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 Downham and Bellingham Education Action Zone for the period ended 9 January 2005, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1194 of 2003-2004)

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

Downham and Bellingham Education Action Zone Account 1 April 2004 to 9 January 2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 18 MAY 2005

LONDON: The Stationery Office
HC 12

19 August 2005
£8.50

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Legal and Administrative Information

Downham and Bellingham Education Action Zone Sub-Group Trustees

Linda Horsfield/Julia Newton	Athelney Primary School	Athelney Street, SE6 3LD
Steve Davies/Chris Keen	Coopers Lane Primary School	Pragnell Road, SE12 OLF
Colin Edwards/John Harrington	Downderry Primary School	Downderry Road, BR1 5QP
Barbara Fitzsimmons/Sharon Russell	Elfrida Primary School	Elfrida Crescent, SE6 3EN
Anne Simmons/Colin Yardley	Forster Park Primary	Boundfield Road, SE6 1PQ
Patricia Keegan/Fr John Kavanagh	Good Shepherd Primary School	Moorside Road, BR1 5EP
Richard Edmonds/Don Herlihy	Haseltine Primary School	Haseltine Road, SE26 5AD
Chris Childs/I Clever	Launcelot Primary School	Launcelot Road, BR1 5EA
Pauline Mullins/Rev Gavin Berriman	Marvels Lane Primary School	Riddons Road, SE12 9RA
Anthony Peltier/Robert Armstrong	Merlin Primary School	72 Ballamore Road, BR1 5LW
Duncan Harper/Gillian Harewood	New Woodlands (Special school)	Shroffold Road, BR1 5PD
Maggie Ayres/P Daley	Rangefield Primary School	Glenbow Road, BR1 4QQ
Yana Morris/A Potter	Rushey Green School	Culverley Road, SE6 2LA
Marilyn McCaughan/Jacky Gulczynski	St Augustine's School	Dunfield Road, SE6 3RD
John Goodey /Arthur Newton	St John Baptist Primary School	Beachborough Road, BR1 5RL
Mary Jo McPherson/Paul Jeffrey	Torridon Juniors School	Hazelbank Road, SE6 1TG
Jeannie Hughes/Paul Jeffrey	Torridon Infants School	Torridon Road, SE6 1TG
Patricia Slonecki/ M Sheehan	Bonus Pastor Secondary School	Winlaton Road, BR1 5PZ
Sue O'Neill/Mr Andy Hawkins	Catford Girls Secondary School	Bellingham Road, SE6 2PS
Anne Moggridge/Jim Mallory	Malory Secondary School	Launcelot Road, BR1 5EB
Pancho Martinez/Sally Gander	Pendragon (Special School)	Pendragon Road, BR1 5LD
Karen Bastick-Styles/Dr R Jarrett	Sedgehill Secondary School	Sedgehill Road, SE6 3QW
Les Craggs	Lewisham LEA	Laurence House, 1 Catford Road, SE6 4SW
Martin Powell-Davis	Teaching Unions	Room 7, Grd Floor, Laurence House
Clive Smith	Non Teaching Unions	C/o Launcelot School, BR1 5EB
Inspector Simon Scott	Downham Pride Partnership Board	Downham Library, BR1 5EP
Delena Davison	EAZ Director	Elfrida Crescent, SE6 3EN

Executive Committee

Mr J Harrington (Chair)	Downderry Primary School	Action Forum
Mr R Armstrong (Vice Chair)	Merlin Primary School	Action Forum
Colin Edwards	Downderry Primary School	Learning Plus Sub Group
Barbara Fitzsimmons	Elfrida Primary School	Social Inclusion Sub-Group
Mary Jo McPherson	Torridon Juniors School	Teaching & Learning Sub-Group
Pauline Mullins	Marvels Lane School	Teaching & Learning Sub-Group
Sue O'Neill	Catford Girls Secondary School	Secondary Schools
Lela Kogbara	Cambridge Education Associates	Ivydale Road SE15 3ED
Anne Simmons	Forster Park Primary School	Boundfield Road SE6 1PQ
Les Craggs	Lewisham LEA	Lewisham LEA
Delena Davison	EAZ Director	Elfrida Crescent, SE6 3EN

Sub Group 1: Social Inclusion

Linda Horsfield	Athelney Primary School	Athelney Street, SE6 3LD
Barbara Fitzsimmons (Sub-Group Chair)	Elfrida Primary School	Elfrida Crescent, SE6 3EN
Jas Basi	Bonus Pastor School	Winlaton Road, BR1 5PZ
Anne Simmons	Forster Park Primary	Boundfield Road, SE6 1PQ
Sue O'Neill	Catford Girls Secondary School	Bellingham Road, SE6 2PS
Ros Spinks	EAZ	Elfrida Crescent, SE6 3EN
Liz Davies	New Woodlands School	Shroffold Road BR1 5PD
Yana Morris	Rushey Green School	Culverley Road SE6 2LA
Debbie Dixon	Surestart Bellingham	Randlesdown Road SE3 3BT
Peter Attwood	SLAM Child and Family Service	347 Sydenham Road, SE26
Delena Davison	EAZ Director	Elfrida Crescent, SE6 3EN

Sub Group 2: Teaching and Learning

Mary Jo McPherson	Torridon Juniors School	Hazelbank Road, SE6 1TG
Pauline Mullins	Marvels Lane School	Torridon Road, SE6 1TG
Sue O'Neill	Catford Girls Secondary School	Bellingham Road, SE6 2PS
Tony Parker	Out of Schools Learning	Laurence Hse, Catford Road, SE6 4SW
Cathy Castle	EAZ Literacy advisor	PDC Kilmorie Road, SE23 2SP
Penny Latham	EAZ Numeracy Advisor	PDC Kilmorie Road, SE23 2SP
Rheenee Bhowmick	KS2/3 Numeracy Project	PDC Kilmorie Road, SE23 2SP
Lynne Heavens	EAZ ICT Advisor	Laurence Hse, Catford Road, SE6 4SW
Sheila Hentall	KS2 Literacy Advisor	PDC Kilmorie Road, SE23 2SP
Ellie Rose	Leading Literacy Teacher	Haseltine Road, SE26 5AD
Joanne Hain	Leading Literacy Teacher	Baring Road, SE12 0NB
Dorothy Brown	Lewisham Professional Development	PDC Kilmorie Road, SE23 2SP
Ceilli Hart	KS4 Literacy Advisor	Launcelot Road
Delena Davison	EAZ Director	Elfrida Crescent, SE6 3EN

Sub Group 3: Learning Plus

Mary Jo McPherson	Torridon Juniors School	Hazelbank Road, SE6 1TG
Colin Edwards	Downderry Primary School	Downderry Road, BR1 5QP
Sue O'Neill	Catford Girls Secondary School	Bellingham Road, SE6 2PS
Delena Davison	EAZ Director	Elfrida Crescent, SE26 3EN
Anne Simmons	Forster Park Primary	Boundfield Road, SE6 1PQ

Personnel Sub-Committee

R Armstrong (Vice Chair)	Merlin Primary School	Action Forum
J Harrington (Chair)	Downderry Primary School	Action Forum
Sue O'Neill	Catford Girls Secondary School	Bellingham Road, SE6 2PS
Lela Kogbara	Cambridge Education Associates	Ivydale Road SE15 3ED

EAZ Office

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Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 9 January 2005.

Constitution and principal activities

The Downham and Bellingham Education Action Forum is a corporate body and exempt charity established on 10 January 2000 under the School Standards and Framework Act 1998. This Act and its associated regulations are the primary governing documents for the Forum. Trustees of the Action Forum are nominated by all schools within the Education Achievement Zone (EAZ), local teaching and non teaching unions, Lewisham Education Authority (LEA), and the Secretary of State.

The principal activity of the Forum is to improve standards within the Schools that are part of its EAZ.

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, that the three main priorities for the Downham and Bellingham EAZ are to

- promote social inclusion in schools;
- promote teaching and learning; and
- create a wider community culture for learning.

Future prospects

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. As this period was completed on 9 January 2005 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

Going concern

In view of the cessation of the Forum's activities on 9 January 2005 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities have been transferred to a Zone school at net book value. No adjustments have been necessary to the net book values of assets held immediately prior to closure.

Organisation and objectives

The sole activity of the Forum is the operation of the Downham and Bellingham EAZ.

The operational management structure of the EAZ consists of a Project Director, a principal accounting officer and an administrative officer. The post of director constitutes the EAZ senior management team which reports to the Action Forum and its Executive Committee. The aim of the management structure is to involve schools and a range of partners and encourage involvement in decision-making at all levels.

- The present Trustees of the EAZ are set out on pages 2 to 3. All the Trustees were appointed on 1 April 2004 and served throughout the period.

Developments, activities and achievements

The Forum is in its fifth year of operation. During the first four years operation the Forum focussed on the development of key programmes, consolidating our partnership, management and administrative structures, processes and procedures and the sharing of good practice.

Throughout 2004-2005 the Zone has increasingly focused on the enhancement of leadership and management to ensure that achievement is raised across the Zone in a sustainable way, through the transformation process and beyond transformation.

The Action Plan for year 2003–2005 was agreed with the Department for Education and Skills (DfES) in September 2003. Now, with four full academic year cycles completed it can be clearly demonstrated that many of our programmes are significantly impacting on the lives of pupils, parents and staff.

Key areas of progress for Downham and Bellingham EAZ to date are outlined below.

1 Celebrating success - Our key achievements

Results indicate that our work in schools to raise attainment across the Zone is reaping very real rewards and we have much to be proud of.

The work of the EAZ is divided into three broad themes, however, our work should be seen as an integrated programme of activities with the aim of improving our schools, building expertise and helping our schools and communities develop to ensure they are not disadvantaged by social and economic deprivation.

2 Programme 1 – Social inclusion

This programme has been highly successful at supporting schools to identify and target pupils who are at risk of underachieving and helping to support both children and parents to improve attendance and punctuality.

Attendance

- EAZ primary schools have consolidated their monitoring systems for attendance, lateness and assessment which have now become standardised and routine throughout the Zone.
- Despite fears that the improvements in attendance across the Zone had reached a plateau the previous year the average improvement in attendance continues to improve with an average improvement of 1.5-2% however, in some schools the improvement was as much as 3%. Overall, Zone schools are improving at a higher and more sustained rate than the LEA average. This is demonstrates a steady increase and is indicative of an upward trend improvement.
- Funding from the neighbourhood renewal unit has helped schools to target particular pupils and families through additional programmes such as breakfast and lunchtime clubs. Improvements seen in individual children (average attendance below 75%) have seen improvements of up to 15% on baseline data. By using this additional funding to target specific families and pupils we have been able to demonstrate very real gains for the school and for individual pupils. We believe our work in this area, particularly with breakfast clubs, is helping to support initiatives around healthy lifestyles and to deliver increased partnership working with our health partners.

Mobility

- The Mobility Code of Practice adopted across the Zone previously has now become embedded.
- A package of support is now in place for all children and parents who enter Zone schools as casual admissions. Given the standardisation of this programme we are confident that this programme will leave a real and sustained legacy.
- The nature of the area the Zone operates within suggests that mobility will continue to be higher than the average in more affluent areas. However, all schools report the additional support given has helped to improve the integration of mobile pupils.

Behaviour management

- Through the neighbourhood renewal programme schools have received a wide ranging programme of support in behaviour management from individual therapies with targeted children to school wide behaviour management training and support to working with teachers and teaching assistants to help support them develop strategies to manage classroom behaviour more effectively.
- This work has now been extended to help support parents with issues around behaviour management. An educational psychologist is working on a pilot project with one of the Zone schools. Early indications suggest that this has been welcomed by parents and schools staff and we anticipate that this support programme will be rolled out to Zone schools identified as in need of this support.
- The above mentioned pilot has indicated a lack of support services for parents with low level mental and emotional health issues. The Zone will work with other partner agencies to help develop longer term support packages for parents and carers in need of this support.
- Nine Primary Schools have been supported through the lunchtime behaviour management programme with a total of over 60 staff benefiting from additional training and support this year.
- All schools supported have provided qualitative data which strongly supports the outcomes of the programme as supporting improvement of playground and classroom behaviour as a result of the support received.
- The Zone have continued to ask schools to measure the number of 'significant' incidences both within the classroom and outside in the playground. Reductions in the number of significant incidents have consistently been recorded year on year. Good practice has also been developed by schools as a result of this work and evidence from monitoring returns suggest that schools are targeting different interventions at specific pupils based upon when incidents are most likely to occur. This targeting is proving successful and is only possible due to the development of standardised monitoring systems.
- A central feature of the EAZ's behaviour management programme has been working closely with New Woodlands School to share good practice and provide direct experience in strategies to manage children's behaviour. A total of eight schools and 16 teaching and support staff have benefited significantly from this programme.

3 Programme 2 – Teaching and learning

Accelerated learning - Parents programme

Parents
A programme of work, funded through neighbourhood renewal, has enabled us to extend our work in this area with parents. The programme is designed to introduce parents to a particular topic e.g. transition, accelerated learning and then support them to access further information and support through their child's school through the parental liaison teacher. Over 150 parents have taken part in this programme this year.

The programme has also been developed to include smaller workshop type activities within primary schools. This has enabled parents to access information in a less formal setting as well as encouraging them into their children's school in a positive way.

Raising achievement in literacy and numeracy

Our Key Stage (KS)1, 2 and 4 programmes, which involve support from our Literacy and Numeracy Advisors has had a significant impact on targeted pupils.

- Over 300 pupils have been targeted and supported by the programme this year. As in previous years well over two thirds of the pupils taking part in the programme advanced by at least two levels in literacy and Numeracy, with almost 20% improving by four sub levels in literacy and well over 10% achieving the same progress in numeracy.

A process evaluation was undertaken on the programme this summer which highlighted the following added value impact of the programme

- It enhanced teachers professional practice.
- Teachers expressed a commitment to incorporating the newly learnt strategies into their practice.
- It provided additional tools to utilise in the classroom.
- Teachers valued the time spent with advisers and used the opportunity as time to test theories and ideas which is not usually afforded them.
- The learning teachers and teaching assistants gained through the programme would be built upon throughout their careers.
- There is quantitative evidence that targeted pupils progressed in literacy and/or numeracy beyond what had been predicted for them.
- Targeted pupils appeared to respond well to being set clear targets and gain great personal satisfaction in achieving them.
- The programme helped to increase the confidence of teachers in specific subject teaching.
- Teachers stated that the programme helped to enhance their skills in areas such as target setting and focused teaching methods.
- The programme has helped to introduce preventive elements into teaching and learning by ensuring that pupils vulnerable to underachieving are supported to achieve to their best potential.

Leadership

Leadership and Management have become an increasing priority for the EAZ. In 2004-2005 an exciting individual pupil-tracking programme has been embedded in many of our schools and an Assessment Co-ordinators network is continuing to develop this work. Cutting across all of our programmes the Leadership and Management programme has supported schools to address a number of key issues: self evaluation, transition, mobility, reducing workload, development of non teaching staff, development of teaching staff and the development of effective management teams within our schools.

4 Programme 3 - Learning plus

The EAZ has made significant progress in developing our support to communities, families, schools and pupils in this area. By successfully securing further Neighbourhood Renewal funding (2004-2006) the EAZ has been able to substantially develop this programme. We have built upon the successes of the previous years and included new elements into this programme of support to our schools and community. Key successes this year include

- A comprehensive family learning programme including ICT and basic skills training for parents leading to accredited courses.
- The development of a strategic programme to integrate an enriched arts and drama curriculum to ensure that our previous success is this area is maintained and built upon. Through the development of this strategy we will ensure that a range of arts become incorporated into mainstream educational provision.
- The embedding of the parents' support programme linking parents with key teaching personnel in targeted schools. This has helped to increase parental involvement in these targeted schools.
- The further development of our speech and language programme, in partnership with Lewisham Primary Care Trust, to include significant group work with parents to help support them to help their children's speech and language development.

5 EAZ wide achievements

Other achievements over the lifetime of the Zone include

- A real commitment from schools and partner agencies to the development and management of the Zone.
- A commitment from colleagues to support the newly developed Sage Educational Trust which will take over the operation of current and new Zonal activities from January 2005.
- The commitment from many of our Headteachers and partners to become Trustees of the Sage Educational Trust.
- A commitment to tracking and monitoring the progress of participants in EAZ programmes.
- The implementation of real partnership working at an operational and strategic level.
- The embedded nature of strong collegial working amongst EAZ schools, including our primary, secondary and special schools. This will, we believe, be a lasting legacy of the EAZ.
- Achievement of the majority of the interim targets set for our three main programmes.
- The principle of monitoring facts, and searching out more accurate or specific data is becoming a way of life throughout the Zone. This data provides a platform from which the Zone has developed focused, multi agency services, which are effective, at the lowest possible cost and increased value for money.
- A recent review of the EAZ's parental involvement strategy action plan has helped us to identify gaps in provision and indicate where developments need to be implemented e.g. support programmes for male parents and carers.
- The continuation of NRF funding has enabled the EAZ to increase the number of partnerships the EAZ engages with as well as allowing us to maintain and develop stronger partnership with existing partners. This has strengthened a local infrastructure of providers that will be a further legacy of the Zone.
- The EAZ have been a key player in the development of the Downham Neighbourhood Management Board. The Downham Neighbourhood Management Board will be an important decision making body locally and will aim to ensure that mainstream provision is shaped more towards localities and neighbourhoods and that decisions taken regarding resource allocation are based on local need.

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 2004-2005 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The EAZ also received other restricted grants from the DfES of £10,958 of which £4,500 was for Gifted and Talented Summer School.

During 2004-2005 the EAZ received no cash donations from commercial sponsors.

Expenditure for the period was covered by grants from the DfES and other income and the excess of expenditure over incoming resources for the period is £95,581.

No funding was received for Excellence Challenge projects.

The EAZ has no fixed assets.

Fund review

When the EAZ ceased to operate on 9 January 2005 its fund balances were nil. Fund balances existing prior to this date were utilised in fulfilment of the Zone's objectives. Immediately prior to cessation £72,042 was transferred to Sage Educational Trust, which has been nominated as successor body committed to overseeing any outstanding matters. To achieve its Action Plan objectives the EAZ remained dependent on the provision of grants from both the DfES and commercial sponsors.

Connected organisations

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

Athelney Primary School	Athelney Street, SE6 3ED	DfES No: 2023
Coopers Lane School	Pragnell Road, SE12 OLF	DfES No: 2127
Downderry Primary School	Downderry Road, BR1 5QP	DfES No: 2163
Elfrida Primary School	Elfrida Crescent, SE6 3 EN	DfES No: 2197
Forster Park Primary School	Boundfield Road, SE6 1PQ	DfES No: 2225
Good Shepherd RC Primary School	Moorside Road, BR1 5EP	DfES No: 3344
Haseltine Primary School	Haseltine Road, SE26 5AD	DfES No: 2289
Launcelot Primary School	Launcelot Road, BR1 5EA	DfES No: 2374
Marvels Lane Primary School	Riddons Road, SE12 9RA	DfES No: 2403
Merlin Primary School	Ballamore Road, BR1 5LW	DfES No: 2463
Rangefield Primary School	Glenbow Road, BR1 4RP	DfES No: 2491
Rushey Green School	Culverley Road, SE6 2LA	DfES No: 2529
St Augustine's RC Primary School	Dunfield Road, SE6 3RD	DfES No: 3416
St John Baptist CE Primary School	Beachborough Road, BR1 5RL	DfES No: 3472
Torridon Junior School	Torridon Road, SE6 1TG	DfES No: 2605
Torridon Infants School	Torridon Road, SE6 1TG	DfES No: 2606
Bonus Pastor RC Secondary School	Winlaton Road, BR1 5PZ	DfES No: 4802
Catford Girls Secondary School	Bellingham Road, SE6 2PS	DfES No: 4249
Malory Secondary School	Launcelot Road, BR1 5EB	DfES No: 4274
Sedgehill Secondary School	Sedgehill Road, SE6 3QW	DfES No: 4267
Pendragon Secondary School	Pendragon Road, BR1 5LD	DfES No: 7105
New Woodlands Primary School	Shroffold Road, BR1 5PD	DfES No: 7141

The EAZ is working closely with its partnership schools, LEA private and other public sector partners to achieve the Action Forum's objectives.

The Action Forum has also contracted with the LEA to provide legal, personnel, insurance and pension 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

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into the Lewisham Excellence Cluster. There were no redundancy costs or early retirement costs.

Reserves policy

The Action Forum has built up restricted reserves of DfES grant in accordance with the DfES guidelines. Where the Action Forum has unrestricted reserves, it is the Forum's policy to apply these reserves to both the social inclusion and out of school learning programme.

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 through a comprehensive review, which 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 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 period ended 9 January 2005 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

As the Forum ceased on 9 January 2005 the system of internal control reflected the requirement to identify, evaluate and mitigate the principal risks associated with closure, including

- loss of key staff; and
- cashflow monitoring

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2001-2002 the Forum established the following processes

- identification of the Forum's objectives and key risks;
- the establishment of systems and procedures to mitigate the risks identified in the plan;
- 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.

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 basis that the Forum's activities were ceasing.

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 24 February 2005 and signed on its behalf by

A J Harrington 24 March 2005
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 16 to 28 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 20 and 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 Trustees' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

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

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

Following the passing of the Downham and Bellingham Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 10 January 2005. Accordingly as explained in the Trustees' Report and note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Downham and Bellingham EAZ at 9 January 2005 and of its incoming resources, application of resources and cash flows for 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

4 April 2005

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Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted funds £000	Restricted funds DfES £000	Restricted funds Other £000	Fixed assets £000	**Total Period 2004-2005 £000**	Total Year ended 2003-2004 £000
Incoming resources							
DfES grants receivable	2,3	0	767	11	0	**778**	959
Private sector contributions	4	190	0	0	0	**190**	461
Public sector contributions	4	108	0	118	0	**226**	479
Other income	5	40	0	0	0	**40**	45
Total incoming resources		338	767	129	0	**1,234**	1,944
Resources expended							
Costs of generating funds	6	0	22	3	0	**25**	46
Net incoming resources for charitable application		338	745	126	0	**1,209**	1,898
Charitable expenditure							
Costs in furtherance of charitable objectives							
Provision of education	6	0	51	0	0	51	97
Education support costs	6	332	212	89	0	633	1,098
Grants payable	6	0	485	17	0	502	518
Management and administration	6	0	96	20	0	116	171
Total charitable expenditure		332	844	126	0	**1,302**	1,884
Costs of termination of operations	6/8	3	0	0	0	**3**	0
Total resources expended		335	866	129	0	**1,330**	1,930
Net incoming/(outgoing) resources before transfers		3	(99)	0	0	**(96)**	14
Transfers between funds		0	0	0	0	**0**	0
Net movement in funds		3	(99)	0	0	**(96)**	14
Fund balances brought forward at 1 April 2004		62	99	7	0	**168**	154
Transfer of funds to the Sage Educational Trust	8	(65)	0	(7)	0	**(72)**	0
Fund balances carried forward at 9 January 2005	16,17	0	0	0	0	**0**	168

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.

All items dealt with in arriving at the Net Movement in Funds for 2004-2005 relate to discontinued operations.

Further analysis of the income and expenditure for the period 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 28 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

	Notes	**Period 2004-2005 £000**	Year ended 2003-2004 £000
Income			
DfES EAZ recurrent grant	2	**767**	950
Other DfES grants	3	**11**	9
Private sector contributions	4	**190**	461
Public sector contributions	4	**226**	479
Other income	5	**40**	45
Total income		**1,234**	1,944
Charitable expenditure			
DfES EAZ grant expenditure	6	**845**	895
Other DfES grant expenditure	6	**0**	9
Other government grant expenditure	6	**0**	0
Depreciation	6	**0**	0
Other expenditure	6	**457**	980
Total charitable expenditure		**1,302**	1,884
Costs of generating funds	6	**25**	46
Costs of termination of operations	6/8	**3**	0
Total resources expended		**1,330**	1,930
Excess of expenditure over income		**(96)**	14
Net transfers to/from funds			
DfES EAZ fund	16	**(99)**	16
Other restricted funds	16	**0**	(9)
Unrestricted funds	17	**3**	7
Net movement in funds		**(96)**	14

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 28 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 expenditure over income for the period ended 2004-2005 relate to discontinued 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 9 January 2005

	Note	**9 January 2005 £000**	31 March 2004 £000
Fixed assets			
Tangible assets	12	**0**	0
		0	0
Current assets			
Debtors	13	**0**	186
Cash at bank and in hand		**0**	99
		0	285
Creditors: amounts falling due within one period	14	**0**	117
Net current assets		**0**	168
Net assets		**0**	168
Funds			
Restricted funds	16	**0**	106
Unrestricted funds	17	**0**	62
		0	168

The notes on pages 20 to 28 form part of these accounts.

The financial statements were approved by the Forum on 24 February 2005 and signed on its behalf by

A J Harrington 20 March 2005
Chairman

Cash Flow Statement for the period ended 9 January 2005

	Note	**Period 2004-2005 £000**	Year ended 2003-2004 £000
Operating activities			
Receipts			
Recurrent EAZ grant received from DfES		**767**	950
Other receipts from DfES		**13**	9
Other government grants		**0**	0
Private sector sponsorship		**0**	0
Public sector sponsorship		**294**	295
Other receipts		**44**	34
		1,118	1,288
Payments			
Staff costs		**213**	255
Other cash payments		**881**	1,294
Net cash inflow/(outflow) from operating activities	21	**24**	(261)
Returns on investments and servicing of finance			
Interest received		**4**	2
Interest paid		**0**	0
		4	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
3rd Party Funds			
Monies received		**6**	55
Monies paid		**(61)**	0
		(55)	55
Transfer of funds to the Sage Educational Trust		**(72)**	0
Increase/(decrease) in cash in the period		**(99)**	(204)

The notes on pages 20 to 28 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 United Kingdom, the Statement of Recommended Practise (SORP 2000), Accounting and Reporting by Charities published in October 2000 and the Charities Act 1993.

Basis of accounting

The Forum came to the end of its statutory five year life on 9 January 2005. The Trustees therefore consider it inappropriate to prepare the financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

Income received for specific purposes, e.g. Grants, are included in the Income and Expenditure Account to the extent of the relevant expenditure incurred in the period. Income received for specific purposes but not matched to relevant expenditure during the period is shown as a restricted reserve on the balance sheet. The annual EAZ grant from the DfES, which is intended to meet recurrent costs, is credited direct to the Income and Expenditure Account.

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 the private sector. These contributions are brought into the accounts at a reasonable estimate of their value to the Forum. 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 costs 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 Downham and Bellingham EAZ, and indirect charitable expenditure reflects the costs of management and administration necessary for the operation of the EAZ. No single items of expenditure involve more than one cost category.

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. Where tangible fixed assets have been acquired with the aid of grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Such fixed assets are shown within a restricted fund, as the undepreciated balance is not available to the Forum to spend.

Investments

The Zone has a deposit account which earns interest on funds not in use.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to the Sage Educational Trust to meet outstanding liablities as directed by the Secretary of State for Education and Skills.

Taxation

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

Pensions

Past and present employees are members of the London Borough of Lewisham Pension Scheme. The scheme is a funded defined benefits scheme.The cost of providing the pension benefits is charged to the Operating Cost Statements on a systematic basis over the period during which benefit is derived from the employee's service. The employer's contribution for the period was 12.75%.

One employee of the EAZ is a member of the Teachers' Pensions Schemes. The scheme is a funded defined benefits scheme. The cost of providing the pension benefits is charged to the Operating Cost Statements on a systematic basis over the period during which benefit is derived from the employee's service.The employer's contribution for the period was 13.5%.

2 DfES EAZ grant

	Period 2004-2005 £000	Year ended 2003-2004 £000
DfES grant received in period	**767**	950
Carry over from previous period	**99**	83
Total grant available to spend	**866**	1,033
Spent in the period	**866**	934
Underspent grant	**0**	99
Maximum permitted carry over level	**0**	85
Excess grant to surrender	**0**	0

The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern.

3 Other DfES grants

	Period 2004-2005 £000	Year ended 2003-2004 £000
Gifted and talented summer schools	**5**	9
Other	**6**	0
	11	9

4 Business contributions

	Cash £000	In Kind £000	**Total Period 2004-2005 £000**	Total Year ended 2003-2004 £000
Private sector contributions				
Various local companies - work placements	0	175	**175**	272
Various private companies/volunteers	0	15	**15**	140
Tudor Trust	0	0	**0**	26
Wauton Samuels	0	0	**0**	23
	0	190	**190**	461
Public sector contributions				
Neighbourhood Renewal Fund	118	0	**118**	350
Various	0	108	**108**	129
	118	298	**416**	940

During the period 1 April 2004 to 9 January 2005 private individual time was donated at a value of £47,332.

5 Other income

	Period 2004-2005 £000	Year ended 2003-2004 £000
Interest receivable	**4**	2
Sundry income	**36**	43
	40	45

6 Total resources expended

	Staff costs £000	Depreciation £000	Other costs £000	**Total Period 2004-2005 £000**	Total Year ended 2003-2004 £000
Direct provision of education	0	0	51	**51**	97
Education support costs	97	0	536	**633**	1,098
Grants payable*	0	0	502	**502**	518
Management and administration	96	0	20	**116**	171
Costs of generating funds	13	0	12	**25**	46
Cost of termination of operations	0	0	3	**3**	0
	206	0	1,124	**1,330**	1,930
Of which					
DfES grant expenditure	122	0	723	**845**	895
Other DfES grant expenditure	0	0	0	**0**	9
Other government grant expenditure	0	0	0	**0**	0
Depreciation	0	0	0	**0**	0
Other expenditure	71	0	386	**457**	980
Costs of generating funds	13	0	12	**25**	46
Cost of termination of operations	0	0	3	**3**	0
	206	0	1,124	**1,330**	1,930

* In 2004-2005 the Zone paid the following grants to schools

	Total 2004-2005 £000	Total 2003-2004 £000
Athelney Primary School	**36**	22
Coopers Lane Primary School	**34**	29
Downderry Primary School	**30**	24
Elfrida Primary School	**38**	29
Forster Park Primary School	**29**	24
Good Shepherd Primary School	**16**	10
Haseltine Primary School	**35**	31
Launcelot Primary School	**28**	22
Marvels Lane Primary School	**30**	24
Merlin Primary School	**31**	24
Rangefield Primary School	**19**	14
Rushey Green School	**21**	15
St Augustine's School	**22**	21
St John Baptist Primary School	**20**	13
Torridon Juniors School	**23**	28
Torridon Infants School	**13**	21
Bonus Pastor Secondary School	**13**	17
Catford Girls Secondary School	**36**	50
Malory Secondary School	**9**	27
Pendragon (Special School)	**16**	0
Sedgehill Secondary School	**3**	62
L.Y.W.R.P.	**0**	10
Bankside Gallery	**0**	6
S.Y.P.H.P.	**0**	(5)
	502	**518**

7 General expenditure

Included in expenditure in the income and expenditure accounts and in other costs above are

	Period 2004-2005 £000	Year ended 2003-2004 £000
Educational supplies and services	**1,110**	1,647
Occupancy costs	**2**	5
Supplies and services	**6**	13
Operating lease rentals	**0**	0
Auditor's remuneration	**6**	6
Trustees' expenses	**0**	0
Ex-gratia payments	**0**	0
Miscellaneous	**0**	0
	1,124	1,671

8 Costs of termination of operations

	Period 2004-2005 £000
Amounts transferred to Sage Educational Trust re unspent Zone Funds	**72**
Amounts transferred to Sage Educational Trust re residual Zone liabilities	**70**
Amounts transferred to Sage Educational Trust re funds held on behalf of 3rd parties	**39**
Amounts transferred to Sage Educational Trust re residual Zone debtors	**(83)**
Amount due to the Sage Educational Trust	**98**

The cost of temination of operations in this note differs from that disclosed elsewhere in the accounts due to

- the inclusion of the amounts transferred to Sage Educational Trust to met the Zone's residual liabilities;
- the transfer of unspent funds to the Sage Educational Trust; and
- the transfer of money held on behalf of third parties.

9 Staff costs

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

	Period 2004-2005 £000	Year ended 2003-2004 £000
Management	**1.0**	1.0
Administration	**2.0**	3.0
Marketing	**1.0**	1.0
ICT Technician	**1.0**	1.0
Teachers	**3.0**	3.0
Total employees	**8.0**	9.0

	Period 2004-2005 £000	Year ended 2003-2004 £000
Staff costs for the above persons		
Wages and salaries	**178**	222
Social security costs	**16**	20
Other pension costs (see note 15)	**12**	14
Total staff costs	**206**	256

No employee earned more than £50,000 during 2004-2005.

	Period 2004-2005	Year ended 2003-2004
£50,001 - £60,000	**0**	1

10 Emoluments of Trustees

	Period 2004-2005 £000	Year ended 2003-2004 £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 9 January 2005 totalled £nil. Travel and subsistence expenses were paid to no Trustees during the period.

Interests in transactions

No payments were made by the EAZ during the period to any related parties.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £5,000,000 on any one claim and the cost for 2004-2005 was £2,849 (2003-2004: £2,625).

The Forum also insures against any losses of money or goods resulting from fraud or dishonesty by Forum employees. The insurance provides cover up to £250,000 and the cost for 2004-2005 was included in the overall cover.

12 Tangible fixed assets

The EAZ had no fixed assets at 9 January 2005.

Tangible fixed assets acquired for use in Zone schools have been gifted to the schools.

The costs of the items have been treated as expenditure in the year of acquisition and no record is maintained in the balance sheet.

13 Debtors

	9 January 2005 £000	31 March 2004 £000
Sundry debtors	**0**	94
Accrued income	**0**	90
Amounts due from DfES	**0**	2
	0	186

14 Creditors: amounts falling due within one year

	9 January 2005 £000	31 March 2004 £000
Taxation and social security	**0**	7
Trade creditors	**0**	49
Sundry creditors	**0**	55
Accruals and deferred income	**0**	6
	0	117

15 Pensions and similar obligations

	2004-2005	2003-2004
	£000	£000
Other pension costs comprise		
Defined benefit scheme - regular cost	**12**	14
Defined contribution scheme	**0**	0

The Zone's employees belong to the following pension schemes

Teachers' Pension Scheme (England and Wales)

Nature of scheme	**Defined benefit scheme**	
	£000	£000
Zone's contribution rate in 2004-2005	13.50%	13.50%
Zone's contribution in 2004-2005	3	3

The Teachers' Pension Scheme is an unfunded 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. 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.

London Borough Of Lewisham Superanuation Scheme

Nature of scheme	**Defined benefit scheme**	
	£000	£000
Zone's contribution rate in 2004-2005	12.75%	12.75%
Zone's contribution in 2004-2005	9	10

The London Borough of Lewisham Superanuation Scheme is a multi-employer scheme. Contributions are actuarially valued every three years. The date of the last full actuarial valuation was 31 March 2004 at which date the scheme was 76% funded.

16 Restricted funds

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

	Balance at 1 April 2004 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	**Balance at 9 January 2005 £000**	Balance at 31 March 2004 £000
DfES recurrent grant	99	767	(866)	**0**	99
DfES gifted and talented school	0	5	(5)	**0**	0
Other DfES	0	6	(6)	**0**	0
Other	7	118	(125)	**0**	7
	106	896	(1,002)	**0**	106

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

17 Unrestricted funds

	Period 2004-2005 £000	Year ended 2003-2004 £000
Brought forward at 1 April 2004	**62**	55
Excess of income over expenditure	**3**	7
Transfer of funds to the Sage Education Trust	**(65)**	0
Carried forward at 9 January 2005	**0**	62

18 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	**Total Period 2004-2005 £000**	Total Year ended 2003-2004 £000
Tangible fixed assets	0	0	**0**	0
Current assets	0	0	**0**	285
Current liabilities	0	0	**0**	(117)
	0	0	**0**	168

19 Capital commitments

As at 9 January 2005 there were no capital commitments (nil at 31 March 2004).

20 Lease commitments

As at 9 January 2005 there were no lease commitments (nil at 31 March 2004).

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

	Period 2004-2005 £000	Year ended 2003-2004 £000
Net incoming resources	**(96)**	14
Interest received	**(4)**	(2)
Depreciation	**0**	0
Deferred grant released to income	**0**	0
(Increase)/decrease in stocks	**0**	0
(Increase)/decrease in debtors	**186**	(65)
Increase/(decrease) in creditors	**(62)**	(208)
Net cash (outflow)/inflow from operating activities	**24**	(261)

The movement in creditors excludes £55,000 held at 31st March 2004 on behalf of the Downham Arts Consortium which does not relate to Zone activity.

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 Downham and Bellingham Education Action Zone and are in force for the financial year for which the statement of accounts is to be prepared.

4 The statement of financial activity, income and expenditure account and balance sheet shall be prepared under the historical cost convention. Assets and liabilities shall be included in the balance sheet at the following amounts

   a fixed assets at cost (or valuation) less an appropriate provision for depreciation;

   b fixed asset investments at market value;

   c current assets (other than investments) at the lower of cost and net realisable value; and

   d liabilities at their settlement value.

5 The value of contributions from business, both assets and services, should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.

6 This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Secretary of State for Education and Skills.

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

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DG Ref: F24330 5599WC

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
08/05

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