

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 Wolverhampton 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. 1254 of 2002-2003)

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

Wolverhampton Education Action Zone Account 2003-2004

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

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Legal and Administrative information

Trustees

Forum Member

Mr Bob Marshall (Vice Chair)
Sir Geoff Hampton (Chairman)
Mr Bernard Peters (Clerk)
Mr Henry Carver
Mrs Ros Wood
Councillor Peter O'Neill
Andrew Scragg
Mr David Cole
Rev Peter Lister
Margaret Cornaby
Lesley Donoghue
Councillor Ian Brookfield
Mr Rohit Mistry
Vivienne Bartlett
Mrs Susan Adams

Executive Committee

Sir Geoff Hampton (Chairman to Forum)
Mr Bernard Peters (Clerk to Forum)
Mr Bob Marshall
Councillor Ian Brookfield
Mr Jim Ryan
Ms Lindi Ackroyd
Ms Sarah Nicholson
Mr Paul Barrow
Rosalind Wood
Rohit Mistry

Finance Committee

Mr Bob Marshall
Mr Bernard Peters
Mr Jim Ryan
Ms Gina Wildman

Secretary

Mr B Peters
Wolverhampton Education Authority
Jennie Lee Centre
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WV11 3HT

EAZ Office

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Stafford Road
Wolverhampton
WV10 9RU

Auditors

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

Representing

Wolverhampton EAZ
University of Wolverhampton
Wolverhampton Education Authority
Carvers (Wolverhampton) Ltd
James Beattie plc
Bushbury & Low Hill Partnerships Board
Youth Council
Joint Consultative Panel for Schools
Lichfield Diocese Board of Education
Wolverhampton Chamber
Wolverhampton College
Wolverhampton LEA
Sure Start Lowhill & Scotlands
DfES
Express and Star

Wolverhampton University
Wolverhampton LEA
EAZ
Wolverhampton LEA
Head Teacher
School Governor
Wolverhampton College
Business Partner
Business Partner
Community Partner

Zone Director
Forum Secretary
Headteacher
Zone Finance Manager

Solicitors

Mr R Roberts
Co-ordinating Director for Law and Resources
Wolverhampton MBC
Civic Centre
St Peter's Square
Wolverhampton
WV1 1RG

Bankers

The Co-operative Bank
1-2 Dudley Street
Wolverhampton
WV1 3EN

Report of the Trustees

The Trustees present their report and the audited financial statements for the 12 month period ended 31 March 2004.

Constitution and principal activities

The Wolverhampton EAZ 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 are nominated by statutory partners.

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, improvements at the end of each key stage.

Organisation and objectives

The sole activity of the Forum is the operation of the Wolverhampton EAZ. The operational management structure of the EAZ consists of a Project Director, Office Manager, Literacy Consultant, Numeracy Consultant, Social Inclusion Co-ordinator and a Business Partnership Consultant. These six posts constitute the EAZ Senior Management Team which reports to the Forum, against declared objectives contained within the EAZ Action Plan. 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. All the Trustees were appointed on 25 January 2000 and served throughout the period with the exception of Margaret Cornaby who was appointed on 27 June 2001 to replace Ms Jaine Clarke who resigned and Mr Cliff Hall who was appointed 28 September 2002 to replace Ms Jane Williams who resigned.

Developments, activities and achievements

During the 12 month period ending 31 March 2004, the Wolverhampton EAZ has been involved in numerous projects. Through 'Business in the Community' and development of projects with individual companies there has been an extension of education business partnerships. The impact of EAZ strategies is now beginning to take effect with a rise in standards in schools across the zone. There have been conferences to support management, and training in aspects of Numeracy, Literacy and Social Inclusion. These have been delivered on a regular basis. The Excellence Challenge programme has been adopted by the LEA Aim Higher initiative and the EAZ continues to support the University through activities designed to encourage primary children. Working with the LEA, libraries in many zone schools have been considerably enhanced and as a significant member of the Midlands region of EAZs Wolverhampton has continued to operate successfully at both a local and national level.

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. The EAZ received a restricted grant of £43,274 from the DfES for Excellence Challenge (£26,417), Gifted and Talented Summer Schools (£9,000) and Transformation (£7,857).

During 2003-2004 the EAZ received significant assistance in-Kind totalling £343,463 from a number of sponsors. In addition, a cash contribution of £7,500 was also received. These are detailed separately within the enclosed financial statements.

Expenditure for the period was covered by grants from the DfES and other income and the excess of resources expended over incoming resources expended for the 12 months ended 31 March 2004 was £45,751.

Fund review

The EAZ held fund balances at the 31 March 2004 of £34,693 comprising of restricted funds. The fund balances are adequate to fulfil the obligations of the EAZ and provide a balance against most unforeseen future events. To achieve the Action Plan objectives the EAZ remains dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

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

Secondary schools

Moreton Community
The Northcote
Our Lady and St Chad RC

Other schools

Westcroft Special
Bushbury Hill Infant
Bushbury Hill Junior
Bushbury Nursery
Collingwood Infant
Collingwood Junior
Underhill Primary
Whitgreave Infant
Whitgreave Junior
Fallings Park Primary
Low Hill Nursery
Oxley Primary
St Anthony's RC
St Mary's RC
Elston Hall Primary

The Forum has also contracted with Wolverhampton LEA to provide accounting and personnel services.

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. The Forum has no unrestricted reserves.

Risk management

In 2001 the Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed.

The Trustees monitor progress against the strategic objectives set out in the plan at each quarterly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy which comprises

- an annual review of the risks which the charity may face;
- 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 date of approval of the annual report and accounts with Treasury guidance.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2002-2003 the Forum has established the following processes

- identification of the Forum's objectives and key risks. The Forum is expected to have 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 should include 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 meetings (e.g. quarterly);
- 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.

The Forum ensured the continuation of good practice achieved by the Zone through the maintenance of a comprehensive system with clear job descriptions, staff development and target setting within a clearly defined committee structure.

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 attached to the Financial Memorandum. 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 11 August 2004 and signed on its behalf by

Sir Geoff Hampton
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 9 to 20 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 page 13.

Respective responsibilities of the Trustees and Auditor

As described on page 6 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 5 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 Wolverhampton 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

20 September 2004

National Audit Office
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London SW1W 9SP

Statement of Financial Activities for the period ended 31 March 2004

	Note	Restricted DfES £	Unrestricted Other £	Total 2003-2004 £	Total 2002-2003 £
Incoming resources					
Grants receivable	2, 3	891,661	0	891,661	769,024
Private sector contributions	4	0	348,963	348,963	241,680
Public sector contributions	4	0	2,000	2,000	182,000
Other income	5	0	65,998	65,998	33,754
Total incoming resources		<u>891,661</u>	<u>416,961</u>	<u>1,308,622</u>	<u>1,226,458</u>
Net incoming resources for charitable application		891,661	416,961	1,308,622	1,226,458
Charitable expenditure					
<i>Costs in furtherance of charitable objectives</i>					
Provision of education	6	193,970	273,662	467,632	289,211
Education support costs	6	585,650	0	585,650	601,939
<i>Other expenditure</i>					
Management and administration	6	140,641	51,964	192,605	217,179
Fund-raising and publicity	6	0	108,486	108,486	100,737
Total charitable expenditure		<u>920,261</u>	<u>434,112</u>	<u>1,354,373</u>	<u>1,209,066</u>
Total resources expended		<u>920,261</u>	<u>434,112</u>	<u>1,354,373</u>	<u>1,209,066</u>
Net incoming resources before transfers		(28,600)	(17,151)	(45,751)	17,392
Net movement in funds		(28,600)	(17,151)	(45,751)	17,392
Fund balances brought forward at 1 April 2003	15, 16	63,293	17,151	80,444	63,052
Fund balances carried forward at 31 March 2004	15	<u>34,693</u>	<u>0</u>	<u>34,693</u>	<u>80,444</u>

The statement of Financial Activities analyses all the capital and income resources and expenditure of the EAZ during the period and reconciles the movement in funds.

Further analysis of the income and expenditure for the period is shown on page 10 and the overall financial position at the period end is summarised in the balance sheet on page 11.

There is no difference in the net movement of funds stated above, and its historical cost equivalent. The notes on pages 13 to 20 form part of these accounts.

Income and Expenditure Account for the period ended 31 March 2004

	Notes	2003-2004 £	2002-2003 £
Income			
DfES EAZ grant	2	848,387	722,274
Other DfES grants	3	43,274	46,750
Private sector contributions	4	348,963	241,680
Public sector contributions	4	2,000	182,000
Other income	5	65,998	33,754
Total Income		<u>1,308,622</u>	<u>1,226,458</u>
Charitable expenditure			
DfES EAZ grant expenditure	6	920,261	768,783
Other expenditure	6	434,112	440,283
Total charitable expenditure		<u>1,354,373</u>	<u>1,209,066</u>
Total resources expended		<u>1,354,373</u>	<u>1,209,066</u>
Excess of income over expenditure		<u>(45,751)</u>	<u>17,392</u>
Net transfers to funds			
DfES EAZ fund	15	(28,600)	241
Unrestricted fund	16	(17,151)	17,151
Net movement in funds		<u>(45,751)</u>	<u>17,392</u>

The income and expenditure account is derived from the Statement of Financial Activities on page 9 which, together with the notes to the accounts on pages 13 to 20 provide full information on the movements during the year 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 gains and losses has been presented.

The notes on pages 13 to 20 form part of these accounts.

Balance Sheet at at 31 March 2004

	Notes	31 March 2004 £	31 March 2003 £
Current assets			
Debtors	12	2,794	13,182
Cash at bank and in hand		94,692	152,579
		97,486	165,761
Creditors: amounts falling due within one period			
	13	(62,793)	(85,317)
Net current assets		34,693	80,444
Net assets		34,693	80,444
Funds			
Restricted funds	15	34,693	63,293
Unrestricted funds	16	0	17,151
		34,693	80,444

The financial statements were approved by the Forum on 11 August 2004 and signed on its behalf by

Sir Geoff Hampton
Chairman

Cash Flow Statement for the period ended 31 March 2004

	2003-2004	2002-2003
	Note	
	£	£
Operating activities		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES	848,387	722,274
Other DfES grants	43,274	46,750
Private sector sponsorship	7,500	0
Other receipts	76,386	20,836
	<u>975,547</u>	<u>789,860</u>
<i>Payments</i>		
Staff costs	225,828	258,380
Other cash payments	807,606	470,138
	<u>1,033,434</u>	<u>728,518</u>
Net cash inflow/(outflow) from operating activities	19 <u>(57,887)</u>	<u>61,342</u>
Increase/(decrease) in cash in the period	<u>(57,887)</u>	<u>61,342</u>

Notes to the Financial Statements

1 Accounting policies

Format of accounts

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP 2000), 'Accounting and Reporting by Charities' published in October 2000 and the Charities Act 1993. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards. The Wolverhampton Forum was established under the School Standards and Framework Act and has a three year lifespan until 9 January 2005. 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. 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.

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP expenditure has been analysed between direct charitable and other expenditure. The only activity undertaken by the EAZ is the operation of Wolverhampton EAZ and no indirect charitable expenditure has been incurred.

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 should be expended by 9 January 2005.

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 accounts.

Pensions

The Forum directly employed five staff from August 2000. The Forum is a Scheduled Body of the West Midlands Pension Scheme. Four of the five staff have chosen to join that scheme. Accordingly, the Forum pays employer's contributions for those four staff; the employer's contribution rate has been determined by the Fund's Actuary at 14.5% of gross pay for 2003-2004. In addition, the EAZ Director is employed by Wolverhampton University and is seconded to the EAZ. The Director is not a member of any pension scheme.

2 DfES EAZ grant

	2003-2004	2002-2003
	£	£
DfES EAZ grant received in period	848,387	722,274
Carry over from previous period	56,184	63,052
Total grant available to spend	904,571	785,326
Spent in the period	875,692	729,142
Underspent grant	28,879	56,184
Maximum permitted carry over level	73,359	74,474

Note

Maximum permitted carry over level has been calculated in accordance with DfES requirements. The DfES has agreed that underspent grant at 31 March 2004 can be carried forward to assist in delivering the Action Plan objectives in the 2004-2005 financial year.

3 Other DfES grants

	2003-2004	2002-2003
	£	£
Gifted and talented summer schools	9,000	9,000
Excellence challenge	26,417	37,750
Transformation	7,857	0
	43,274	£46,750

4 Business contributions

	Cash	In Kind	Total	Total
	2003-2004	2003-2004	2003-2004	2002-2003
	£	£	£	£
Private sector contributions	7,500	341,463	348,963	241,680
Public Sector contributions	0	2,000	2,000	182,000
	<u>7,500</u>	<u>343,463</u>	<u>350,963</u>	<u>423,680</u>

Analysis of contributions by commercial organisations is as follows

	2003-2004	2002-2003
	£	£
Cash		
Wolverhampton & District Breweries	7,500	0
	7,500	0
In-Kind		
Wolverhampton Express and Star	108,586	100,775
Timkin	24,905	450
Wolverhampton Science Park	13,576	11,624
Midlands Leadership Centre	36,388	36,711
Making Learning Work Ltd	41,735	23,375
Corus	585	1,250
HSBC	2,100	75
Patshull Park	8,672	4,613
Wolverhampton Wanderers FC	150	375
A F Blakemore	5,585	500
Quality Hotel	11,005	1,345
Wolverhampton & District Breweries	400	0
The Moat Hotel	775	0
Mouchel	100	0
Lollipop Learning	100	0
WMCS	11,565	0
Dunstall Park	4,195	0
BitC	22,810	0
The Swan	95	0
Rolls Royce	490	0
IIE	125	0
Cheltenham and Gloucester	585	0
Oxley School	1,121	0
Designer Email Ltd	9,875	0
Beacon Radio	100	0
Tranzform	18,365	0
Accelerated Learning	150	0
Supply Desk	360	0
Hollywood Signs	900	0
Mansell	16,065	0
Staffordshire Building Society	0	33,506
One 17ED	0	16,320
RM plc	0	946
Quality Care	0	113
Barclays Bank	0	150
Mike Atak	0	100
Galaxy Radio	0	100
Select	0	75
Plato	0	100
Aga/Rayburn	0	6
Kid Premiership	0	200
Positively Mad	0	620
Letts	0	4,606
T & G	0	2,047
England/Wales Cricket Board	0	75
Highway Safety Systems	0	75
J & M Services	0	630
West Midlands Co-op	0	200
Goodyear	0	643
Gary Tranter	0	75
	341,463	241,680
Wolverhampton City Council	2,000	2,000
West Midlands Fire Service	0	180,000
	2,000	182,000
	350,963	423,680

5 Other income

	2003-2004	2002-2003
	£	£
Miscellaneous	<u>65,998</u>	<u>33,754</u>

6 Total resources expended

	Staff costs £	Other costs £	Total 2003-2004 £	Total 2002-2003 £
Direct provision of education	0	467,632	467,632	289,211
Education support costs	106,255	479,395	585,650	601,939
Management and administration	119,573	73,032	192,605	217,179
Fund-raising and publicity	0	108,486	108,486	100,737
	<u>225,828</u>	<u>1,128,545</u>	<u>1,354,373</u>	<u>1,209,066</u>
Of which				
DfES grant expenditure	225,828	694,433	920,261	768,783
Other expenditure	0	434,112	434,112	440,283
	<u>225,828</u>	<u>1,128,545</u>	<u>1,354,373</u>	<u>1,209,066</u>

7 General expenditure

	2003-2004	2002-2003
	£	£
Included in expenditure in the income and expenditure accounts and in other costs above are		
Staff costs	119,573	124,532
Supplies and services	18,185	35,312
Auditor's remuneration	2,883	7,000
<i>In-Kind contributions</i>		
Publicity	108,486	100,737
Accountancy/financial advice	2,000	2,000
Occupancy costs	49,964	48,335
	<u>301,091</u>	<u>317,916</u>

8 Staff costs

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

	2003-2004	2002-2003
Director	1	1
Office Manager	1	1
Administrator	0	1
Social and Education Inclusion Co-ordinator	1	1
Literacy Co-ordinator	1	1
Numeracy Co-ordinator	1	1
	<u>5</u>	<u>6</u>

Staff costs for the above persons

	2003-2004	2002-2003
	£	£
Director	75,109	84,798
Salaries - other employees	119,399	148,279
Employers national insurance	18,931	19,368
Employers pension contribution	12,389	17,961
	<u>225,828</u>	<u>270,406</u>

The EAZ Director was employed by the Local Education Authority and seconded to the EAZ until August 2001. From October 2001 the EAZ Acting Director was employed by Wolverhampton University and seconded to the Zone. The EAZ also made limited use of consultants.

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

9 Emoluments of Trustees

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.

Interests in transactions

There were no interests in transactions during the period ended 31 March 2004.

10 Trustees' and Officers' insurance

In accordance with normal commercial practice, the Forum has insurance cover to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. Public liability, employers' liability, officials' and members' indemnity and libel and slander cover has been incorporated within the Local Education Authority's existing insurance programme at no cost to the Wolverhampton EAZ.

The Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. This Fidelity Guarantee cover is based on a £0.5 million sum guaranteed and Personal Accident (Assault) based on a capital sum benefit of 5 x annual salary.

The above cover was effective from 5 July 2000, which coincided with notification from the DfEE that the EAZ Action Plan had been approved.

11 Fixed assets

In accordance with the Accounts Direction issued by the DfES, any fixed assets acquired by the EAZ and passed on to schools also have the ownership passed on with them. Also the EAZ does not recognise assets valued under £2,500 in the accounts. Hence, the EAZ have none of their own fixed assets to disclose.

12 Debtors

	31 March	31 March
	2004	2003
	£	£
Sundry debtors	<u>£2,794</u>	<u>£13,182</u>

13 Creditors: amounts falling due within one year

	31 March 2004	31 March 2003
	£	£
Trade creditors	50,605	65,817
Accruals	12,188	19,500
	<u>62,793</u>	<u>85,317</u>

14 Pensions and similar obligations

	2003-2004	2002-2003
	£	£
Other pension costs comprise		
Defined benefit scheme	12,389	17,961
	<u>12,389</u>	<u>17,961</u>

Four of the Zone's five employees belong to the West Midlands Superannuation Scheme. The Zone's Director from April 2001 to August 2001 was employed by the Local Education Authority and was seconded to the Zone he also belonged to the Teachers' Superannuation Scheme, England and Wales (TSS). Both schemes are defined benefit schemes. The Zone's Director from October 2002 is employed by the University and is seconded to the Zone he does not belong to any pension scheme.

In respect of the Teachers' Superannuation Scheme, the Zone is unable to identify its share of underlying assets and liabilities.

In respect of the West Midlands Superannuation Scheme, the Zone is a Scheduled Body and therefore pays the same employer's contribution rate as Wolverhampton City Council. This was 14.8% of gross pay for the year ended 31 March 2003. The contribution rate from 1 April 2003 to 31 March 2006 is 14.5%. In addition, the following information is also disclosed

- nature of scheme - defined benefit scheme;
- date of most recent actuarial valuation - 31 March 2001;
- key assumptions made at the 31 March 2001 actuarial valuation

	Past service	Future service
Rate of discount	5.6% per annum	6.5% per annum
Rate of pensionable pay inflation*	3.8% per annum	4.0% per annum
Rate of price inflation	2.3% per annum	2.5% per annum

* Plus salary scale for certain employees.

- as the Forum is a scheduled body, it pays the same employer's contribution rate as Wolverhampton City Council, which will also be responsible for future pension liabilities once the Forum ceases to exist. Accordingly, the Forum does not share a fair value of the West Midlands Metropolitan Authorities Pension Fund assets; and
- at the valuation date the liabilities of the Fund exceeded assets by £232.3 million, giving a funding level of 95.5%.

15 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 £	Incoming resources £	Expenditure gains, losses and transfers £	Balance at 31 March 2004 £	Total 31 March 2003 £
DfES recurrent grant	56,184	848,387	875,692	28,879	56,184
Other DfES grant	<u>7,109</u>	<u>43,274</u>	<u>44,569</u>	<u>5,814</u>	<u>7,109</u>
Totals	<u>63,293</u>	<u>891,661</u>	<u>920,261</u>	<u>34,693</u>	<u>63,293</u>

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

16 Unrestricted funds

	2003-2004 £	2002-2003 £
Brought forward at 1 April 2003	17,151	0
Excess of Income over Expenditure	<u>(17,151)</u>	<u>17,151</u>
Carried forward at 31 March 2004	<u>0</u>	<u>17,151</u>

17 Analysis of net assets between funds

Fund balances at 31 March 2004 are represented by

	Unrestricted Funds £	Restricted Funds £	Total 2003-2004 £	Total 2002-2003 £
Tangible fixed assets	0	0	0	0
Investments	0	0	0	0
Current assets	0	97,486	97,486	165,761
Current liabilities	0	(62,793)	(62,793)	(85,317)
Deferred income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>34,693</u>	<u>34,693</u>	<u>80,444</u>

18 Contingent liabilities

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

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

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

As at 31 March 2004 there are no contingent liabilities.

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