

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 Corby 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. 1164 of 2003-2004.)

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

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

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

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Legal and Administrative Information

Trustees

Mr David Grace	Chairman - Co-opted representative 2 - July 2003 - February 2004
Mr David Watson*	Co-opted representative 1
	DfES representative
Mr Philip Burch*	Tresham Institute
Mr Andrew Sortwell	LEA representative 1
Mr Andrew Wilkinson	LEA representative 2 - Deceased
Mr Nigel Rudd	Chief Executive - Corby Borough Council - left CBC July 2003
Mr Chris Mallender	Chief Executive - Corby Borough Council - from September 2003
Ms Helen Aird	Connexions - from February 2003
Mr Gordon White	Teacher representative
Mr Andrew Scarborough	Rockingham Forest Trust - from May 2001
Ch. Supt. Ian McNeil	Area Commander, Northamptonshire Police - from March 2002
Dr Margi Whalley	Pen Green Centre
Mr Max Hill	World Challenge Expeditions - from February 2003
Ms Ann Shelton-Mayes	University College Northampton - resigned September 2003
Mr Ken Bland	University College Northampton - from September 2003
Ms Lynn Carpenter	Basic Skills Agency - from November 2002
Dr David Brown	Corby Primary Care Group
Mr Phil Hope	Member of Parliament - resigned June 2003
Mr Mike Lovett	Acting Chief Educational Adviser
Ms Sue Cordwell*	Vice Chair - School rep - Rockingham Primary School
Mrs Ruth Tindley	Gov. ANSGB - resigned August 2003
Mr Lawrie Dale*	Gov. ANSGB - from September 2003
Mrs Carol Coe	Gov. Beanfield Infant School
Mr William Downey	Gov. Beanfield Junior School
Mr Leslie Smith	Gov. Corby Community College - from September 2003
Mrs Denise Durham	Gov. Danesholme Infant School - from September 2002
Ms Beverley Isted	Gov. Danesholme Junior School
Ms Ann Wallington	Gov. Exeter Infant School
Mrs Carolyn Jones	Gov. Hazel Leys Nursery and Primary School
Ms Johan Gallagher	Gov. Kingswood Infant School
Mr Derek Green	Gov. The Kingswood School
Ms Sheila Knight	Gov. Lodge Park Technology College
Mrs Elaine Sullivan	Gov. Maplefields School
Mrs Betty Jordan	Gov. Our Lady's Infant School
Mr Thomas Jordan	Gov. Our Lady's Junior School
Mrs Maureen Trickett	Gov. Our Lady and Pope John Secondary School
Mr James Billett	Gov. Rowlett Primary School
Mrs Teresa Morrison	Gov. St Brendan's Infant School
Mr Brian Cassidy	Gov. St Brendan's Junior School
Mr Charlie Donnachie	Gov. St Patrick's Primary
Mrs Angela Brinkman	Gov. Studfall Infant School
Mr Bob Anderson	Gov. Studfall Junior School
Mrs Ellen Wallace	Gov. Woodnewton Infant School
Mrs Joan Derosa	Gov. Woodnewton Junior School

* members of the Finance sub committee

Director

Mr Duncan Mills*

Deputy Director

Mr Tony Durkin* - redundant (voluntary) September 2003

Secretary

Mrs Denise Steel

Finance Officer

Mr John Lord*

EAZ Office

Challenge for Corby (EAZ)
Firdale PDC
Cottingham Road
Corby
Northants NN17 1TD

Auditors

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

Bankers

Lloyds TSB
26 New Post Office Square
Corby
Northants NN17 1PB

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 executive group of Corby's Education Action Zone known as 'Challenge for Corby' is known as the EAZ's Action Forum. The Action Forum is a corporate body and exempt charity established on 10 January 2000 under the 1998 School Standards and Framework Act. The Action Forum is made up of the EAZ's Trustees. It does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. The Trustees of the Action Forum are nominated by interested groups and organisations supporting the education and welfare of the young people of Corby, Northamptonshire.

The nominating groups (for Trustees on the Forum) are the executive/governing bodies of the following organisations: the schools of Corby, Northamptonshire County Council Education Authority, Corby Borough Council, Northamptonshire Chamber of Commerce, Corby Industrial Group, Corby Primary Care Trust, Northamptonshire Police, Connexions Northamptonshire, World Challenge Expeditions, Tresham Institute, Northamptonshire Confederation of Teachers, University College Northampton, Brook Weston Technology College, Pen Green Centre, The Basic Skills Agency, The Department for Education and Skills.

The principal activity of the Action Forum is to improve standards of teaching and learning within the Schools that are part of its Education Action Zone.

In accordance with the Act the Forum updated its 'Action Plan' in the period January to March 2003. This was approved by the Secretary of State for Education and Skills. The Action Plan covers the period April 2003 to December 2004, when the EAZ closed. It focuses upon four key areas

- Key Stage (KS)1 to KS3;
- 14 - 19 Curriculum;
- Staff Development; and
- 'Aspirations and Community Partnerships'.

Future prospects

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. As this period was completed on 9 January 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

Going concern

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

Organisation and objectives

The role of the Action Forum, which meets termly, is to have oversight of the direction and long term policy and planning of Corby's Education Action Zone. The Executive Board of the EAZ meets half termly and is answerable to the Action Forum.

The Executive Board has a Finance sub group which monitors finances and personnel issues.

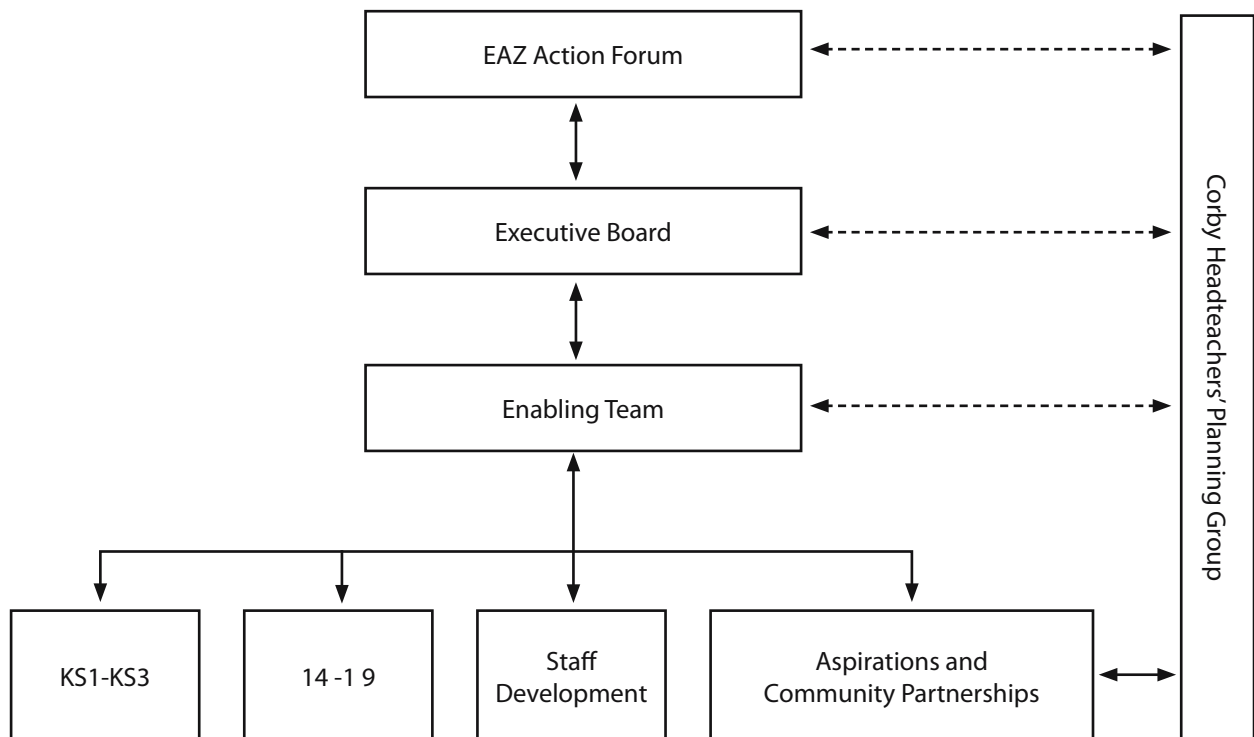
The day-to-day management of the Zone is undertaken by the Director who works full time for the Zone and is supported by a Finance Officer and Secretary. These staff, along with others from allied projects form the Enabling Team of the EAZ.

The Headteachers of Corby Schools are represented on an EAZ Headteachers' Planning Group. This group provides input to all levels of the EAZ management structure.

The management structure

The aim of the management structure is to involve Schools, Community groups and Business Partners in decision-making at all levels. The Challenge for Corby management decisions are best depicted diagrammatically

Challenge for Corby Management Structure



The terms of reference for the key groups are listed below

The action Forum

Meets three times per year.

Statutory body: should include a governor or headteacher representation.

Agrees overall policy direction, annual budget, approves and reviews plans.

Executive board

Meets half-termly. Liaise with all management groups.

Steers interim policy, makes policy recommendations to Action Forum, provides Director with regular support and day-to-day line of accountability.

Consists of:

Chief Exec. C.B.	Chris Mallender
Primary Headteacher (x2)	Sue Cordwell And Carolyn Wilson
Secondary Headteacher	David Tristram
Business representative (x2)	David Watson
Elected Member	Jim McKellar
Chair of the Action Forum	Sue Cordwell
LEA*	Jan Martin
FE/HE	Phil Burch
School Governors	Lawrie Dale and Les Smith
Director	Duncan Mills

(*one named rep. With others co-opted to be in attendance as appropriate)

Finance group

A Finance Group (a sub-group of the Action Forum) met on a regular basis and reported directly to the Executive Board between meetings of the Action Forum as well as to Action Forum meetings.

Headteachers' planning group

Meets half termly.

Advises all levels of management structure regarding strategy and operations.

Provides networking and communication opportunities to disseminate good practice and review progress.

Consists of all Secondary Headteachers (including the Principal of Brooke Weston CTC and the Head of the Complementary Education Centre) and six representative Primary Headteachers.

Developments, activities and achievements

The EAZ began its fifth and final year in April 2004.

The EAZ benefits from allied initiatives. These contribute to the aims of the EAZ and benefit Corby schools. Each of these requires an EAZ financial input but, in turn, facilitates increased levels of resource being made available. These initiatives are

- School Sports Co-ordinators Programme;
- Aim Higher;
- NOF Out of Hours Learning; and
- Arts and Education Interface.

Achievements

Since restructuring in the Autumn Term of 2001 the EAZ has succeeded in engaging all schools in Zone activities. The collaborative working that has been achieved is a key step forward and is recognised by all partners, the LEA and others in Northamptonshire. This has encouraged and facilitated sharing of good practice and further development.

Headteachers have now established a greater sense of ownership. This is essential as the Zone moves towards "transformation" to an Excellence Cluster.

Individual school achievements are monitored and assessed by the LEA. The target setting process has been developed through the EAZ. Targets are set for schools by Headteachers in conjunction with the LEA and EAZ. These targets take account of the additional resources provided by the EAZ.

Activities and projects funded by the EAZ are monitored through the four Strategic Planning Groups that oversee the key area of focus.

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 was obtained from the DfES in the form of recurrent grants, the use of which is restricted to purposes defined in the Action Plan.

During 2004-2005 the EAZ received donations in cash and kind from commercial sponsors totalling £50,000 (for list see Note 5). In addition to these contributions, the Zone also received support from private individuals donating their time as classroom assistants. From this total £236,000 match funding was claimed from the DfES.

Fund review

The EAZ held nil fund balances at 9 January 2005.

Post balance sheet events

There were no post balance events.

Connected organisations

In the period from January to March the EAZ worked closely in partnership with the Northamptonshire LEA and Corby Schools to plan activities that would achieve the Forum's objectives.

The schools involved are

Beanfield Infant
Beanfield Junior
Corby Community College
Danesholme Infant
Danesholme Junior
Exeter Infant
Exeter Junior
Hazel Leys Nursery and Primary
Kingswood Primary
The Kingswood School
Lodge Park Technology College
Maplefields School

Our Lady's Infant
Our Lady's Junior
Our Lady and Pope John Secondary School
Rockingham Primary
Rowlett Primary
St Brendan's Infant
St Brendan's Junior
St Patrick's Primary
Studfall Infant
Studfall Junior
Woodnewton Infant
Woodnewton Junior

The Forum has contracted with the LEA's Finance, Personnel, Advisory and Payroll Departments to provide accounting and personnel services to the EAZ. Service Level Agreements have been agreed.

Business Sponsors during the period are shown in Note 5 to the accounts.

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 excessive 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 it is the Forum's policy to apply these reserves to support the educational programmes being delivered.

Risk management

The Risk Management plan has been reviewed on a regular basis.

Statement on Internal Control

As Trustees, we have the 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 the assets for which we are responsible, in accordance with the responsibilities assigned to us in our Financial Memorandum and Government Accounting.

- the Trustees have identified the major risks to which the Forum is exposed; and
- these risks have been reviewed and systems to mitigate them have been established.

Specific examples of how the the system of internal control is implemented include; monthly budgetary control procedures, monitoring by finance committee and separation of duties.

The internal control process accords with Treasury Guidance, and has been in place for the period ended 9 January 2005 and up to the date of approval of the annual report and accounts.

In addition to maintaining a sound system of internal control the Trustees have responsibility for reviewing the system of internal control.

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 update of risk register, loss of key staff, monitoring systems to ensure compliance, allocation of risk ownership, and establishing a transformation committee.

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. Procedures are now in place for reviewing all aspects of internal control.

Statement of Trustees' responsibilities for the Financial Statements

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

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

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction attached to the Financial Memorandum. 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 1 March 2005 and signed on its behalf by

Sue Cordwell
Chair of EAZ

1 March 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 13 to 26 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 17 to 18.

Respective responsibilities of the Trustees and Auditor

As described on page 10 the Trustees are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Trustees are also responsible for the preparation of the Trustees' Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

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

I review whether the statement on page 9 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the 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 Corby 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 Corby EAZ at 9 January 2005 and of its incoming resources, application of resources and cash flows for the period then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

22 March 2005

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Statement of Financial Activities for the period ended 9 January 2005

		Unrestricted funds	Restricted funds		Total	Total
	Notes	£000	DfES £000	Other £000	Period ended 9 January 2005 £000	2003-2004 £000
Incoming resources						
DfES grants receivable	2,3	0	716	59	775	886
Other government grants receivable	4	0	0	135	135	331
Private sector contributions	5	50	0	0	50	73
Public sector contributions	5	7	0	67	74	39
Other income	6	2	0	2	4	23
Total incoming resources		<u>59</u>	<u>716</u>	<u>263</u>	1,038	1,352
Resources expended						
Costs of generating funds	7	<u>0</u>	<u>1</u>	<u>0</u>	1	1
Net incoming resources for charitable application		59	715	263	1,037	1,351
Charitable expenditure						
<i>Costs in furtherance of charitable objectives</i>						
Provision of education	7	0	0	38	38	74
Education support costs	7	15	319	231	565	777
Grants payable	7	0	325	0	325	405
Management and administration	7	0	75	0	75	132
Total charitable expenditure		<u>15</u>	<u>719</u>	<u>269</u>	1,003	1,388
Cost of termination of operations		0	25	0	25	0
Transfer of unspent funds		0	0	34	34	0
Total resources expended		<u>15</u>	<u>745</u>	<u>303</u>	1,063	1,389
Net incoming/(outgoing) resources before transfers		44	(29)	(40)	(25)	(37)
Transfers between funds		<u>(47)</u>	<u>7</u>	<u>40</u>	0	0
Net movement in funds		<u>(3)</u>	<u>(22)</u>	<u>0</u>	(25)	(37)
Fund balances brought forward at 1 April 2004		3	22	0	25	62
Fund balances carried forward at 9 January 2005	17,18	<u>0</u>	<u>0</u>	<u>0</u>	0	25

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 historic cost equivalent.

All items dealt with in arriving at the net movement in funds for the period ended 9 January 2005 relate to discontinued operations.

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

The notes on pages 17 to 26 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

	Notes	Period ended 9 January 2005 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	716	841
Other DfES grants	3	59	45
Other government grants	4	135	331
Private sector contributions	5	50	73
Public sector contributions	5	74	39
Other income	6	4	23
Total income		1,038	1,352
Charitable expenditure			
DfES EAZ grant expenditure	7	719	849
Other DfES grant expenditure	7	82	42
Other government grant expenditure	7	187	417
Other expenditure	7	15	80
Total charitable expenditure		1,003	1,388
Costs of generating funds	7	1	1
Costs of termination of operations	9	25	0
Transfer of unspent funds	7	34	0
Total resources expended		1,063	1,389
Excess/(deficit) of income over expenditure		(25)	(37)
Net transfers to/from funds			
DfES EAZ fund	17	(22)	(9)
Other restricted funds	17	0	2
Unrestricted funds	18	(3)	(30)
Net movement in funds		(25)	(37)

The Income and Expenditure account is derived from the Statement of Financial Activities on page 13 which, together with the notes to the accounts on pages 17 to 26 provide full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the deficit of income over expenditure for the period ending 9 January 2005 relate to discontinued operations.

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

The notes on pages 17 to 26 form part of these accounts.

Balance Sheet as at 9 January 2005

	Notes	9 January 2005 £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>	28
Cash at bank and in hand		<u>0</u>	<u>214</u>
		0	242
Creditors: amounts falling due within one period	15	<u>0</u>	<u>217</u>
Net current assets		0	25
Net assets		<u>0</u>	<u>25</u>
Funds			
Restricted funds	17	<u>0</u>	22
Unrestricted funds	18	<u>0</u>	<u>3</u>
		0	25

The financial statements were approved by the Forum on 1 March 2005 and signed on its behalf by

Sue Cordwell
Chair of EAZ

The notes on pages 17 to 26 form part of these accounts.

Cash Flow Statement for the period ended 9 January 2005

	Note	Period ended 9 January 2005 £000	2004-2005 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		716	841
Other grants from DfES		49	55
Other government grants		26	370
Private sector sponsorship		0	0
Public sector sponsorship		27	77
Other receipts		2	20
		820	1,363
<i>Payments</i>			
Staff costs		115	242
Other cash payments		884	1,128
Net cash inflow/(outflow) from operating activities	20	(179)	(7)
Returns on investments and servicing of finance			
Interest received		2	3
Interest paid		0	0
		2	3
Third party funds received		0	37
Third party funds expended		(37)	0
Increase/(decrease) in cash in the period		(214)	33

The notes on pages 17 to 26 form part of these accounts.

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 financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. The Challenge for Corby EAZ Forum was established under the School Standards and Framework Act and had an original three year life span. The Secretary of State has extended the life of the Forum by a further two years, to 9 January 2005. The Forum comes to the end of its statutory five year life on 9 January 2005. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

Income received for specific purposes, that is restricted income, is included in the income and expenditure account to the extent of the relevant expenditure incurred during the period. Restricted income received but not matched to relevant expenditure during the period is shown as a liability on the balance sheet.

Contributions in Kind

In accordance with the Accounts Direction provided by the DfES 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.

Investment income and interest receivable

Investment income and interest receivable are included in the financial statements on an accrual 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 and apportionment of cost

The Fund Raising and Publicity costs were separately recorded within the year and are disclosed within the accounts. A 50% apportionment of salaries has also been allocated to Provision of Education, Educational Support Costs and 50% Management and Administrative Sections of expenditure.

Tangible fixed assets

Tangible fixed assets are those assets costing more than £2,500 and intended to be held for use on a continuing basis (more than one year) in supporting the activities of the Forum. During the period 1 April 2004 to 9 January 2005 the Forum acquired no assets falling into this category.

Assets purchased for use by Zone schools are treated as expensed in year and are not included as fixed assets in the Zone's accounts.

Stocks

At 9 January 2005 the Zone held no stocks.

Funds structure

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

Pensions

The full cost of the Forum's pension contributions on behalf of its employers is recognised in the year those contributions are made. (Refer to note 16).

2 DfES EAZ grant

	Period ended 9 January 2005 £000	2003-2004 £000
DfES grant received in period	716	841
Carry over from previous period	22	31
	738	872
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	738	872
Spent in the period	(745)	(850)
Funded from general fund	(7)	22
Maximum permitted carry over level	0	74
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.

The Zone now operates under the match funding regime. Core funding from the DfES is now £480,000 per annum. The Zone is expected to raise sponsorship from private sector sources, and further grant, to a maximum of £250,000 per annum will be made available to match any such sponsorship.

3 Other DfES grants

	Period ended 9 January 2005 £000	2003-2004 £000
Gifted and talented	4	9
Excellence challenge	10	33
Aim higher	42	0
Teacher threshold payments	3	3
	59	45

4 Other government grants

	Period ended 9 January 2005 £000	2003-2004 £000
New Opportunities fund	5	174
New Opportunities fund - School sports co-ordinator	0	32
Sport England - School sports co-ordinator	78	99
Learning and Skills Council - Excellence challenge	44	0
Learning and Skills Council - Staying in learning	2	21
Childrens fund	6	5
	135	331

5 Business contributions

	Cash	In Kind	Total Period 9 January 2005 £000	Total Year ended 2003-2004 £000
	£000	£000	£000	£000
Private sector contributions				
World Challenge	0	27	27	29
Volunteer Reading	0	0	0	2
Audio Visual Warehouse	0	7	7	10
Businessdynamics	0	0	0	10
Young Enterprise Advisers	0	4	4	11
European Awareness Conference	0	0	0	4
The Access Partnership	0	0	0	1
Northampton EBLO	0	0	0	1
Kingswood Ed. Activities Centre	0	0	0	1
CNI Kindergarten Ass. (NZ)	0	0	0	2
Benteler	0	0	0	1
Rockingham Speedway	0	1	1	1
BeeBee Developments	0	1	1	0
Northampton Newspapers	0	2	2	0
Nationwide	0	5	5	0
Network Education Press	0	1	1	0
CTC Trading	0	1	1	0
Accomodation offers	0	1	1	0
	<u>0</u>	<u>50</u>	<u>50</u>	<u>73</u>
Public sector contributions				
University of the First Age	12	0	12	12
Corby DC Arts	12	0	12	2
Northamptonshire County Council	27	7	34	23
Catalyst Corby	3	0	3	0
University College Northampton	12	0	12	0
Other	1	0	1	2
	<u>67</u>	<u>7</u>	<u>74</u>	<u>39</u>
	<u>67</u>	<u>57</u>	<u>124</u>	<u>112</u>

In addition to these contributions, the Zone also received support from private individuals donating their time as classroom assistants.

6 Other income

	Period 9 January 2005 £000	2003-2004 £000
Interest receivable	2	3
Sundry income	2	20
	<u>4</u>	<u>23</u>

7 Total resources expended

	Staff costs	Other costs	Total Period ended 9 January 2005	Total 2003-2004
	£000	£000	£000	£000
Direct provision of education	38	0	38	74
Education support costs	15	550	565	777
Grants payable	0	325	325	405
Management and administration	40	35	75	132
Costs of generating funds	0	1	1	1
Cost of termination of operations	22	3	25	0
Transfer of unspent funds	0	34	34	0
	<u>115</u>	<u>948</u>	<u>1,063</u>	<u>1,389</u>
Of which				
DfES grant expenditure	68	651	719	849
Other DfES grant expenditure	0	82	82	42
Other government grant expenditure	25	162	187	417
Other expenditure	0	15	15	80
Costs of generating funds	0	1	1	1
Cost of termination of operations	22	3	25	0
Transfer of unspent funds	0	34	34	0
	<u>115</u>	<u>948</u>	<u>1,063</u>	<u>1,389</u>

In the period ended 9 January 2005 the Zone paid the following grants to schools

	Period ended 9 January 2005	2003-2004
	£	£
Beanfield Infants	14,940	6,607
Beanfield Junior	4,087	8,703
Danesholme Infants	6,762	6,970
Danesholme Junior	14,325	7,330
Exeter Infants	7,200	7,750
Exeter Junior	18,300	12,032
Hazel Leys Primary	10,676	16,613
Kingswood Primary	24,350	32,161
Maplefields	5,440	3,737
Our Lady's Infant	2,485	6,140
Our Lady's Junior	4,850	4,235
Rockingham Primary	24,229	32,172
Rowlett Primary	12,033	17,765
St Brendan's Infant	7,828	4,690
St Brendan's Junior	5,200	2,130
St Patrick's Primary	7,050	8,170
Studfall Infants	8,145	7,766
Studfall Junior	8,000	11,000
Woodnewton Infants	2,700	7,850
Woodnewton Junior	16,832	5,574
Corby Community College	40,678	85,100
Lodge Park T College	17,106	32,037
Kingswood School	28,218	34,689
Our Lady and Pope John	33,451	43,666
	<u>324,885</u>	<u>408,887</u>

8 General expenditure

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

	Period ended 9 January 2005 £000	2003-2004 £000
Educational supplies and services	913	1,104
Occupancy costs	3	3
Supplies and services	25	31
Auditor's remuneration	6	6
Miscellaneous	1	3
	948	1,147

9 Costs of termination of operations

	Period ended 9 January 2005 £000	2003-2004 £000
Staff costs arising from Zone closure	22	0
Cost of post-Zone services provided by nominated successor body	3	0
Amounts transferred to nominated successor body to meet Residual Zone liabilities	8	0
Transfer of unspent funds	34	0
Total costs of termination operations	67	0

The cost of termination in this note differs from that disclosed elsewhere in the accounts, due to

- the inclusion of the amounts transferred to the nominated successor body to meet the Zone's residual liabilities. As the residual liabilities relate to the normal non-closure expenses they have not been disclosed as cost of termination of operations elsewhere in these accounts; and
- the transfer of unspent funds to Studfall Junior School, which is separately disclosed elsewhere in these accounts.

10 Staff costs

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

	Period ended 9 January 2005	2003-2004
Management	0.50	0.75
Administration	2.60	3.45
Teachers	1.06	1.50
Total employees	4.16	5.70

	Period ended 9 January 2005 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	77	179
Costs associated with Zone closure	22	26
Social security costs	7	16
Other pension costs (see note 16)	9	21
Total staff costs	115	242

Two employees earned more than £50,000 during 2003-2004. The total emoluments of these employees were in the following range

	Period ended 9 January 2005	2003-2004
£50,001 - £60,000	0	2

11 Emoluments of Trustees

Emoluments of Trustees

There was no payment of emoluments to Trustees.

Interests in transactions

M Hill acts as a consultant to World Challenge Expeditions to which the Forum paid £65,392 during the period for educational services. The services were provided to the Forum at an arm's length value.

World Challenge is represented on the Forum and made charges of £65,392 for services provided and donated £26,735 in Kind.

LEA - represented on the Forum and made charges of £22,869 for services provided. They donated 100 free hours valued at £6,800 of Inspector time.

During the year payments totalling £8,386 were made to A Durkin, former deputy director of the Zone, in respect of consultancy services. This arrangement was in the normal course of business and was approved in advance by other members of the Forum.

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 £250,000 on any one claim and the cost for the period ended 9 January 2005 was £566 (2003-2004: £724).

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 £5,000 and the cost for the period ended 9 January 2005 was £42.

13 Tangible fixed assets

There were no tangible fixed assets held at year end.

14 Debtors

	9 January 2005 £000	31 March 2004 £000
Prepayments and accrued income	0	19
Sundry debtors	0	9
	<u>0</u>	<u>28</u>

15 Creditors: amounts falling due within one year

	9 January 2005 £000	31 March 2004 £000
Sundry creditor	0	37
Receipts in advance	0	160
Accruals	0	20
	<u>0</u>	<u>217</u>

16 Pensions and similar obligations

	Period ended 9 January 2005 £000	2003-2004 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	9	21

The Zone's employees belong to two principal pension schemes, the Northamptonshire County Council Local Government Pension Scheme and the Teacher's Superannuation Scheme England and Wales.

Northamptonshire Local Government Pension Fund

Actuarial valuations are carried out by Watson Wyatt Partners, whose latest valuation was at 31 March 2001. An actuarial valuation as at 31 March 2004 is currently being carried out. The results of the valuation were not yet available when the accounts were approved by the Forum. The valuation report highlighted liabilities of the Fund had exceeded the assets level of 90.4%. A common contribution rate (the rate in respect of future service only) is 11.28% of Pensionable Pay.

The valuation assumptions are based on the objectives and method set out in the Regulations and designed to represent a balance between providing a reasonable level of security for accrued pension rights and realistic employer contributions. The Projected Method of valuation is consistent with and common to pension schemes in the UK.

Recommended contributions consist of two parts - the Common Contribution Rate, calculated as the value of benefits expected to accrue and the Contribution Adjustment required to correct any imbalance between the asset of the Fund and the funding target. The method has the following characteristics: the Common Contribution Rate will remain stable should the membership profile also remain stable, but if new entrants decline the Rate will tend to rise in future valuations.

Theoretically, the value of the Common Contribution Rate should take account of the investment return and other financial conditions at the time of investment. However, these will not be known at the valuation date and the Actuary has had to make appropriate assumptions based on a longer term "nominal yield basis" rather than yields available at the valuation date.

An adjustment is made to the Common Contribution Rate to correct any imbalance between Fund assets and fund target based on current yield assumptions and measuring the assets at market value.

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	15.24%
Zone's contributions in 2004-2005	£1,104.97

The Northamptonshire Local Government Pension Fund is a multi-employer scheme and as such Corby EAZ is unable to identify its share of underlying assets and liabilities on a consistent and reliable basis.

Teachers' pension scheme (England and Wales)

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	13.50%
Zone's contributions in 2004-2005	£7,377.48

The Teachers Pension Scheme is an unfunded, multi-employer scheme and as such Corby EAZ is unable to identify its share of underlying assets and liabilities on a consistent and reliable basis. Contributions are based upon 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.

17 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	Transfers between funds £000	Balance at 9 January 2005 £000	Total 31 March 2004 £000
DfES recurrent grant	22	716	(745)	7	0	22
Other DfES grants	3	59	(82)	20	0	3
Other	(3)	204	(221)	20	0	(3)
	<u>22</u>	<u>979</u>	<u>(1,048)</u>	<u>42</u>	<u>0</u>	<u>22</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.

18 Unrestricted funds

	Balance at 9 January 2005 £000	2003-2004 £000
Brought forward at 1 April 2004	3	33
Excess/(deficit) of income over expenditure	(3)	(30)
Carried forward at 9 January 2004	0	3

19 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	Total Period 9 January 2005 £000	Total 2003-2004 £000
Current assets	0	0	0	242
Current liabilities	0	0	0	(217)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>25</u>

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

	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
Net incoming/(outgoing) resources	(25)	(37)
Interest received	(2)	(3)
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	28	8
Increase/(decrease) in creditors	(180)	25
Net cash inflow/(outflow) from operating activities	(179)	(7)

The movement in creditors shown above does not agree to the total difference shown in the creditors note.

This is due to money held on behalf of the Home Office for the Positive Futures project as at 31 March 2004 which does not form part of the Zone's activities.

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 Corby 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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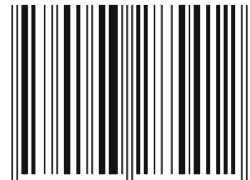
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