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 Speke Garston 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. 548 of 2003-2004)

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

Speke Garston Education Action Zone Account 2003-2004

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 14 NOVEMBER 2005

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Legal and administrative information

Name of Forum

Speke Garston Education Action Zone - An Excellent Action Zone

Governing document

Statutory Instrument that came into force on 10 January 2000.

Action Forum Trustees

Primary school

Sue DevereuxTracey WrightBetty WyliePeter GibbonsLiam MulcahyDiane AutonDave WilliamsFrances FraserPhil DanielsSuzy Stacey

Secondary school

Phil Duffy Alan Smithies
Phil Fitzpatrick Nikki Anderson

Business partners

Ailsa Birkett Paul Barlow Roy Jones

Public sector

John Armstrong Dave Howard Clare Budden

Community/Voluntary Sector

Nick Birkinshaw Mark Ord

Further Education

Sue Greenhalgh

Parent and Pre School Representative

Susan Roberts

DfES

Martin Cash

City Council

Margaret Gill

Chair

Diane Auton (appointed 1 January 2004)

Vice Chair

Paul Barlow (appointed 1 January 2004)

Signatories

Sue Devereux Liam Mulcahy

Lyn Pender (from 1 January 2004)

Paul Barlow

Helen Wills (up to and including 31 December 2003)

Head Teachers Committee

Primary school

Sue DevereuxRick WiddowsonBetty WyliePeter GibbonsLiam MulcahyDiane AutonPeter PriceFrances FraserPhil Daniels (Chair)Suzy Stacey

Secondary school

Phil Duffy Alan Smithies
Phil Fitzpatrick Nikki Anderson

Personnel Sub Committee

Phil Daniels Mark Ord
Phil Fitzpatrick Clare Budden

Transformation Working Group

Sue DevereuxBetty WylieDiane AutonDave WilliamsAlan SmithiesPhil FitzpatrickRay JonesClare BuddenDave Woodhouse

EAZ Office

Garston Urban Village Hall

70 Banks Road

Nine Brindley Place
Garston

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Liverpool L19 8JZ

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Auditors

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

.. Da

Davies Wallis Foyster Harvester House 37 Peter Street Manchester M2 5GB

Bankers

Solicitors

Accountants

Verinder & Associates Chartered Accountants 1-3 Crosby Road South Liverpool L22 1RG

Report of the Trustees

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

Constitution and organisation of the Action Forum

The Speke Garston Education Action Zone Action Forum is a corporate body and exempt charity established on 10 January 2000 under the 1998 School Standards and Framework Act.

The membership of the Action Forum for the Zone includes

- up to three persons representing the interests of business in the Merseyside area;
- up to two parents of registered pupils attending Zone schools;
- one person nominated by each of the Zone schools;
- one person nominated by Liverpool City Council in their capacity as a local education authority;
- one person representing the interest of the pre-school and education sector;
- one person nominated by the Liverpool Diocesan Board of Education;
- one person nominated by the Liverpool Arch Diocese Catholic Schools Department;
- up to three persons representing the interest of public sector organisations;
- up to two persons representing the interest of Higher Education and Further Education; and
- up to two persons representing the interests of the voluntary sector.

The Action Forum does not have a share capital. The School Standards and Framework Act and its associated regulations are the primary governing documents of the Action Forum. All members of the Action Forum are Trustees.

The role of Trustees

The current Trustees are listed on pages 2 and 3 and with the exception of the following, were appointed on 20 January 2000 at the first official meeting of the Action Forum and have continued to serve through the period.

Tracey Wright replaced Rick Widdowson as the representative of Garston Church of England Primary School; Suzy Stacey replaced Peter Ryrie as Head Teacher representative from Stockton Primary School; Nikki Anderson joined the Action Forum to represent South Liverpool Pupil Referral Unit; John Armstrong replaced Lyn Spencer to represent Speke Garston Partnership; Margaret Gill replaced Howard Cooper to represent the Local Authority. Martin cash replaced Pat Jefferson as the DfES representative; Carole Kidd resigned on 5 November 2003 as Diocesan representative and has not been replaced. Following agreed procedures Diane Auton resigned position of vice-chair to be immediately appointed as chair; Paul Barlow resigned as chair and was appointed vice-chair with effect from 1 January 2004.

The Action Forum continues to agree to abide by the job description for all members of the Forum and specific roles and responsibilities for the Chair and Vice Chair.

The job description for Action Forum Members

Position

EAZ Action Forum Member.

Responsible for

The overall strategic management of the key objectives for Speke Garston EAZ.

Role

To have collective responsibility along with the other members of the Action Forum for the strategic direction and management of the EAZ. To work on behalf of head teachers, governors, teachers, school staff, pupils, parents, private sector and the community to deliver the EAZ initiative effectively and successfully.

Responsibilities

- to act at all times in good faith and in the best interests of and for the benefit of schools, parents and the community;
- to take responsibility to attend meetings;
- to take collective responsibility for the strategic direction of the EAZ programme;
- to read relevant papers where possible in advance of the meeting concerned and ask for further information if required;
- to act where appropriate, both formally and informally, as ambassadors of the Action Forum;
- to adhere to the code of conduct;
- to encourage participation in all of the EAZ structures and activities;
- to supervise, support and manage the work of the EAZ team; and
- to act in accordance with DfES regulations as Trustees of the Charity.

Code of Conduct – Speke Garston EAZ Action Forum

- all members are to take collective responsibility for the decisions made during the Action Forum; and
- all members are required to attend meetings at six weekly intervals and to have read the papers in advance of the meeting.

Use of confidential material

- members should be careful in the use of all information obtained via their role as an Action Forum member especially where it pertains to commercial issues;
- where information is clearly marked or communicated as confidential, it should not be passed to any other individual; and
- where information appears to be of a sensitive nature, then members should check with the Chair, Deputy Chair or Director before passing the information on.

Register of interest

- all members are required to declare any direct or indirect interest, pecuniary or otherwise which may arise in respect of a contract or other matter to which the Speke Garston Education Action Zone is or may become a party. This register is to be maintained by the EAZ Director;
- an Action Forum member may not influence decisions in which they have a commercial or self-interest and, if appropriate, either declare any interest or withdraw from the meeting;

- no contract or other award should be made to an Action Forum member, staff member, private sector organisation etc. without the prior approval of the Action Forum; and
- whenever members are unsure of the seriousness of a potential conflict of interest, they should err on the side of caution.

Gifts and favours

- all members are to declare any gifts or gifts in kind and seek guidance on such matters where it might be deemed inappropriate (e.g. the offer of a meal can be acceptable, whilst the offer of accommodation or a holiday is not);
- members are to declare all gifts, whether accepted or otherwise to the EAZ Director, who will keep a register; and
- members are not to use their position on the Forum to achieve personal or financial gain except in the circumstances of seeking appointment (e.g. Project Officer).

Communication

all members have the responsibility to communicate the decisions and policies agreed by the Action Forum (except those that are confidential) to all interested parties.

Dealing with press and media

members should seek guidance from the Chair (and in the Chair's absence, the Deputy Chair or Director) before providing any comments to press or media.

Roles and responsibilities of the Executive (Chair and Vice Chair)

The person chairing the meeting has a legal duty to

- ensure that he or she has been properly appointed as Chair;
- act in the interests of the organisation as a whole;
- ensure that the requirements and procedures in the governing documents and standing orders are followed;
- ensure that the meeting has been properly convened and proper notice has been given;
- ensure that the rules relating to quorum are followed;
- take the business in the order set out in the notice of the meeting of the agenda, unless a majority of members present agree the order can be changed;
- ensure that no business is transacted unless it is within the scope of the notice which has been given;
- ensure that when discussing any matter, the members keep their remarks to that piece of business;
- clearly state resolutions, ensure that voting is properly carried out, and declare the results of voting;
- organise a poll (counted vote) if one is demanded;
- keep order;
- adjourn the meeting properly, if adjournment is necessary;
- ensure that the meeting is minuted and any decisions recorded; and
- ensure that there is a clear end to the meeting.

The person chairing the meeting has the right to insist that a disorderly or abusive person leaves the meeting and to call the police if necessary.

The roles and responsibilities of the Deputy Chair are to undertake all of the above in the absence of the chair.

On occasions when both the Chair and deputy Chair are absent, the members at the meeting may elect any member present to chair the meeting.

Sub Committees

During the period from 1 April 2003 until 31 March 2004 sub-committee structure was

- Executive Committee of Head Teachers;
- Personnel Sub Committee; and
- Transformation Working Group.

The Head Teachers and Schools Representatives Sub Committees became defunct in April 2002 in order that school representatives could have a more responsible role in the decision making process.

Programme Management

Helen Wills – resigned as Programme Director in December 2003. Following approriate procedures, Lyn Pender was appointed as Zone Director and took up the post with effect from 12 January 2004. Jill Murphy was appointed as Education Consultant in February 2004. Dot Murphy was seconded from the LEA to assist in the development of Children's University and develop sustainable links with EiC programmes in January 2004.

Michelle Rimmer began a period of maternity leave on 3 November 2003. Michelle Pearson took a period of maternity leave from 15 July 2003 to 30 November 2003 and has been on sick leave from 1 December 2003.

During the year 2003-2004 the staff structure was as follows

Programme Director Helen Wills (up to 31 December 2003)
Programme Director Lyn Pender (from 12 January 2004)
Strategic Director Lyn Pender (up to 11 January 2004)
Strategic Director Pauline Mylchreest (from 12 January 2004)

School Business Links Coordinator

Pauline Mylchreest (up to 11 January 2004)

Michelle Bearson

Development Director

Business and PR Manager

14–19 Consultant

Michelle Pearson

Sally Boyd

Sharon Moore

Finance and Programme Coordinator

Development Managers

Children a University Coordinator

Det Marsha

Childrens University CoordinatorDot MurphyEducation ConsultantJill MurphyStrategic OfficerLynne NingAdministration OfficerNikki Russell

Transforming Aspirations Team (co-financed by Greater Merseyside Learning Skills Council)

School Links Co-ordinator Ann Johnson

School Links Officer Carol Fitzpatrick (to July 2003)

Foundations to Construction Team (co-financed by European Social Fund)

Project Officer Cheryl Moorhead
Trainer/Assessor Joiner Paul Rummens
Trainer/Assessor Bricklayer Steve O'Donnell
Classroom Support Kim Owen

Children's Fund Team (co-financed by the Children's Fund)

Transition Teacher Lisa Sharrock
Transition Teacher Michelle Rimmer

Transition Teacher Heather Yates (3 October 2003)

Principal activities

The sole activity of the Action Forum is the operation of the Speke Garston Education Action Zone. The overarching aim of the Action Form is

"to promote an opportunity for the people of Speke and Garston to achieve a 21st Century lifelong learning environment, by drawing on the abilities and commitment of pupils, parents, governors, teachers and business to raise educational attainment and the quality of teaching and learning in the staff room".

In accordance with the School Standards and Framework Act the Forum has adopted the revised 2003 – 9 January 2005 Action Plan, which was submitted to the Department for Education and Skills. The Action Plan was awarded full approval by the DfES. The Action Plan specifies, amongst other things, the EAZ activities that will significantly raise levels of achievement by maximising the progress of each child in the Education Action Zone.

The principle activity of the Action Forum is to improve standards in teaching and learning within the schools that are part of its Education Action Zone. The three strategic priorities for the Speke Garston Education Action Zone are

- developing teaching and learning to embed EAZ good practice;
- developing aspirational pupils through social inclusion; and
- developing an enriched educational culture through the establishment of creative and sustainable partnerships.

Developments, activities and achievements

The Transformation Working Group was formed in September 2003 to assist in the transformation process. Consultants were appointed to produce a Transformation Action Plan. The consultation process involved head teachers, school representatives, pupils, parents, school governors, business and community partners and EAZ staff.

Speke Garston Education Action Zone has undertaken a thorough and well-structured evaluation of its year 4 activities. This has involved close monitoring of project outcomes and regular periodic checks on progress. The Zone has remained focused and responsive to change and has produced a substantial amount of monitoring data and evaluative commentary. External support has been provided by 14–19, ICT and Early Years consultants, who have met the demand from schools for training and development in the aforementioned areas of education. The following evidence, taken from Zone monitoring systems, self-evaluation processes and external evaluation, has been used

Individual School Profiles (ISPs)

ISPs have been drawn up by the Zone consultants using their extensive knowledge of schools and a review of PANDA, OFSTED and other information. These have been used to inform planning for Year 4.

School Support Datebase Zone Team

A database of information about visits to schools made by all Zone staff including purpose of visit and outcomes. In addition to information about visits to schools, each member of the Zone team has contributed to the review of programmes included in Section 2.

OfSTED

Speke Garston EAZ was selected by DFES to take part in an OfSTED inspection. SGEAZ was one of only 10 Zones inspected nationally. The reason for selection was good practice in delivering workrelated programmes. Of STED made a number of visits to schools and conversed with teachers and pupils. Findings from the visit will be published in a report.

School Self-Reviews

As part of the transformation process head teachers have completed a School Self-Review paper that audits the impact of the Zone's programmes on the school, which will help determine the Action Plan of the EiC EAZ.

External review undertaken by consultants

Two consultants carried out an audit of the Zone in consultation with focus groups of parents, pupils, governors, school staff, and partners $including \,those \,from \,the \,LEA, private, public \,and \,community \,sectors.$ Individual head teacher interviews were also held.

Partnership working

The Education Action Zone is working closely with its partnership schools to achieve the Action Forum's objectives. The schools listed below collectively constitute the Education Action Zone under the name of Speke Garston Excellent Action Zone.

Secondary School	Postcode	DfES No
New Heys Community Comprehensive School (A Business & Enterprise Specialist College)	L19 4TN	4428
Parklands High School	L24 2RZ	4431
St John Almond Catholic High School	L19 5PF	4788
South Liverpool Pupil Referral Unit	L19 2LX	
Primary Schools		
Banks Road Primary School	L19 8JZ	2008
Garston C of E Primary School	L19 5NS	3302
Gilmour Infants School	L19 9AR	2064
Gilmour Junior School	L19 1RD	2063
Holy Trinity Catholic Primary School	L19 8JY	3514
Middlefield Primary School	L24 7RZ	2170
Springwood Heath Primary School (change of name September 2003)	L19 4TL	2065
St Christopher's Catholic Primary School	L24 0SN	3024
St Francis of Assisi Catholic Primary School	L19 1RT	3510
Stockton Wood Primary School	L24 3TU	2238

Scottish Power Learning, Eli Lilly, Jaguar, the New Mersey Shopping Park are the key business sponsors of the Action Forum and will assist the Action Forum to achieve its objectives until 10 January 2005.

The community partners of the Zone are Arts in Regeneration, Speke Training and Education Centre, Young Person's Opportunity Project, South Liverpool Regeneration and parents' representative.

The public sector partners of the Zone are Career Decisions, South Liverpool Housing, Speke Garston Partnership, SureStart Speke, Liverpool City Council and Liverpool University. The Zone has worked closely with EiC particularly with Parklands City Learning Centre.

Operating and financial review

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

The Action Forum income has been obtained from

- DfES funding of £844,774;
- Other Government Grants of £312,147;
- Private Sector match (cash) of £36,996;
- Private Sector match (in kind) of £269,742; and
- Other Income of £45,818.

Most of the Education Action Zone's funding was restricted to initiatives agreed with the DfES and the private sector.

From 1 April 2003 to 31st March 2004 the Education Action Zone received private sector donations from

In Kind

Aintree Racecourse Argos Stores Asda Hunts Cross Bank of Scotland Barclays New Futures Brantano Store

B&Q Store B T Roadshow

Cambridge Univ Press

Capital Bank Chester Zoo

David Lloyd Leisure

Easy Teach

Foundations to Construction

GlaxoSmithKline Gilmour Jnr School Holiday Hypermarkets

Jaguar LCP

Liverpool John Lennon Airport

Liverpool Sailing Club

Maries Hairdressing

Marriott Hotel

McDonalds

Merseytravel

New Mersey Park

Parklands

Scottish Power

Smart Garston

Smart Speke

SLH

Springwood Heath

Trafford Centre

Woolton Day Nursey

Young Persons Opportunities

Cash

GlaxoSmithKline

Liverpool John Lennon Airport

Marriott Hotel

Scottish Power Learning

United Utilities

Verinder and Associates

Expenditure for the period was covered by grants from the DfES and private sector contributions. During this period, an excess of expenditure over income occurred resulting in a deficit of £28,783.

Fund review

At 31 March 2004 the Education Action Zone fund balances were in deficit by £22,050 comprising a £22,050 deficit balance on restricted funds and a £NIL balance on unrestricted funds. The fund balances are adequate to fulfil the obligations of the Education Action Zone and most unforeseen future events. The Education Action Zone remains dependent on the provision of grants from both the DfES and commercial sponsors in order to achieve the Action Plan objective. The final deficit arises from a timing difference, which will be funded from 2004-2005 grant in the next accounts period.

Disabled persons

In line with good practice, the policy of the Action 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 Action 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 its general activities.

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 review of the plan is carried out annually including in 2003-2004. 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

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 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.

Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the systems of Internal Control. In 2001 the Forum 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 department;
- 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);
- an 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 by

- the separation of staff duties where possible e.g. Purchase Orders require the signatures of two members of staff, neither of whom are authorised to sign cheques;
- cheques require two signatories at least one of whom must be a member of the Forum; and
- the Zone keeps a register of all gifts received by EAZ staff.

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 Schedule 1 of 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 given by the Secretary of State for Education and Skills, with the approval of HM Treasury. 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 systems 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 5 September 2005 and signed on its behalf by

D M Auton
Chair (on behalf of the Trustees)

5 September 2005

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 16 to 29 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 20 to 21.

Respective responsibilities of the Trustees and Auditor

As described on page 13, 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 12 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 procuedures.

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 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 Speke Garston 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

8 November 2005

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

Statement of Financial Activities for the period ended 31 March 2004

	Un Notes	nrestricted funds £	Restricted DfES £	Funds other £	Total 2003-2004 £	Total 2002-2003 £
Incoming resources	2.4	0	044774	212147	1 156 001	072 726
Grants receivable	2,4	0	844,774		1,156,921	972,726
Private sector contributions	5	0	0	306,738	306,738	265,386
Public sector contributions	5	0	0	0	0	7,000
Investment income	6	3,795	0	0	3,795	2,983
Other income	6 _	9,289	0	32,734	42,023	20,369
Total incoming resources		13,084	844,774	651,619	1,509,477	1,268,464
Resources expended						
Costs of generating funds (e.g. Fundrais	ing publicity) 0	0	0	0	0
Net incoming resources for						
charitable expenditure	_	13,084	844,774	651,619	1,509,477	1,268,464
Charitable expenditure						
Developing teaching and learning	7	0	464,085	86,266	550,351	441,681
Developing aspirational pupils through social inclusion	7	0	102,563	384,780	487,343	147,909
Enriching culture and developing			, , , , , , , , , , , , , , , , , , , ,	,	,	,
partnerships	7	0	200,945	179,753	380,698	587,526
Gifted and talented summer school	7	0	13,238	0	13,238	9,000
Management and administration	7 _	8,889	96,901	820	106,610	109,681
Total resources expended		8,889	877,732	651,619	1,538,240	1,295,797
Net incoming/(outgoing) resources		4,195	(32,958)	0	(28,763)	(27,333)
Transfers between funds	_	(10,908)	10,908	0	0	0
Net movement in funds		(6,713)	(22,050)	0	(28,763)	(27,333)
Fund balances brought forward						
1 April 2003		6,713	0	0	6,713	34,046
Fund balances carried forward	_					
as 31 March 2004	19, 20	0	(22,050)	0	(22,050)	6,713
	_					

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the EAZ during the period and reconciles the movements in funds. There is no difference in the net movement of funds stated above and its historical cost equivalent. All items dealt with in arriving at the Net Movement in funds for 2003-2004 relate to continuing operations.

Further analysis of the income and expenditure for the year is shown on page 17 and the overall financial position at the period end is summarised in the balance sheet on page 18.

The notes on pages 20 to 29 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	825,774	640,284
Other DfES grants	3	19,000	9,000
Other government grants	4	312,147	323,442
Private sector contributions	5	306,738	265,386
Public sector contributions	5	0	7,000
Investment income	6	3,795	2,983
Other income	6	42,023	20,369
Total incoming resources		1,509,477	1,268,464
Expenditure			
DfES EAZ recurrent grant expenditure	7	825,774	657,968
Other DfES grant expenditure	7	19,000	9,000
Other government grant expenditure	7	312,147	323,442
Other expenditure	7	381,319	305,387
Total charitable expenditure		1,538,240	1,295,797
Total resources expended		1,538,240	1,295,797
Excess of expenditure over income		(28,763)	(27,333)
Net transfers to/from funds			
DfES EAZ fund	19	(22,050)	(17,684)
Other restricted funds	19	0	0
Unrestricted funds	20	(6,713)	(9,649)
		(28,763)	(27,333)

The Income and Expenditure Account is derived from the Statement of Financial Activities on page 16 which, together with the notes to the accounts on pages 20 to 29 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 expenditure over income 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.

Balance Sheet as at 31 March 2004

	Notes	31 March 2004		31 Marc	
		£	£	£	£
Fixed assets					
Tangible assets	12		0		0
Current assets					
Debtors and prepayments	15	50,181		65,417	
Cash at Bank and in hand		61,861		3,670	
		112,042		69,087	
Creditors: amounts falling due within one period	16	134,092		62,374	
Net current assets/(liabilities)			(22,050)		6,713
Deferred income	17		0		0
Net assets			(22,050)		6,713
Funds					
Restricted funds	19		(22,050)		0
Unrestricted funds	20		0		6,713
			(22,050)		6,713

The financial statements were approved by the Forum on 5 September 2005 and signed on its behalf by

DN Auton Chair

The notes on pages 20 to 29 form part of these accounts.

Cash Flow Statement for the period ended 31 March 2004

Note	es	2003-2004	2002-2003
Net cash inflow/(outflow)		£	£
Receipts			
Recurrent EAZ grant received from DfES		825,774	640,284
Other receipts from DfES		19,000	9,000
Receipts from Central or Local Government		325,911	303,622
Private sector sponsorship		36,996	11,065
Public sector sponsorship		0	7,000
Other receipts		30,226	20,369
		1,237,907	991,340
Payments			
Staff costs		(381,401)	(334,148)
Other cash payments		(780,866)	(752,987)
Net cash inflow/(outflow) from operating activities	25	75,640	(95,795)
Returns on Investments and Servicing of Finance			
Interest received		3,795	2,983
Interest paid		0	0
		79,435	2,983
Capital expenditure			
Purchase of tangible fixed assets		0	0
Receipts from sale of tangible fixed assets/Transfer to schools of tangible fixed assets Financing	S	0	0
Deferred grant received		0	0
Increase/(decrease) in cash in the period		79,435	(92,812)

The notes on pages 20 to 29 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. The Zone has departed from the EAZ accounts template, as the format adopted gives a more relevant picture of the activities of Speke Garston Education Action Zone, however the accounts remain compliant with the Charities Statement of Recommended Practice. 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 Speke Garston Education Action Zone 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 Speke Garston Education Action Zone 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. Miscellaneous income is credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such resources 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 Speke Garston Education Action Zone. 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

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

Assets purchased for use by Zone Schools have been gifted to the schools. The costs are treated as expenditure in the year and are accordingly not recorded on the Zone Balance Sheet.

Leased assets

There are no Leased Assets included in the Accounts.

Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to staff costs incurred when in direct contact with pupils.

Investments

Fixed assets investments are included at their market value.

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

Stocks

The Zone does not have any stocks.

Funds

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 31 December 2004.

Taxation

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

Pensions

The full cost of the Forum's pension contribution on behalf of its employees is recognised in the year those contributions are made.

2 DfES EAZ grant

2 DIES EAZ GIGIN		
	2003-2004	2002-2003
	£	£
DfES Grant received in period	825,774	640,284
Carry over from previous period	0	17,684
Total grant available to spend	825,774	657,968
Spent in the period	825,774	657,968
Underspent grant in period	0	0
Maximum permitted carry over level	75,762	55,263
Excess grant to surrender	0	0
3 Other DfES grants		
	2003-2004 £	2002-2003 £
Standard funds	10,000	0
Gifted and talented summer school	9,000	9,000
	19,000	9,000
Actual expenditure deployed on		
Revenue items	19,000	9,000
Underspent grant	0	0
4 Other government grants		
	2003-2004 £	2002-2003 £
Learning and Skills Council	74,902	44,091
European Social Fund	65,998	28,638
Neighbourhood Renewal Fund	100,635	155,793
Childrens Funds	70,612	86,920
Count On	0	3,000
SureStart	0	5,000
	312,147	323,442

5 Business contributions

			2003-2004	2002-2003
	Cash	Kind	Total	Total
Private sector contributions	£	£	£	£
Aintree Racecourse	0	1,080	1,080	120
Argos Stores	0	1,920	1,920	330
Asda Hunts Cross	0	2,080	2,080	1,789
B & Q Store	0	50	50	460
Bank of Scotland	0	2,190	2,190	150
Barclays New Futures	0	12,000	12,000	0
Bovis Lend Lease	0	0	0	1,920
Brantano Store	0	0	0	450
BT Roadshow	0	6,000	6,000	0
Cambridge University Press	0	13	13	190
Capital Bank	0	2,500	2,500	0
Channel 1	0	0	0	50,000
Chester Zoo	0	32,500	32,500	0
Comet Store	0	0	0	1,030
Currys Store	0	0	0	330
David Lloyd Leisure	0	175	175	6,065
Easy Teach Ecolco Colour Printers	0	60 0	60 0	0 600
Eli Lilly & Co Limited	0	0	0	2,605
Everton in the Community	0	0	0	2,003 8,745
Ford of Britain Trust	0	0	0	2,000
Ford Getrag Plant	0	0	0	500
Foundations to Construction	0	7,780	7,780	0
Gap Store	0	0	0	330
Gilmour Juniors	0	9,279	9,279	0
GlaxoSmithKline	32,236	64,222	96,458	5,777
Green Lane Nursery	0	0	0	960
Halfords	0	0	0	430
Hercules	0	0	0	775
Holiday Hypermarket	0	160	160	0
Jaguar	0	2,208	2,208	350
Klaussner Store	0	0	0	330
LCP	0	314	314	0
Letts	0	0	0	366
Liverpool John Lennon Airport	150	8,585	8,735	6,111
Liverpool Sailing Club	0	4,995	4,995	0
Marie's Hairdressing Marriott Hotel	160	2,000	2,000	0 5 707
McDonalds	160 0	18,066 210	18,226 210	5,797 0
Merseytravel	0	2,212	2,212	4,645
MFI	0	2,212	2,212	480
MGL	0	0	0	30,000
New Heys	0	0	0	50,000
New Mersey Park	0	3,383	3,383	160
	J	5,505	2,503	100

	Cash £	Kind £	2003-2004 Total £	2002-2003 Total £
Private sector contributions (continued)	2		_	
Parklands High School	0	3,800	3,800	0
Part 2 Hairdressers	0	0	0	4,320
PC World	0	0	0	350
Playdays Nursery	0	0	0	17,280
Power Systems	0	0	0	2,867
Provident & Financial	0	0	0	3,000
SCS Store	0	0	0	330
Scottish Power Learning	4,150	50,587	54,737	50,693
Smart Garston	0	4,560	4,560	0
Smart Speke	0	3,420	3,420	0
South Liverpool Housing	0	5,040	5,040	500
Sports Soccer Store	0	0	0	330
Springwood Heath	0	5,063	5,063	0
Trafford Centre	0	160	160	0
United Utilities	150	0	150	245
Verinder & Associates	150	0	150	150
WH Smith	0	0	0	340
Woolton Day Nursery	0	5,760	5,760	0
Young Persons Opps	0	7,370	7,370	0
Other categories	0	0	0	1,186
	36,996	269,742	306,738	265,386
Public sector contributions	,	,	•	,
Liverpool City Council	0	0	0	7,000
	36,996	269,742	306,738	272,386
6 Other income				
			2003-2004	2002-2003
			£	£
Schools income			32,734	20,369
PCT use of facilities			8,889	0
EAZ consultancy			400	0
			42,023	20,369
Bank interest received			3,795	2,983
			45,818	23,352

7 Total resources expended

	Staff costs £	Other costs £	Total 2003-2004 £	Total 2002-2003 £
Developing training and learning	53,902	496,449	550,351	441,681
Developing aspirational pupils through social inclusion	206,667	280,676	487,343	147,909
Enriching culture and developing partnerships	82,109	298,589	380,698	587,526
Gifted and talented summer school	10,691	2,547	13,238	9,000
Management and administration	30,592	76,018	106,610	109,681
	383,961	1,154,279	1,538,240	1,295,797
Of which				
DfES grant expenditure	374,961	450,813	825,774	657,968
Other DfES grant expenditure	9,000	10,000	19,000	9,000
Other government grant expenditure	0	312,147	312,147	323,442
Other expenditure	0	381,319	381,319	305,387
	383,961	1,154,279	1,538,240	1,295,797

Sponsors have made cash contributions to Zone schools totalling £78,668 during the year (2002-2003 = £38,282). These amounts are included as Income and Expenditure Contributions in Kind in the Zone's accounts.

8 General expenditure

Included in Expenditure in the Income and Expenditure Account and in other costs above are

2003-2004	2002-2003
£	£
Educational supplies and services 1,094,396	897,263
Monitoring and evaluation 7,000	5,599
Premises costs 47,133	53,237
Auditors remuneration 5,750	5,550
1,154,279	961,649

9 Staff costs

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

;	2003-2004	2002-2003
Management	2	2
Administration	1	1
Teachers	8	8
Non-teaching staff	3	4
	14	15

	2003-2004	2002-2003
	£	£
Staff Costs for the above persons		
Wages and salaries	323,325	290,968
Social security costs	35,549	25,407
Other pension costs (see note 18)	25,087	17,773
Total Staff Costs	383,961	334,148

No employees earned more than £50,000 during 2003-2004. (2002-2003 no employees earned more than £50,000)

10 Emoluments of Trustees

The Trustees of the Forum did not receive any payment from the Forum, nor did they have any interests in transactions.

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

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 Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provided cover up to £250,000 on any one claim and the cost for 2003-2004 was £945. (2002-2003 = £780)

12 Tangible fixed assets

There were no tangible fixed assets held during the period. (2002-2003 = £Nil)

13 Investments

There were no investments held during the period. (2002-2003 = £Nil)

14 Stocks

There were no stocks of any significant value held at 31 March 2004.

15 Debtors

3	1 March 2004 £	31 March 2003 £
Trade debtors	46,934	62,196
Prepayments	3,247	3,221
	50,181	65,417

16 Creditors

	31 March 2004	31 March 2003
Amounts falling due within one year	£	£
Bank overdraft	0	21,244
Trade creditors	83,535	24,580
Taxation and social security	2,096	0
Sundry creditors	31,711	0
Accruals	16,750	16,550
	134,092	62,374

The accruals figure for the year ending 31 March 2004 includes the NAO Audit Fee of £5,750.

17 Deferred income

There was no deferred income at 31 March 2004.

18 Pension and similar obligations

2003-200	4	2002-2003
	£	£
Other pension costs comprise		
Defined benefit schemes – regular cost 25,08	7	17,773

The Zone's employees belong to two principal pension schemes. Both schemes are defined benefits schemes; details of the two schemes are as follows

a Teachers' Pension Scheme (England and Wales)

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	13.5%
Zone's contribution in 2003-2004	£17,914
Zone's contribution in the final period	£14,356

The Teachers' Pension Scheme is an unfunded multi–employer scheme. Contributions are based 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.

b Other Employees Pensions

The Council pays a contribution on behalf of Speke Garston Education Action Zone into the Merseyside Pension Fund. The contribution rate is determined periodically by a qualified actuary, the last review being on 31 March 2001 at which time the scheme was 94% funded, and under Pension Fund Regulations is set to meet 100% of the liabilities of the Fund. An actuarial valuation as at 31 March 2004 is currently being carried out. The results of the valuation were not yet available when the accounts were approved by the Forum. The Merseyside Pension Fund is a multiemployer scheme therefore the Zone is unable to identify its share of the underlying assets and liabilities.

Nature of scheme	Defined benefit
Zone's contribution rate in 2003-2004	18.0%
Zone's contribution in 2003-2004	£7,173
Zone's contribution in the final period	£5,767

19 Restricted funds

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

Balance at	Incoming	Expenditure	Balance at	Total
1 April 2003	resources	gains,	31 March	31 March
		losses and	2004	2003
		transfers		
£	£	£	£	£
0	844,774	866,824	(22,050)	0
0	312,147	312,147	0	0
0	36,996	36,996	0	0
0	269,742	269,742	0	0
0	0	0	0	0
0	0	0	0	0
0	32,734	32,734	0	0
0	1,496,393	1,518,443	(22,050)	0
	£	f f f f f f f f f f f f f f f f f f f	1 April 2003 resources gains, losses and transfers £ £ £ 0 844,774 866,824 0 312,147 312,147 0 36,996 36,996 0 269,742 269,742 0 0 0 0 0 0 0 32,734 32,734	1 April 2003 resources gains, losses and transfers 31 March 2004 £ £ £ £ 0 844,774 866,824 (22,050) 0 312,147 312,147 0 0 36,996 36,996 0 0 269,742 269,742 0 0 0 0 0 0 0 0 0 0 32,734 32,734 0

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.

WRL scheme grant must be used in accordance with the instructions issued with the grant. Any unspent balance of this grant must be surrendered to the DfES at the period end.

20 Unrestricted funds

•	2003-2004 £	2002-2003 £
Brought forward at 1 April 2003	6,713	16,362
Excess of income over expenditure	4,195	2,983
Transfer to restricted funds	(10,908)	(12,632)
Carried forward at 31 March 2004	0	6,713

21 Analysis of net assets between funds

Fund balances at 31 March 2004 are represented by

U	Inrestricted funds £	Restricted funds £	Total 2003-2004 £	Total 2003-2004 £
Tangible fixed assets	0	0	0	0
Investments	0	0	0	0
Current assets	0	112,042	112,042	69,087
Current liabilities	0	(134,092)	(134,092)	(62,374)
Deferred income	0	0	0	0
	0	(22,050)	(22,050)	6,713

22 Capital commitments

Contracted for but not provided in the Accounts

Authorised by Trustees, but not yet contracted

Nil

23 Lease commitments

There were no leasing commitments during the period.

24 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

- a the value at that time of the EAZ's assets held for the purpose of the Forum; and
- b 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 were the following contingent liabilities (Nil at 31 March 2003)

Cost of termination of operations

The Zone is due to close on 9 January 2005 at which point redundancy costs estimated at £24,000 may arise.

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

	2003-2004	2002-2003
	£	£
Net outgoing resources	(28,763)	(27,333)
Interest received	(3,795)	(2,983)
(Increase)/decrease in debtors and prepayments	15,236	(23,041)
Increase/(decrease) in creditors	92,962	(42,438)
Net cash inflow/(outflow) from operating activities	75,640	(95,795)

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.

- 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 Standards, 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 Speke Garston 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 assets investments at market value;
 - c fixed assets (other than investments) at the lower of cost or 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 authority of the Secretary of State for Education and Skills.

Barnaby Shaw Head of Standards Division Department for Education and Skills 26 February 2002

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