

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 Derby North East Education Action Zone for the year ended 31 March 2001, together with the Comptroller and Auditor General's Certificate and Report thereon.

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

Derby North East Education Action Zone Account 2000-2001

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 19 DECEMBER 2002

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Legal and Administrative Information

Trustees

Organisation	Name	Date appointed	Date resigned
Asterdale Primary School	John Armitage	03.04.00	
Beaufort Community Primary School	Marion Close	03.04.00	
Borrow Wood Infant School	Margaret Hobson	03.04.00	
Borrow Wood Junior School	Melanie Griffiths	03.04.00	
Breadsall Hill Top Infant School	Helen King	03.04.00	
Breadsall Hill Top Junior School	Nancy Elks	03.04.00	
Cavendish Close Infant School	Christopher Ham	03.04.00	29.11.00
	David Kinsley	30.11.00	
Cavendish Close Junior School	Paul Gardner*	03.04.00	
Chaddesden Park Infant School	Paul Hassall	03.04.00	
Chaddesden Park Junior School	Mike Grimmett	03.04.00	
Cherry Tree Hill Infant School	Kathy Mayer	03.04.00	
Cherry Tree Hill Junior School	Andrew Davies	03.04.00	
High View School and Technology Centre	Brian Collingwood	03.04.00	
Lees Brook Community School	Carol Dibbs*	03.04.00	
Meadow Farm Community Primary School	David Marshall	03.04.00	29.09.00
	Howard Jones*	02.10.00	
Parkview Primary School	Claire Griffiths	03.04.00	
Roe Farm Primary School	Kate Williams (Vice Chair)*	03.04.00	
Springfield Primary School	Anita Hayes	03.04.00	
St Albans Primary School	Mark Booton	03.04.00	
St Andrew's School	Mike Dawes	03.04.00	
St Giles' School	Patrick Walsh*	03.04.00	
St Werburgh's Church of England Primary School	Janice Pearce	03.04.00	
West Park Community School	John Ahern	03.04.00	07.06.00
	Brian Walker	08.06.00	
DfEE	John Turner	03.04.00	
DfEE	(Current vacancy)		
Derby Evening Telegraph	Keith Perch	03.04.00	
Rolls Royce PLC	Brian Hayer	03.04.00	06.03.01
	Martin Blount	07.03.01	
Electronic Data Systems PLC	Debbie Law*	03.04.00	
Derby City Council	David Hayes (Chair)*	03.04.00	
Derby City Council	Cllr Hardyal Dhindsa*	10.05.00	
Breadsall Ward	Cllr John Ireland	03.04.00	
Chaddesden Ward	Cllr Sara Bolton	03.04.00	
Derwent Ward	Cllr Mark Young	03.04.00	03.01
	(Current vacancy)		
Spondon Ward	Cllr Mike Byrne	03.04.00	07.06.00
	Cllr John Ahern	08.06.00	
Business, Industry and Commerce	(Current vacancy)		
Business, Industry and Commerce	(Current vacancy)		
Voluntary, Community and Charitable - Adult Education	Alison Leivars*	03.04.00	

* members of the Executive Group

Trustees (continued)

Organisation	Name	Date appointed	Date resigned
Voluntary, Community and Charitable - Stepping Stones Nursery	Mel Lakin	03.04.00	12.00
	Janet Holland	01.01	
Voluntary, Community and Charitable - Derby CVS	Angela Kerry*	03.04.00	15.01.01
	Karen Oliffe	16.01.01	
Parents (High View School)	David Cunningham	10.05.00	
Parents (Lees Brook School)	Paige Bramley	15.09.00	
Parents (West Park School)	<i>(Current vacancy)</i>		
Further the objects of the Zone - Southern Derbyshire Health Authority	Cal Chambers	03.04.00	
Further the objects of the Zone - Early Years Team	Chris Evans	03.04.00	
Further the objects of the Zone - Local Education Authority	Peter Arnold	10.05.00	
Further the objects of the Zone - Wilmorton Tertiary College	Sue Gray	10.05.00	
Trade Union (teaching)	Dave Parnham*	03.04.00	
Trade Union (non-teaching)	Nirmal Pheasant	03.04.00	
EAZ Director	Mick Seller	03.04.00	

EAZ office

Suites 11-14
 Beaufort Street Business Centre
 Chaddesden
 Derby DE21 6AX
 Tel: (01332) 716877
 Fax: (01332) 716396

Auditors

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

Bankers

The Co-operative Bank
 31 East Street
 Derby DE1 2AL

* members of the Executive Group

Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 31 March 2001.

Constitution and principal activities

The Forum is a corporate body and exempt charity established on 1 April 2000 under the 1998 School Standards and Framework Act. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum are nominated by partner schools and businesses, the LEA, parents and the DfEE.

The principal activity of the Forum, according to the 1998 Act, is 'the improvement of standards in the provision of education at each of the participating schools'.

In accordance with the Act, the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Employment. The Action Plan specifies improving the skills of teachers and assistants, provision for sport and the arts, ICT access and skills, a more relevant Key Stage (KS) 4 curriculum, and attainment of particular groups as the main foci of activity.

Organisation and objectives

The sole activity of the Forum is the operation of Derby North East Education Action Zone (EAZ). The professional management structure of the EAZ consists of a Director, Programme Manager and Personal Assistant. An Executive Group of ten members has delegated authority for decision making within the policy framework laid down by the Forum. The aim of the management structure is to involve schools and business partners and encourage involvement in decision making at all levels.

The present Trustees of the EAZ are set out on pages 2 to 3, with dates of appointment and, where appropriate, resignations in the year.

Developments, activities and achievements

The Forum is in its first period of operation. During the 12 months of operation the EAZ has developed in accordance with the Bid and Action Plan agreed by the DfEE. The key developments, activities and achievements are as follows

- All key Zone staff appointments made, including director, PA to director, programme manager, ICT co-ordinator, attendance co-ordinator, Early Years co-ordinator, Arts co-ordinator, a music therapist and a supply teacher working on KS4 programmes.
- Forum, Executive and steering group meetings all arranged according to the EAZ constitution
- EAZ offices established
- Trustees insurance arranged
- All EAZ programmes developed according to Action Plan
- Programme evaluation completed March 2001 (available on request)
- Strong partnerships with the private sector have been nurtured
- Strong partnerships with the public sector have been maintained
- A case for extending the Zone for an additional two years to March 2005 has been submitted

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 DfEE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2000-2001 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The EAZ also received other restricted grants from the DfEE.

During 2000-2001 the EAZ received donations from sponsors. Rolls-Royce plc, Derby Evening Telegraph, Electronic Data Systems plc and Derby City Council are partners of the Forum and have donated £105,640 to assist the Forum to achieve its objectives. Understanding Industry has also donated £4,800 to the Forum. 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 DfEE and other income and the excess of incoming resources over resources expended for the 12 months was £71,201.

Fund review

The EAZ held fund balances at the 31 March 2001 of £71,201, all of which were restricted funds. The fund balances are adequate to fulfil the obligations of the EAZ and provide a balance against most unforeseen future events. To achieve the Action Plan objectives the EAZ remains dependent on the provision of grants from both the DfEE and commercial sponsors.

Connected organisations

The partner schools of the EAZ are

Asterdale Primary School
 Beaufort Community Primary School
 Borrow Wood Infant School
 Borrow Wood Junior School
 Breadsall Hill Top Infant School
 Breadsall Hill Top Junior School
 Cavendish Close Infant School
 Cavendish Close Junior School
 Chaddesden Park Infant School
 Chaddesden Park Junior School
 Cherry Tree Hill Infant School
 Cherry Tree Hill Junior School
 High View School and Technology Centre
 Lees Brook Community School
 Meadow Farm Community Primary School
 Parkview Primary School
 Roe Farm Primary School
 Springfield Primary School
 St Alban's Catholic Primary School
 St Andrew's School
 St Giles' School
 St Werburgh's Church of England School
 West Park Community School

The Forum has also contracted with Derby City Council to provide accounting and financial services.

Statement of Trustees' responsibilities for the financial statements

Under the School Standards and Framework Act 1998, the 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 going concern basis.

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 Employment.

Auditors

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

Approval

The report of the Trustees was approved by the Forum on 30 September 2002 and signed on its behalf by

David Hayes
Chairman

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

I certify that I have audited the financial statements on pages 8 to 19 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 12 to 13.

Respective responsibilities of the Trustees and Auditor

As described on page 6, 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 guided by the Auditing Practices Board and the auditing profession's ethical guidance.

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.

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 Forum's circumstances, consistently applied and adequately disclosed.

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

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Derby North East Education Action Forum at 31 March 2001 and of its incoming resources, application of resources and cash flows in 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

13 November 2002

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Statement of Financial Activities for the period ended 31 March 2001

	Note	Un- restricted funds £000	Restricted funds DfEE £000	Other £000	Total 2000-2001 £000
Incoming resources					
Grants receivable		0	583	0	583
Private sector contributions	4	85	0	0	85
Public sector contributions	4	10	0	0	10
Other income		0	0	0	0
Amortisation transfer		0	0	0	0
Total incoming resources		95	583	0	678
Resources expended					
<i>Direct charitable expenditure</i>					
Provision of education	5	0	64	0	64
Education support costs	5	63	74	0	137
Grants payable	5	0	233	0	233
<i>Other expenditure</i>					
Management and admin	5	10	141	0	151
Fundraising and publicity	5	22	0	0	22
Total resources expended		95	512	0	607
Net incoming/(outgoing) resources before transfers		0	71	0	71
Transfers between funds		0	0	0	0
Net movement in funds		0	71	0	71
Fund balances brought forward at 1 April 2000		0	0	0	0
Fund balances carried forward at 31 March 2001	15,16	0	71	0	71

The Statement of Financial Activities analyses all the income, resources and expenditure of the EAZ during the period and reconciles the movements in funds. Further analysis of the income and expenditure for the year is shown on page 9 and the overall financial position at the period end is summarised in the balance sheet on page 10.

The notes on pages 12 to 19 form part of these accounts.

Income and Expenditure Account for the period ended 31 March 2001

	Note	2000-2001 £000
Income		
DfEE EAZ grant	2	524
Other DfEE grants	3	59
Other government grants		0
Private sector contributions	4	85
Public sector contributions	4	10
Other income		0
Amortisation/deferred income		0
Total income		678
Expenditure		
DfEE EAZ grant expenditure	5	453
Other DfEE grant expenditure	5	59
Other government grant expenditure	5	0
Depreciation	5	0
Other expenditure	5	95
Total expenditure		607
Excess of income over expenditure		71
Net transfers to/from funds		
DfEE EAZ funds	15	71
Other restricted funds		0
Unrestricted funds	16	0
Net movement in funds		71

The income and expenditure account is derived from the Statement of Financial Activities on page 8 which, together with the notes to the accounts on pages 12 to 19, provide full information on the movements during the year on all the funds of the Forum.

All items dealt with in arriving at the excess of income over expenditure for 2000-2001 relate to continuing operations.

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

Balance Sheet as at 31 March 2001

	Note	31 March 2001 £000
Fixed assets		
Tangible assets	10	0
Current assets		
Stocks	11	0
Debtors	12	43
Cash at bank and in hand		85
		<u>128</u>
Creditors: amounts falling due within one year	13	<u>(57)</u>
Net current assets		71
Deferred income		0
Net assets		<u>71</u>
Funds		
Restricted funds	15	71
Unrestricted funds	16	0
		<u>71</u>

The financial statements were approved by the Forum on 30 September 2002 and signed on its behalf by

David Hayes
Chairman

Cash Flow Statement for the period ended 31 March 2001

	Note	2000-2001
		£000
Operating activities		
<i>Receipts</i>		
Recurrent EAZ grant received from DfEE		524
Other receipts from DfEE		59
Receipts from central or local government		0
Private sector sponsorship		0
Other receipts		0
		<u>583</u>
<i>Payments</i>		
Staff costs		(190)
Other cash payments		(308)
Net cash inflow from operating activities	21	<u>85</u>
Returns on investments and servicing of finance		0
Capital expenditure		0
Financing		0
Increase (decrease) in cash in the period		<u>85</u>

Notes to the Financial Statements 31 March 2001

1 Accounting policies

Format of accounts

The accounts have been prepared to comply with the format as required by the Statement of Recommended Practice (SORP) 'Accounting by Charities'.

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. The Derby North East Education Action Zone Forum was established under the Schools Standards and Framework Act and has a three year lifespan. The Secretary of State may extend the life of the Forum by a further two years. These financial statements have been prepared on a going concern basis.

Recognition of income

Income received for capital purposes but not matched to relevant expenditure during the period is shown as deferred income on the balance sheet. The annual EAZ grant from the DfEE, which is intended to meet recurrent costs, is credited direct to the income and expenditure account.

Contributions in Kind

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

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP, expenditure has been analysed between direct charitable and other expenditure. The only activity undertaken by the EAZ is the operation of the Derby North East Education Action Zone and indirect charitable expenditure reflects the costs of management, administration and fundraising necessary for the operation of the EAZ. Items of expenditure which involve more than one cost category have been allocated on a reasonable, justifiable and consistent basis, for the cost category concerned.

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. The related grants are credited to a deferred income account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are

Furniture and equipment	33%
Computer equipment and software	33%

Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

Investments

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

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

Stocks

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

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*Local government scheme*

The pension costs which are charged to the EAZ's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees.

These contributions have been determined on the basis of rates that are set to meet 100% of the liabilities of the superannuation fund, in accordance with relevant Government regulations.

The annual report of the Derbyshire Superannuation Fund is available from Derbyshire County Council, County Hall, Matlock, DE4 3AH.

Teachers pension scheme

This is an unfunded scheme administered by the Department of Education and Employment. The pension costs charged to the accounts are the contributions calculated at the rate set by the DfEE on the basis of a notional fund.

2 DfEE EAZ grant

	2000-2001 £000
DfEE grant received in period	524
Carry over from previous period	0
Total grant available to spend	<u>524</u>
Spent in the period	(453)
Underspent grant/(funded from general fund)	<u>71</u>
Maximum permitted carry over level	41
Excess grant to surrender	<u>30</u>

3 Other DfEE grants

	2000-2001 £000
Gifted and Talented summer school	9
Barber Menu	50
	<u>59</u>

4 Business contributions

	2000-2001 £000 cash	2000-2001 £000 in Kind	2000-2001 £000 total
Private sector contributions			
Rolls-Royce plc	0	57	57
Derby Evening Telegraph	0	22	22
Understanding Industry	0	5	5
Electronic Data Systems plc	0	1	1
	<u>0</u>	<u>85</u>	<u>85</u>
Public sector contributions			
Public sector bodies	0	10	10
	<u>0</u>	<u>95</u>	<u>95</u>

Included in the above is £84,781 of contributions in kind, representing strategic advice, work placement for Key Stage 4 pupils, provision of mentors, training and training needs analysis and classroom volunteers (£56,695); press coverage of the Forum's objectives and provision of WEB space and related advice (£22,000); corporate sponsorship for work awareness education for Key Stage 3 pupils (£4,800); programme management advice and meeting facilities (£1,286); and subsidised accommodation (£10,440).

5 Total resources expended 2000-2001

	Staff costs £000	Depre- ciation £000	Other costs £000	Total £000
Direct provision of education	49	0	14	63
Education support costs	3	0	150	153
Grants payable*	0	0	233	233
Management and administration	73	0	63	136
Fundraising	0	0	22	22
	<u>125</u>	<u>0</u>	<u>482</u>	<u>607</u>
Of which				
DfEE EAZ grant expenditure	122	0	331	453
Other DfEE grant expenditure	3	0	56	59
Other government grant expenditure	0	0	0	0
Other expenditure	0	0	95	95
Depreciation	0	0	0	0
	<u>125</u>	<u>0</u>	<u>482</u>	<u>607</u>

* The following grants were paid to schools and spent by schools during the year

	Grant £000	Spent in year £000
Asterdale Primary School	4	4
Beaufort Community Primary School	21	10
Borrow Wood Infant School	12	8
Borrow Wood Junior School	13	11
Breadsall Hill Top Infant School	13	10
Breadsall Hill Top Junior School	13	13
Cavendish Close Infant School	13	8
Cavendish Close Junior School	20	20
Chaddesden Park Infant School	13	13
Chaddesden Park Junior School	18	17
Cherry Tree Hill Infant School	1	0
Cherry Tree Hill Junior School	6	6
High View School and Technology Centre	18	18
Lees Brook Community School	19	17
Meadow Farm Community Primary School	13	5
Parkview Primary School	4	4
Roe Farm Primary School	15	12
Springfield Primary School	15	15
St Alban's Catholic Primary School	4	4
St Andrew's School	10	8
St Giles' School	8	8
St Werburgh's C of E Primary School	9	8
West Park Community School	4	4
Total grants (net of VAT)	266	223
VAT		10
Total (including VAT)		233

Grants paid to schools, but not spent by the school within the year, have been accounted for as prepayments.

6 General expenditure

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

	2000-2001 £000
Educational supplies and services	386
Occupancy costs	19
Supplies and services	77
Operating lease rentals	0
Trustees expenses	0
Ex-gratia payments	0
Miscellaneous	0
	482

Included in supplies and services above is £6,000 relating to external auditor fees.

7 Staff costs

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

	2000-2001
Management	1
Administration	1
Teachers	2
Total employees	<u>4</u>

Staff costs for the above persons

	2000-2001 £000s
Wages and salaries	108
Social security costs	9
Other pension costs (see note 14)	8
Total staff costs	<u>125</u>

One employee earned more than £40,000 during 2000-2001. The total emoluments of this employee was in the following range.

	2000-2001
£40,001 - £50,000	1
£50,001 - £60,000	<u>0</u>

8 Emoluments of Trustees

	2000-2001 £000
Emoluments of Trustees	Nil

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 31 March totalled £Nil. Travel and subsistence expenses were not paid to Trustees during the period.

9 Trustees' and Officers' insurance

In accordance with normal commercial practice, the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £1,000,000 on any one claim and the cost for 2000-2001 was £738.

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 2000-2001 was £158.

10 Tangible fixed assets

At 31 March 2001, no fixed assets have been acquired with a value over the capitalisation threshold of £2,500.

11 Stocks

No material stocks were held at 31 March 2001. Stationery and similar items have been charged to the period in which they were purchased.

12 Debtors

	31 March 2001 £000
Trade debtors	0
Prepayments	43
Sundry debtors	0
	<u>43</u>

13 Creditors: amounts falling due within one year

	31 March 2001 £000
Trade creditors	0
Taxation and social security	10
Sundry creditors	5
Accruals	42
	<u>57</u>

14 Pension and similar obligations

	2000-2001 £000s
Other pension costs comprise	0
Defined benefit scheme - regular cost	9
Defined contribution scheme	0
	<u>9</u>

The EAZ's employees belong to two principal pension schemes, the Derbyshire County Council Superannuation Fund and the Teachers' Superannuation Scheme England and Wales (TSS). Both schemes are defined benefit schemes related to pay and service.

Derbyshire County Council Superannuation Fund

In 2000-2001 the EAZ paid to the Fund an employers' contribution of £3,000, representing 13.1% of employees' pensionable pay. This percentage was lower in 1998-99 (12.6%). The contribution rate is determined by the Fund's actuary based on triennial actuarial valuations, and is required, under the Superannuation Regulations, to meet 100% of the liabilities of the Fund. The Fund was last valued at 31 March 1998 and the changes arising from that review were effective from 1999-2000 for the following three years.

The Fund's actuary has advised that the pension costs that it would have been necessary to provide for the year, in accordance with SSAP24, 'Accounting for Pension Costs', represent 13.4% of pensionable pay.

Teachers' Superannuation Scheme England and Wales (TSS)

In 2000-2001 the EAZ paid £6,000 to the Department of Education and Employment in respect of teachers' pension costs. The contribution rate was 7.4%.

15 Restricted funds

The income funds of the EAZ comprise the following balances of grants to be applied for specific purposes

	Balance at 1 April 2000	Incoming resources	Expend- iture, gains, losses & transfers	Balance at 31 March 2001
	£000	£000	£000	£000
DfEE EAZ grant	0	524	453	71
DfEE Summer School grant	0	9	9	0
DfEE Barber Menu grant	0	50	50	0
	<u>0</u>	<u>583</u>	<u>512</u>	<u>71</u>

DfEE EAZ 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.

Other DfEE grants must be used in accordance with the instructions issued with the grant. Any unspent balance of this grant must be surrendered to the DfEE at the period end.

16 Unrestricted funds

	£000
Brought forward at 1 April 2000	0
Excess of income over expenditure	0
Carried forward at 31 March 2001	<u>0</u>

17 Analysis of net assets between funds

Fund balances at 31 March 2001 are represented by

	Unrestricted funds £000	Restricted funds £000	Total £000
Tangible fixed assets	0	0	0
Investments	0	0	0
Current assets	0	128	128
Current liabilities	0	(57)	(57)
Deferred income	0	0	0
	<u>0</u>	<u>71</u>	<u>71</u>

18 Capital commitments

As at 31 March 2001, there were no outstanding capital commitments contracted for or authorised by Trustees.

19 Lease commitments

As at 31 March 2001, there were no material operating leases.

20 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 DfEE grant was received, the Forum shall, if it does not re-invest the proceeds, repay to the Secretary of State for Education and Employment 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

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

As at 31 March 2001 there were no contingent liabilities.

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

	2000-2001
	£000
Net incoming resources	71
Depreciation	0
Deferred grant released to income	0
Increase in stocks	0
Increase in debtors	(43)
Increase in creditors	57
Net cash inflow from operating activities	85

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

- 1 The Education Action Zone shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising
 - a a Trustees' Report;
 - b a statement of financial activity, and an income and expenditure account;
 - c a balance sheet;
 - d a cash flow statement; and
 - e a statement of total recognised gains and losses,including such notes as may be necessary for the purposes referred to in the following paragraphs.
- 2 The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with
 - a generally accepted accounting practice in the United Kingdom (UK GAAP), including the provisions of the Statement of Recommended Practice, Accounting by Charities. Forum shall not adopt Financial Reporting Standard, Small Entities;
 - 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 Derby North East 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 modified by the inclusion of
 - a fixed assets at cost (or valuation) less an appropriate provision for depreciation;
 - b fixed asset investments at market value;
 - c current assets (other than investments) at the lower of cost and net realisable value; and
 - d liabilities at their settlement value.
- 5 The value of contributions from business, both assets and services should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.
- 6 This direction shall be reproduced as an appendix to the accounts.

Signed by authority of the Secretary of State for Education and Employment

CS Wormald
Head of Standards Division
Department of Education and Employment

1 September 2000

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