the Zone's financial affairs and reports to the Forum six times each year. The aim of the management structure is to involve schools, business partners and other partner organisations in decision making at all levels.

The Trustees of the EAZ are set out on page 2 above. All the Trustees were appointed on 1 December, 1999, except where noted, and served throughout the year.

Developments, activities and achievements

The Forum is in its fifth year of operation. During 2004 the Forum has

- been administered by a Director and a Personal Assistant;
- employed four Zone Programme Teachers to work in Zone primary schools;
- trained 52 local adults to become Learning Mentors;
- trained 27 Teachers to become Gifted and Talented Co-ordinators;
- supported 40 able and talented students by providing a summer school;
- funded the appointment of the equivalent of three full-time Information Communication Technology technicians;
- provided courses for students in Key Stage 4 to develop their understanding of industry;
- funded the appointment of three teachers who have been working to reduce exclusions in Zone schools;
- offered a programme of key skills development to students in Years 2, 5, 8 and 10, in partnership with World Challenge Expeditions; and
- ran a final conference in which the Action Zone's programmes were reviewed.

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 2004 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The EAZ also received other restricted grants from the DfES.

During 2004 the EAZ received donations in cash or Kind from commercial sponsors including World Challenge Expeditions, Business Dynamics and others. These donations have been given to the EAZ to assist it to achieve its Action Plan.

Expenditure for the year was covered by grants from the DfES and other income and the excess of resources expended over incoming resources for period ended 30 November 2004 was £45,000.

At 30 November 2004 the net book value of fixed assets was £0.

Fund review

The EAZ also held fund balances at the 30 November 2004 of £0, comprising minus £14,000 of restricted funds and £14,000 of unrestricted funds. To achieve the Action Plan objectives the EAZ remains 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. These schools are

The Bolsover School
Heritage Community School
Shirebrook Community School
Stubbin Wood School
Bolsover C of E School
Bolsover Infant and Nursery School
Bramley Vale Primary School
Brockley Primary School
New Bolsover Primary School
Anthony Bek Primary School
Langwith Bassett Primary School
Scarcliffe Primary School
Whaley Thorns Primary School
Arkwright Primary School
Brookfield Primary School
Model Village Primary School
Park Infant and Nursery Primary School
Park Junior School
Duckmanton Primary School

World Challenge Expeditions, Beehive Books, Business Dynamics and others are business sponsors of the Forum and have donated £31,000 in cash or Kind to assist the Forum to achieve its objectives which are to raise attainment, reduce social exclusion and involve parents and the wider community in the education of its young people.

The Forum has also contracted with Derbyshire LEA to provide 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 its activities at the end of its statutory life on 30 November 2004. At this date it transformed into an Excellence Cluster. Expenditure for the period included redundancy costs of £57,000.

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 was received. Where the Forum has earned unrestricted income (e.g. bank interest), it is the Forum's policy to apply these reserves to support various programme areas.

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 half-termly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy 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 30 November 2004 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control.

In 2004 the Forum applied the following processes

- the Forum's objectives and key risks have been identified. The Forum has carried out a detailed review of its activities and produced a comprehensive strategic plan setting out the major opportunities available to it and the risks to which it is exposed;
- the systems and procedures have been established to mitigate the risks identified in the plan, including systems to ensure compliance with specific regulations or procedures laid down by central government departments;
- procedures have been 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;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face has been carried out; and
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director has been reviewed.

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

The 1998 School Standards and Framework Act requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Forum and of the net incoming resources of the Forum for that year. 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 are ceasing.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with HM Treasury's Accounts Direction. 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 year 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 and signed on its behalf by

Diana Flanagan
Chairperson

10 January 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 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 15 to 17 .

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

Basis of audit opinion

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

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

Following the passing of the North East Derbyshire Coalfields Education Action Zone (Dissolution) Order 2004, the Zone ceased to exist with effect from 30 November 2004. 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 North East Derbyshire Coalfields EAZ at 30 November 2004 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

28 January 2005

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Statement of Financial Activities for the period ended 30 November 2004

	Notes	Unrestricted funds £000	Restricted funds DfES £000	Other £000	Fixed assets £000	Total 2004 £000	Total 2003-2004 £000
Incoming resources							
DfES grants receivable	2,3	0	649	0	0	649	912
Other government grants receivable	4	0	0	9	0	9	88
Private sector contributions	5	31	0	0	0	31	277
Public sector contributions	5	0	0	0	0	0	56
Other income	6	0	0	0	0	0	0
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		31	649	9	0	689	1,333
Resources expended							
Costs of generating funds	7	0	0	0	0	0	0
Net incoming resources for charitable application		31	649	9	0	689	1,333
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	178	0	0	178	361
Education support costs	7	31	286	9	0	326	748
Grants payable	7	0	0	0	0	0	0
Management and administration	7	0	162	0	0	162	134
Total charitable expenditure		31	626	9	0	666	1,243
Costs of termination of operations	9	0	68	0	0	68	0
Total resources expended		31	694	9	0	734	1,243
Net incoming/(outgoing) resources before transfers							
		0	(45)	0	0	(45)	90
Transfers between funds		0	0	0	0	0	0
Net movement in funds		0	(45)	0	0	(45)	90
Fund balances brought forward at 1 April 2004		14	12	19	0	45	(45)
Fund balances carried forward at 30 November 2004	18,19	14	(33)	19	0	0	(45)

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 25 form part of these accounts.

All items dealt with in arriving at the Net Movement in Funds for 1 April - 30 November 2004 relate to discontinued operations.

Income and Expenditure Account for the period ended 30 November 2004

	Notes	2004 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	534	840
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	115	72
Other government grants	4	9	88
Private sector contributions	5	31	277
Public sector contributions	5	0	56
Other income	6	0	0
Amortisation/deferred income		0	0
Total income		689	1,333
Charitable expenditure			
DfES EAZ grant expenditure	7	511	747
Other DfES grant expenditure	7	115	72
Other government grant expenditure	7	9	82
Depreciation	7	0	5
Other expenditure	7	31	337
Total charitable expenditure		666	1,243
Costs of generating funds	7	0	0
Costs of termination of operations	9	68	0
Total resources expended		734	1,243
Excess of expenditure over income		(45)	90
Net transfers to/from funds			
DfES EAZ fund	18	(45)	85
Other restricted funds	18	0	(2)
Unrestricted funds	19	0	7
Net movement in funds		(45)	90

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

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

The notes on pages 15 to 25 form part of these accounts.

Balance Sheet as at 30 November 2004

	Notes	30 November 2004 £000	31 March 2004 £000
Fixed assets			
Tangible assets	13	<u>0</u>	<u>0</u>
		0	0
Current assets			
Debtors	14	<u>0</u>	<u>0</u>
Cash at bank and in hand		<u>0</u>	<u>76</u>
		0	76
Creditors: amounts falling due within one period	15	<u>0</u>	<u>31</u>
Net current assets		0	45
Net assets		0	45
Funds			
Restricted funds	18	<u>(14)</u>	<u>31</u>
Unrestricted funds	19	<u>14</u>	<u>14</u>
		<u>0</u>	<u>45</u>

The financial statements were approved by the Forum on 30 November 2004 and signed on its behalf by

Diana Flanagan
Chairperson

Cash Flow Statement for the period ended 30 November 2004

	Note	2004 £000	2003-2004 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		649	912
Capital grant from DfES		0	0
Other government grants		9	88
Private sector sponsorship		0	8
Public sector sponsorship		0	62
Other receipts		0	0
		<u>658</u>	<u>1,070</u>
<i>Payments</i>			
Staff costs		357	339
Other cash payments		377	656
Net cash outflow from operating activities	24	<u>(76)</u>	<u>75</u>
Returns on investments and servicing of finance			
Interest received		0	0
Interest paid		0	0
		<u>0</u>	<u>0</u>
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
		<u>0</u>	<u>0</u>
Financing			
Deferred grant received		0	0
		<u>0</u>	<u>0</u>
(Decrease)/increase in cash in the period		<u>(76)</u>	<u>75</u>

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, with the exception of listed fixed asset investments which are included at market value. The NE Derbyshire Coalfields EAZ Forum was established under the School Standards and Framework Act and has a three year lifespan. The Secretary of State has agreed to extend the life of the Forum by a further two years.

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

Recognition of income

The annual EAZ grant from the DfES, which 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.

Amortisation transfer

The amortisation transfer relates to depreciation on assets acquired using funding provided by government grants. Additional depreciation is charged on assets acquired using other funds.

Investment income and interest receivable

Investment income and interest receivable are included in the financial statements on an accruals basis, and are stated inclusive of related tax credits.

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 NE Derbyshire Coalfields 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

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.

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

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

The Forum has not designated any funds. Funds carried forward fall into the unrestricted funds category and will be applied to future programmes in accordance with the Action Plan. All fund balances will be expended by 30 November 2004.

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.

Details of pensions and similar obligations of the EAZ Forum are included in Note 17 to these accounts.

2 DfES EAZ grant

	2004 £000	2003-2004 £000
DfES grant received in period	<u>534</u>	<u>840</u>
Carry over from previous period	33	(60)
Amounts due from DfES	0	0
Amount used to purchase fixed assets	<u>0</u>	<u>0</u>
Total grant available to spend	567	780
Spent in the period	<u>694</u>	<u>747</u>
Overspent grant/[funded from general fund]	(127)	33

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 £000	2003-2004 £000
Aim Higher	39	0
Closure	55	0
Excellence Challenge	0	51
Thresholds	11	10
Schools facing challenging circumstances	0	0
Gifted and Talented	10	9
Other	<u>0</u>	<u>2</u>
	115	72

4 Other government grants

	2004 £000	2003-2004 £000
New Opportunities Fund (NOF)	<u>9</u>	<u>88</u>
	9	88

5 Business contributions

	Cash	In Kind	Total	Total
	£000	£000	2004	2003-2004
			£000	£000
Private sector contributions				
World Challenge	0	5	5	70
McArthur Glen	0	0	0	12
Whaley Thorns Primary	0	0	0	11
Other private sector bodies	0	26	26	184
	<u>0</u>	<u>31</u>	<u>31</u>	<u>277</u>
Public sector contributions				
Public sector bodies, SRB and Neighbourhood Renewals Fund	0	0	0	56
	<u>0</u>	<u>31</u>	<u>31</u>	<u>333</u>

Parental engagement valued at £44,344 has been documented and match funded by the DfES. This figure has not been included in the contributions figure above.

6 Other income

	2004	2003-2004
	£000	£000
Interest receivable	0	0
Sundry income	0	0
	<u>0</u>	<u>0</u>

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£000	£000	£000	2004	2003-2004
				£000	£000
Direct provision of education	178	0	0	178	361
Education support costs	5	0	321	326	748
Grants payable	0	0	0	0	0
Management and administration	117	0	45	162	134
Costs of generating funds	0	0	0	0	0
Cost of termination of operations	68	0	0	68	0
	<u>368</u>	<u>0</u>	<u>366</u>	<u>734</u>	<u>1,243</u>
Of which					
DfES grant expenditure	300	0	211	511	747
Other DfES grant expenditure	0	0	115	115	72
Other government grant expenditure	0	0	9	9	82
Depreciation	0	0	0	0	5
Other expenditure	0	0	31	31	337
Cost of termination of operations	68	0	0	68	0
	<u>368</u>	<u>0</u>	<u>366</u>	<u>734</u>	<u>1,243</u>

8 General expenditure

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

	2004 £000	2003-2004 £000
Educational supplies and services	332	720
Occupancy costs	9	10
Supplies and services	28	8
Operating lease rentals	0	0
Auditor's remuneration	8	7
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	0	0
	377	745

9 Cost of termination of operations

	2004 £000	2003-2004 £000
Staff costs arising from Zone closure	55	0
Costs of post-Zone services provided by Nominated Successor Body	3	0
Amounts transferred to Nominated Successor Body to meet residual Zone liabilities	5	0
Transformation consultancy	5	0
Total	68	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

	2004	2003-2004
Management	1	1
Administration	1	1
Support staff	0	2
Technicians	1	1
Teachers	3	4
Total employees	6	9

	2004 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	146	278
Social security costs	13	24
Other pension costs (see note 17)	19	36
Costs of termination of operations	57	0
Total staff costs	235	338

The EAZ also paid salary costs of three full-time and a number of part-time staff employed in the schools, to a total of £122,000 (2003-2004: £155,000).

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

	2004	2003-2004
£50,001 - £60,000	0	0
£60,001 - £70,000	0	1
£70,001 - £80,000	0	0
£80,000 - £90,000	1	0

The Zone also used secondment of staff to deliver its services.

11 Emoluments of Trustees

	2004	2003-2004
	£000	£000
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment from the Forum. Travel and subsistence expenses reimbursed in the period to 30 November 2004 totalled £nil.

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 £10,000,000 on any one claim and the cost for 2004 was £1,208 (2003-2004: £1,208).

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 £1,000,000 and the cost for 2004 was £1,103 (2003-2004: £1,103).

13 Tangible fixed assets

	Furniture and equipment £000	Computer equipment and software £000	Total 2004 £000	Total 2003-2004 £000
Cost acquired since incorporation				
At 1 April 2004	0	40	40	40
Capital expenditure	0	0	0	0
Disposals	0	0	0	0
At 30 November 2004	0	40	40	40
Depreciation				
At 1 April 2004	0	40	40	35
Charged in period	0	0	0	5
Disposals	0	0	0	0
At 30 November 2004	0	40	40	40
Net book value				
At 30 November 2004	0	0	0	0

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

	Furniture and equipment £000	Computer equipment and software £000	Total 2004 £000	Total 2003-2004 £000
Charitable purposes				
Educational provision	0	0	0	0
Support services	0	0	0	0
Management and administration	0	0	0	0
<i>Other purposes</i>				
Fundraising	0	0	0	0
	0	0	0	0

	Total 2004 £000	Total 2003-2004 £000
Source of funding for assets acquired		
DfES EAZ grant	0	0
Other DfES grants	0	0
Other government grants	0	0
Private sector capital sponsorship	0	0
	0	0

14 Debtors

	30 November 2004 £000	31 March 2004 £000
Prepayments	0	1
Sundry debtors	0	0
	<u>0</u>	<u>1</u>

15 Creditors: amounts falling due within one year

	30 November 2004 £000	31 March 2004 £000
Sundry creditors	0	24
Accruals	0	7
	<u>0</u>	<u>31</u>

16 Deferred income

	2004 £000	2003-2004 £000
At 1 April 2004	0	0
Income during the period	0	0
Transfer to income and expenditure account	0	0
At 30 November 2004	<u>0</u>	<u>0</u>

17 Pensions and similar obligations

	2004 £000	2003-2004 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	19	20
Defined contribution scheme	3	4

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 2004	13.50%
Zone's contribution in 2004	£15,687

Contributions are actuarially valued. The date of the last full actuarial valuation was March 2001 at which date the scheme was 88% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed.

The Teachers' Superannuation 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

	Balance at 1 April 2004 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 30 November 2004 £000	Total 31 March 2004 £000
DfES recurrent grant	12	649	(694)	(33)	12
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	19	9	(9)	19	19
	<u>31</u>	<u>658</u>	<u>(703)</u>	<u>(14)</u>	<u>31</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

	2004 £000	2003-2004 £000
Brought forward at 1 April 2004	14	7
Excess of income over expenditure	0	7
Carried forward at 30 November 2004	<u>14</u>	<u>14</u>

20 Analysis of net assets between funds

Fund balances at 30 November 2004 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004 £000	Total 2003-2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	76
Current liabilities	0	0	0	(31)
Deferred income	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>45</u>

21 Capital commitments

The Forum is not committed to any capital payments.

22 Lease commitments

The Forum is not committed to any lease payments.

23 Contingent liabilities

As at 30 November 2004 there are no contingent liabilities.

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

	30 November	31 March
	2004	2004
	£000	£000
Net outgoing/incoming resources	(45)	90
Interest received	0	0
Depreciation	0	5
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	16
Increase/(decrease) in creditors	(31)	(36)
Net cash outflow/inflow from operating activities	(76)	75

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 North East Derbyshire Coalfields 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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