

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 Hamilton Oxford 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. 331 of 2003-2004)

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

Hamilton Oxford Education Action Zone Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 27 OCTOBER 2004

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Legal and Administrative Information

			Date appointed to Forum	Date resigned
<i>Chairman</i>				
Chair from November 2003	Richard Howard	Principle Adviser, LEA	6 September 1999	
<i>Deputy Chairman</i>				
Chair from January 2002	Gillian Tee	Principal Education Officer, LEA	6 September 1999	November 2003
<i>Project Director</i>	Gloria Walker		6 September 1999	August 2003
<i>Project Director</i>	Anne Peterson		1 September 2003	
Trustees	Committee membership			
Ron Holland	HOSP Heads, Executive	Bayards Hill Primary School	6 September 1999	
Margot Buller	HOSP Heads, Executive	Church Cowley St James First School	6 September 1999	August 2003
Chris Phillips	HOSP Heads	Orchard Meadow Primary School	August 2003	
Jill Hudson	HOSP Heads, ISS Core Team	Pegasus Primary School	6 September 1999	
Jill Meyer	HOSP Heads, Executive	Rose Hill Primary School	6 January 2000	
Sally Wheatley	HOSP Heads	Speedwell First School	April 2001	April 2003
Alfie Hay	HOSP Heads	Speedwell First School	April 2003	
Jo Milham	HOSP Heads	St John Fisher Primary School	6 September 1999	
Mary Whitlock	HOSP Heads	Windale Primary School	6 January 2001	
Paul Reast	HOSP Heads,	Wesley Green Middle School	6 September 1999	August 2003
Jenny Lee	HOSP Heads, Executive	John Henry Newman Primary School	April 2003	
Jane Wallington	HOSP Heads	Mabel Prichard School	6 September 1999	
Mark Blencowe	HOSP Heads	Northfield School	6 January 2001	
Andrew Creese	ISS co-ordinator	St James Unit	6 September 1999	
Chris Dark	HOSP Heads, Executive	Peers School	6 September 1999	
Prof Ruth Merttens	Executive	Hamilton Trust	6 September 1999	
Mike O'Regan	Executive	Hamilton Trust	6 September 1999	
Jack Smellie		Hamilton Trust	6 September 2000	
Judy Dyson	Executive	LEA	6 September 1999	
Jeff Hart		DfES	June 2002	
Diane Simmonds		DfEE Now Independent Educational Consultant	6 September 1999	
Mike Jones		Educational Consultant	6 September 1999	
Amanda Powell		Learning & Skills Council	March 2003	
Sarah Binns		Learning & Skills Council	September 2001	
Professor Richard Pring		University of Oxford	6 September	
1999				
Caro Fickling		Oxford PCT (Health)	January 2002	

Trustees	Committee membership	Date appointed to Forum	Date resigned
Tan Lea	Sure Start	6 September 1999	
Annette Mountford	Family Links	6 September 1999	
Georgina Glenny	ISS Core Team	6 September 1999	
	Link Governor		
Brenda Williams	Teacher Union Rep	6 September 1999	
Liz Gilchirst	Teacher Union Rep	6 September 1999	
Ian Jones	Teacher Union Rep	6 September 1999	
Pat O'Shea	LEA	1 October 2000	
Katie Miller	RM Plc now IT Consultant	6 September 1999	
Penny Wood	Oxford Partnership (note taker)	6 September 1999	
David Langford	Oxford Brookes University	6 September 1999	
Sarah Ainsworth	Social Services	September 2001	
David Louch	Parent Rep	6 September 1999	
Louise Goll	LEA	6 September 1999	
Chris Sewell	LEA	6 September 1999	
Elaine Montgomery	Link Governor	6 September 1999	

Executive committee (representatives from Hamilton Trust, LEA and Schools) 2003-2004

Mike O'Regan	Hamilton Trust	6 September 1999	
Ruth Merttens	Hamilton Trust	6 September 1999	
Judy Dyson	LEA	6 September 1999	
Gillian Tee	LEA	6 September 1999	November 2003
Ron Holland	Headteacher	6 September 2000	
Margot Buller	Headteacher	6 September 2000	
Chris Dark	Headteacher	6 September 1999	
Jill Meyer	Headteacher	September 2001	
Paul Reast	Headteacher	September 2001	
Richard Howard	Directorate	11 November 2003	
Jenny Lee	Headteacher	September 2003	

HOSP EAZ Office

Rose Hill First School
The Oval
Rose Hill
Oxford
OX4 4SF
Tel: 01865 749071

Bankers

Barclays Bank Plc
Oxford City Centre Branch
PO Box 333
Cornmarket Street
Oxford
OX1 3HS

Auditors

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

Solicitors

N/A

Report of the Trustees

The Hamilton Oxford Schools Partnership (HOSP) Education Action Forum (Forum) present their report and the audited financial statements for the period ended 31 March 2004.

Constitution and principal activities

The Forum is a corporate body and exempt charity, established on 6 September 1999 by Statutory Instrument 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. The membership of the Forum as laid down in the Statutory Instrument includes

- one person nominated by the governing body of each Zone school;
- two persons appointed by the Secretary of State;
- up to five persons appointed by each partner; and
- additional members from the community, teacher associations, local business, social services, and others with areas of expertise not otherwise represented on the Forum.

Trustees of the Forum are nominated by the Executive Committee.

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 reflects the contents of the original EAZ bid, and focuses effort and resources to achieve two clear aims

- to enable all children and young people in the Zone to achieve their full potential; and
- within the next five years, to raise the average results of the pupils' performances on national tests to the same level as the national averages at that time.

Organisation and objectives

The sole activity of the Forum is the operation of the Hamilton Oxford School Partnership EAZ. At their first meeting, the Forum delegated executive powers to an Executive Committee made up of representatives from each partner in the Zone: Hamilton Trust (two representatives), LEA (two representatives), EAZ schools (up to four representatives). The operational structure of the EAZ consists of a Project Director, and the Executive Committee, who report to each Forum meeting by a Directors' Report. The aim of the management structure is to involve Schools and EAZ's other partners and encourage involvement in decision making at all levels.

The present Trustees of the EAZ together with their date of appointment are set out on pages 2 and 3.

Developments, activities and achievements

The Forum is in its fifth period of operation. During the last twelve months of operation, the Forum has met each term, heard presentations on the progress of the EAZ and received Financial Reports. The audit of performance in Year 3, taken from the Action Plan 2003-2004 is available on request.

Operating and financial review

Financial statements have been prepared in accordance with current statutory requirements and the Forum's agreed standing Financial Instructions. Mr Martin Wilkinson has been co-opted to the Forum as Financial Representative and Responsible Officer. The members of the Action Forum have appointed Martin Wilkinson as Responsible Officer (RO). The RO's role includes providing advice on financial matters and performing a range of checks on the Zone's financial systems. On a termly basis, the RO reports to the members of the Action Forum on the operation of the systems of control and on the discharge of the Action Forum's financial responsibilities. He also attends meetings of the Executive.

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 donations from a commercial sponsor, the Hamilton Trust, an educational charity. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended. Expenditure for the period was covered by grants from the DfES together with the balances brought forward. Actual expenditure in the year exceeded income by £11,700.

At 31 March 2004 the net book value of fixed assets was nil.

Fund review

The EAZ held a fund balance at 31 March 2004 of £55,500, £27,400 of which being fully restricted funds. To achieve the Action Plan objectives the EAZ remains dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

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

- to enable all children and young people in the Zone to achieve their full potential; and
- within the next five years, to raise the average results of the pupils' performances on national tests to the same level as the national averages at that time.

The Hamilton Trust is the principal business sponsor of the Forum and has committed to donations of £250,000 every year for three years to assist the Forum to achieve its objectives. The Hamilton Trust also pledged to donate £250,000 per annum for a further two years because extension to the life of the Zone had been agreed by the DfES.

Disabled persons

The policy of the Forum is to support the employment of disabled persons, both in 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.

Reserves policy

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

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 termly and a comprehensive review of the plan is also carried out annually. As part of this process, the Trustees have implemented a risk management strategy which comprises

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

Statement 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. Through the Forum's Standing Financial Instructions the Trustees have established the following processes

- identification of the Forum's objectives and key risks. The Forum has carried out a detailed review of its activities and produced a comprehensive strategic plan setting out the major opportunities available to it and the risks to which it is exposed;
- the establishment of systems and procedures to mitigate the risks identified in the plan. This includes systems to ensure compliance with specific regulations or procedures laid down by central government departments;
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise;
- procedures for monitoring progress against the strategic objectives set out in the plan at regular quarterly meetings;
- a comprehensive annual review of the plan, including a review of the risks which the Forum may face; and
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director.

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

Statement of Trustees' responsibilities for the Financial Statements

Under the School Standards and Framework Act 1998, the Trustees are required to prepare financial statements for each financial period in the form and on the basis determined by the Secretary of State with the approval of the Treasury. In preparing these financial statements, the Trustees have

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the 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. They are also responsible for safeguarding the assets of the Forum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

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

Approval

The report of the Trustees was approved on 28 June 2004 and signed on its behalf by

Richard Howard
Chairman

7 September 2004

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

I certify that I have audited the financial statements on pages 11 to 22 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 15 and 16.

Respective responsibilities of the Trustees and Auditor

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 guided by the Auditing Practices Board and the auditing profession's ethical guidance.

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

I review whether the statement on page 7 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 opinion

I conducted my audit in accordance with 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 Forum'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 Hamilton Oxford Education Action Zone at 31 March 2004 and of its incoming resources, application of resources and cash flows in 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

22 October 2004

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Statement of Financial Activities for the period ended 31 March 2004

	Notes	Unrestricted funds	Restricted funds		Fixed assets	Total 2003-2004	Total 2002-2003
		£000	DfES £000	Other £000	£000	£000	£000
Incoming resources							
<i>Donations and grant income</i>							
Grants receivable	2-4	0.0	889.8	114.4	0.0	1,004.2	1,052.7
Private sector contributions	5	250.0	0.0	0.0	0.0	250.0	250.0
Public sector contributions	5	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	6	0.0	0.0	0.0	0.0	0.0	0.6
Other income	6	3.8	0.0	0.0	0.0	3.8	18.7
Total incoming resources		253.8	889.8	114.4	0.0	1,258.0	1,322.0
Resources expended							
Costs of generating funds		0.0	0.0	0.0	0.0	0.0	0.0
Net incoming resources for charitable application		253.8	889.8	114.4	0.0	1,258.0	1,322.0
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	229.3	204.1	0.0	0.0	433.4	288.3
Education support costs	7	0.0	39.5	131.8	0.0	171.3	199.8
Grants payable	7	0.0	524.7	0.0	0.0	524.7	598.6
Management and administration	7	0.0	140.3	0.0	0.0	140.3	133.7
Total charitable expenditure		229.3	908.6	131.8	0.0	1,269.7	1,220.4
Total resources expended		229.3	908.6	131.8	0.0	1,269.7	1,220.4
Net incoming/(outgoing) resources before transfers		24.5	(18.8)	(17.4)	0.0	(11.7)	101.6
Transfers between funds		0.0	0.0	0.0	0.0	0.0	0.0
Net movement in funds		24.5	(18.8)	(17.4)	0.0	(11.7)	101.6
Fund balances brought forward at 1 April 2003		3.6	44.2	19.4	0.0	67.2	(34.4)
Fund balances carried forward at 31 March 2004	16,17	28.1	25.4	2.0	0.0	55.5	67.2

There is no difference between the net movement in funds stated above, and its historical cost equivalent.

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	880.8	890.0
Other DfES grants	3	9.0	54.0
Other government grants	4	114.4	108.7
Private sector contributions	5	250.0	250.0
Public sector contributions	5	0.0	0.0
Other income	6	3.8	19.3
Total income		1,258.0	1,322.0
Charitable expenditure			
DfES EAZ recurrent grant expenditure	7	899.6	788.4
Other DfES grant expenditure	7	9.0	54.0
Other government grant expenditure	7	131.8	108.7
Other expenditure	7	229.3	269.3
Total charitable expenditure		1,269.7	1,220.4
Costs of generating funds		0.0	0.0
Total resources expended		1,269.7	1,220.4
Excess of income over expenditure		(11.7)	101.6
Net transfers to/from funds			
DfES EAZ fund	16	(18.8)	82.2
Other restricted funds	16	(17.4)	19.4
Unrestricted funds	17	24.5	0.0
Net movement in funds		(11.7)	101.6

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 year on all 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 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

	Note	31 March 2004 £000	31 March 2003 £000
Fixed assets			
Tangible assets	12	<u>0.0</u>	<u>0.0</u>
		0.0	0.0
Current assets			
Debtors	13	51.9	41.1
Cash at bank and in hand		<u>180.3</u>	<u>65.0</u>
		232.2	106.1
Creditors: amounts falling due within one period			
	14	<u>176.7</u>	<u>38.9</u>
		55.5	67.2
Net assets			
		<u>55.5</u>	<u>67.2</u>
Funds			
Restricted funds	16	27.4	63.6
Unrestricted funds	17	<u>28.1</u>	<u>3.6</u>
		55.5	<u>67.2</u>

The financial statements were approved by the Forum on 28 June 2004 and signed on its behalf by

Richard Howard
Chairman

7 September 2004

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		880.8	890.0
Other receipts from DfES		9.0	54.0
Receipts from central or local government		103.6	132.4
Private sector sponsorship		250.0	250.0
Other receipts		3.8	18.7
		1,247.2	1,345.1
<i>Payments</i>			
Staff costs		105.2	104.5
Other cash payments		1,026.7	1,189.3
Net cash inflow from operating activities	20	115.3	51.3
Returns on investments and servicing of finance			
Interest received		0.0	0.6
		0.0	0.6
Capital expenditure			
Purchase of tangible fixed assets		0.0	0.0
		0.0	0.0
Financing			
Deferred grant received		0.0	0.0
		0.0	0.0
Increase/(decrease) in cash in the period		115.3	51.9

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. The HOSP Forum was established under the School Standards and Framework Act and has a three year lifespan. The Secretary of State has agreed to extend the life of the Forum by 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 HOSP 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

No tangible fixed assets which cost more than £2,500 have been acquired since the Forum was established.

Depreciation

As no fixed assets have been purchased, no depreciation has been provided in these accounts.

Investments

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

Stocks

There are no significant holdings of any stocks.

Funds structure

The Forum has not designated any funds. Funds carried forward fall into the unrestricted funds category and will be applied to future programmes in accordance with the Action Plan. All fund balances will be expended by 30 August 2004.

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 Director is a member of the Teachers Pension scheme administered by the Oxfordshire County Council.

2 DfES EAZ grant

	2003-2004 £000	2002-2003 £000
DfES grant received in period	889.8	944.0
Carry over from previous period	44.2	(38.0)
<i>Less</i>		
DfES debtor	0.0	0.0
Amount used to purchase fixed assets	0.0	0.0
Total grant available to spend	934.0	906.0
Spent in the period	908.6	861.8
Underspent grant/[funded from General Fund]	25.4	44.2
Maximum permitted carry over level	70.0	70.0
Excess grant to surrender	0.0	0.0

3 Other DfES grants

	2003-2004 £000	2002-2003 £000
Gifted and talented/attendance	9.0	54.0
	9.0	54.0

4 Other government grants

	2003-2004 £000	2002-2003 £000
New opportunities fund/Excellence challenge/LSC	114.4	108.7

5 Business contributions

	Cash £000	In Kind £000	Total 2003-2004 £000	Total 2002-2003 £000
Private sector contributions				
Hamilton Trust	250.0	0.0	250.0	250.0
Research Machines PLC	0.0	0.0	0.0	0.0
Other private sector bodies	0.0	0.0	0.0	0.0
	<u>250.0</u>	<u>0.0</u>	250.0	250.0
Public sector contributions				
Public sector bodies	0.0	0.0	0.0	0.0
	<u>0.0</u>	<u>0.0</u>	0.0	0.0
	<u>250.0</u>	<u>0.0</u>	250.0	250.0

6 Other income

	2003-2004	2002-2003
	£000	£000
Interest receivable	0.0	0.6
Sundry income	3.8	18.7
	<u>3.8</u>	<u>19.3</u>

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	£000	£000	£000	2003-2004	2002-2003
				£000	£000
Direct provision of education	0.0	0.0	433.4	433.4	288.3
Education support costs	0.0	0.0	171.3	171.3	199.8
Grants payable*	0.0	0.0	524.7	524.7	598.6
Management and administration	105.2	0.0	35.1	140.3	133.7
Costs of generating funds	0.0	0.0	0.0	0.0	0.0
	<u>105.2</u>	<u>0.0</u>	<u>1,164.5</u>	<u>1,269.7</u>	<u>1,220.4</u>
Of which					
DfES grant expenditure	105.2	0.0	794.4	899.6	788.4
Other DfES grant expenditure	0.0	0.0	9.0	9.0	54.0
Other government grant expenditure	0.0	0.0	131.8	131.8	108.7
Other expenditure	0.0	0.0	229.3	229.3	269.3
Depreciation	0.0	0.0	0.0	0.0	0.0
	<u>105.2</u>	<u>0.0</u>	<u>1,164.5</u>	<u>1,269.7</u>	<u>1,220.4</u>

* Significant grants paid out to schools include

	£000
Barton Village School	11.3
Bayards Hill Primary School	28.1
Bayswater Middle School	3.9
Church Cowley St James Primary School	49.0
John Henry Newman Primary School	31.0
Lawn Upton Middle School	10.1
Mabel Pritchard School	18.0
Northfield School	10.0
Orchard Meadow Primary School	57.4
Peers Secondary School	143.8
Pegasus Primary School	47.1
Rose Hill Primary School	50.0
Speedwell First School	13.0
St John Fisher RC Primary School	24.7
Wesley Green Middle School	11.6
Windale Primary School	44.7

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	1,145.6	1,088.5
Occupancy costs	5.2	4.1
Supplies and services	12.1	7.8
Auditor's remuneration	2.2	12.0
Trustees' expenses	0.0	0.0
Ex-gratia payments	0.0	0.0
Miscellaneous	0.0	0.0
	<u>1,165.1</u>	<u>1,112.4</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	1.0	1.0
Administration	1.1	1.7
Teachers	0.0	0.0
Total employees	<u>2.1</u>	<u>2.7</u>

	2003-2004	2002-2003
	£000	£000
Staff costs for the above persons		
Wages and salaries	89.5	91.8
Social security costs	8.1	8.2
Other pension costs (see note 15)	7.6	4.5
Total staff costs	<u>105.2</u>	<u>104.5</u>

No single employee earned more than £50,000 during 2003-2004.

10 Emoluments of Trustees

	2003-2004	2002-2003
	£000	£000
Emoluments of Trustees	0.0	0.0

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

Travel and subsistence expenses reimbursed in the period to 31 March 2004 totalled £nil.

Interests in transactions

M O'Regan is a director of Hamilton Trust to which the Forum paid £358,415 during the period for educational services. 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 £1,000,000 on any one claim and the cost for 2003-2004 was £1,360 (2002-2003: £1,202)

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 £250,000 and the cost for 2003-2004 was £403 (2002-2003: £316).

12 Tangible fixed assets

There were no purchases of fixed assets during the period.

13 Debtors

	2003-2004	2002-2003
	£000	£000
Prepayments	0.0	0.0
Sundry debtors	51.9	41.1
	<u>51.9</u>	<u>41.1</u>

14 Creditors: amounts falling due within one year

	2003-2004	2002-2003
	£000	£000
Sundry creditors	176.7	19.5
Accruals	0.0	19.4
	<u>176.7</u>	<u>38.9</u>

15 Pensions and similar obligations

	2003-2004	2002-2003
	£000	£000
<i>Other pension costs comprise</i>		
Defined contribution scheme	7.6	4.5

The Zone's directors belonged to the Teachers' Pension scheme. This is a defined benefit scheme and has been actuarially valued. The Zone's contribution to this is limited to the amount recharged.

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	14.00%
Zone's contribution in 2003-2004	£7,577
Zone's contribution in future years	14%

The Teachers' Pension Scheme is an unfunded multi-employer scheme. Contributions are based on valuations made by the Government Actuary and are actuarially valued. The Zone's contribution to this is limited to the amount recharged on valuations made by the Government Actuary. The actuary's last report was in March 2003 using data primarily from the period April 1996 to March 2001.

16 Restricted funds

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

	Balance at 1 April 2003 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	Balance at 31 March 2004 £000	Total 31 March 2003 £000
DfES recurrent grant	63.6	880.8	899.6	44.8	63.6
Other	0.0	123.4	140.8	(17.4)	0.0
	<u>63.6</u>	<u>1,004.2</u>	<u>1,040.4</u>	<u>27.4</u>	<u>63.6</u>

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

17 Unrestricted funds

	2003-2004 £000	2002-2003 £000
Brought forward at 1 April 2003	3.6	3.6
Excess of income over expenditure	24.5	0.0
Carried forward at 31 March 2004	<u>28.1</u>	<u>3.6</u>

18 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	28.1	204.1	232.2	90.1
Current liabilities	0.0	176.7	176.7	19.4
	<u>28.1</u>	<u>27.4</u>	<u>55.5</u>	<u>70.7</u>

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 31 March 2004 there are no contingent liabilities.

The Zone is due to close on 6 September 2004 at which point no redundancy/early retirement costs are anticipated to arise.

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

	31 March	31 March
	2004	2003
	£000	£000
Net incoming resources	(11.7)	101.6
Interest received	0.0	(0.6)
(Increase)/decrease in debtors	(10.8)	23.7
Increase/(decrease) in creditors	137.8	(73.4)
Net cash inflow from operating activities	<u>115.3</u>	<u>51.3</u>

Accounts Direction given by the Secretary of State for Education and Skills, with the approval of the Treasury, in accordance with the School Standards and Framework Act

- 1 The Education Action Zone shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising
 - a a Trustees' Report;
 - b a statement of financial activity and an income and expenditure account;
 - c a balance sheet;
 - d a cash flow statement; and
 - e a statement of total recognised gains and losses,including such notes as may be necessary for the purposes referred to in the following paragraphs.
- 2 The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with
 - a generally accepted accounting practice in the United Kingdom (UK GAAP), including the provisions of the Statement of Recommended Practice, Accounting by Charities. Forums shall not adopt Financial Reporting Standard, Small Entities; 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 Hamilton Oxford 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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