

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 Westminster Education Action Zone for the period ended 30 April 2005, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 319 of 2004-2005)

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

Westminster Education Action Zone Account 1 April 2004 to 30 April 2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 13 JULY 2005

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Legal and Administrative Information

Trustees

Mr Andy Armstrong*	School Governor	St James' & St Michael's
Ms Darryl Agnew**	Schools Directorate Adviser	DFES
Ms Ros Asher*	Schools Directorate Adviser	DFES
Ms Lel Bostock		College Park School
Ms Pamela Bramidge	Head of Strategic Partnership	London Central Learning & Skills
Mr George Cochrane**	PDCL	Chelsfield PLC
Mrs Christine Collins*	School Governor	Wilberforce Primary School (54)
Ms Cathy Davies	Community Initiatives Manager	City of Westminster College
Mr Howard Day	Day Management Services	Fieldside House
Ms Ruth Duston*	Head of Programmes	Paddington Waterside Partnership
Ms Mary Gifford	School Governor	Hallfield Schools
Ms Jackie Harrop*	Asst Director Inclusion	Education Dept
Ms Rhian Jeffreys**	Pride of Place Officer	Paddington Waterside Partnership
Mr Rod Jones	Partner European Group	Drivers Jonas
Mr Anthony Kelly	Young People Co-ordinator	Paddington Development Trust
Ms Beryl Leaver*	School Governor	Paddington Green Primary School
Mr Steve Maingot*	Chair of Governors	Our Lady of Dolours
Mr Nigel Massey	Community Partnerships Manager	Community Partnerships Team
Mr Rory Mooney	EiC Co-ordinator	City Learning Centre
Ms Debra Okitikpi	Headteacher	Edward Wilson Primary School
Ms Anna Papworth	Early Years Inclusion	13th Floor, City Hall
Mr Scott Pickard	Deputy Headteacher	Queen Elizabeth II Jubilee School
Mrs Sally Rivlin	EAZ Co-ordinator	St Valery
Mr Nick Roberts*	PDCL	Chelsfield Plc
Ms Ann Rumpus	Chair of Action Forum	Education Initiative Centre
Mr Martin Stevenson	EAZ Link Teacher	Edward Wilson Primary School
Ms Natalie Stewart		Westminster Race Equality Council
Mr John Thurley	Secondary School Adviser	London Diocesan Board
Ms Sue Walker	Children Commissioning Manager	SCS - Children and Families
Ms Jo White	Headteacher	Mary Paterson Nursery School
Mr David Worton	School Governor	St Augustine's Primary School

* Left during 2004-2005

** Started during 2004-2005

Executive Committee

Mrs Sally Rivlin
Ms Rhian Jeffreys
Ms Lel Bostock
Ms Anna Papworth
Mr Martin Stevenson
Mr John Sanders
Ms Jo White

Finance Sub Committee

Ms Kerry Crichlow
Mr Howard Day
Mr Peter Shere
Ms Norma Quashie
Mr John Sanders
Ms Nathalie Stewart
Mr John Thurley
Mr Chris Undrell
Mr David Worton

Secretary

K Crichlow

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Solicitors

Not Appointed

Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 30 April 2005.

Constitution and principal activities

Westminster Education Action Zone Forum is a corporate body and exempt charity established on 1 May 2000 under the 1998 School Standards and Framework Act. The Forum does not have share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum are nominated by existing members.

The principal activity of the Forum is to improve standards in the provision of education within the schools that are part of its Education Action Zone. The Forum believes that all pupils have an entitlement to excellence.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan has three main themes

- 1 Access and Entitlement;
- 2 Support for Teaching and Learning; and
- 3 Schools as Communities.

All of these are designed to improve educational standards and ensure that each child fulfils their potential.

Future prospects

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. As this period was completed on 30 April 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

Going concern

In view of the cessation of the Forum's activities on 30 April 2005 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities have been transferred to Zone schools at net book value. No adjustments have been necessary to the net book values of assets held immediately prior to the closure.

Organisation and objectives

The sole activity of the Forum is the operation of the Westminster Education Action Zone.

The operational management structure of the EAZ consists of a Project Director, Finance and Administration support. The Project Director oversees and monitors projects and reports to the Forum. The aim of the management structure is to involve Schools and Partners in the Zone's consultation and decision-making processes and to provide operational support for project planning, implementation and evaluation.

The present Trustees of the EAZ are set out on page 2. All the Trustees were appointed since May 2000 and served during the period until 1 May 2005, with the exception of those indicated thus.

Developments, activities and achievements

The Action Plan for 2003 to 2005 provided for the continuation of projects brought forward from the 2002-2003 plan. These projects continue and build upon prior achievements and seek to maximise impact by the end of the Zone's lifetime. All Zone activities continue to support and progress the themes, priorities and principles agreed across the partnership in November 2001

Zone themes

- Access and Entitlement;
- Support for Teaching and Learning; and
- Schools as Communities.

Zone priorities

- Retaining and developing skilled teachers and support staff;
- Curriculum enrichment that excites and inspires children and adults to further raise achievement; and
- Developing the use of Information and Computer Technology (ICT) as a tool to improve teaching and learning.

Zone principles

- Differentiated support linked to schools' needs;
- Developing sustainability;
- Demonstrating additionally; and
- Developing lasting partnerships.

The following sections detail specific developments within each of the themes

Theme 1: Access and Entitlement

Projects are grouped around two strands, interagency working to remove barriers to learning and strategies targeted at pupils at risk of underachievement.

Interagency working to remove barriers to learning

Speech and Language Therapy Project

This project aimed to provide classroom-based support, consultancy and training to foundation stage practitioners to

- improve early identification and provision of children with speech and language needs; and
- enhance the nature of the interactions between adults and children and between children themselves; and classes so that better and more frequent opportunities to support all children's language development are created.

1.8 FTE speech and language therapists plan, deliver and evaluate group work alongside teachers and support staff in targeted schools, and provide core training to practitioners in the schools involved. Over 2004-2005 a joint training programme focused on language and behaviour was offered alongside the LEA's Early Years Advisory Team. From April 2005 this project will be jointly commissioned and funded by the Primary Care Trust (PCT) and LEA Early Childhood Services. The project will be based around Westminster's Children's Centres, and offer support to voluntary and private nursery settings alongside maintained nursery classes.

Early Intervention Project

A clinical psychologist provides school-based early intervention for children at risk of exclusion, and are at school action and school action-plus on the SEN (Special Educational Needs) register, as well as their families. These families are often hard to reach, and many have declined to attend off-site support from specialist child mental health services. The postholder liaises with established clinics and family support units to improve access and take up of services, and liaises with social services and adult mental health services to ensure the needs of the whole child are addressed. Training is also provided for school staff on child and family mental health issues and their impact on learning. Over 2004-2005 multi-family support groups have been established at three EAZ schools. Building on the success of the model in preventing exclusion, two further posts based at the Marlborough Family Services Unit have been established, funded through the Behaviour Improvement Programme. From April 2005 the EAZ postholder will be funded through the CAMHS (children and adolescent mental health services) grant, with all three commissioned through a single service level agreement held by the Head of Social Inclusion.

Housing Liaison Officer

Jointly funded by the EAZ, social and community services, housing services and the Education Department, this post was established to act as a school's liaison officer for homeless families in Zone schools. In addition the project aims to improve the information exchange protocols both within the City Council's Housing, Education and Social and Community Services Departments, and with other local authorities placing homeless families within the borough. The project will continue from April 2005 funded by the Local Education Authority (LEA), Social and Community Services and Housing departments.

School-Home Liaison project

Working in partnership with the School-Home Liaison Project, a registered charity, this project employs school-home liaison workers at schools with attendance levels on or below EAZ averages. The project aims to

- a support and strengthen school home links, raise levels of attendance and academic achievement; and
- b reduce the risk of exclusion and increase opportunities for pupils, parents and schools to work together.

From April 2005 the postholders will be funded jointly by schools and through the Children's Fund.

Strategies targeted at pupils at risk of underachievement

The BLEW Box (Bilingual Early Years Workbox)

Developed in partnership with Gateway Beacon School, the Inclusive Education Service and Westminster PCT. This project was developed in response to concerns voiced by Early Years/Foundation staff regarding the language development of children with EAL (English as an Additional Language). The project aimed to support foundation staff in differentiating between the needs of children who have English as an additional language and those who have a language delay or disorder. Following successful developmental work in a group of schools, led by Gateway School, this initiative will be included in the early intervention strategies recommended in the LEA's Inclusion Strategy, and will also feature in the menu of opportunities offered by the early intervention; language and communication project – see below.

Refugee Liaison Project

Established in April 2001 to work in partnership with all schools in the EAZ to meet the identified need to support refugee pupils and their families to access schooling. The refugee liaison worker was established to

- a work with refugee pupils and their families in EAZ schools to ensure access to the curriculum;
- b assist refugee and asylum seeking families to find a school place for their children and arrange bilingual support as appropriate;
- c ensure that admissions procedures are sensitively and thoroughly carried out so that families are empowered and schools have a good knowledge and understanding of the child's needs; and
- d work with staff in schools to support the monitoring of pupils' progress and identify further support.

A review of the project led to a sharper focus on achievement in 2003-2004. The Project was retitled Refugee Achievement Project to reflect this change. Over 2004-2005 the postholder has developed and written a resource book for teachers, 'A Welcome Experience', drawing the the QCA citizenship scheme of work. From January 2005 the postholder was appointed as the LEA Refugee Support Co-Ordinator.

Summer School for Year 4

A six-day course, held in August 2004, for Year 4 pupils with potential to achieve Level 4+ in KS2 SATs with support and boost from summer school participation. The aim of the school was to develop and improve the targeted pupils' social skills and confidence in themselves as learners, with an emphasis on literacy and numeracy.

EiC/EAZ Gifted and Talented Summer Schools

Three summer schools were provided, offering a total of 150-pupil places. Two were targeted at gifted pupils and were provided by Imperial College London. The schools focused on science, maths, engineering knowledge and skills. The third was provided by the Central School of Speech and Language and focused on a range of theatre arts skills. In total 129 students from years 6, 7, 8 and 9 attended.

Curriculum Innovation

The Curriculum Innovation Project was initiated in 2004. Developed in partnership with Paddington Development Corporation Limited (PDCL) this project aims to support the development of sustainable, curriculum-focused partnerships between schools and the private sector, with an emphasis on the built environment. PDCL agreed to sponsor the project over 2004-2005 and an appointment was made in August 2004. Following the firm's take-over in November 2004 funding for the project ceased. However, as £25,000 had been received, and following confirmation of this as a voluntary donation, the Zone was able to secure match-funding to ensure the continuation of the project to the end of the Zone's lifetime. From May 2005 the project will be jointly funded by the Local Education Authority and EiC, to build upon the strong partnerships already forged as a result of the project's work.

Theme 2: Support for Teaching and Learning

Curriculum enrichment and strategies to close the attainment gap are the two strands for this theme. Building on the success of the 2003-2004 programme curriculum enrichment activities focused on Information and Communication Technology (ICT) and creativity. In addition, an analysis of key stage (KS) outcomes for 2002-2003 identified science as a weakness. Consequently a programme of support and development for practical science in KSs1, 2, 3 and 4 was implemented over 2004-2005.

Curriculum Enrichment: ICT

Support for Centres of Excellence

Following an audit of hardware and capability in 2003-2004, four schools have been supported to gain Centre of Excellence status in interactive whiteboard use. The Zone has funded additional hardware alongside advanced training for teachers. One school has gained the accreditation, two are pending and one has four teachers who have gained trainer status.

Interactive whiteboard training

11 teachers attended the Literacy in Subject Areas training course provided by London Metropolitan University. This was singled out in the external evaluation report as directly contributing to raised classroom standards.

Recycle-IT

Working in partnership with the charity Tools for Schools and Westminster Adult Education Department this project has distributed 558 recycled computers to families of children in Zone schools. Over the lifetime of the Zone all schools have taken part in this project, which makes attendance at two family learning training sessions a prerequisite for loan of the PC. Led by qualified tutors and supported by a creche, parents and carers must attend with their children. This project will be extended borough-wide through Westminster Connects, a City Council initiative.

Curriculum Enrichment: Creativity

A programme of school-based workshops led by practising artists with a focus on developing literacy alongside creativity in KSs1, 2, 3 and foundation stage. In its third year, the project applied a common planning and evaluation framework to be completed jointly by the class teacher and artists, setting out explicit creativity and literacy objectives linked to the overall National Literacy Strategy (NLS) objectives.

Curriculum Enrichment: Science

The EAZ is committed to closing the attainment gap between the highest and lowest performing schools in the Zone. Following a review of statutory outcomes science is a Zone priority. Based on their outcomes the Zone targeted schools with KS2 pupils to receive a science-based trip on Beauchamp Lodge floating classroom. Working in partnership with the KS3 science consultant two scrapheap challenges were offered to teams of year 8 pupils, selected following assessment in their base school. In addition, students across year 9 were set a target to improve on their predicted grades for KS3 tests by one, two or three grades. Those who exceeded their targets were presented with a certificate of achievement and a book token to acknowledge their accelerated progress.

Strategies to close the attainment gap

Raise achievement in writing

This two-year project was offered to those Zone schools who achieved below the EAZ target of 65% in English at KS2. Working intensively with an English specialist advisory teacher the project team consists of the teachers in year 5 in the target schools, and followed them into year 6. Preparing and trialling teaching materials and approaches based upon high quality texts, the classes involved produced some outstanding writing samples. In partnership with the LEA the teaching pack for use in years 3-6 will be published and disseminated at the final Zone conference in April 2005.

Theme 3: Schools as Communities

The overarching aim of this theme is to retain and develop skilled staff in our schools, and to strengthen the links between schools in the EAZ community, and between schools and their own communities. Many of the Zone's projects aimed specifically at retaining and recruiting skilled staff have been mainstreamed through the LEA's continuing professional development programme for teaching and support staff. These include induction sessions for overseas trained staff, MA module in mentoring, and ICT qualifications for support staff. Over 2004-2005 the Zone has focused on developing and strengthening partnerships within and across Zone schools, and between schools and private and public sector partners.

Improve Learning Environments

Building on the playground improvement projects planned and implemented by Paddington Development Corporation Ltd (PDCL) over 2002-2003, this follow-on project was led by a partnership across the Primary Care Trust's healthy schools team and the LEA's personal, social, health and citizenship education adviser. Lunch time supervisors worked on positive play strategies, and a conference to disseminate the outcomes attracted 67 participants from schools across the borough. The healthy schools team will continue to work with individual schools over 2005-2006.

Support for partnerships: Parent Partnership Facilitators

Merton College was commissioned to provide an accredited training course that prepared staff to plan, develop and deliver parents' groups based around schools, nurseries and other educational and care settings. Participants were drawn from a range of roles, including classroom support staff, home-school liaison officers, parent governors and sure start/home start personnel. The focus for the parents' groups will be decided locally, drawing on the needs and concerns of local parents. From May 2005 Westminster Adult Education Service have agreed to provide support and supervision to the trainers as they develop and deliver the first two training courses.

Support for partnerships: Reading Buddies

The project focused on young people leaving care, who were trained to act as reading buddies in schools with a significant, stable number of pupils in care or looked after on roll. A total of six young people were trained as mentors and provided regular one-to-one support to pupils. The approach will be extended and developed by Westminster College in partnership with the youth service, with accreditation provided by AQA.

Support for Partnerships: Reading Mentors

St Augustine's High School and St Augustine's Primary School occupy adjacent sites. This project, led by a learning mentor from St Augustine's High, has trained year 8 students who were identified as needing additional support with reading, to provide reading support to year 5 pupils from the primary school. Good progress in reading was seen for both targeted groups of pupils, and this project will continue into the EiC action Zone and extend to another primary/secondary school partnership.

Business Volunteers in Schools

One of the Zone's key sponsors and partners, Drivers Jonas (DJ), has made a corporate commitment to supporting the Zone. 35 staff from DJ act as literacy and numeracy volunteers in seven Zone primary schools. Providing one-to-one support, staff meet on a weekly basis with targeted pupils. EAZ Link Teachers review pupils' progress, and assessment of the impact of the initiative on pupils' learning has shown good progress.

Disseminating Good Practice

This project is a continuation of the Zone's commitment to raising its profile amongst schools, business partners and the wider community, and sharing the outcomes and learning of the Zone's programme of activities. The EAZ website was updated on a termly basis, with contributions received from schools. Over 2004-2005 creativepupils.net has been established. This draws upon pupils' creativity, and in particular showcases the creativity projects supported under theme 2. Pupils have been involved in authoring the site, selecting material for inclusion and writing supporting text.

The final EAZ conference on 11 April 2005 will bring together over 400 teachers from Zone schools, to celebrate and disseminate key outcomes from the Zone's programme of activities.

Operating and financial review

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

The largest part of the Action Zone's income is obtained from the Department for Education and Skills (DfES) in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received during 2004-2005 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The EAZ also received two other restricted grants from the DfES (£10,000 and £4,500).

During 2004-2005 the EAZ received donations from commercial sponsors, these donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended, the details of these are in note 5.

Expenditure for the period was covered by grants from the DfES and other income. The deficit of incoming resources over resources expended excluding the brought forward surplus for the 13 months was £58,000.

At 30 April 2005 the Zone had no fixed assets.

Fund review

When the EAZ ceased to operate on 30 April 2005 its fund balances were nil. Fund Balances existing prior to this date were utilised in the fulfilment of the Zone's objectives. Immediately prior to cessation £358,665 was transferred to Westminster LEA, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent of the provision of grants from both the DfES and commercial sponsors.

Connected organisations

The EAZ is working closely with its partnership schools to achieve the Forum's objectives

Primary Schools

Christ Church Bentinck C of E
 Edward Wilson
 Essendine
 Gateway
 Hallfield Infants
 Hallfield Juniors
 Our Lady of Dolours RC
 Paddington Green
 Queen's Park
 St Augustine's C of E
 St Edward's RC
 St James & St Michael C of E
 St Joseph's RC
 St Luke's C of E
 St Mary Magdalene's C of E
 St Mary of the Angels RC
 St Peter's Chippenham Mews C of E
 St Saviour's C of E
 St Stephen's C of E
 Wilberforce

Secondary Schools

North Westminster
 St Augustine's C of E
 St George's RC

Special Schools

College Park
 Queen Elizabeth II Jubilee

Nursery Schools

Mary Paterson Nursery
 Dorothy Gardener Centre
 Portman Early Childhood Centre

Local Organisations are business sponsors of the Zone and have donated the following to assist the Forum to achieve its objectives, these include the following whose donations were over £10,000: In addition a significant number of other organisations donated amounts under £10,000.

SRB	£15,000
Drivers Jonas	£49,000
Paddington Development Corporation Ltd	£25,000
Paddington Waterside Partnership	£53,000
Royal Albert Hall	£33,000
Tools for Schools	£55,000

The Forum has also contracted with Westminster LEA for personnel and accounting services.

Disabled persons

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

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 30 April 2005. At this date it transformed into the Excellence Network. Staff Costs associated with Zone closure comprised retention payments of £5,545, redundancy costs of £0 and early retirement costs of £0.

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 support the Zone's current Action Plan.

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 quarterly meeting and a comprehensive review of the plan is carried out annually. During 2003-2004 it was decided to incorporate risk analysis into a more detailed process relating to transformation and closure of the Zone. This process is regularly reviewed in detail by the Finance Sub Committee who in turn inform the Forum of any matters of concern.

Statement on Internal Control

a Maintenance of internal controls

We acknowledge as Trustees, our responsibility for maintaining a sound system of internal controls and confirm that disclosures we have made are in accordance with HM Treasury's guidance: Corporate Governance Statement of Internal Control. We have reviewed the effectiveness of these internal controls and we are satisfied that during 2004-2005 the Zone had in place satisfactory control arrangements.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

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

This process has been in place for the year ended 30 April 2005 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

As the Forum ceased on 30 April 2005 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, including

- Retaining Key members of staff;
- Providing for the correct transfer of Zone's assets;
- Ensuring resources were utilised appropriately;
- Producing the Final set of Accounts;
- Disseminating the work of the Zone; and
- Ensuring the correct transfer of Responsibility to the Successor Body.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2004-2005 the Forum has continued with the following processes that were instigated in 2003-2004

- reviewed progress against target for 2003-2004 to inform the programme for 2004-2005;
- instigated a process that recognised the need for increased awareness, monitoring and risk assessment during the period leading up to the Zone's closure;
- procedures for monitoring progress against the planned objectives at regular half-termly meetings; and
- improved the financial monitoring information provided to Project Managers.

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

- separation of staff duties and regular review of systems.

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

Statement of Trustees responsibilities for the Financial Statements

Under the School Standards and Framework Act 1998, 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 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 the financial position of the Forum and enable them to ensure that financial statements comply with HM Treasury's Accounts Direction. They are also responsible for safeguarding the assets of the Forum and hence for taking any 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 by Westminster LEA on 9 June 2005 and signed on its behalf by

Mary Fowler
Director for schools

27 June 2005

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

I certify that I have audited the financial statements on page 16 to 27 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 and Auditor

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 I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

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

I review whether the statement on page 12 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Forum's Statement of Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Following the passing of the Westminster Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 30 April 2005. Accordingly as explained in the Trustees' Report and note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Westminster EAZ at 30 April 2005 and of its incoming resources, application of resources and cash flows for the period then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

8 July 2005

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Statement of Financial Activities for the period ended 30 April 2005

	Notes	Unrestricted funds £000	DfES £000	Restricted funds Other £000	Fixed assets £000	Total 2004-2005 £000	Total 2003-2004 £000
Incoming resources							
DfES grants receivable	2,3	0	1,065	15	0	1,080	930
Other government grants receivable		0	0	0	0	0	0
Private sector contributions	5	288	0	62	0	350	358
Public sector contributions	5	40	0	14	0	54	55
Other income	6	4	0	1	0	5	4
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		332	1,065	92	0	1,489	1,347
Resources expended							
Costs of generating funds		0	0	0	0	0	0
Net incoming resources for charitable application		332	1,065	92	0	1,489	1,347
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	142	406	5	0	553	156
Education support costs	7	145	514	34	0	693	1,012
Management and administration	7	40	203	0	0	243	195
Total charitable expenditure		327	1,123	39	0	1,489	1,363
Costs of termination of operations	9		48	10		58	0
Total resources expended		327	1,171	49	0	1,547	1,363
Net incoming/(outgoing) resources before transfers		5	(106)	43	0	(58)	(16)
Net movement in funds		5	(106)	43	0	(58)	(16)
Fund balances brought forward at 1 April 2004		8	58	(8)	0	58	74
Transfers between funds		(13)	48	(35)	0	0	0
Fund balances carried forward at 30 April 2005	16,17	0	0	0	0	0	58

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the EAZ during the period and reconciles the movement in funds. There is no difference in the net movement of funds stated above and its historical equivalent.

All items dealt with in arriving at the Net Movement in Funds for 2004-2005 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 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 27 form part of these accounts.

Income and Expenditure Account for the period ended 30 April 2005

	Notes	2004-2005 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	1,065	917
Other DfES grants	3	15	13
Private sector contributions	5	350	358
Public sector contributions	5	54	55
Other income	6	5	4
Amortisation/deferred income		0	0
Total income		1,489	1,347
Charitable expenditure			
DfES EAZ grant expenditure	7	1,123	918
Other DfES grant expenditure	7	5	13
Other expenditure	7	361	432
Total charitable expenditure		1,489	1,363
Cost of termination of operations	9	58	0
Total resources expended		1,547	1,363
Excess of income over expenditure		(58)	(16)
Net transfers to/from funds			
DfES EAZ fund	16	(106)	(1)
Other restricted funds	16	43	(15)
Unrestricted funds	17	5	0
Net movement in funds		(58)	(16)

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 27 provide full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the excess of income over expenditure for 2004-2005 relate to discontinued operations.

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

The notes on pages 20 to 27 form part of these accounts.

Balance Sheet as at 30 April 2005

	Notes	30 April 2005 £000	31 March 2004 £000
Fixed assets			
Tangible assets		0	0
		<u>0</u>	<u>0</u>
Current assets			
Debtors	13	0	18
Cash at bank and in hand		0	372
		<u>0</u>	<u>390</u>
Creditors: amounts falling due within one period	14	<u>0</u>	<u>332</u>
Net current assets		0	58
Net assets		0	58
Funds			
Restricted funds	16	0	50
Unrestricted funds	17	0	8
		<u>0</u>	<u>58</u>

The financial statements were approved by the Forum on 23 March 2005 and signed on its behalf by

Mary Fowler
Director for schools

27 June 2005

Cash Flow Statement for the period ended 30 April 2005

	Note	2004-2005 £000	2003-2004 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		1,065	917
Other DfES grants		5	13
Private sector sponsorship		47	200
Public sector sponsorship		0	0
Other receipts		18	10
		1,135	1,140
<i>Payments</i>			
Staff costs		532	431
Other cash payments		979	692
Net cash in flow from operating activities	20	(376)	17
Returns on investments and servicing of finance			
Interest received		4	3
		4	3
Increase/(decrease) in cash in the period		(372)	20

Notes to the Financial Statements

1 Accounting policies

Format of accounts

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

Basis of accounting

The Forum came to the end of its statutory five year life on 30 April 2005. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

Income received for 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 DfES, which is intended to meet recurrent costs, is credited to the income and expenditure account. 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. 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.

Interest receivable

Interest receivable is included in the financial statements on an accruals basis and is 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 direct charitable and other expenditure. The only activity undertaken by the EAZ is the operation of Westminster EAZ and indirect charitable expenditure reflects the costs of management, administration and fund raising necessary for the operation of the EAZ.

Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include

Cost category	Basis of apportionment
Staff costs	Time spent

Tangible fixed assets

The EAZ capitalises assets that are in excess of £2,500, and which are used and retained by the Zone. The EAZ has purchased no such assets in year. Where the Zone has purchased tangible fixed assets for use by schools, ownership of those assets has been passed to schools. The EAZ spent £0 on such assets in 2004-2005.

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.

Resources expended

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

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to Westminster 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.

2 DfES EAZ grant

	2004-2005 £000	2003-2004 £000
DfES grant received in period	1,065	917
Carry over from previous period	58	59
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	1,123	976
Spent in the period	1,123	918
Underspent grant/[funded from general fund]**	0	58
The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern.	0	80
Excess grant to surrender	0	0

3 Other DfES grants

	2004-2005 £000	2003-2004 £000
Gifted and Talented Summer Schools	5	9
Easter School	0	4
EIC Transformation Grant	10	0
	15	13

4 Other government grants

	2004-2005 £000	2003-2004 £000
Lottery/New Opportunities Fund etc	0	0

5 Business contributions

	Cash	In Kind	Total	Total
	£000	£000	2004-2005	2003-2004
			£000	£000
Private sector contributions				
Paddington Waterside Partnership	3	50	53	51
Paddington Development Corporation Ltd	25	0	25	0
Bain	0	9	9	15
Tools for Schools	0	55	55	45
Drivas Jonas	10	39	49	58
Albert Hall	0	33	33	41
Other private sector bodies	24	102	126	148
	<u>62</u>	<u>288</u>	<u>350</u>	<u>358</u>
Public sector contributions				
Public sector bodies	14	40	54	55
	<u>76</u>	<u>328</u>	<u>404</u>	<u>413</u>

6 Other income

	2004-2005	2003-2004
	£000	£000
Interest receivable	4	3
Sundry income	1	1
	<u>5</u>	<u>4</u>

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£000	£000	£000	2004-2005	2003-2004
				£000	£000
Direct provision of education	81	0	472	553	156
Education support costs	129	0	564	693	1,012
Costs of termination of operations	5	0	53	58	0
Management and administration	169	0	74	243	195
	<u>384</u>	<u>0</u>	<u>1,163</u>	<u>1,547</u>	<u>1,363</u>
Of which					
DfES grant expenditure	354	0	769	1,123	918
Other DfES grant expenditure	0	0	5	5	13
Costs of termination of operations	5	0	53	58	0
Other expenditure	25	0	336	361	432
	<u>384</u>	<u>0</u>	<u>1,163</u>	<u>1,547</u>	<u>1,363</u>

No staff were actually employed by the EAZ. The staff costs are based on the number of people who were seconded to or who are funded by the Zone.

8 General expenditure

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

	2004-2005 £000	2003-2004 £000
Educational supplies and services	1,019	960
Occupancy costs	40	40
Supplies and services	45	16
Transformation consultancy	46	0
Cost of post-Zone services provided by nominated successor body	7	0
Auditor's remuneration	6	6
	<u>1,163</u>	<u>1,022</u>

9 Costs of termination of operations

	Total 2004-2005 £000	Total 2003-2004 £000
Staff costs arising from Zone closure	5	0
Cost of post-Zone services provided by nominated successor body	7	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	0	0
Transformation consultancy	46	0
	<u>58</u>	<u>0</u>

10 Staff costs

No staff were actually employed by the EAZ, however the average number of persons (including senior postholders) employed by the EAZ during the period expressed as full time equivalents was

	2004-2005	2003-2004
Management	1.0	1.0
Administration	1.4	1.6
Teachers/other	5.7	4.9
Total employees	<u>8.1</u>	<u>7.5</u>

	2004-2005 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	149	139
Social security costs	14	12
Other pension costs (see note 15)	14	9
Seconded staff	202	181
Costs associated with Zone closure	5	0
Total staff costs	<u>384</u>	<u>341</u>

Costs associated with Zone closure comprised retention payments of £5,545, redundancy costs of £0 and early retirement costs of £0.

One person earned more than £50,000 during 2004-2005. The total emoluments of this person were in the following range

	2004-2005	2003-2004
£60,001 - £70,000	0	1
£80,001 - £90,000	1	0

11 Emoluments of Trustees

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

The Trustees of the Forum are not entitled to any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £10,000,000 on any one claim and the cost for 2004-2005 was £1,645 (2003-2004: £1,500).

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 £50,000 and the cost for 2004-2005 was £1,043 (2003-2004: £892).

13 Debtors

	30 April	31 March
	2005	2004
	£000	£000
Sundry debtors	0	18
	0	18

14 Creditors: amounts falling due within one year

	30 April	31 March
	2005	2004
	£000	£000
Sundry creditors	0	243
Accruals	0	89
	0	332

15 Pensions and similar obligations

	2004-2005 £000	2003-2004 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	14	10
Defined contribution scheme	0	0

The Zone's employees belong to the following pension schemes

Westminster City Council Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	4.70%
Zone's contribution in 2004-2005	£13,890
Zone's contribution in future years	£0

Contributions are actuarially valued. The date of the last full actuarial valuation was March 2005 at which date the scheme was 71% funded. Any liabilities arising from the presence of a pension fund capitalisation deficit, attributable to Zone staff, will be met by the local education authority and not treated as a cost to the Zone.

The Westminster City Council Pension 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.

16 Restricted funds

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

	Balance at 1 April 2004 £000	Incoming resources £000	Expenditure, gains and transfers £000	Balance at 30 April 2005 £000	Total 31 March 2004 £000
DfES recurrent grant	58	1,065	1,123	0	58
Other DfES grants	0	15	15	0	0
Other	(8)	77	69	0	(8)
	<u>50</u>	<u>1,157</u>	<u>1,207</u>	<u>0</u>	<u>50</u>

DfES EAZ recurrent grant must be used for the normal running costs of the EAZ including salaries and related costs, overheads, repairs and maintenance and insurance. The EAZ is allowed to carry forward up to 10% of the grant for programme expenditure and 2% of grant for administrative expenditure.

17 Unrestricted funds

	2004-2005 £000	2003-2004 £000
Brought forward at 1 April 2004	8	8
Excess of income over expenditure	5	0
Transfer to restricted funds	(13)	0
Carried forward at 30 April 2005	<u>0</u>	<u>8</u>

18 Analysis of net assets between funds

Fund balances at 30 April 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004-2005 £000	Total 2003-2004 £000
Current assets	0	0	0	390
Current liabilities	0	0	0	(332)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>58</u>

19 Contingent liabilities

As at 30 April 2005 there were no contingent liabilities (£nil at 31 March 2004).

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

	30 April 2005 £000	31 March 2004 £000
Net incoming resources	(58)	(16)
Interest received	(4)	(3)
(Increase)/decrease in debtors	18	91
Increase/(decrease) in creditors	(332)	(55)
Net cash inflow from operating activities	<u>(376)</u>	<u>17</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 Westminster Education Action Zone and are in force for the financial year for which the statement of accounts is to be prepared.
- 4 The statement of financial activity, income and expenditure account and balance sheet shall be prepared under the historical cost convention. Assets and liabilities shall be included in the balance sheet at the following amounts
 - a fixed assets at cost (or valuation) less an appropriate provision for depreciation;
 - b fixed asset investments at market value;
 - c current assets (other than investments) at the lower of cost and net realisable value; and
 - d liabilities at their settlement value.
- 5 The value of contributions from business, both assets and services, should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.
- 6 This direction shall be reproduced as an appendix to the accounts.

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

Barnaby Shaw
Head of Standards Division
Department for Education and Skills

26 February 2002

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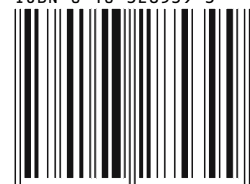
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