

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 Halifax Education Action Zone for the period ended 31 December 2003, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1131 of 2002-2003)

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

Halifax Education Action Zone Account 1 April 2003 to 31 December 2003

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 26 APRIL 2004

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Legal and Administrative Information

Trustees

Sir Anthony Tippet, KCB	Chairman
Ann O'Brien (Halifax plc)	Vice Chairman
Carlton Midgley	Director
Chris Stead	Headteacher Representative
Irene Harford	Headteacher Representative
Mags Archer	Headteacher Representative until 18 July 2003
Rosemary Solan	Headteacher Representative
Jeremy Waxman	Headteacher Representative
Roy Long	Governor Representative
Margaret Williamson	Governor Representative
Cathy Gunningham	Governor Representative
Patricia Astwood	Governor Representative
David Peck	Governor Representative
Barry Collins	Governor Representative
David Roberts	Governor Representative
John O'Brien	Governor Representative
Pat Stratton	Governor Representative
Kevin Stewart	Governor Representative
Ann Ashton	Governor Representative
Paul Leach	Parent Representative
Susan Cater	Parent Representative
Nasreen Rafiq	Parent Representative
Stephen Cole	Parent Representative
Rebecca Hutchinson	Parent Representative
Alan Henderson	Teacher Representative
Michelle Webb	Teacher Representative
Vicky Lane	Teacher Representative
Graham Cotterill	Teacher Representative
Carol White	Director of Schools and Children's Services Directorate until 31 July 2003
Ian Dodgson	Acting Director of Schools and Children's Services Directorate from 1 August 2003 until 2 November 2003
Caroline Gruen	Director of Schools and Children's Services Directorate from 3 November 2003
Monica Box	Principal, Calderdale Colleges Corporation
Roger Standen	Dean Clough Ltd
Karen Sherry	Learning and Skills Council
Barbara Harbinson	Halifax Opportunities Trust
Rob Clegg	North Halifax Partnership
Shelagh Hirst	Calderdale Federation of Professional Teachers' Association
Freda Davis	Calderdale Association for Parents
Paul Copley	The Diocese of Leeds School Commission
David Barraclough	Wakefield Diocesan Council of Education
Jack Costello	Calderdale & Kirklees Careers Service Partnership
Professor Cedric Cullingford	University of Huddersfield
Anne Manns	Calderdale Early Years Development & Childcare Partnership until 24 October 2003
Atsham Ali	Himmat Project
Brenda Toward	Calderdale MBC, Social Services Department from 25 June 2003
Chief Inspector Martin Sykes	West Yorkshire Police until 25 June 2003
Jack Haymer	Calderdale Dyslexia Association

Membership of sub-committees

Education Executive Group

Sir Anthony Tippet, KCB	Chairman
Carlton Midgley	Director
Anna White, CBE	Secondary Head
Mike Hirst	Special School Head
Judith Priestley	Primary Head
Helen Gatenby	Primary Head
Vicky Mellor	Primary Head
Chris Stead	Primary Head
Ann O'Brien	Halifax plc
Monica Box	Principal, Calderdale Colleges Corporation
Sheila Slater	Learning and Skills Council from 1 April 2003
Barbara Harbinson	Halifax Opportunities Trust
Rob Clegg	North Halifax Partnership
Mike Benton	Calderdale and Kirklees Careers Service Partnership
Roger Standen	Design Dimension
Ruth Baldwin	Head of Education Effectiveness, Calderdale LEA until 2 May 2003
Susan Squires	Head of Education Effectiveness, Calderdale LEA from 10 June 2003

Education Standards Group

Sir Anthony Tippet, KCB	Chairman
Carlton Midgley	Director
David Farrant	Strategic Consultant
Ruth Baldwin	Calderdale LEA until 2 May 2003
Susan Squires	Calderdale LEA from 10 June 2003
Monica Box	Principal, Calderdale Colleges Corporation
Headteachers	From each of the 28 schools in the Zone

Bursar and Secretary

Amanda Rawson

EAZ Office

Halifax Learning Zone
Room 121, E Mill
Dean Clough
Halifax HX3 5AX

Auditors

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

Bankers

Halifax plc
Commercial Street
Halifax HX1 1BH

Major business partner

The Zone's major business partner is the Halifax plc, which has committed £250,000 per annum for the first three years of the Zone's life and £250,000 across the final two years - a total of £1,000,000. Halifax plc has also provided the Zone with invaluable expertise, especially that of the Vice Chairman, and equipment.

Other partners

The Zone is grateful for the range of substantial in Kind support and programme collaboration provided by its other partners

Calderdale LEA
Calderdale Colleges Corporation
Dean Clough Ltd
Halifax Opportunities Trust
North Halifax Partnership

Financial support

The Zone is also grateful for financial support during the period of these accounts from

Calderdale Metropolitan Borough Council
Calderdale Community Foundation
Esmée Fairbairn Foundation
Harveys of Halifax
National Foundation for Youth Music
North Halifax Community Chest
Smarter Solutions Ltd
The Foyle Foundation

Other support

The Zone has also received significant support for the development of programmes of activity, for which it is also grateful, from

The Calderdale and Kirklees Careers Service Partnership
The University of Huddersfield
Yorkshire Youth and Music
Sir Ernest Hall, OBE
Sir Thomas Allen, CBE
Alan Simmons Music
Dr Peter Andry, OAM
Northern Orchestral Enterprises Ltd
Northern Broadsides

Report of the Trustees

The Trustees present their report and the audited financial statements for the period from 1 April 2003 to 31 December 2003.

Constitution and principal activities

The Forum is a corporate body and exempt charity established on 1 January 1999 under the 1998 School Standards and Framework Act, the governing document. 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 the organisations listed in the statutory instrument, which established the zone.

The objective of the Zone is 'To inspire and lift pupils' educational achievements, aspirations and self esteem through using the expertise and resources of the co-operating partners in education, commerce, enterprise and the arts'. The principal activity of the Forum is to establish the programmes to improve standards within the Schools that are part of its Education Action Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, amongst other things, current levels of attainment in Zone schools, targets for improving standards of achievement, procedures for monitoring and evaluating performance, time scales and budgets. Four major areas of activity were set for the operation of the Zone for its final two years and two terms from 1 April 2001, including the period ended 31 December 2003

Activity Area A: Leadership and management;
Activity Area B: Teaching and learning;
Activity Area C: ICT; and
Activity Area D: Parents/carers and the community.

Future prospects

Under the 1998 School Standards Act, the Education Action Zone was given a statutory life of no more than five years. As this period was completed on 31 December 2003 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 31 December 2003 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities have been transferred to Zone schools at net book value. No adjustments have been necessary to the net book value of assets held immediately prior to closure.

Organisation and objectives

The sole activity of the Forum is the operation of the Halifax EAZ, named The Halifax Learning Zone by the Action Forum.

The operational management structure of the Zone consists of a Director and Bursar. These two posts constitute the EAZ Senior Management Team, which reports to the Forum.

From the outset, the Forum established two reporting groups, which support the development and implementation of the Action Plan. These are the Education Executive Group, which superintends the business of the Zone and the Education Standards Group, which advises the Forum on the educational activities of the Zone. The aim of this management and implementation structure is to involve schools and business partners and encourage involvement in decision-making at all levels.

There have been no material changes in policies since the last report. The Zone programmes have continued to be focused within the four activity areas described above, with the addition of a music project as part of the Zone's engagement in the Arts to improve self-esteem.

The Trustees of the EAZ are set out on page 2. All Trustees were in place at the beginning of the year on 1 April 2003 and served to 31 December 2003 except for those identified.

Developments, activities and achievements

In March 2002, the final Action Plan for April 2002 to December 2003 was approved by the Action Forum and submitted to the DfES. The continuation of this plan from April to December 2003 was confirmed by the Action Forum in March 2003. The major achievements over the nine months April 2003 to December 2003 were

Activity Area A: Leadership and management

A wide range of activities has taken place in the area of leadership and management under the direction of David Farrant, the Strategic Consultant. The thrust has been to support headteachers to be able to evaluate their schools more effectively and work together to learn from each other. The major activities involved have been

- Professional development: training in classroom observation, the preparation of Ofsted forms S3 and S4, policy writing, developing the role of the curriculum co-ordinator;
- Working with governors: one-to-one meetings, training in self-evaluation;
- Software support: Continuous School Improvement (CSI), the Capita self-evaluation pilot scheme, Transforming Learning;
- Group support: Leadership Learning Groups, Self-Evaluation Working Group, Networked Learning Communities;
- Meetings have been held with Chairs of Governors of Zone schools to discuss the governors' role in monitoring and evaluation. To date nine schools have been involved in training sessions for full governing bodies;
- In order to promote a positive image of primary headship, a joint initiative between the Zone and the Local Authority led to the planning of a special event in May 2003 entitled 'Tomorrow's Leaders': Responding to the Challenge of Primary Headship';
- A major dissemination event on leadership and management took place in June 2003. All schools in Calderdale were invited to attend, and 47 headteachers were present;
- Training in classroom observation skills for managers took place in October 2003; and
- Training opportunities to develop the role of the curriculum co-ordinators took place in May, June and October 2003.

Activity Area B: Teaching and learning

- Additional staffing was supported in 11 primary schools facing challenging circumstances with outcomes of improved behaviour, reduced exclusions, fewer lunchtime incidents and improved quality of learning;
- Additional staff time was provided in the other 13 primary schools to enable teacher release, for example, co-ordinators to work with other teachers; and
- Secondary schools were able to enhance the funding of a Raising Attainment Plan which incorporated some or all of
 - release time for heads of department;
 - learning mentors;
 - learning support units;
 - booster classes;
 - holiday revision schools; and
 - revision resources.

- Funding for school designed innovations enabled each school to pursue its own improvement programme, approved by the Education Executive Group;
- 21 Summer Schools were supported in Zone schools;
- 24 Year 10 students went to Cambridge University in March. They stayed overnight in Clare College and spent the day at Trinity Hall College;
- 65 Year 10 students from the three secondary schools spent a week on the campus of Lancaster University in July 2003;
- Pupil planners were provided for all Year 5 and Year 6 pupils; and
- 30 Year 6 pupils from Zone primary schools took advantage of the Gifted and Talented Summer School at Calder High School.

Activity Area C: ICT

- Local authority ICT consultants have continued to visit primary schools to review progress with ICT and OILS, and to provide advice and support;
- A report on ICT was presented to the Action Forum in June, which demonstrated the good progress made in the Zone schools;
- 'Closing the ICT Gap' has been wound up after delivering the following outcomes during the life of the Zone
 - 219 parents on ICT courses;
 - 96 reconditioned, low cost subsidised computers purchased by parents.
- Future funding has been secured from Yorkshire Forward to continue the 'Closing the ICT Gap' scheme for a further three years.

Activity Area D: Parents/carers and the community

A progress report was given to the Action Forum in March 2003. This detailed the wide range of activities the Club Lane staff have been involved with over four years. Among the overall achievements were

- 86 families supported through the Transition Project;
- 200 children using the Toy Libraries every week;
- 6 Breakfast Clubs set up;
- 12 Parents' rooms established;
- 7 Parent and Toddler groups supported;
- 2000 parents trained on courses (to help them to relate to their children's activities and to encourage them to assist in schools);
- 120 additional parents helping in schools; and
- 3 Family Learning Weekends co-ordinated.

The Zone parents/carers programmes emanating from Club Lane were successfully closed down by 31 August 2003. Club Lane staff were given independent career, personal and financial advice, and they were well supported throughout the year by the Director and the Bursar. All have been placed in employment or training, two of them with Zone schools. Successful applications for additional funding have enabled many schools to continue the home school link work developed by the Zone.

Music project

The Zone Music Project 2003 was designed to raise standards of music in Zone schools and culminate in a concert to mark the end of the Zone. Sir Thomas Allen, the internationally known opera singer has given generously of his time and a range of professional musicians were employed to implement this major project. The programmes have included: master classes; literacy and numeracy through music; singing for boys; altogether music; teachers' workshops; Melody Monkey's Marvellous Music Box and musical theatre. The concert was held in the Victoria Theatre, Halifax on 4 November where over 700 children performed together, led by Sir Thomas Allen. Funding for the music programme and concert was raised through a substantial fundraising initiative, which brought in some £100,000.

Management and administration

The management and administration costs represented 16% of the total income received.

Education standards

One of the key statistics the Forum has used in determining whether the Zone is having an impact on attainment is whether it is closing the gap on the LEA results.

For 1999-2003, the overall picture is one of steady improvement, with differences at each key stage (KS)

Key Stage 1

- percentage of level 2+ in Reading is closing the gap: 7% → 5% → 3% → 2% → 1%;
- percentage of level 2+ in Writing is closing the gap: 6% → 6% → 4% → 3% → 1%; and
- percentage of level 2+ in Mathematics is closing the gap: 7% → 3% → 2% → 1% → 3%.

Key Stage 2

- percentage of level 4+ in English has begun to close the gap: 8% → 10% → 8% → 6% → 7%; and
- percentage of level 4+ in Mathematics has begun to close the gap: 6% → 7% → 8% → 7% → 5%.

Key Stage 3

- percentage of level 5+ in English has been variable: 24% → 30% → 28% → 28% → 33%; and
- percentage of level 5+ in Mathematics has begun to close the gap: 37% → 38% → 33% → 33% → 35%.

GCSE/GNVQ

- percentage of 5+ A*- C is closing the gap: 30% → 34% → 29% → 28% → 21%; and
- Zone percentage for 2003 of 31% is 11% above the target set by the Zone for 2003, 11% above the target set by the DfES for 2004 for 'schools facing challenging circumstances' and 6% above the DfES target for 2006.

External evaluation of the Zone

The Zone has commissioned an independent ex-HMI, to conduct an evaluation of the Zone's work, and to provide a basis for public report. The Interim Review was published in March 2002, based on an evaluation of evidence collected between November 2001 and January 2002. The final evaluation report was presented to Action Forum on 26 November 2003, in which it concluded

'The Halifax Learning Zone was set up at a time when the local authority faced extreme difficulties and when many of the schools in Halifax were at a low ebb. In this context, the achievements of the Zone have been considerable and, significantly, of long-term benefit to schools and the community. Other factors have contributed to school improvement and the raising of educational standards, notably the local authority and central government (through other sources of funding), but there is no mistaking the impact of the Zone in helping to turn round schools in decline,

and in supporting others with the capacity for self-improvement. No school believes that the battle is won, but that is itself an indicator that the Zone is not a flash in the pan.'

Important events since March 2003

- 27 June 2003: Zone Dissemination Conference on 'Leadership and Management' - for headteachers of Calderdale primary schools;
- September 2003: Transformation Action Plan (TAP) formally approved by the DfES;
- 4 November 2003: Zone Music Concert and Celebration; and
- 31 December 2003: closure of the Halifax Learning Zone.

Halifax Excellence Cluster

The Director has worked effectively with the headteachers and the Local Authority to establish the Halifax Excellence Cluster from 1 January 2004, funded by the DfES. This will continue a significant proportion of the Zone's programmes and add three more: gifted and talented; learning mentors and learning support units.

Overall assessment by the Trustees

The Trustees rely upon the external evaluation report and the self-evaluation reports provided by the Director as authoritative assessments of the Zone's achievements and needs for development.

We continue to be grateful for the substantial financial and community support from Halifax plc and the successful professional collaboration with the Local Authority. We are grateful, too, to Dean Clough Ltd for provision of our office and other practical support; to Calderdale Colleges Corporation for their continuing involvement with our secondary schools programme, which owes much to their commitment; to the North Halifax and Action Halifax SRBs, for successful project collaboration and programme support; to the University of Huddersfield for professional educational advice and their association with several activities; to the Learning and Skills Council, the Careers Service, Design Dimension and the West Yorkshire Police for their commitment, support and contributions to Zone discussion; and to the DfES and our associated officials for their invaluable encouragement and guidance. We have recently been particularly fortunate that Sir Thomas Allen, the leading opera singer, has given his time, skill and enthusiasm to inspiring some of our children's singing.

Zone School Heads, their Governors and their staffs have made a fundamental contribution to the development and continuation of Zone activities in their schools and to the cohesion of the Zone. Their commitment to the Zone, making a difference to their children's achievements, has been universally strong and cohesive. Finally, the Director and the small staff directly employed by the Zone have given very professional and successful leadership in all the areas of activity, and have strongly supported the Trustees in achieving the broad aims of the Zone

- to increase educational achievement;
- to raise pupils' self esteem and aspirations; and
- to help families and communities in supporting children's learning.

The Zone made a good start, and has since then developed its programmes taking due notice of the Ofsted inspection report, self-evaluation reports and our own external evaluation report. The Trustees believe that when the Zone ended in December 2003, we have been successful in leaving behind sustainable improvements in school leadership and management, quality of teaching and learning, family support, educational achievement by pupils and improvements in their self-esteem and aspirations which will be lasting into the future. The Trustees are confident that the Zone is well set to transform effectively into an Excellence Cluster, under the auspices of the Local Authority, from January 2004. Ian Shelton's Final External Evaluation of the Halifax Learning Zone has highlighted areas for development that the Excellence Cluster can build upon.

Operating and financial review

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

Most of the EAZ's income is obtained from the DfES in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during 2003 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the DfES's funding conditions for 1999 to 2001, business contributions of at least £250,000 were generated in each financial year. Halifax plc has donated £250,000 in cash per annum for each of the calendar years 1999, 2000 and 2001 and £250,000 across the final two years of the life of the Zone - 2002 and 2003 (received prior to 1 April 2003 and included within the accounts 2002-2003). These are shown in the accounts as unrestricted income.

During 2003 the EAZ also received other restricted grants from the DfES, business and charitable sources, 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 as detailed in note 15.

The Zone also received support in kind from Dean Clough Ltd to the value of £4,125, upon whom it has been dependent for the provision of accommodation.

Expenditure for the period was covered by grants from the DfES and other income. The excess of incoming resources over resources expended for the nine months shows a deficit of £77,000, with a brought forward balance from 2002-2003 of £77,000 to cover current year expenditure.

Funding of £34,500 was received for Aim Higher (previously known as Excellence Challenge). This was applied to activities focusing on learning mentors and transition to post-16 and post-18 courses.

At 31 December 2003 there were no fixed assets, the Halifax Learning Zone having transferred ownership of all equipment acquired to Zone schools and the Local Authority.

Fund review

When the EAZ ceased to operate on 31 December 2003 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 £4,657 was transferred to Calderdale LEA, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

Closure plan

The Action Forum approved a detailed plan for the run down and closure of the Zone, all aspects of which have been successfully achieved including the disposal to Mount Pellon J&I School who have agreed to the long-term custody of the Zone's records.

Connected organisations

The EAZ has continued to work closely with its partnership schools

The Ridings
Halifax High
South Halifax High
Ravenscliffe High
Abbey Park J, I & N
All Saints CE (VA) J&I
Ash Green Primary
Beech Hill J&I
Christ Church CE (VA) Primary

Copley Primary
Dean Field Community Primary
Holy Trinity CE (VA) Primary
Lee Mount Primary
Ling Bob J, I & N
Mixenden J&I
Moorside Infant and Nursery
Moorside Junior
Mount Pellon J&I
Parkinson Lane Community Primary
Salterhebble J&I
Savile Park Primary
Siddal Primary
St Augustine's CE (VA) J&I
St Joseph's Catholic Primary
St Malachy's Catholic Primary
St Mary's Catholic Primary
Warley Road Primary
Whitehill Primary

to achieve the Forum's objectives.

Halifax plc and Dean Clough Ltd are business sponsors of the Forum.

Disabled persons

The policy of the Forum is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the Forum, as well as generally through training and career development.

Post balance sheet events

No events have occurred since the balance sheet date, which affect the financial statements.

The Zone ceased all activities at the end of its statutory life on 31 December 2003. At this date it transformed into the Halifax Excellence Cluster. Expenditure for the period ended 31 December 2003 included redundancy costs of £11,310 and early retirement benefit costs of £29,019 due to redundancy, relating to two members of staff.

Reserves policy

The Forum cannot build up restricted reserves of DfES grant as the Department requires that this grant should be applied in the year in which it is received. Where the Forum has earned unrestricted income (e.g. bank interest), it is the Forum's policy to apply these reserves to its support for schools facing challenging circumstances.

Risk management

In 2001 the Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed.

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

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Statement of Internal Control

a Maintenance of internal controls

As Trustees, we have responsibility for maintaining a sound system of internal control that supports the achievement of the Forum's policies, aims and objectives whilst safeguarding the public funds and assets for which we are responsible, in accordance with the responsibilities assigned to us in our Financial Memorandum and Government Accounting.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. For example, the Director and the Bursar scrutinise the financial accounts in detail each month and appraise the Chairman of the outcome. In addition, a member of the Action Forum, with accounting management experience, independently examines a sample of core financial documentation every two months and provides a written report.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of Forum policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

This process has been in place for the period ended 31 December 2003 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

As the Forum ceased on 31 December 2003 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, including

- loss of key staff;
- ensuring sufficient funds to cover legitimate Zone liabilities; and
- loss of key programmes.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2001-2002 the Forum established the following processes, which continued in 2003

- identification of the Forum's objectives and key risks. The Education Executive Group has carried out a detailed review of the Zone's activities and produced a comprehensive strategic plan whilst addressing the risks to which it is exposed;
- the establishment of systems and procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- procedures for monitoring progress against the strategic objectives set out in the plan at regular meetings;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face; and
- the allocation of risk ownership, including the role of the Forum, Education Executive Group, Chairman and Director.

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 Schedule 1 of 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 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 for Education and Skills. 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 26 November 2003 and signed on its behalf by

Sir Anthony Tippet, KCB
Chairman

18 March 2004

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 16 to 28 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 20 to 21.

Respective responsibilities of the Trustees

As described on page 13 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.

I review whether the statement on page 12 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal financial 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.

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 Halifax Education Action Zone (Dissolution) Order 2003, the Zone ceased to exist with effect from 31 December 2003. 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 Halifax EAZ at 31 December 2003 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

31 March 2004

National Audit Office
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Victoria
London SW1W 9SP

Statement of Financial Activities for the period ended 31 December 2003

	Notes	Unrestricted funds	Restricted funds			Total Period to 31 December 2003	Total 2002-2003
		£000	DfES £000	Other £000	Fixed assets £000	£000	£000
Incoming resources							
DfES grants receivable	2,3	0	733	0	0	733	876
Private sector contributions	4	4	0	55	0	59	291
Public sector contributions	4	0	0	38	0	38	141
Other income	5	8	0	7	0	15	28
Total incoming resources		12	733	100	0	845	1,336
Resources expended							
Costs of generating funds	6	0	4	0	0	4	7
Net incoming resources for charitable application		12	729	100	0	841	1,329
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	6	2	19	56	0	77	37
Education support costs	6		236	51	0	287	350
Grants payable	6		315	15	0	330	739
Management and administration	6	10	120	9	0	139	173
Total charitable expenditure		12	690	131	0	833	1,299
Costs of termination of operations	6,8	0	85	0	0	85	0
Total resources expended		12	779	131	0	922	1,306
Net incoming/(outgoing) resources before transfers		0	(46)	(31)	0	(77)	30
Transfers between funds		0	0	0	0	0	0
Net movement in funds		0	(46)	(31)	0	(77)	30
Fund balances brought forward at 1 April 2003		0	46	31	0	77	47
Fund balances at 31 December 2003	15,16	0	0	0	0	0	77

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 the period to 31 December 2003 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 17 and the overall financial position at the period end is summarised in the balance sheet on page 18.

The notes on pages 20 to 28 form part of these accounts.

Income and Expenditure Account for the period ended 31 December 2003

	Notes	Period to 31 December 2003 £000	2002-2003 £000
Income			
DfES EAZ recurrent grant	2	638	685
Other DfES grants	3	95	191
Private sector contributions	4	59	291
Public sector contributions	4	38	141
Other income	5	15	28
Total income		845	1,336
Charitable expenditure			
DfES EAZ grant expenditure	6	595	675
Other DfES grant expenditure	6	95	191
Other expenditure	6	143	433
Total charitable expenditure		833	1,299
Costs of generating funds	6	4	7
Costs of termination of operations	8	85	0
Total resources expended		922	1,306
Excess of income over expenditure		(77)	30
Net transfers to/from funds			
DfES EAZ fund	15	(46)	3
Other restricted funds	15	(31)	27
Unrestricted funds	16	0	0
Net movement in funds		(77)	30

The Income and Expenditure account is derived from the Statement of Financial Activities on page 16 which, together with the notes to the accounts on pages 20 to 28 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 the period to 31 December 2003 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 20 to 28 form part of these accounts.

Balance Sheet as at 31 December 2003

	Notes	31 December 2003 £000	31 March 2003 £000
Fixed assets			
Tangible assets		<u>0</u>	<u>0</u>
		0	0
Current assets			
Debtors	12	0	26
Cash at bank and in hand		<u>0</u>	<u>157</u>
		0	183
Creditors: amounts falling due within one period	13	<u>0</u>	<u>106</u>
Net current assets		0	77
Net assets		<u>0</u>	<u>77</u>
Funds			
Restricted funds	15	0	77
Unrestricted funds	16	<u>0</u>	<u>0</u>
		0	77

The financial statements were approved by the Forum on 26 November 2003 and signed on its behalf by

Sir Anthony Tippet, KCB
Chairman

18 March 2004

Cash Flow Statement for the period ended 31 December 2003

	Note	Period to 31 December 2003 £000	2002-2003 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		638	685
Other government grants		95	191
Private sector sponsorship		55	295
Other receipts		77	268
		865	1,439
<i>Payments</i>			
Staff costs		350	294
Other cash payments		674	1,075
Net cash (out flow)/inflow from operating activities	19	(159)	70
Returns on investments and servicing of finance			
Interest received		2	3
		2	3
Capital expenditure			
Purchase of tangible fixed assets		0	0
Receipts from sale of tangible fixed assets		0	0
Transfer of tangible fixed assets to schools		0	0
		0	0
Financing			
Deferred grant received		0	0
		0	0
(Decrease)/increase in cash in the period		(157)	73

Notes to the Financial Statements 31 December 2003

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), 'Accounting and Reporting by Charities' published in October 2000 and the Charities Act in 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 five year life on 31 December 2003. 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 to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

Contributions in Kind

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

Grants receivable

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

Investment income and interest receivable

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

Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP expenditure has been analysed between charitable and other expenditure. The only activity undertaken by the EAZ is the operation of the Halifax 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

The Zone retains ownership of assets for its own use during the life of the Zone. These are accounted for using the historic cost convention. There are no fixed assets at the date of the balance sheet.

The Zone allocates funds to schools from EAZ grants. Where schools use these funds to acquire assets, these assets fall within the ownership of the school.

Capitalisation threshold

The Forum has adopted a capitalisation threshold of £2,500.

Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are

Furniture and equipment	25%
Computer equipment and software	33%

Resources expended

Items are included as direct charitable expenditure and analysed by category of resource of

Provision of education	costs of teaching and any costs directly associated with teaching.
Education support costs	costs of educational equipment and resources, support staff, training costs.
Grants payable	where money is paid over in advance to fund purchases and reimbursement of expenditure. Grant funding is only offered for one year by the EAZ as future grant is not assured.
Management and administration	central costs of management and administration of the EAZ.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to Calderdale LEA to meet outstanding liabilities.

Taxation

The Forum is an exempt charity and as such is exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of Value Added Tax incurred by the Forum has been included in the Income and Expenditure Account.

Pensions

The full cost of the Forum's pension contributions on behalf of its employees is recognised in the year those contributions are made.

Halifax EAZ contributes on behalf of its employees to the West Yorkshire Superannuation scheme.

2 DfES EAZ grant

	Period to 31 December 2003 £000	2002-2003 £000
DfES grant received in period	638	685
Carry over from previous period	46	43
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	684	728
Spent in the period	684	682
Underspent grant	0	46
Maximum permitted carry over level	0	56
Excess grant to surrender	0	0

The Zone now operates under the match funding regime. Core funding from the DfES is now £550,000 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.

The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern.

3 Other DfES grants

	Period to 31 December 2003 £000	2002-2003 £000
Aim Higher (previously Excellence Challenge)	34	42
Gifted and Talented Summer Schools	9	9
Literacy and Numeracy Easter schools	2	0
New Partnerships	50	50
Schools facing challenging circumstances	0	90
	95	191

4 Business contributions

	Cash	In Kind	Total Period to 31 December 2003 £000	Total 2002-2003 £000
Private sector contributions				
<i>Music Project 2003</i>				
Calderdale Community Foundation	3	0	3	0
Esmee Fairbairn Foundation	6	0	6	0
National Foundation for Youth Music	20	0	20	0
Smarter Solutions Ltd	5	0	5	0
The Foyle Foundation	20	0	20	0
A & S Burton Charitable Trust	0	0	0	1
Constance Green Foundation	0	0	0	5
Harveys Ltd	1	0	1	0
Marks and Spencer plc	0	0	0	5
Marshalls plc	0	0	0	1
Paul Hamlyn Foundation	0	0	0	7
The Emmandjay Charitable Trust	0	0	0	2
The Lynn Foundation	0	0	0	2
The Trusthouse Charitable Foundation	0	0	0	3
The Yorkshire Bank	0	0	0	7
Total contributions for the Music Project	55	0	55	33
Halifax Plc	0	0	0	250
Paul Hamlyn Foundation	0	0	0	2
Dean Clough Ltd	0	4	4	6
Total private sector contributions	55	4	59	291
Public sector contributions				
Action Halifax	0	0	0	40
Action Halifax Community Chest	0	0	0	5
Awards for All	0	0	0	5
Calderdale LEA - Leadership Incentive	8	0	8	0
Calderdale LEA - New Partnerships	0	0	0	25
Calderdale LEA - Study Support	15	0	15	35
Calderdale LEA - Transition Project	0	0	0	3
Calderdale LEA - Excellence Cluster	8	0	8	0
Calderdale LEA - Music Project	5	0	5	0
Children's Fund	0	0	0	20
North Halifax Community Chest	1	0	1	3
Sure Start North Halifax	0	0	0	4
Other	1	0	1	1
Total public sector contributions	38	0	38	141
Total business contributions	93	4	97	432

5 Other income

	Period to 31 December 2003 £000	2002-2003 £000
Interest receivable	2	3
Zone schools	5	7
Services supplied to external agencies	6	7
ICT Closing the Gap contributions	2	11
	<u>15</u>	<u>28</u>

6 Total resources expended

	Staff £000	Depreciation £000	Other £000	Total Period to 31 December 2003 £000	Total 2002-2003 £000
Direct provision of education	0	0	77	77	37
Education support costs	87	0	200	287	350
Grants payable	0	0	330	330	739
Management and administration	105	0	34	139	173
Costs of generating funds	0	0	4	4	7
Costs of termination of operations	79	0	6	85	0
	<u>271</u>	<u>0</u>	<u>651</u>	<u>922</u>	<u>1,306</u>
Of which					
DfES grant expenditure	155	0	444	599	675
Other DfES grant expenditure	36	0	59	95	191
Other expenditure	1	0	142	143	433
Costs of generating funds	0	0	0	0	7
Costs of termination of operations	79	0	6	85	0
	<u>271</u>	<u>0</u>	<u>651</u>	<u>922</u>	<u>1,306</u>

7 General expenditure

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

	Period to 31 December 2003 £000	2002-2003 £000
Educational supplies and services	566	896
Occupancy costs	16	24
Supplies and services	63	68
Auditor's remuneration	6	5
	<u>651</u>	<u>993</u>

8 Costs of termination of operations

	Period to 31 December 2003 £000	2002-2003 £000
Staff costs arising from Zone closure	79	0
Cost of post-Zone services provided by nominated successor body	3	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	0	0
Transformation consultancy	0	0
Other (e.g. storage of records; professional fees and costs; clearing-down pc's)	3	0
	<u>85</u>	<u>0</u>

9 Staff costs

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

	Period to 31 December 2003	2002-2003
Management	1	2
Administration	1	2
Education support staff	2	4
Total employees	<u>4</u>	<u>8</u>

	Period to 31 December 2003 £000	2002-2003 £000
Staff costs for the above persons		
Wages and salaries	157	260
Social security costs	14	21
Other pension costs (see note 14)	18	26
Miscellaneous expenditure	3	6
Costs of termination of operations	79	0
Total staff costs	<u>271</u>	<u>313</u>

Costs associated with Zone closure comprised pay in lieu of notice payments of £36,000, redundancy costs of £11,000, early retirement costs of £29,000 and payment for post-Zone closure work of £3,000.

One employee earned more than £50,000 during the period to 31 December 2003. The total emoluments of this employee were in the following range

	Period to 31 December 2003	2002-2003
£50,001 - £60,000	1	1
£60,001 - £70,000	0	1

10 Emoluments of Trustees

	Period to 31 December 2003 £000	2002-2003 £000
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Travel and subsistence expenses reimbursed in the period to 31 December 2003 totalled £2,379 (2002-2003 £906). Travel and subsistence expenses were paid to Sir Anthony Tippet and Mr Carlton Midgley during the period.

Interests in Transactions

There were no Trustee interests in transactions.

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 Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provides cover up to £500,000 on any one claim and the cost for 2003-2004 was £1,148 (2002-2003 £998).

12 Debtors

	31 December 2003 £000	31 March 2003 £000
Prepayments	0	2
Sundry debtors	0	24
	0	26

13 Creditors: amounts falling due within one year

	31 December 2003 £000	31 March 2003 £000
Sundry creditors	0	101
Accruals	0	5
	0	106

14 Pensions and similar obligations

	Period to 31 December 2003 £000	2002-2003 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	18	26
Compulsory early retirement cost upon redundancy	29	0
	47	26

The Zone's employees belong to one principal pension scheme, the West Yorkshire Superannuation scheme.

Nature of scheme	Defined
Zone's contribution rate in 2003-2004	13%
Zone's contribution in 2003-2004	£17,808
Compulsory early retirement costs upon redundancy	£29,019
Zone's contribution in future years	Nil

Contributions are actuarially valued. The date of the last full actuarial valuation was April 2001 at which date the scheme was 107% funded.

The West Yorkshire Superannuation Scheme is a multi-employer scheme. As such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Any liabilities arising from the presence of a pension fund capitalisation deficit, attributable to Zone staff, will be met by the Calderdale Education Authority and not treated as a cost to the Zone.

15 Restricted funds

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

	Balance at 1 April 2003 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 31 December 2003 £000	Total 31 March 2003 £000
DfES recurrent grant	46	638	684	0	46
Music Project 2003 (Total)	26	60	86	0	26
North Halifax Community Chest	1	1	2	0	1
Sure Start North Halifax	1	0	1	0	1
Calderdale LEA - Transition Project	3	0	3	0	3
Calderdale LEA - Leadership Incentive grant	0	8	8	0	0
Calderdale LEA - Excellence Cluster	0	8	8	0	0
Calderdale LEA - Study support	0	15	15	0	0
Aim Higher (Excellence challenge)	0	34	34	0	0
Gifted and Talented	0	9	9	0	0
Literacy and Numeracy Easter schools	0	2	2	0	0
New Partnerships	0	50	50	0	0
Zone schools	0	5	5	0	0
ICT Closing the Gap	0	2	2	0	0
Other	0	1	1	0	0
	<u>77</u>	<u>833</u>	<u>910</u>	<u>0</u>	<u>77</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.

All balances have been fully expended as the Zone is no longer a going concern.

16 Unrestricted funds

An amount of £12,000 unrestricted income was received during the period 1 April to 31 December 2003.

This was fully expended and related to discontinued operations.

17 Analysis of net assets between funds

Fund balances at 31 December 2003 are represented by

	Unrestricted funds	Restricted funds	Total Period to 31 December 2003 £000	Total 2002-2003 £000
Current assets	0	0	0	183
Current liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(106)</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>

18 Contingent liabilities

As at 31 December 2003 there were no contingent liabilities (£78,115 at 31 March 2003).

19 Reconciliation of net (outgoing)/incoming resources to net cash (outflow)/inflow from operating activities

	Period to 31 December 2003 £000	2002-2003 £000
Net (outgoing)/incoming resources	(77)	30
Interest received	(2)	(3)
Decrease in debtors	26	112
(Decrease) in creditors	<u>(106)</u>	<u>(69)</u>
Net cash (outflow)/inflow from operating activities	<u>(159)</u>	<u>70</u>

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 Halifax Education Action Zone and are in force for the financial year for which the statement of accounts is to be prepared.
- 4 The statement of financial activity, income and expenditure account and balance sheet shall be prepared under the historical cost convention. Assets and liabilities shall be included in the balance sheet at the following amounts
 - a fixed assets at cost (or valuation) less an appropriate provision for depreciation;
 - b fixed asset investments at market value;
 - c current assets (other than investments) at the lower of cost and net realisable value; and
 - d liabilities at their settlement value.
- 5 The value of contributions from business, both assets and services, should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.
- 6 This direction shall be reproduced as an appendix to the accounts.

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

Barnaby Shaw
Head of Standards Division
Department for Education and Skills

26 February 2002

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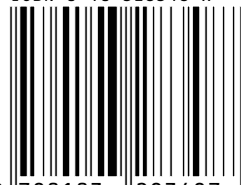
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