

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 year ended 31 March 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 342 of 2003-2004)

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

Westminster Education Action Zone Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 21 FEBRUARY 2005

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Legal and Administrative Information

Trustees

Mr Andy Armstrong	School Governor	St James' & St Michael's
Ms Ros Asher**	Schools Directorate Adviser	DfES
Ms Lel Bostock		College Park School
Ms Pamela Bramidge	Head of Strategic Partnership	London Central Learning & Skills
Mrs Pam Chardman*	School Governor	St Augustine's CE High School
Mr Greg Clark*	Deputy Cabinet Member for Schools	19th Floor, City Hall
Ms Sharon Cohen*	Head of Youth Service	Westminster Youth Service
Mrs Christine Collins	School Governor	Wilberforce Primary School (54)
Mr Richard Cooper*	Headteacher	St Augustine's CE Secondary School
Ms Phyl Crawford*	Director of Education	13th Floor, City Hall
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
Mrs Latifa Habashi*	School Governor	Gateway Primary
Ms Jackie Harrop**	Asst Director Inclusion	Education Dept
Mr Rod Jones	Partner European Group	Drivers Jonas
Mr Anthony Kelly	Young People Co-ordinator	Paddington Development Trust
Ms Heather Kingsley Smith*	School Governor/Teacher	Christ Church Bentinck CE Primary
Mr Graham Last*	SEU Adviser	DfES
Ms Beryl Leaver	School Governor	Paddington Green Primary School
Mr Tony Mackersie*	Director	Westminster Diocese Ed. Service
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 Tanya O'Connor*	Headteacher	Essendine Primary School
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	PBDL	Chelsfield Plc
Ms Elena Robles*	School Governor	Edward Wilson Primary School
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

** appointed during 2003-2004

* left during 2003-2004

Executive Committee

Mrs Sally Rivlin
Ms Lel Bostock
Ms Ruth Duston
Ms Anna Papworth
Ms Tanya O'Connor
Mr Martin Stevenson
Mr John Sanders
Ms Jo White

Finance Sub Committee

Ms Kerry Crichlow
Mr Howard Day
Ms Annette Jones
Ms Norma Quashie
Mr John Sanders
Ms Nathalie Stewart
Mr John Thurley
Mr Yannik Whyley
Mr David Worton

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Auditors

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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 31 March 2004.

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

- Access and entitlement;
- Support for teaching and learning; and
- Schools as communities.

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

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, Programme Manager, 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 April 2004, with the exception of those indicated thus.

Developments, activities and achievements

The Action Plan for 2003 to 2005 provided for the continuation of certain projects brought forward from the 2002-2003 plan continuing and building upon projects focusing in particular on ICT and Creativity in the classroom.

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.

All partners have signed up to these themes, priorities and principles.

The following sections detail specific developments within each of the themes.

Theme 1: Access and entitlement

Theme 1 includes Early Intervention, Strategies to raise achievement, Inter-agency working and Boosting achievement for specific pupils.

The overarching aim for this theme is to remove the barriers to pupil progress and achievement, and meet the learning needs of identified groups of pupils at risk of underachievement. Existing joint-agency projects developed in partnership with the health and education authorities have been continued through the year, including the Early Intervention Project, the Speech and Language Therapy Project and the Refugee Liaison Worker. A review of the projects was undertaken at the end of 2002-2003 and recommendations made were used to inform the Action Plan for 2003-2005. A significant amount of work was undertaken to investigate ways that these projects could be provided for after April 2005.

Early intervention

Three projects consisting of

1 *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 aims to support foundation staff to differentiate between the needs of children who have English as an additional language and those who have a language delay or disorder.

2 *Speech and Language Therapy Project*

This project aims to provide classroom-based support, consultancy and training to

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

1.8 FTE speech and language therapist plan, deliver and evaluate group work alongside teachers and support staff in targeted schools, and provide core training to practitioners in the schools involved. Following a review of the project the local Primary Care Trust and the LEA partly funded the project for 2003-2004.

3 *Early Intervention Project*

A clinical psychologist provides school-based early intervention for children and their families when they are at risk of exclusion, and are at school action and school action-plus on the SEN (Special Educational Needs) register. 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. Training is also provided for school staff on child and family mental health issues and their impact on learning.

Strategies to raise achievement

This programme consists of three projects that aim to raise achievement for vulnerable pupils

1 *The Refugee Liaison Project* was 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

- work with refugee pupils and their families in EAZ schools to ensure access to the curriculum;
- assist refugee and asylum seeking families to find a school place for their children and arrange bilingual support as appropriate;
- 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
- work with staff in schools to support the monitoring of pupils' progress and identify further support.

A review of the project has led to a sharper focus on achievement in 2003-2004. The Project was retitled Refugee Achievement Project to reflect this change.

2 *Summer School for Year 4*. A six-day course, held in August 2003, for Year 4 pupils with potential to achieve Level 4+ in Key Stage(KS) 2 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.

Interagency working

Interagency approaches to remove barriers to learning. This programme consists of two projects

1 *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

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

2 *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 schools liaison officer for Westminster homeless families in the Zone and 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.

Theme 2 - Boost achievement for specific pupils

Working in partnership with Excellence in Cities students from year 6 and 7 in Zone secondary and primary schools were targeted to attend a study support weekend at Kingswood Activity Centres. The focus was on developing ICT skills including a web-design package and building confidence as more able learners. In summer 2003 the EAZ and EiC Gifted and talented summer schools were combined to provide breadth and creativity in the programme across the two boroughs. Partnerships with Central School of Speech and Drama and Imperial College provided two summer schools that focused on drama and creativity, and robotics and modelling.

Support for Teaching and Learning

2003-2004 has seen a significant investment in ICT within Zone schools, combining investment in new and specialised equipment with a full programme of support and training. Programmes within this theme are summarised as follows

Curriculum enrichment

ICT Curriculum/Training/Technical support - Interactive Whiteboard Training has been offered to all staff at Foundation and Intermediate level. Secondary schools have had a science specific training session. A series of one-day courses have taken place in January and February for teachers who have regular access to a whiteboard.

LSA ICT Course - The Zone piloted an ICT Training Package for a group of LSAs (Learning Support Assistants) to complete an accredited Learning Open College (LOC) course run by Pearson Information. A differentiated model of training is being offered during the 8-day course.

Training course for whiteboard users – Hull University trained Zone school staff to become whiteboard trainers. This allowed Zone schools the flexibility to hold training sessions on dates that are convenient for the school.

Classroom Observations of whiteboard use – leading teachers in whiteboard use are offering up to five teachers per half day to come and see how the board can be used as an effective learning tool within the classroom.

Science - The EAZ is committed to closing the attainment gap between the highest and lowest performing schools in the Zone. Science is one area of the curriculum that was highlighted as a Zone priority for this year. Therefore, the Zone targeted further Zone schools to receive a Science Consultant led one-day practical workshop. British Waterways offered practical half-day workshops to KS2 pupil on the topic of forces.

Tools for Schools - Reconditioned computers from the charity 'Tools for Schools' were acquired by the EAZ to be given to pupils on a long term home loan arrangement. The pupils targeted were those who did not have access to a PC at home. Six schools were involved in the project. The aim of the project was to introduce families to computers and increase their skills and understanding of ICT. A Zone business sponsor cash donation was used to purchase Internal Modems for Internet Access. Westminster Adult Education Service provided tutors 'in-kind' so that each school involved in the pilot hosted two Family ICT sessions where instruction was given on basic IT skills and using the Internet as an effective learning tool.

Creative arts

A programme of school-based workshops led by practising artists with a focus on developing literacy in foundation and Key Stages 1 and 2. Led by the creativity steering group, 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 termly National Literacy Strategy (NLS) objectives.

Curriculum enrichment

North Westminster Community School

ICT in Music - the school has created a music suite at one of its KS3 sites that is being used to further develop the use of ICT in music, improve standards of attainment and enhance the music technology curriculum on offer to GCSE students.

St Augustine's High School

Improve the use of ICT in Science - The school purchased a wireless network, datalogging equipment and science related software to allow pupils to access the science curriculum more easily. The school has Year 7 and 8 pupils who have been trained to use Data Harvest hardware and they acted as mentors for Year 6 pupils, who attend the school once a week for Science. Years 9 and 11 have been encouraged to use ICT as a presentation tool and to increase the use of CD Roms to enhance the learning outcomes of students in KS3 and KS4.

Enhance the teaching of Food Technology - Since September 2000 the school has been in partnership with Westminster Kingsway College to provide instruction for GCSE Food Technology/Catering. The students have found the initiative very motivating and it has led to accreditation in vocationally related units. In September 2001, the school extended the course to include another group of Year 10 students. Hilton Foundation provided the necessary funding up until at least March 2004.

This partnership between Hilton Foundation and St Augustine's secondary school has led to the school being the recipient of a state of the art Food Technology training facility constructed in 2002-2003. These facilities have been used in an ongoing partnership between the school and Hilton Hotel Group for training and work placement opportunities. The project provides students with a sound foundation for employment in the hospitality and food industry, as it is based on practical experience both in the school and in a hotel environment.

Work Related Co-ordination - The appointment of a Work Related Learning Co-ordinator to St Augustine's Secondary school aimed to allow the development of effective links with business in order to enhance the learning experiences of our students. The Work Related Learning Co-ordinator will ensure that the maximum benefit is accrued from the links established with the college and Hilton Hotels.

St George's

Alternative curriculum in LSU - ICT Focus. In 2002-2003 the Zone purchased 10 PCs. A curriculum plan based on the use of these has been implemented that incorporates ICT into the curriculum areas covered.

School based strategies to close gaps

Primary focus: additional resources targeted at schools to accelerate progress for specific groups of pupils in years 5 and 6. This project also includes an extended writing project involving year 5 pupils and their teachers which began in September 2001 and moved up with the cohort into year 6 in September 2002. Schools with the greatest gap between the 2003 target and 2001 outcomes were targeted for this project.

As a result of this Second Cohort of schools identified through analysis of KS2 English outcomes included for 2003-2004.

ICT Course for LSAs/NNEB

LSAs/TAs were invited to complete a course of ICT training to bring them from basic level to level 2/3 on the national qualifications framework. The course involved 40 taught study hours in ICT covering: basics; packages; handling technical problems; using ICT with pupils to access the National Curriculum, stretching Gifted & Talented pupils.

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.

Improve partnerships

There are two projects under this programme area

1 Parent Partnership Groups

With the assistance of a skilled Parent Group Facilitator, groups of parents at a number of Zone schools were given the opportunity to learn about parenting skills and the ways that they could interact with children in a more constructive manner. The programme involved a focus group of parents whose children were on the SEN Code of Practice register. The groups enabled both school and home to have a closer understanding of sharing the expectations and approaches to children's learning and behaviour.

2 Reading support training for young people

The project focussed on young people who had left care and wished to act as reading buddies to other looked-after children in Zone schools. They received training on supporting reading in primary schools that have significant numbers of looked-after children on roll. The aim of the project is to provide role models who can empathise with the child's life experiences.

Continuing Professional Development (CPD)

Through the creation of a CPD Steering group the Zone aimed to produce a menu of CPD opportunities that teaching and non-teaching staff could access. The focus for the group was the retention of teachers within the borough. An NVQ Level 3 in Early Years Education was undertaken by 10 Nursery Nurses.

Dissemination of good practice

This project is a continuation of the Zone's commitment to raising its profile amongst schools, business partners and the wider community. The website was updated on a termly basis, with contributions received from schools. EAZ link teachers ensured that material could be obtained on a regular basis.

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 of Education and Skills (DfES) in the form of recurrent grants, the use of which is restricted to specific purposes. The grants received during 2003-2004 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 (£9,000 and £4,000).

During 2003-2004 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 12 months was £16,000.

At 31 March 2004 the Zone had no fixed assets.

Fund review

The EAZ held fund balances at 31 March 2004 of £58,000 comprising £50,000 of restricted funds and £8,000 of unrestricted funds. The fund balances are adequate to fulfil the obligations of the EAZ and provide a balance against most unforeseen future events. To achieve the Action Plan objectives the EAZ remains dependent on the provision of grants from both 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 made donations 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.

Drivas Jonas	£58,000
Development Securities	£60,000
Hilton in the Community Foundation	£13,000
Paddington Waterside Partnership	£51,000
Bain & Company	£15,000
Legal & General	£41,000
Tools for Schools	£45,000

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

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

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. A surplus of Income over Expenditure amounting to £58,000 has been generated. This has been allowed by the DFES and will be carried forward and utilised in 2004-2005. 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. 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. In 2003-2004 it was decided to incorporate risk analysis into a more detailed process relating to transformation and the closure of the Zone;
- 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 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 2003-2004 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 31 March 2004 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2003-2004 the Forum has enacted the following processes

- Reviewed progress against target outcomes for 2002-2003 to inform the development of the two-year Action Plan (2003-2005). Subsequently the Forum reviewed activities 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 going concern basis.

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 on 2 February 2005 and signed on its behalf by

Anne Rumpus
Chair

20 January 2005

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

I certify that I have audited the financial statements on pages 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 and 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 on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Westminster EAZ at 31 March 2004 and of its incoming resources, application of resources and cash flows for the year 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 February 2005

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Statement of Financial Activities for the period ended 31 March 2004

		Unrestricted funds	Restricted funds		Fixed assets	Total 2003-2004	Total 2002-2003
	Notes	£000	DfES £000	Other £000	£000	£000	£000
Incoming resources							
DfES grants receivable	2,3	0	917	13	0	930	908
Other government grants receivable		0	0	0	0	0	0
Private sector contributions	5	265	0	93	0	358	682
Public sector contributions	5	40	0	15	0	55	40
Other income	6	3	0	1	0	4	30
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		308	917	122	0	1,347	1,660
Resources expended							
Costs of generating funds		0	0	0	0	0	0
Net incoming resources for charitable application		308	917	122	0	1,347	1,660
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	143	13	0	156	109
Education support costs	7	268	620	124	0	1,012	1,339
Management and administration	7	40	155	0	0	195	172
Total charitable expenditure		308	918	137	0	1,363	1,620
Total resources expended		308	918	137	0	1,363	1,620
Net incoming/(outgoing) resources before transfers		0	(1)	(15)	0	(16)	40
Net movement in funds		0	(1)	(15)	0	(16)	40
Fund balances brought forward at 1 April 2003		8	59	7	0	74	34
Fund balances carried forward at 31 March 2004	15,16	8	58	(8)	0	58	74

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.

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 31 March 2004

	Notes	2003-2004 £000	2002-2003 £000
Income			
DfES EAZ recurrent grant	2	917	899
Other DfES grants	3	13	9
Private sector contributions	5	358	682
Public sector contributions	5	55	40
Other income	6	4	30
Amortisation/deferred income		0	0
Total income		1,347	1,660
Charitable expenditure			
DfES EAZ grant expenditure	7	918	864
Other DfES grant expenditure	7	13	9
Other expenditure	7	432	747
Total charitable expenditure		1,363	1,620
Total resources expended		1,363	1,620
Excess of income over expenditure		(16)	40
Net transfers to/from funds			
DfES EAZ fund	15	(1)	34
Other restricted funds	15	(15)	7
Unrestricted funds	16	0	(1)
Net movement in funds		(16)	40

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 2003-2004 relate to continuing operations.

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

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

Balance Sheet as at 31 March 2004

	Notes	31 March 2004 £000	31 March 2003 £000
Fixed assets			
Tangible assets		<u>0</u>	<u>0</u>
		0	0
Current assets			
Debtors	12	18	109
Cash at bank and in hand		<u>372</u>	<u>352</u>
		390	461
Creditors: amounts falling due within one period	13	<u>332</u>	<u>387</u>
Net current assets		58	74
Net assets		<u>58</u>	<u>74</u>
Funds			
Restricted funds	15	50	66
Unrestricted funds	16	<u>8</u>	<u>8</u>
		58	74

The financial statements were approved by the Forum on 2 February 2005 and signed on its behalf by

Ann Rumpus
Chair

20 January 2005

Cash Flow Statement for the period ended 31 March 2004

	2003-2004	2002-2003
	Note	£000
Operating activities		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES	917	899
Other DfES grants	13	9
Private sector sponsorship	200	202
Public sector sponsorship	0	1
Other receipts	10	23
	1,140	1,134
<i>Payments</i>		
Staff costs	431	401
Other cash payments	692	988
Net cash inflow from operating activities	19 17	(255)
Returns on investments and servicing of finance		
Interest received	3	5
	3	5
Increase/(decrease) in cash in the period	20	(250)

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 financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. The Westminster EAZ Forum was established under the School Standard and Framework Act and has a three year life span. The Secretary of State has now extended the life of the Forum by a further two years. These financial statements have been prepared on a going concern basis.

Recognition of income

Income received for capital purposes but not matched to relevant expenditure during the period is shown as deferred income on the balance sheet. The annual EAZ grant from the 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 £160,568 on such assets in 2003-2004.

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 per cent
Computer equipment and software	33 per cent

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. Funds carried forward will be applied to future programmes in accordance with the Action Plan.

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

	2003-2004 £000	2002-2003 £000
DfES grant received in period	917	899
Carry over from previous period	59	25
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	976	924
Spent in the period	918	864
Underspent grant/[funded from general fund]**	58	60
Maximum permitted carry over level	80	80
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 a further grant, to a maximum of £250,000 per annum will be made available to match any such sponsorship.

The DfES allows Zones to carry forward a percentage of unspent monies drawn down during the financial year for use in future years.

** Note the figure in the 2002-2003 published accounts should have read £59,000 not £60,000.

3 Other DfES grants

	2003-2004 £000	2002-2003 £000
Gifted and Talented Summer Schools	9	9
Easter School	4	0
	13	9

4 Other government grants

	2003-2004 £000	2002-2003 £000
Lottery/New Opportunities Fund etc.	0	0

5 Business contributions

	Cash	In Kind	Total	Total
	£000	£000	2003-2004	2002-2003
			£000	£000
Private sector contributions				
Paddington Waterside Partnership	5	46	51	60
Paddington Basin Development Ltd	0	0	0	250
Bain	0	15	15	37
Tools for Schools	0	45	45	51
Development Securities	56	4	60	0
Drivas Jonas	12	46	58	0
Hilton Hotels	12	1	13	150
Legal & General	0	41	41	0
Other private sector bodies	25	50	75	134
	<u>110</u>	<u>248</u>	<u>358</u>	<u>682</u>
Public sector contributions				
Public sector bodies	15	40	55	40
	<u>125</u>	<u>288</u>	<u>413</u>	<u>722</u>

6 Other income

	2003-2004	2002-2003
	£000	£000
Interest receivable	3	5
Sundry income	1	25
	<u>4</u>	<u>30</u>

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£000	£000	£000	2003-2004	2002-2003
				£000	£000
Direct provision of education	58	0	98	156	109
Education support costs	150	0	862	1,012	1,339
Management and administration	133	0	62	195	172
	<u>341</u>	<u>0</u>	<u>1,022</u>	<u>1,363</u>	<u>1,620</u>
<i>Of which</i>					
DfES grant expenditure	341	0	577	918	864
Other DfES grant expenditure	0	0	13	13	9
Other expenditure	0	0	432	432	747
	<u>341</u>	<u>0</u>	<u>1,022</u>	<u>1,363</u>	<u>1,620</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

	2003-2004	2002-2003
	£000	£000
Educational supplies and services	960	1,149
Occupancy costs	40	39
Supplies and services	16	25
Auditor's remuneration	6	6
	<u>1,022</u>	<u>1,219</u>

9 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

	2003-2004	2002-2003
Management	1.0	1.0
Administration	1.6	1.6
Teachers/other	4.9	10.9
Total employees	<u>7.5</u>	<u>13.5</u>

	2003-2004	2002-2003
	£000	£000
Staff costs for the above persons		
Wages and salaries	139	108
Social security costs	12	8
Other pension costs (see note 14)	9	10
Seconded staff	181	207
Total staff costs	<u>341</u>	<u>333</u>

One person earned more than £50,000 during 2003-2004. The total emoluments of this person were in the following range

	2003-2004	2002-2003
£60,001 - £70,000	1	0

10 Emoluments of Trustees

	2003-2004	2002-2003
	£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. Travel and subsistence expenses reimbursed in the period to 31 March 2004 totalled £nil (2002-2003, £nil).

Interests in transactions

All Trustees' business interests have been registered and none impact on the activities of the Forum during 1 April 2003 to 31 March 2004.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £10,000,000 on any one claim and the cost for 2003-2004 was £1,500 (2002-2003 £1,312).

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 2003-2004 was £892 (2002-2003 £840).

12 Debtors

	31 March 2004 £000	31 March 2003 £000
Sundry debtors	18	109
	18	109

13 Creditors

	31 March 2004 £000	31 March 2003 £000
Amounts falling due within one year		
Sundry creditors	243	367
Accruals	89	20
	332	387

14 Pensions and similar obligations

	2003-2004 £000	2002-2003 £000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	10	13
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 2003-2004	4.70%
Zone's contribution in 2003-2004	£10,064
Zone's contribution in future years	£15,000

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

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.

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, and transfers £000	Balance at 31 March 2004 £000	Balance at 31 March 2003 £000
DfES Recurrent grant	59	917	918	58	59
Other DfES grants	0	13	13	0	0
Other	7	109	124	(8)	7
	<u>66</u>	<u>1,039</u>	<u>1,055</u>	<u>50</u>	<u>66</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.

16 Unrestricted funds

	2003-2004 £000	2002-2003 £000
Brought forward at 1 April 2003	8	9
Excess of income over expenditure	0	(1)
Carried forward at 31 March 2004	<u>8</u>	<u>8</u>

17 Analysis of net assets between funds

Fund balances at 31 March 2004 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2003-2004 £000	Total 2002-2003 £000
Current assets	8	382	390	461
Current liabilities	0	(332)	(332)	(387)
	<u>8</u>	<u>50</u>	<u>58</u>	<u>74</u>

18 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a DfES grant was received, the Forum shall if it does not re-invest the proceeds, repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Forum serving notice, the Forum may repay to the Secretary of State sums determined by reference to

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

As at 31 March 2004 there were no contingent liabilities (£nil at 31 March 2003).

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

	31 March 2004 £000	31 March 2003 £000
Net incoming resources	(16)	40
Interest received	(3)	(5)
(Increase)/decrease in debtors	91	(84)
Increase/(decrease) in creditors	(55)	(206)
Net cash inflow from operating activities	17	(255)

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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