

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 Greenwich Education Action Zone for the period ended 5 September 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1104 of 2003-2004)

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

Greenwich Education Action Zone Account 1 April 2004 to 5 September 2004

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Legal and Administrative Information

Trustees

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Thelma Iddenden
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Ealdham School
Haimo School
Henwick School
Horn Park School
Holy Family School
Kidbrooke Park School
Middle Park School
St Thomas More School
Wingfield School
Eltham Hill School
Kidbrooke School
Moatbridge School
DfES
Baily Garner
Shaw-Sprunt
Jubilee Books
Alcatel
Greenwich Council
Greenwich Council
Greenwich Parent Governors
EAZ Parents
Greenwich Vietnamese Community
Greenwich Turkish Community
South Greenwich Forum
Association of Greenwich Governors
NAS/UWT
NUT
ATL
EAZ secondary heads
ICL
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Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 5 September 2004.

Constitution and principal activities

The Greenwich Time to Succeed Education Action Zone Forum is a corporate body and exempt charity established on 6 September 1999 under the 1998 School Standards and Framework Act. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum are nominated by the schools in the Zone, the LEA, Alcatel, Shaw-Sprunt, Bailey Garner, GYPC, ATL, NAS/UWT, NUT, Greenwich Turkish School, South Greenwich Forum and Greenwich Vietnamese Community.

The principal activity of the Forum is to improve standards within the schools that are part of its Education Action Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, amongst other things, the objectives of the EAZ which include the following

- supporting teachers and headteachers in their leadership of learning and of schools;
- combating racism through work with pupils in schools and with their parents/carers;
- continuing to provide greater access to new technologies, with a renewed focus on improving the ability of teachers, other staff, parents/carers and pupils to use that technology through provision of training;
- supporting all pupils in raising their attainment, through improved support in the classroom and out of school; and
- supporting parents/carers in improving their own knowledge and skills, enabling them to support their children more effectively.

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 5 September 2004 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 5 September 2004 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 Greenwich Education Services, the nominated successor body.

Organisation and objectives

The sole activity of the Forum is the operation of the Greenwich Time to Succeed EAZ.

The operational management structure of the EAZ consists of a Project Director, Patrick White and a Senior Project Manager, Dot Ramadan. These posts constitute the EAZ Management Team which reports to the Forum.

The Action Forum has a Finance Sub-Committee to which it devolves scrutiny of its day-to-day financial responsibilities.

The aim of the management structure is to involve schools and business partners and encourage involvement in decision making at all levels.

The Trustees of the EAZ are set out on page 2.

Developments, activities and achievements

The Forum is in its sixth period of operation. Events and milestones during the last five months of operation are as follows

- anthology of children's writing and launch;
- children's university for year 7 and 8 pupils in conjunction with Excellence in Cities;
- residential summer school for gifted and talented year 6 and 7 pupils;
- ESOL project at Kidbrooke school;
- tuned percussion for primary schools and 'Clevasticks' concert;
- empowerment of teachers to deliver music;
- training in the use of new play facilities of playground markings and equipment;
- supporting local community organisations - supplementary schools;
- Carnival 365 at Eltham Green;
- school specific projects to promote curriculum development;
- inclusion training for schools; and
- purchase of whiteboards and laptops for schools and provision of IT support.

Operating and financial review

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

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

During the period the EAZ received other restricted grants from the DfES and donations from commercial sponsors, the details of which are in notes 2, 3 and 4. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended.

Expenditure for the year exceeded incoming resources by £51,871, thus reducing fund balances to zero at 5 September 2004. At 5 September 2004 the EAZ held no fixed assets.

Fund review

When the EAZ ceased to operate on 5 September 2004 its fund balances were nil.

Fund balances existing prior to this date were utilised in fulfilment of the Zone's objectives. Immediately prior to cessation £708 was transferred to Greenwich Education Services, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

The EAZ worked closely with its partnership schools to achieve the Forum's objectives. The partnership schools were: Ealldham, Eltham Green, Eltham Hill, Haimo, Henwick, Holy Family, Horn Park, Kidbrooke, Kidbrooke Park, Middle Park, Moatbridge, St Thomas More, Thomas Tallis and Wingfield.

HB IT consultants were business sponsors of the Forum and have donated the amounts shown in note 4 to assist the Forum to achieve its objectives. EAZ schools received considerable support from SHINE in the form of mentoring and from other volunteers working in schools.

The EAZ received a grant of £69,257 from the South Greenwich Regeneration Agency in support of 'Learning for the Future' a programme to broaden the learning experience and increase resources for learning.

The Forum has contracted with Greenwich Education Services to provide accounting and personnel services. The Greenwich Education Service has contributed £4,230 in kind to assist the Forum.

Disabled persons

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

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 5 September 2004. At this date it transformed into the Excellence in Cities Action Zone South Greenwich.

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) this has been applied in the period up to closure.

Risk management

The Trustees re-examined the Risk Assessment Strategy to ensure that it continues to apply up to and including closure. The Strategy encompasses a review of strategic, reputational, financial, compliance and operational risks.

As part of this process, the Trustees have implemented a risk management strategy comprising

- the establishment of systems and procedures to mitigate those risks identified in the plan;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise; and
- the finance sub-group to review the Risk Assessment Strategy on a regular basis.

Statement on Internal Control

a Maintenance of internal controls

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

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

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

This process has been in place for the period ended 5 September 2004 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

As the Forum ceased on 5 September 2004 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, such as

- loss of key staff; and
- ensuring all expenses are submitted before closure.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of Internal Control. In the period 1 April to 5 September 2004 the Forum has maintained the following processes

- the Zone has a comprehensive system of internal control incorporated in the 'Scheme of Delegation, Financial Regulations and Financial procedures.' This has been in place since the inception of the Zone and is reviewed and amended as appropriate; and
- the Forum receives a financial statement at every meeting providing current spending and a projected year-end spend compared to the approved budget. This allows progress to be monitored. The Finance Committee examines programme spending and projections in more detail and will be responsible for monitoring in the period up to closure.

The continuation of good practice has been achieved by the Zone by

- adopting the system of staff 'Performance Review and Development Plans' established by Greenwich Council.

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

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction given by the Secretary of State. They are also responsible for safeguarding the assets of the Forum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have a responsibility to ensure that the Forum's accounting records and system of internal financial control for the relevant financial period comply with the obligations placed on the Forum by the Secretary of State for Education and Skills.

Auditors

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

Approval

The report of the Trustees was approved in principal by the Finance Committee on 26 August 2004 under delegated authority. The report is signed on behalf of the Forum by

Carol Ladbrook
Chair

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 10 to 22 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 14 and 15.

Respective responsibilities of the Trustees and Auditor

As described on page 7 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 6 reflects the Forum's compliance with HM Treasury's guidance 'Corporate Governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Trustees' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Following the passing of the Greenwich Education Action Zone (Dissolution) Order 2004, the Zone ceased to exist with effect from 5 September 2004. 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 Greenwich EAZ at 5 September 2004 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

28 January 2005

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Statement of Financial Activities for the period ended 5 September 2004

		Unrestricted funds	Restricted funds			Total to 5 September 2004	Total 2003-2004
	Notes	£000	DfES £000	Other £000	Fixed assets £000	£000	£000
Incoming resources							
DfES grants receivable	2,3	0	418	0	0	418	811
Private sector contributions	4	6	0	0	0	6	250
Public sector contributions	4	4	0	69	0	73	377
Other income	5	1	0	0	0	1	24
Total incoming resources		11	418	69	0	498	1,462
Resources expended							
Costs of generating funds	6	0	0	0	0	0	0
Net incoming resources for charitable application		11	418	69	0	498	1,462
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	6	0	12	12	0	24	89
Education support costs	6	58	203	33	0	294	896
Grants payable	6	0	104	17	0	121	201
Management and administration	6	5	84	7	0	96	296
Total charitable expenditure		63	403	69	0	535	1,482
Costs of termination of operations	8	0	15	0	0	15	0
Total resources expended		63	418	69	0	550	1,482
Net outgoing resources before transfers		(52)	0	0	0	(52)	(20)
Transfers between funds		0	0	0	0	0	0
Net movement in funds		(52)	0	0	0	(52)	(20)
Fund balances brought Forward at 1 April 2004		52	0	0	0	52	72
Fund balances at 5 September 2004	15,16	0	0	0	0	0	52

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 1 April to 5 September 2004 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 11 and the overall financial position at the period end is summarised in the balance sheet on page 12.

The notes on pages 14 to 22 form part of these accounts.

Income and Expenditure Account for the period ended 5 September 2004

	Notes	1 April to 5 September 2004 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	413	792
DfES EAZ fixed Non-recurrent grant	2	0	0
Other DfES grants	3	5	19
Private sector contributions	4	6	250
Public sector contributions	4	73	377
Other income	5	1	24
Amortisation/deferred income		0	0
Total income		498	1,462
Charitable expenditure			
DfES EAZ grant expenditure	6	418	813
Other DfES grant expenditure	6	5	19
Other government grant expenditure	6	0	0
Depreciation	6	0	0
Other expenditure	6	112	650
Total charitable expenditure		535	1,482
Costs of generating funds	6	0	0
Costs of termination of operations	8	15	0
Total resources expended		550	1,482
Deficit of income over expenditure		(52)	(20)
Net transfers to funds			
DfES EAZ fund	15	0	(21)
Other restricted funds	15	0	(2)
Unrestricted funds	16	(52)	3
Net movement in funds		(52)	(20)

The Income and Expenditure account is derived from the Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 14 to 22 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 1 April to 5 September 2004 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 14 to 22 form part of these accounts.

Balance Sheet as at 5 September 2004

	5 September 2004	31 March 2004
	Notes	£000
Fixed assets		
Tangible assets		0
		<u>0</u>
Current assets		
Debtors	12	38
Cash transferred to Greenwich Education Services to meet residual Zone liabilities		<u>26</u>
		64
Creditors: amounts falling due within one period	13	<u>12</u>
		52
Net current assets		<u>52</u>
Net assets		<u>52</u>
Funds		
Restricted funds	15	0
Unrestricted funds	16	<u>52</u>
		<u>0</u>
		<u>52</u>

Signed by the Project Director

The financial statements were approved in principal by the Finance Committee on 26 August 2004 under delegated authority. The report is signed on behalf of the Forum by

Carol Ladbrook
Chair

Cash Flow Statement for the period ended 5 September 2004

	Note	1 April to 5 September 2004 £000	2003-2004 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		413	792
Other DfES grants		5	19
Other government grants		0	0
Private sector sponsorship		0	0
Public sector sponsorship		0	328
Other receipts		41	23
		459	1,162
<i>Payments</i>			
Staff costs		66	175
Other cash payments		420	1,053
Net cash out flow from operating activities	20	(27)	(66)
Returns on investments and servicing of finance			
Interest received		1	1
Interest paid		0	0
		1	1
Capital expenditure			
Purchase of tangible fixed assets		0	0
Receipts from sale of tangible fixed assets		0	0
Transfer of tangible fixed assets to schools		0	0
		0	0
Financing			
Deferred grant received		0	0
		0	0
Decrease in cash in the period		(26)	(65)

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, with the exception of listed fixed asset investments which are included at market value. The Forum was established under the School Standards and Framework Act initially for three years, subsequently extended by the Secretary of State for a further two years.

The Forum came to the end of its statutory five year life on 5 September 2004. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

The annual EAZ grant from the DfES, which is intended to meet recurrent costs and, where specified, to purchase fixed assets, is credited direct to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

Contributions in Kind

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

Grants receivable

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

Investment income and interest receivable

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

Management and administration

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

Allocation of cost between direct provision of education and other expenditure

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

Tangible fixed assets

Tangible fixed assets costing more than £2,500 acquired since the Forum was established are included in the accounts at cost.

Where tangible fixed assets have been acquired for use by schools and it is established that the ownership of those assets no longer remains with the Forum then those assets have not been accounted for in the Forum's own accounts. The basis for establishing ownership is whether the Forum requires ownership of the asset. For example, if an asset is used by a number of schools then ownership remains with the Forum. Alternatively, if an asset is for the sole use of a single school then the Forum no longer retains ownership.

Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to staff costs incurred when 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 Greenwich Education Services to meet outstanding liabilities.

Taxation

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

Pensions

The full cost of the Forum's pension contributions on behalf of its employees is recognised in the year those contributions are made. The Zone's employees belong to the Greenwich Council Pension Scheme.

2 DfES EAZ grant

	1 April to 5 September 2004 £000	2003-2004 £000
DfES grant received in period	413	792
Carry over from previous period	0	21
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	<u>413</u>	<u>813</u>
Spent in the period	<u>413</u>	<u>813</u>
Underspent grant	0	0
The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern	0	0
Excess grant to surrender	<u>0</u>	<u>0</u>

3 Other DfES grants

	1 April to 5 September 2004 £000	2003-2004 £000
Gifted and Talented Summer Schools	5	9
EiC Action Zone (transforming from EAZ)	0	10
	<u>5</u>	<u>19</u>

4 Business contributions

	Cash £000	In kind £000	1 April to 5 September 2004 Total £000	2003-2004 Total £000
Private sector contributions				
T E Beach Ltd.	0	0	0	18
SHINE	0	0	0	9
Charlton Athletic	0	0	0	8
Greenwich Leisure Ltd	0	0	0	50
Jubilee Books	0	0	0	6
Nike	0	0	0	80
Hilife Construction	0	0	0	1
Raleigh International	0	0	0	25
Young@now Trading Ltd.	0	0	0	36
Coca Cola	0	0	0	3
Big Fish Theatre Company	0	0	0	2
Blackheath Conservatoire	0	0	0	2
Citigroup	0	0	0	6
GYPT	0	0	0	4
HB IT Consultants Ltd.	0	6	6	0
	<u>0</u>	<u>6</u>	<u>6</u>	<u>250</u>

	1 April to 5 September 2004			2003-2004
	Cash £000	In kind £000	Total £000	Total £000
Public sector contributions				
DfES	0	0	0	16
South Greenwich Regeneration Agency	69	0	69	323
Domex	0	0	0	1
Greenwich Education Service	0	4	4	37
	<u>69</u>	<u>10</u>	<u>79</u>	<u>627</u>

The following count towards match funding but are not included above

Volunteers working in schools in furtherance of EAZ objectives to the value of £103,230.

5 Other income

	1 April to 5 September 2004	2003-2004
	£000	£000
Interest receivable	1	1
Teacher Training Agency	0	23
	<u>1</u>	<u>24</u>

6 Total resources expended

	1 April to 5 September 2004			2003-2004
	Staff £000	Depreciation £000	Other £000	Total £000
Direct provision of education	0	0	24	89
Education support costs	0	0	294	896
Grants payable*	0	0	121	201
Management and administration	70	0	26	296
Costs of generating funds	0	0	0	0
Costs of termination of operations	0	0	15	0
	<u>70</u>	<u>0</u>	<u>480</u>	<u>1,482</u>
Of which				
DfES grant expenditure	70	0	348	813
Other DfES grant expenditure	0	0	5	19
Other government grant expenditure	0	0	0	0
Depreciation	0	0	0	0
Other expenditure	0	0	112	650
Costs of generating funds	0	0	0	0
Costs of termination of operations	0	0	15	0
	<u>70</u>	<u>0</u>	<u>480</u>	<u>1,482</u>

* between 1 April and 5 September 2004 the Zone paid grants to schools as follows

	Teachers/ Leadership £000	Programmes Learning £000	Gifted and Talented £000	Total £000
Ealdham	3	11	0	14
Eltham Green	2	3	9	14
Eltham Hill	2	3	0	5
Haimo	3	3	0	6
Henwick	3	3	0	6
Holy Family	3	4	0	7
Horn Park	3	4	0	7
Kidbrooke	2	23	0	25
Kidbrooke Park	3	4	0	7
Middle Park	3	4	0	7
Moatbridge	2	4	0	6
St Thomas More	3	2	0	5
Thomas Tallis	2	3	0	5
Wingfield	3	4	0	7
	<u>37</u>	<u>75</u>	<u>9</u>	<u>121</u>

7 General expenditure

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

	1 April to 5 September 2004 £000	2003-2004 £000
Educational supplies and services	439	1,199
Occupancy costs	3	7
Supplies and services	32	75
Auditor's remuneration	6	6
	<u>480</u>	<u>1,287</u>

8 Costs of termination of operations

	1 April to 5 September 2004 £000	2003-2004 £000
Staff costs arising from Zone closure	11	0
Cost of post-Zone services provided by nominated successor body	3	0
Amounts transferred to Greenwich education services to meet residual Zone liabilities	1	0
	<u>15</u>	<u>0</u>

9 Staff costs

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

	1 April to 5 September 2004	2003-2004
Management	2	2
Administration	2	2
Total employees	4	4

	1 April to 5 September 2004 £000	2003-2004 £000
Staff costs for the above persons		
Wages and salaries	59	162
Social security costs	6	15
Other pension costs (see note 14)	5	18
Total staff costs	70	195

One employee earned more than the equivalent of £50,000 in a full year. The total emoluments of this employee were in the following range

	1 April to 5 September 2004	2003-2004
£90,001 - £100,000	1	1

10 Emoluments of Trustees

	1 April to 5 September 2004 £000	2003-2004 £000
Emoluments of Trustees	0	0

The Trustees of the Forum did not receive any payment or expenses from the Forum.

Interests in Transactions

Eddie Burnett is the Director of Jubilee Books to which the Forum paid £13,733 during the period for the Greenwich Festival of Writing. The services were provided to the Forum at an arm's length value.

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 £5,000,000 for Public Liability and £10,000,000 for Employer's Liability. The cost for the period was £611 (2003-2004 £1,422).

The Forum has cover of £500,000 for Trustee's Liability.

12 Debtors

	1 April to 5 September 2004 £000	2003-2004 £000
Prepayments	0	3
Sundry debtors	0	35
Amounts due from DfES	0	0
	<u>0</u>	<u>38</u>

13 Creditors

	1 April to 5 September 2004 £000	2003-2004 £000
Amounts falling due within one year		
Taxation and social security	0	0
Sundry creditors	0	6
Amounts due to DfES	0	0
Accruals	0	6
	<u>0</u>	<u>12</u>

14 Pensions and similar obligations

	1 April to 5 September 2004 £000	2003-2004 £000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost (including secondment)	5	18
Defined contribution scheme	0	0

Greenwich Council Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate 1 April to 5 September 2004	13.0%
Zone's contribution 1 April to 5 September 2004	£4,607

Contributions are actuarially valued. The date of the last full actuarial valuation was 30 March 2001 at which date the scheme was 102% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed. A contribution rate of 13.0% is used for the period April to August 2004.

The Greenwich 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 2004 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 5 September 2004 £000	Total 31 March 2004 £000
DfES Recurrent grant	0	413	(413)	0	0
Other DfES grants	0	5	(5)	0	0
South Greenwich Regeneration Agency	0	69	(69)	0	0
	<u>0</u>	<u>487</u>	<u>(487)</u>	<u>0</u>	<u>0</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.

Grants from the South Greenwich Development Agency and Teacher Training Agency must be used in accordance with the instructions issued with the grant.

16 Unrestricted funds

	1 April to 5 September 2004 £000	2003-2004 £000
Brought forward at 1 April 2004	52	49
(Deficit)/excess of income over expenditure	(52)	3
Carried forward at 5 September 2004	<u>0</u>	<u>52</u>

17 Analysis of net assets between funds

Fund balances at 5 September 2004 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004-2005 £000	Total 2003-2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	64
Current liabilities	0	0	0	(12)
Deferred income	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>52</u>

18 Capital commitments

	5 September 2004 £000	31 March 2004 £000
Contracted for, but not provided in the accounts	0	0
Authorised by Trustees, but not yet contracted	0	0

19 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 5 September 2004 there were no contingent liabilities (nil at 31 March 2004).

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

	5 September 2004 £000	31 March 2004 £000
Net outgoing resources	(52)	(20)
Interest received	(1)	(1)
Depreciation	0	0
Deferred grant released to income	0	0
Profit/(loss) on disposal of fixed assets	0	0
(Increase)/decrease in stocks	0	0
Decrease/(increase) in debtors	38	(19)
Increase/(decrease) in creditors	(12)	(26)
Net cash inflow from operating activities	(27)	(66)

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 Greenwich 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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