

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 Wakefield 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. 196 of 2004-2005)

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

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

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 29 JUNE 2005

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Legal and Administrative Information

Trustees

I J Pegg
M Porter*
J Rawlins*
R Jaggard
M Bucktrout
P Wright
J Deavey
N Hazell
A Hutchinson
A Wallage
G Metcalf
A Hoyle
M Borrill
S Pye
A Wilson
S Sansom
K Griffiths*
A Yellup
K Batty
R Andruchow
C Glass
T Hollies
S Griffiths
W Jenkins*
M Handforth
D Beer
P Sanders

Executive Committee*

M Porter
J Rawlins
K Griffiths
W Jenkins

EAZ Office

Wakefield EAZ c/o Wakefield College
Whitwood Campus
Four Lane Ends
Castleford
WF10 5NF

Auditors

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

Administrator

T Scafton until 31 August 2004
A Plews from 1 September 2004

Project Director
Castleford High School (Chairman)
Guidance Services Ltd (Vice Chair)
Ackton Pastures Primary School
Airedale High School
Airedale Junior School
Heath View Community School
Smawthorne H Moore Primary School
Knottingley High School
Newlands Primary School
Normanton Freeston High
Normanton Junior School
Oyster Park Junior School
Pinders Primary School
Simpson's Lane J & I School
St Mary's CE Primary School
Throstle Farm J & I School (Executive)
Wakefield City High
NASUWT Representative
NUT Representative
West Yorkshire Police
WEA
Wakefield College
WMDC (Executive)
Castleford Community Centre
Parent Governor
Monkhill Confectionery Ltd

Bankers

The Co-operative Bank
8 Providence Street
Wakefield
West Yorkshire
WF1 3BG

Solicitors

Wakefield MDC
County Hall
Wakefield
WF1 2QL

Accountants

Holmes, Beaumont & Holroyd
15 Ropergate End
Pontefract
West Yorkshire
WF8 1LJ

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 Wakefield Action Zone 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 regulation are the primary governing documents of the Forum. Trustees of the Forum are nominated by the full Forum Committee. The principal activity of the Forum is to raise standards within the schools that are part of its plan, by addressing specific targets.

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 has four areas of activity as follows

- support for learning at KS2;
- support for learning at KS3;
- support for learning at KS4; and
- development of leadership.

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 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 net book value of assets held immediately prior to closure.

Organisation and objectives

The sole activity of the Forum is the operation of the Wakefield Education Action Zone. The operational management structure of the EAZ consists of a Project Director, Administrator, KS2, KS3 and KS4 Learning Managers, with four out of the five posts being directly employed by the Zone and one seconded from a partner school. These posts constitute the EAZ Senior Management Team which reports to the Forum. The Action Forum has one other committee to which it devolves many of its day-to-day management responsibilities, including budget control and personnel. This is an Executive Committee and is made up of the Chair of the Forum, Vice Chair of the Forum, Primary head and WMDC Councillor. The aim of the management structure is to involve schools and business partners and encourage decision making at all levels.

The present Trustees of the EAZ are set out on page 2 of this report.

Developments, activities and achievements.

The Action Forum has been operating effectively for five years and in that time we have seen rapid progress in a number of areas

- High Schools improved by an average of 8% against the LEA increase of 7.3%;
- results in KS3 and KS2 improved by a smaller amount;
- all schools have acknowledged the impact of the Zone's contribution to their progress;
- leadership training has been completed;
- four out of five High Schools have been awarded specialist status, the 5th being a Beacon school; and
- Aimhigher plan has been delivered successfully, giving a rise post 16 participation rates.

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 Zone'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. During 2004-2005 the EAZ also received other restricted funds from the DfES and other Government Departments/Agencies and donations from commercial sponsors, the details of which are in notes 3 and 4. 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. The excess of resources expended over incoming resources was £114,000. This was financed using surplus funds carried forward from last year. Funding of £41,000 was received for Aimhigher projects. This was applied to the Aimhigher projects as detailed in the Aimhigher Action Plan. At 9 January 2005 the net book value of fixed assets was Nil and movements in tangible fixed assets are shown in note 12 to the financial statements. Prior to being transferred to schools the assets were used exclusively for providing education and associated support services to the pupils of the EAZ.

Fund review

When the EAZ ceased to operate on 9 January 2005 its fund balances were nil. Fund balances existing prior to this date were utilised in fulfilment of the Zone's objectives. Immediately prior to cessation £3,525 was paid to Wakefield College, which has been named as successor body committed to overseeing 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

Relationships have been made a priority to ensure that the communications and the common aims of the Zone meet with the aims of the connected organisations. The Wakefield EAZ's Action Plan is in line with the LEA Educational Development Plan. The LEA are part of the Forum and the Executive. The Project Director is LIG Consultant to 6 LEA High schools.

All the Zone schools have a regular monthly 'Heads' meeting with the Zone Director. The Heads meetings are held jointly with both Primary and Secondary heads in attendance, to discuss various cross phase and transition issues. The partnership schools are

Ackton Pastures Junior School	Normanton Junior School
Airedale High School	Oyster Park Junior School
Airedale Junior School	Pinders Primary School
Castleford High School	Simpson's Lane J & I School
Heath View Community School	Smawthorne Henry Moore Junior School
Knottingley High School	St Mary's CE Primary School
Newlands Primary School	Throstle Farm J & I School
Normanton Freeston High School	Wakefield City High School

The main business sponsor was Guidance Services Ltd who have donated the amounts shown in note 4 to assist the Forum in achieving its objectives. The Forum has contracted with Wakefield 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

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed to the Wakefield Excellence cluster. Expenditure for the period ended 9 January 2005 included redundancy costs of £55,000 relating to two members of staff. There were no early retirement costs.

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 (bank interest) it is the Forum's policy to apply these reserves to its development fund.

Risk management

On the 27 March 2004 Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan and carry out a comprehensive review monthly. As part of this process, the Trustees have implemented a risk management strategy which comprises

- a monthly review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise; and
- on-going arrangements for ensuring the continuation of good practice up to the end of the Zone.

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. This process has been in place for the period ended 9 January 2005 and up to the date of approval of the final 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

- the loss of key staff; and
- late receipt of invoices from suppliers resulting in not spending all available grant income in time.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2003 the Forum established the following processes

- identification of the Forum's objectives and key risks and produced a comprehensive strategic plan setting out the opportunities and risks to which it is exposed;
- the establishment of systems and procedures to mitigate any such risks identified in the plan, including a system to ensure compliance with regulations or procedures laid down in the Zone's Financial Regulations and Procedures;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- procedures for monitoring progress and review against the strategic objectives set out in the plan at both the Forum and Executive Committee meetings;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face; and
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director.

The Forum ensured the continuation of good practice achieved by the Zone by

- monthly budget control reports presented to the Executive;
- the separation of staff duties where possible;
- high frequency of Forum and Executive Committee meetings;
- the setting up of a working group and joint committee with the LEA to oversee transformation to an Excellence Cluster;
- appointment of and monthly checks by an independent responsible officer; and
- conducting an extra financial review of the Zone in December 2003 and presenting it to the Forum.

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

Statement of Trustees' responsibilities for the Financial Statements

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

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

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

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

Auditors

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

Approval

The report of the Trustees was approved on 8 April 2005 and signed on its behalf by

Michael Porter
Chair of the Forum

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 10 to 22 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 14 and 15.

Respective responsibilities of the Trustees and Auditor

As described on page 7 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 6 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 Wakefield Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 9 January 2005. Accordingly as explained in the Trustees' Report and Note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Wakefield 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

23 June 2005

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Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted	Restricted funds			Total	Total
		funds £000	DfES £000	Other £000	Fixed assets £000	2004-2005 £000	2003-2004 £000
Incoming resources							
DfES grants receivable	2,3	0	606	46	0	652	1,057
Private sector contributions	4	139	0	0	0	139	354
Public sector contributions	4	0	0	0	0	0	15
Other income	5	1	0	0	0	1	1
Total incoming resources		140	606	46	0	792	1,427
Resources expended							
Costs of generating funds	6	0	0	0	0	0	0
Net incoming resources for Charitable application		140	606	46	0	792	1,427
Charitable expenditure							
<i>Costs in furtherance of Charitable objectives</i>							
Education support costs	6	130	132	36	2	300	744
Grants payable	6	0	401	0	0	401	485
Management and administration	6	9	137	0	0	146	146
Total charitable expenditure		139	670	36	2	847	1,375
Costs of termination of operations	8	0	59	0	0	59	0
Total resources expended		139	729	36	2	906	1,375
Net incoming/(outgoing) resources before transfers		1	(123)	10	(2)	(114)	52
Transfers between funds		(85)	137	(52)	0	0	0
Net movement in funds		(84)	14	(42)	(2)	(114)	52
Fund balances brought Forward at 1 April 2004		84	(14)	42	2	114	62
Fund balances at cessation	16,17	0	0	0	0	0	114

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 11 and the overall financial position at the period end is summarised in the balance sheet on page 12.

The notes on pages 14 to 22 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

	Notes	2004-2005 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	606	992
Other DfES grants	3	46	65
Private sector contributions	4	139	354
Public sector contributions	4	0	15
Other income	5	1	1
Total income		792	1,427
Charitable expenditure			
DfES EAZ grant expenditure	6	670	959
Other DfES grant expenditure	6	38	60
Depreciation	6	0	2
Other expenditure	6	139	354
Total charitable expenditure		847	1,375
Costs of generating funds	6	0	0
Costs of termination of operations	8	59	0
Total resources expended		906	1,375
Excess of income over expenditure		(114)	52
Net transfers to/from funds			
DfES EAZ fund	16	14	33
Other restricted funds	16	(44)	3
Unrestricted funds	17	(84)	16
Net movement in funds		(114)	52

The Income and Expenditure account is derived from the Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 14 to 22 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 14 to 22 form part of these accounts.

Balance Sheet as at 9 January 2005

	Notes	2004-2005 £000	2003-2004 £000
Fixed assets			
Tangible assets	12	0	2
		<u>0</u>	<u>2</u>
Current assets			
Debtors	13	0	31
Cash at bank and in hand		0	116
		<u>0</u>	<u>147</u>
Creditors: amounts falling due within one period	14	0	35
		<u>0</u>	<u>112</u>
Net current assets		<u>0</u>	<u>112</u>
Net assets		<u>0</u>	<u>114</u>
Funds			
Restricted funds	16	0	30
Unrestricted funds	17	0	84
		<u>0</u>	<u>114</u>

The financial statements were approved by the Forum on 8 April 2005 and signed on its behalf by

Michael Porter
Chairman

Cash Flow Statement for the period ended 9 January 2005

	Note	2004-2005 £000	2003-2004 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		638	992
Private sector sponsorship		0	10
Public sector sponsorship		0	21
Other receipts		46	65
		684	1,088
<i>Payments</i>			
Staff costs		186	228
Other cash payments		615	783
Net cash inflow from operating activities	22	(117)	77
Returns on investments and servicing of finance			
Interest received		1	1
(Decrease)/increase in cash in the period		(116)	78

Notes to the Financial Statements 9 January 2005

1 Accounting policies

Format of accounts

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

Basis of accounting

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

Recognition of income

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

Contributions in Kind

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

Grants receivable

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

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 Wakefield 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

Staff costs

Basis of apportionment

Time spent

Tangible fixed assets

Tangible fixed assets costing 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 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 are

Computer equipment and software	33.3%
Furniture and equipment	33.3%

Any assets purchased after the 1 April 2002 have been depreciated over the remaining life of the Zone.

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.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to Wakefield District College to meet outstanding liabilities or returned to the DfES 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 1998. 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 contributions are made. The EAZ has a Service Level Agreement with Wakefield MDC for the payment of salaries and participates in two pension schemes as follows

I Teachers

This is an unfunded scheme administered by the Teachers Pensions Agency. The pension cost charged to the accounts is the contribution rate set on the basis of a notional fund.

II Other employees

Other employees, subject to certain qualifying criteria, are eligible to join the West Yorkshire Pension Fund. The pension cost charged to the EAZ accounts is equal to the contributions paid to the funded pension scheme for those employees.

2 DfES EAZ grant

	2004-2005 £000	2003-2004 £000
DfES grant received in period	606	992
Carry over from previous period	9	9
<i>Less</i>		
Amounts due from DfES	0	(31)
Amount used to purchase fixed assets	0	0
Total grant available to spend	615	970
Spent in the period	729	961
Underspent grant/[funded from general fund]	(114)	9
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 £000	2003-2004 £000
Aimhigher	41	54
Gifted and Talented Summer Schools	5	9
Literacy and Numeracy Easter School	0	2
	46	65

4 Business contributions

	Cash	In Kind	Total	Total
	£000	£000	2004-2005 £000	2003-2004 £000
Private sector contributions				
Wakefield College	0	9	9	12
W H Smith	0	0	0	4
Guidance Services Ltd	0	71	71	94
The Skills Factory	0	0	0	1
Research Machines	0	0	0	19
Hay Group	0	0	0	2
Protocol Teachers	0	32	32	50
Normanton Freeston High School	0	0	0	50
Work Placements	0	0	0	60
Espresso Education	0	0	0	26
Yorkshire TV	0	0	0	4
Ingots	0	15	15	18
Promethean	0	0	0	4
Cadbury Schweppes	0	0	0	10
Specialist College Status	0	12	12	0
	0	139	139	354
Public sector contributions				
WMDC	0	0	0	6
Setpoint	0	0	0	9
	0	0	0	15
	0	139	139	369

5 Other income

	2004-2005 £000	2003-2004 £000
Interest receivable	<u>1</u>	<u>1</u>
	1	1

6 Total resources expended

	Staff £000	Depreciation £000	Other £000	Total 2004-2005 £000	Total 2003-2004 £000
Education support costs	48	0	252	300	744
Grants payable*	0	0	401	401	485
Management and administration	83	0	63	146	146
Costs of termination of operations	<u>55</u>	<u>0</u>	<u>4</u>	59	<u>0</u>
	186	0	720	906	1,375
Of which					
DfES grant expenditure	115	0	555	670	959
Other DfES grant expenditure	16	0	22	38	60
Depreciation	0	0	0	0	2
Other expenditure	0	0	139	139	354
Costs of termination of operations	<u>55</u>	<u>0</u>	<u>4</u>	59	<u>0</u>
	186	0	720	906	1,375

* In period to cessation the Zone paid the following grants to schools.

	Raising Achievement £000	Total £000
Ackton Pastures Junior School	17	17
Airedale Junior School	18	18
Airedale High School	26	26
Castleford High School	59	59
Heath View Community School	18	18
Knottingley High School	69	69
Newlands Primary School	18	18
Normanton Freeston High School	19	19
Normanton Junior School	19	19
Oyster Park Junior School	19	19
Pinders Primary School	15	15
Simpson's Lane J & I School	19	19
St Mary's CE Primary School	19	19
Smawthorne Henry Moore Primary School	19	19
Throstle Farm J & I School	23	23
Wakefield City High School	<u>24</u>	<u>24</u>
	401	401

7 General expenditure

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

	2004-2005 £000	2003-2004 £000
Educational supplies and services	672	1,111
Occupancy costs	9	12
Supplies and services	33	16
Auditor's remuneration	6	6
	720	1,145

8 Costs of termination of operations

	2004-2005 £000	2003-2004 £000
Staff costs arising from Zone closure	55	0
Cost of post-Zone services provided by nominated successor body	4	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	0	0
	59	0

9 Staff costs

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

	2004-2005	2003-2004
Management	1	1
Administration	1	1
Teachers	2	3
Total employees	4	5

	2004-2005 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	108	188
Social security costs	10	17
Other pension costs (see note 15)	13	23
Costs of termination of operations	55	0
Total staff costs	186	228

Costs associated with Zone closure comprised redundancy costs of £54,797.

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

	2004-2005	2003-2004
£60,001 - £70,000	0	1
£90,001 - £100,000	1	0

One seconded staff has been included in the staff costs.

10 Emoluments of Trustees

	2004-2005 £000	2003-2004 £000
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Travel and subsistence expenses reimbursed in the period to cessation totalled £nil (2003-2004: £nil).

Interests in transactions

J Rawlins is a director of Guidance Services Ltd from which the Forum received £70,470 during the period for careers and guidance support. The services were provided to the Forum at an arm's length value.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period to cessation was £833 (2003-2004: £1,234). 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 the period to cessation was £1,667 (2003-2004: £2,431).

12 Tangible fixed assets

	Furniture and equipment £000	Computer equipment and software £000	Total 2004-2005 £000	Total 2003-2004 £000
Cost				
Acquired since incorporation				
At 1 April 2004	5	3	8	8
Capital expenditure	0	0	0	0
Disposals	(5)	(3)	(8)	0
At cessation	0	0	0	8
Depreciation				
At 1 April 2004	3	3	6	4
Charged in period	0	0	0	2
Disposals	(3)	(3)	(6)	0
At cessation	0	0	0	6
Net book value				
At cessation	0	0	0	2

The net book value at cessation represents fixed assets used for

	Furniture and equipment £000	Computer equipment and software £000	Total 2004-2005 £000	Total 2003-2004 £000
Charitable purposes				
Support services	0	0	0	1
Management and administration	0	0	0	1
Other purposes	0	0	0	0
	0	0	0	2

	2004-2005 £000	2003-2004 £000
Net book value of fixed assets transferred to schools upon Zone closure	<u>2</u>	<u>0</u>

13 Debtors

	2004-2005 £000	2003-2004 £000
Amounts due from DfES	<u>0</u>	<u>31</u>
	0	31

14 Creditors

	2004-2005 £000	2003-2004 £000
Amounts falling due within one year		
Sundry creditors	<u>0</u>	<u>23</u>
Accruals	<u>0</u>	<u>12</u>
	0	35

15 Pensions and similar obligations

	2004-2005 £000	2003-2004 £000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	13	23

The Zone's employees belong to the following pension schemes

Teachers' Pension Scheme (England and Wales)

Nature of scheme	Defined benefit
Zone's contribution rate in period to cessation	13.5%
Zone's contribution in period to cessation	12,000

The Teachers' Pension Scheme is an unfunded multi-employer scheme. Contributions are based on valuations made by the Government Actuary.

West Yorkshire Pension Fund

Nature of scheme	Defined benefit
Zone's contribution rate in period to cessation	10%
Zone's contribution in period to cessation	1,000

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 March 2004, however, funding levels are not yet available. At the actuarial valuation carried out 31 March 2001, the scheme was 107% funded.

The West Yorkshire Pension Fund is a multi-employer scheme. As such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Any liabilities arising from the presence of a pension fund capitalisation deficit, attributable to Zone staff, will be met by the local education authority and not treated as a cost to the Zone.

16 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 2004-2005 £000	Total 2003-2004 £000
DfES recurrent grant	(14)	606	(592)	0	(14)
DfES fixed asset grant	2	0	(2)	0	2
Other	42	46	(88)	0	42
	<u>30</u>	<u>652</u>	<u>(682)</u>	<u>0</u>	<u>30</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.

17 Unrestricted funds

	2004-2005 £000	2003-2004 £000
Brought forward at 1 April 2004	84	68
Excess of Income over Expenditure	(84)	16
Balance at cessation	<u>0</u>	<u>84</u>

18 Analysis of net assets between funds

Fund balances at cessation are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004-2005 £000	Total 2003-2004 £000
Tangible fixed assets	0	0	0	2
Current assets	0	0	0	147
Current liabilities	0	0	0	(35)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>114</u>

19 Capital commitments

There were no capital commitments at cessation (nil at 31 March 2004).

20 Lease commitments

There were no lease commitments at cessation (nil at 31 March 2004).

21 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.

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

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

	2004-2005	2003-2004
	£000	£000
Net incoming resources	(114)	52
Interest received	(1)	(1)
Depreciation	0	2
Fixed assets transferred to schools on Zone closure date	2	0
(Increase)/decrease in debtors	31	5
Increase/(decrease) in creditors	(35)	19
Net cash (outflow)/inflow from operating activities	(117)	77

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 Wakefield 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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