

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 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. 330 of 2003-2004)

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

Greenwich Education Action Zone Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 13 OCTOBER 2004

Contents

	Page
Legal and Administrative Information	2
Report of the Trustees	3
Statement on Internal Control	7
Statement of Trustees' responsibilities	8
The Certificate and Report of the Comptroller and Auditor General	9
Statement of Financial Activities	11
Income and Expenditure Account	12
Balance Sheet	13
Cash Flow Statement	14
Notes to the Financial Statements	15
Accounts Direction	23

Legal and Administrative Information

Trustees

Colin Copeland
Janet Saunders
Pat Cooper
Frances Emblin
Thelma Iddenden
Carol Ladbrook - Chair
Eileen Connolly
Jillian McCalla
Peter George
Marjorie Findlay-Stone
Trisha Jaffe
Margaret Campbell-Smith
Barry Ryan
Jeff Hart
Eddie Burnett - Vice-Chair
Gary Lamb
Peter Kotz
David Grant
Paul Burnett
Leslie Anderson
Margaret Hadzidakis
Phuong Tang
Fatma Enver
Milena Powley
Carol Wood
Roy Moore
Tim Woodcock
Jakki Ellis
Nova de Souza
Anne Barton
Mike Dawson
Claire Davis
Patrick White

Ealdham School
Henwick School
Horn Park School
Holy Family School
Kidbrooke Park School
Middle Park School
St Thomas More School
Wingfield School
Eltham Green School (to 5 October 2003)
Eltham Hill School
Kidbrooke School
Thomas Tallis School (to 31 December 2003)
Moatbridge School
DfES
Jubilee Books
Alcatel
Greenwich Council (to 5 October 2003)
Greenwich Council (from 6 October 2003)
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 primary heads (to 31 August 2003)
EAZ secondary heads
EAZ special heads (to 31 August 2003)
GYPC
EAZ Director

EAZ Office

Time to Succeed EAZ
8th Floor Riverside House
High Street
Woolwich SE18 6DF
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Auditors

The Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
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Bankers

The Cooperative Bank
Kings Valley Yew Street
Stockport
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Solicitors

Greenwich Legal Services
29-37 Wellington Street
Woolwich
SE18 6PW

Report of the Trustees

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

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. Sue Meehan held the post of Senior Project Manager from April 2003 to January 2004. 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 fifth period of operation. Events and milestones during the last 12 months of operation are as follows

- outdoor education visits to Wrotham for primary school pupils;
- authors' day with many children's authors;
- children's university for year 7 and 8 pupils in conjunction with Excellence in Cities;
- outdoor education visits to Wrotham for secondary school pupils;

- EAZ staff challenge for teams of school staff took place at Wrotham;
- residential summer school for gifted and talented year 6 and 7 pupils;
- ESOL project at Kidbrooke School;
- tuned percussion for primary schools;
- empowerment of teachers to deliver music;
- improvement of play facilities through playground markings and equipment;
- pregnancy prevention programme;
- supporting local community organisations - supplementary schools;
- 300 people attended a presentation and celebration of competition winners of 'A Story to Tell' Eltham Green;
- Carnival 365 at Eltham Green;
- 'Eltham Lights Up' cultural events took place;
- St Thomas More Primary School successful OFSTED;
- new EAZ senior project manager started;
- EAZ action planning conference at Alcatel; and
- visit to EAZ by DfES EAZ policy team.

Operating and financial review

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

Most of the EAZ's income is obtained from the DfES in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during 2003-2004 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2003-2004 the EAZ received other restricted grants from the DfES and donations from commercial sponsors, the details of which are in notes 2, 3 and 5. 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 £20,249; this has been financed from the fund balances held thus does not represent a deficit.

At 31 March 2004 the EAZ held no fixed assets.

Fund review

The EAZ held fund balances at the 31 March 2004 of £51,871. The fund balances are adequate to fulfil the obligations of the EAZ and provide a balance against most unforeseen future events. To achieve its Action Plan objectives the EAZ remains 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

- Ealdham;

- Eltham Green;
- Eltham Hill;
- Haimo;
- Henwick;
- Holy Family;
- Horn Park;
- Kidbrooke;
- Kidbrooke Park;
- Middle Park;
- Moatbridge;
- St Thomas More;
- Thomas Tallis; and
- Wingfield.

Charlton Athletic, Greenwich Leisure, Nike, Young@now Trading Ltd, Raleigh International, Jubilee Books, GYPT, Coca Cola, Blackheath Conservatoire, Big Fish Theatre Company, Citigroup, T E Beach and Hilife Construction were business sponsors of the Forum and have donated the amounts shown in note 5 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 grants totalling £323,356 from the South Greenwich Regeneration Agency. The grant comprised a sum of £227,362 in support of 'Learning for the Future', a three year programme to broaden the learning experience and increase resources for learning and £95,994 for 'Zoneparcs' to provide thermoplastic playground markings in Zone primary schools.

The Forum has contracted with Greenwich Education Services to provide accounting and personnel services. The Greenwich Education Service has donated £25,580 and contributed £11,364 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

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

Where the Forum has earned unrestricted income (e.g. bank interest) it is the Forum's policy to carry this forward unless funds have been expended.

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 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 maintained the following processes

- the Action Plan is reviewed annually to assess progress towards completing tasks and fulfilling targets set out in the previous year's Action Plan. This draws on evaluation from a variety of sources and was incorporated within the Draft Transformation Action Plan that was reviewed by the Forum on 15 March 2004;
- 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 going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction 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 by the Chair on 14 September 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 11 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 15 and 16.

Respective responsibilities of the Trustees and Auditors

As described on page 8 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 7 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. 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.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Greenwich 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

1 October 2004

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157-197 Buckingham Palace Road
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London SW1W 9SP

Statement of Financial Activities for the period ended 31 March 2004

	Notes	Unrestricted funds £000	Restricted funds			Total 2003-2004 £000	Total 2002-2003 £000
			DfES £000	Other £000	Fixed assets £000		
Incoming resources							
DfES grants receivable	2,3	0	811	0	0	811	672
Other government grants receivable	4	0	0	0	0	0	0
Private sector contributions	5	250	0	0	0	250	44
Public sector contributions	5	54	0	323	0	377	429
Other income	6	1	0	23	0	24	12
Total incoming resources		305	811	346	0	1,462	1,157
Resources expended							
Costs of generating funds	7	0	0	0	0	0	0
Net incoming resources for charitable application		305	811	346	0	1,462	1,157
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	49	40	0	89	116
Education support costs	7	275	409	212	0	896	630
Grants payable	7	0	127	74	0	201	153
Management and administrative	7	27	247	22	0	296	219
Total charitable expenditure		302	832	348	0	1,482	1,118
Total resources expended		302	832	348	0	1,482	1,118
Net (outgoing)/incoming resources before transfers		3	(21)	(2)	0	(20)	39
Transfers between funds		0	0	0	0	0	0
Net movement in funds		3	(21)	(2)	0	(20)	39
Fund balances brought forward at 1 April 2003		49	21	2	0	72	33
Fund balances carried forward at 31 March 2004	15,16	52	0	0	0	52	72

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 12 and the overall financial position at the period end is summarised in the balance sheet on page 13.

The notes on pages 15 to 22 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	792	663
Other DfES grants	3	19	9
Other government grants	4	0	0
Private sector contributions	5	250	44
Public sector contributions	5	377	429
Other income	6	24	12
Amortisation/deferred income		0	0
Total income		1,462	1,157
Charitable expenditure			
DfES EAZ grant expenditure	7	813	642
Other DfES grant expenditure	7	19	9
Other government grant expenditure	7	0	0
Depreciation	7	0	0
Other expenditure	7	650	467
Total charitable expenditure		1,482	1,118
Costs of generating funds	7	0	0
Total resources expended		1,482	1,118
(Deficit)/excess of income over expenditure		(20)	39
Net transfers to funds			
DfES EAZ fund	15	(21)	21
Other restricted funds	15	(2)	2
Unrestricted funds	16	3	16
Net movement in funds		(20)	39

The Income and Expenditure account is derived from the Statement of Financial Activities on page 11 which, together with the notes to the accounts on pages 15 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 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 15 to 22 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	38	19
Cash at bank and in hand		<u>26</u>	<u>91</u>
		64	110
Creditors: amounts falling due within one period	13	<u>12</u>	<u>38</u>
Net current assets		<u>52</u>	<u>72</u>
Net assets		<u>52</u>	<u>72</u>
Funds			
Restricted funds	15	0	23
Unrestricted funds	16	<u>52</u>	<u>49</u>
		<u>52</u>	<u>72</u>

The financial statements were approved by the Project Director and Chair on 14 September 2004 under delegated authority. The report is signed on behalf of the Forum by

Carol Ladbrook
Chair

Patrick White
Project Director

Cash Flow Statement for the period ended 31 March 2004

	Note	2003-2004 £000	2002-2003 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		792	663
Other DfES grants		19	9
Other government grants		0	0
Private sector sponsorship		0	10
Public sector sponsorship		328	413
Other receipts		23	9
		<u>1,162</u>	<u>1,104</u>
<i>Payments</i>			
Staff costs		175	143
Other cash payments		1,053	933
Net cash (out)/inflow from operating activities	20	(66)	28
Returns on investments and servicing of finance			
Interest received		1	1
Interest paid		0	0
		<u>1</u>	<u>1</u>
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
		<u>0</u>	<u>0</u>
Financing			
Deferred grant received		0	0
		<u>0</u>	<u>0</u>
(Decrease)/increase in cash in the period		(65)	29

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 Schools Standards and Framework Act initially for three years, subsequently extended by the Secretary of State for a further two years. These financial statements have been prepared on a going concern basis.

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. 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.

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

	2003-2004	2002-2003
	£000	£000
DfES grant received in period	792	663
Carry over from previous period	21	0
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	813	663
Spent in the period	0	642
Underspent grant/[funded from general fund]	813	21
Maximum permitted carry over level	61	51
Excess grant to surrender	0	0

3 Other DfES grants

	2003-2004	2002-2003
	£000	£000
Gifted and talented summer schools	9	9
EiC Action Zone (transforming from EAZ)	10	0
	19	9

4 Other government grants

	2003-2004 £000	2002-2003 £000
Lottery, New Opportunities Fund etc.	<u>0</u>	<u>0</u>
	0	0

5 Business contributions

	Cash £000	In Kind £000	Total 2003-2004 £000	Total 2002-2003 £000
Private sector contributions				
Alcatel Submarine Networks Ltd.	0	0	0	15
Institute of Public Finance Limited	0	0	0	15
TE Beach Ltd	0	18	18	1
SHINE	0	9	9	13
Charlton Athletic	0	8	8	0
Greenwich Leisure Ltd	0	50	50	0
Jubilee Books	0	6	6	0
Nike	0	80	80	0
Hilife Construction	0	1	1	0
Raleigh International	0	25	25	0
Young@now Trading Ltd	0	36	36	0
Coca Cola	0	3	3	0
Big Fish Theatre Company	0	2	2	0
Blackheath Conservatoire	0	2	2	0
Citigroup	0	6	6	0
GYPC	<u>0</u>	<u>4</u>	4	<u>0</u>
	0	250	250	44
Public sector contributions				
DfES	0	16	16	0
South Greenwich Regeneration Agency	323	0	323	405
Domex	1	0	1	5
Greenwich Education Service	<u>26</u>	<u>11</u>	37	<u>19</u>
	<u>350</u>	<u>277</u>	627	<u>473</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 £232,450.

6 Other income

	2003-2004 £000	2002-2003 £000
Interest receivable	1	1
Teacher training agency	<u>23</u>	<u>11</u>
	24	12

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£000	£000	£000	2003-2004	2002-2003
				£000	£000
Direct provision of education	0	0	89	89	116
Education support costs	0	0	896	896	630
Grants payable*	0	0	201	201	153
Management and administration	195	0	101	296	219
Costs of generating funds	0	0	0	0	0
	<u>195</u>	<u>0</u>	<u>1,287</u>	<u>1,482</u>	<u>1,118</u>
Of which					
DfES grant expenditure	195	0	618	813	642
Other DfES grant expenditure	0	0	19	19	9
Other government grant expenditure	0	0	0	0	0
Other expenditure	0	0	650	650	467
Costs of generating funds	0	0	0	0	0
	<u>195</u>	<u>0</u>	<u>1,287</u>	<u>1,482</u>	<u>1,118</u>

* In 2003-2004 the Zone paid grants to schools as follows

	Teachers/ leadership	Learning	Programmes Parents/ carers	Gifted and talented	Total
	£000	£000	£000	£000	£000
Ealdham	7	0	5	0	12
Eltham Green	9	5	5	10	29
Eltham Hill	3	0	5	0	8
Haimo	7	0	4	0	11
Henwick	7	0	5	0	12
Holy Family	7	0	3	0	10
Horn Park	7	0	5	0	12
Kidbrooke	3	38	5	0	46
Kidbrooke Park	7	0	5	0	12
Middle Park	7	0	5	0	12
Moatbridge	2	0	5	0	7
St Thomas More	7	0	3	0	10
Thomas Tallis	3	0	5	0	8
Wingfield	7	0	5	0	12
	<u>83</u>	<u>43</u>	<u>65</u>	<u>10</u>	<u>201</u>

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	1,199	899
Occupancy costs	7	4
Supplies and services	75	67
Operating lease rentals	0	0
Auditor's remuneration	6	5
Trustees' expenses	0	0
Miscellaneous	0	0
	<u>1,287</u>	<u>975</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

	2003-2004	2002-2003
Management	2	2
Administration	2	1
Total employees	<u>4</u>	<u>3</u>

	2003-2004	2002-2003
	£000	£000
Staff costs for the above persons		
Wages and salaries	162	121
Social security costs	15	11
Other pension costs (see note 14)	18	11
Total staff costs	<u>195</u>	<u>143</u>

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

	2003-2004	2002-2003
£90,001 - £100,000	1	1

The Senior Project Manager, Sue Meehan, completed her secondment from the Department for Education and Skills on 25 January 2004 and was replaced by Dot Ramadan on 29 January 2004.

10 Emoluments of Trustees

	2003-2004	2002-2003
	£000	£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 £64,853 during the period for the Greenwich Festival of Writing and Library Books. 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 2003-2004 was £1,422 (2002-2003: £1,418).

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

12 Debtors

	31 March 2004 £000	31 March 2003 £000
Prepayments	3	1
Sundry debtors	35	18
Amounts due from DfES	0	0
	<u>38</u>	<u>19</u>

13 Creditors: amounts falling due within one year

	31 March 2004 £000	31 March 2003 £000
Taxation and social security	0	0
Sundry creditors	6	28
Amounts due to DfES	0	0
Accruals	6	10
	<u>12</u>	<u>38</u>

14 Pensions and similar obligations

	2003-2004 £000	2002-2003 £000
Defined benefit scheme - regular cost (including secondment)	18	11

The Zone's employees belong to the following pension scheme

Greenwich Council Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	12.8%
Zone's contribution in 2003-2004	£13,948
Zone's contribution from April to August 2004 (estimated)	£5,762

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 2003	Incoming resources	Expenditure gains, losses and transfers	Balance at 31 March 2004	Total 31 March 2003
	£000	£000	£000	£000	£000
DfES recurrent grant	21	792	(813)	0	21
Other DfES grants	0	19	(19)	0	0
South Greenwich Regeneration Agency	0	323	(323)	0	0
Teacher Training Agency	2	23	(25)	0	2
	<u>23</u>	<u>1,157</u>	<u>(1,180)</u>	<u>0</u>	<u>23</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.

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

	2003-2004 £000	2002-2003 £000
Brought forward at 1 April 2003	49	33
Excess of Income over expenditure	3	16
Carried forward at 31 March 2004	<u>52</u>	<u>49</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
Tangible fixed assets	0	0	0	0
Current assets	64	0	64	110
Current liabilities	(12)	0	(12)	(38)
Deferred income	0	0	0	0
	<u>52</u>	<u>0</u>	<u>52</u>	<u>72</u>

18 Capital commitments

	31 March 2004 £000	31 March 2003 £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 Secretary of State under the Funding Agreement.

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

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

	31 March 2004 £000	31 March 2003 £000
Net incoming resources	(20)	39
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
Increase in debtors	(19)	252
Decrease in creditors	(26)	(262)
Net cash (out)/inflow from operating activities	(66)	28

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; and
 - 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.

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