

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 Bolton 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. 1157 of 2002-2003)

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

Bolton Education Action Zone Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 18 OCTOBER 2004

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Legal and Administrative Information

Trustees

J Wallington*	Chairman
J Mann*	Vice Chair
L Lescure*	
V Holland*	Joined April 2003
V Malcolm	Resigned April 2003
A Marsden	
V Reardon*	
G McKean*	Project Director
M Cash	DfES
B Lynam	
P Roberts*	
B Davies	
T Dobie	
C Bridge	
L Thomas*	
D Johnson	
D Brierley	
H Doherty	

Secretary

P Wilson

* Members of Executive sub-committee

EAZ Office

c/o Crompton Fold Primary School
Poulton Avenue
Bolton
BL2 6EG

Auditors

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

Bankers

Lloyds TSB PLC
Hotel Street
Bolton
BL1 1DB

Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 31 March 2004.

Constitution and principal activities

The Bolton EAZ Action Forum is a corporate body and exempt charity established on 10 January 2000 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 were nominated by the shadow Forum.

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

- raising standards; and
- promoting inclusion.

Organisation and objectives

The sole activity of the Forum is the operation of the Bolton EAZ.

The operational management structure of the EAZ consists of a Project Director, an Assistant Project Director and an Administration Manager who report to the Forum.

The Action Forum has a sub committee to which it devolves many of its day-to-day management responsibilities. This is

- Executive committee.

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

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

Developments, activities and achievements

As planned by Forum, the fourth year of operation was one of consolidation. Forum approved an Action Plan that reduced the total number of projects in order to concentrate on those that would be carried on into Excellence Cluster. Planning for Cluster began in conjunction with Bolton LEA, and the LEA approved and supported the decision to streamline the EAZ project base so that there would be a seamless dovetailing with Excellence Cluster strands.

By honouring its agreement to regard EAZ personnel as pensionable employees of Bolton MBC, Bolton LEA was also instrumental in securing the effective merging of EAZ with East Bolton Regeneration. This was an innovative achievement, which will benefit education in East Bolton substantially by channelling two major funding streams into one coherent strategy.

Half of the EAZ schools were Ofsted inspected this year. The successful outcomes in all cases was due in no small part to EAZ support. Other initiatives to promote emotional intelligence and international curricula proved extremely popular with EAZ schools.

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 Department for Education and Skills (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 also received other restricted grants from the DfES and other Government Departments/Agencies and donations from commercial sponsors, the details of which are in notes 4 and 5. These included grants from the New Opportunities Fund for Summer Schools and Out of School Hours activities. A grant from the Learning and Skills Council for a Local Initiative in vocational education was received in the previous year. 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 and other income and the excess of incoming resources over resources expended for the 12 months was £65,000.

Funding of £46,000 was received for Excellence Challenge projects. This was applied to the Excellence Challenge Programme of activities including study skills days, visits to Higher Education Institutions and mentoring students.

At 31 March 2004 the net book value of fixed assets was £nil and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the EAZ.

Fund review

The EAZ held fund balances at 31 March 2004 of £93,000. 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

Withins Secondary School
Thornleigh Salesian College
Firwood Special School
Blackshaw CPS
Bolton Parish C of E PS
Castle Hill CPS
Christ's Church C of E PS
Crompton Fold PS
Moorgate CPS
Red Lane CPS
Roscow Fold VCPS
St Andrew RCPS
St Columba's RCPS
St Osmund RCPS
St Stephen and All Martyrs C of E PS
The Moss CPS
Tonge Moor CPS
Top o' th' Brow CPS

Bolton Wanderers Football Club, Bolton Literacy Trust and National Children's Homes (NCH) were business sponsors of the Forum and have donated the amounts shown in note 5 to assist the Forum to achieve its objectives. The Forum also contracted with Bolton LEA to provide company secretariat and personnel services.

Disabled persons

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

Post balance sheet events

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

Reserves policy

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

Risk management

In December 2003 the Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan at each quarterly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy which comprises

- an annual review of the risks which the charity may face;
- 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 established by the Forum is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system 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. The Trustees expect to further improve the controls before transition to the Excellence Cluster.

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 established the following processes

- a working party of the Forum has reviewed the activities of the Zone and updated the register of key risks, reporting the findings to Forum;
- the Forum continues to regularly review the Zone's Finance Procedures to ensure that recommendations from the DfES are covered;
- regular reviews between the Project Director, the Chairman and Executive Committee ensure that the Forum can respond quickly to minimise any potential impact on the Zone should any of those risks materialise;
- the monitoring and evaluation process reviews progress against the strategic objectives set out in the plan at each Forum meeting;
- a Transformation Committee to ensure a smooth transformation to Excellence Cluster and review progress against the transformation timetable; and
- the risk register drawn up by the Forum details responsibility for risk ownership.

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

- improved documentation for bank reconciliations as recommended by NAO;
- use of Baker Tilly to complete the Statutory Accounts and review year end procedures; and
- telephoning suppliers to ensure invoices are received promptly thus reducing year end creditors.

Future Action proposed

- close monitoring of cash flow for the final nine months of the Zone; and
- circularisation of creditors to ensure no outstanding balances.

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 on 27 September 2004 and signed on its behalf by

John Wallington
Chairman

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 23 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 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 regarded 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 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 Forum's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Opinion

In my opinion

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

14 October 2004

National Audit Office
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Victoria
London SW1W 9SP

Statement of Financial Activities for the period ended 31 March 2004

		Unrestricted funds	Restricted funds			Total 2003-2004	Total
	Notes	£000	DfES £000	Other £000	Fixed assets £000	2003-2004 £000	2002-2003 £000
Incoming resources							
DfES grants receivable	2,3	0	830	55	0	885	931
Other government grants receivable	4	0	0	110	0	110	90
Private sector contributions	5	324	0	0	0	324	350
Public sector contributions	5	0	0	0	0	0	0
Other income	6	19	0	0	0	19	18
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		343	830	165	0	1,338	1,389
Resources expended							
Costs of generating funds	7	0	2	0	0	2	6
Net incoming resources for charitable application		343	828	165	0	1,336	1,383
Charitable expenditure							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	84	275	63	0	422	450
Education support costs	7	205	309	104	0	618	695
Grants payable	7	0	0	0	0	0	10
Management and administration	7	0	227	0	4	231	220
Total charitable expenditure		289	811	167	4	1,271	1,375
Costs of termination of operations	9	0	0	0	0	0	0
Total resources expended		289	813	167	4	1,273	1,381
Net incoming/(outgoing) Resources before transfers		54	17	(2)	(4)	65	8
Transfers between funds		0	0	0	0	0	0
Net movement in funds		54	17	(2)	(4)	65	8
Fund balances brought forward at 1 April 2003		10	5	9	4	28	20
Fund balances carried forward at 31 March 2004	18,19	64	22	7	0	93	28

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 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 23 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	830	850
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	55	81
Other government grants	4	110	90
Private sector contributions	5	324	350
Public sector contributions	5	0	0
Other income	6	19	18
Amortisation/deferred income		0	0
Total income		1,338	1,389
Charitable expenditure			
DfES EAZ grant expenditure	7	811	822
Other DfES grant expenditure	7	58	90
Other government grant expenditure	7	109	90
Depreciation	7	4	18
Other expenditure	7	289	355
Total charitable expenditure		1,271	1,375
Costs of generating funds	7	2	6
Costs of termination of operations	9	0	0
Total resources expended		1,273	1,381
Excess of income over expenditure		65	8
Net transfers to/from funds			
DfES EAZ fund	18	17	32
Other restricted funds	18	(6)	(27)
Unrestricted funds	19	54	3
Net movement in funds		65	8

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 23, 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 14 to 23 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	13	<u>0</u>	<u>4</u>
		0	4
Current assets			
Debtors	15	9	40
Cash at bank and in hand		<u>102</u>	<u>94</u>
		111	134
Creditors: amounts falling due within one period			
	16	<u>18</u>	<u>110</u>
Net current assets		93	24
Net assets			
		<u>93</u>	<u>28</u>
Funds			
Restricted funds	18	29	18
Unrestricted funds	19	<u>64</u>	<u>10</u>
		93	<u>28</u>

The financial statements were approved by the Forum on 27 September 2004 and signed on its behalf by

John Wallington
Chairman

The notes on pages 14 to 23 form part of these accounts.

Cash Flow Statement for the period ended 31 March 2004

	2003-2004 Note	2002-2003 £000
Operating activities		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES	830	860
Capital grant from DfES	0	0
Other DfES grants	55	81
Other government grants	120	139
Private sector sponsorship	78	53
Public sector sponsorship	0	0
Other receipts	32	0
	1,115	1,133
<i>Payments</i>		
Staff costs	219	203
Other cash payments	891	909
Net cash inflow from operating activities	24 5	21
Returns on investments and servicing of finance		
Interest received	3	2
Interest paid	0	0
	3	2
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
Increase in cash in the period	8	23

The notes on pages 14 to 23 form part of these accounts.

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 a historical cost convention and in accordance with applicable accounting standards. The Bolton Forum was established under the School Standards and Framework Act 1998 initially for three years, subsequently extended by the Secretary of State for a further three 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 Secretary of State 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

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 Bolton EAZ and indirect charitable expenditure reflects the costs of management and administration. This is necessary for the operation of the EAZ.

2 DfES EAZ grant

	2003-2004 £000	2002-2003 £000
DfES grant received in period	830	850
Carry over from previous period	11	(11)
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	841	839
Spent in the period	813	828
Underspent grant/[funded from general fund]	28	11
Maximum permitted carry over level	65	74
Excess grant to surrender	0	0

The Zone operates under the match funding regime. Core funding from the DfES is now £550,000 per annum.

The Zone is expected to raise sponsorship from private sector sources, and further grant, to a maximum of £280,000 per annum, will be made available to match any such sponsorship.

3 Other DfES grants

	2003-2004 £000	2002-2003 £000
Aim higher/excellence challenge	46	42
Schools facing challenging circumstances	0	30
Gifted and talented summer schools	9	9
	55	81

4 Other government grants

	2003-2004 £000	2002-2003 £000
Basic skills	0	1
Local initiative fund	0	50
New opportunities fund	38	39
SRB	72	0
	110	90

5 Business contributions

	Cash	In Kind	Total	Total
	£000	£000	2003-2004	2002-2003
			£000	£000
Private sector contributions				
Bolton Wanderers football club	0	106	106	74
Salesian Brothers	0	30	30	30
Research Machines	0	0	0	26
TIME Computers	0	0	0	28
Moorgate PTA	2	0	2	9
Volunteer Reading Help	0	22	22	17
Christ's Church PTA	0	0	0	10
Bolton Parish Friends and PTA	3	0	3	10
Volunteers Greenroyd Action Group	0	0	0	28
National Children's Home	0	40	40	35
Aspull Wrestling Club	0	10	10	0
Crompton Fold PTA	8	0	8	0
Bolton Literacy Trust	15	0	15	0
TOTB Friends	23	0	23	0
Thornleigh PTA	10	0	10	0
Other private sector bodies	17	38	55	83
	<u>78</u>	<u>246</u>	<u>324</u>	<u>350</u>
Public sector contributions				
Public sector bodies	0	0	0	0
	<u>78</u>	<u>246</u>	<u>324</u>	<u>350</u>

Parents contributed £26,000 in Kind not included above.

6 Other income

	2003-2004	2002-2003
	£000	£000
Interest receivable	3	2
Sundry income	16	16
	<u>19</u>	<u>18</u>

7 Total resources expended

	Staff	Depreciation	Other	Total	Total
	2003-2004	2003-2004	2003-2004	2003-2004	2002-2003
	£000	£000	£000	£000	£000
Direct provision of education	0	0	422	422	450
Education support costs	23	0	595	618	695
Grants payable*	0	0	0	0	10
Management and administration	196	4	31	231	220
Costs of generating funds	0	0	2	2	6
Costs of termination of operations	0	0	0	0	0
	<u>219</u>	<u>4</u>	<u>1,050</u>	<u>1,273</u>	<u>1,381</u>

Of which

DfES grant expenditure	219	0	592	811	822
Other DfES grant expenditure	0	0	58	58	90
Other government grant expenditure	0	0	109	109	90
Depreciation	0	4	0	4	18
Other expenditure	0	0	289	289	355
Cost of generating funds	0	0	2	2	6
Costs of termination of operations	0	0	0	0	0
	<u>219</u>	<u>4</u>	<u>1,050</u>	<u>1,273</u>	<u>1,381</u>

* A grant of £10,000 was made to Bolton Schools Sports Co-ordinator.

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	1,022	1,122
Grants payable	0	10
Occupancy costs	20	20
Supplies and services	2	2
Operating lease rentals	0	0
Auditor's remuneration	6	6
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	0	0
	<u>1,050</u>	<u>1,160</u>

9 Costs of termination of operations

No operations were terminated by the Zone during the year to 31 March 2004.

10 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	3	3
Teachers	0	0
Total employees	5	5

	2003-2004 £000	2002-2003 £000
Staff costs for the above persons		
Wages and salaries	185	173
Social security costs	16	14
Other pension costs (see note 17)	18	16
Costs of termination of operations	0	0
Total staff costs	219	203

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
£60,001 - £70,000	0	1
£70,001 - £80,000	1	0

11 Emoluments of Trustees

	2003-2004 £000	2002-2003 £000
Emoluments of Trustees	0	0

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

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

Interests in transactions

Anne Marsden, one of the EAZ's Trustees, is also an officer of the NCH Action for Children Charity, which runs one of the EAZ's education projects. The EAZ refunds the costs of two members of NCH staff who work on the project at a cost of £64,000 (2003: £64,000) and NCH provides as contributions in kind the other costs of running the project such as accommodation, project management and resources, which have been given a value of £40,140 (2003: £35,000).

12 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 £1,080 (2002-2003: £750).

The Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provides cover up to £50,000 and the cost for 2003-2004 was £100 (2002-2003: £100).

13 Tangible fixed assets

	Furniture and equipment £000	Computer equipment and software £000	Total 2003-2004 £000	Total 2002-2003 £000
Cost				
Acquired since incorporation				
At 1 April 2003	0	26	26	26
Capital expenditure	0	0	0	0
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2004	<u>0</u>	<u>26</u>	<u>26</u>	<u>26</u>
Depreciation				
At 1 April 2003	0	22	22	4
Charged in period	0	4	4	18
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2004	<u>0</u>	<u>26</u>	<u>26</u>	<u>22</u>
Net book value				
At 31 March 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

The net book value at 31 March 2004 represents fixed assets used for

	Furniture and equipment £000	Computer equipment and software £000	Total 2003-2004 £000	Total 2002-2003 £000
<i>Direct charitable purposes</i>				
Educational provision	0	0	0	4
Support services	0	0	0	0
<i>Other purposes</i>				
Management and administration	0	0	0	0
Fundraising	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

Source of funding for assets acquired

	Total 2003-2004 £000	Total 2002-2003 £000
DfES EAZ grant	0	4
Other DfES grants	0	0
Other government grants	0	0
Private sector capital sponsorship	0	0
	<u>0</u>	<u>4</u>

During the year the Zone acquired fixed assets to the value of £113,257 for schools within the Zone.

14 Stocks

There were no stocks of material value held as at 31 March 2004.

15 Debtors

	31 March 2004 £000	31 March 2003 £000
Prepayments	0	5
Sundry debtors	9	35
	<u>9</u>	<u>40</u>

16 Creditors: amounts falling due within one year

	31 March 2004 £000	31 March 2003 £000
Taxation and social security	0	0
Sundry creditors	8	92
Accruals	10	18
	<u>18</u>	<u>110</u>

17 Pensions and similar obligations

	2003-2004 £000	2002-2003 £000
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	18	16

The Zone's employees belong to the following pension scheme

The Greater Manchester Pension Scheme for Bolton Metropolitan Borough Council

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	10.10%
Zone's contribution in 2003-2004	£17,763
Zone's contribution in future years	£16,704

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 March 2001 at which date the scheme was 105% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed. Our best estimate of future year contribution rates in respect of this scheme is that used for 2003-2004.

The Greater Manchester 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.

18 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	5	830	(813)	22	5
DfES fixed asset grant	4	0	(4)	0	4
Other	9	165	(167)	7	9
	<u>18</u>	<u>995</u>	<u>(984)</u>	<u>29</u>	<u>18</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.

19 Unrestricted funds

	2003-2004 £000	2002-2003 £000
Brought forward at 1 April 2003	10	7
Excess of income over expenditure	54	3
Carried forward at 31 March 2004	<u>64</u>	<u>10</u>

20 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	4
Current assets	64	47	111	134
Current liabilities	0	(18)	(18)	(110)
Deferred income	0	0	0	0
	<u>64</u>	<u>29</u>	<u>93</u>	<u>28</u>

21 Capital commitments

There were no capital commitments for 2003-2004.

22 Lease commitments

There were no lease commitments for 2003-2004.

23 Contingent liabilities

In the event 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 the expected Costs of Termination of £55,000 are a contingent liability (nil at 31 March 2003).

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

	2003-2004 £000	2002-2003 £000
Net incoming resources	65	8
Interest received	(3)	(2)
Depreciation	4	18
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	31	54
Increase/(decrease) in creditors	(92)	(57)
Net cash inflow from operating activities	5	21

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 Bolton 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
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