

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 Harwich and Clacton 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. 1045 of 2003-2004)

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

Clacton and Harwich Education Action Zone Account 1 April 2004 to 9 January 2005

ORDERED BY THE HOUSE OF COMMONS TO BE PRINTED 19 MAY 2005

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Legal and Administrative Information

Trustees

Mr P Davis	Chairman
Mr M Fitton	ABK
Mr C Insley	Capita
Mr D Anderson	LEA
Chief Supt D Hudson	Essex Police
Ms J Smith	LEA
Mr R Stewart	TDC
Mr C Seward	Tendring PCT
Cllr M Page	Council Rep

Headteachers

Mrs H Allen	
Mrs F Booker	
Mrs D Carter	
Mr J Clay	
Mr M Davies	
Mr C Dunnington	
Miss J Froggatt	
Ms L Gildea	
Mr P Halliday	
Mr S Livingstone	
Mrs T Macleod	
Mr S Morgan	
Mrs M North	
Mrs J O'Brien	
Mr T Palmer	
Mrs D Patten	(to 31 August 2004)
Mrs P Blackwell	(from 1 September 2004)
Mr N Pavitt	
Mrs G Green	
Mrs S Worthington	
Mrs R Farrelly	
Mr P Tayler	
Mrs A Tingey	
Mrs L Trotter	
Mrs C Watkins	
Mrs C Reece	
Mrs V Jackson	Project Sponsor ICT
Mr M Bright	Governor Rep
Mr S Ross-Pearce	Teacher Rep
Mr P Naidoo	Zone Director

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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 Forum is a corporate body and exempt charity established on 10 January 2000 under the 1998 School Standards and Framework Act. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum comprise the Headteachers of all 24 schools who signed up to be part of the Zone (Bishops Park College as a new school officially joined in December 2002), together with representatives from each original business partners and stakeholders including the LEA, District Council, Police and DfES. The Forum was extended to include two teachers from the Zone schools and three sixth form pupils.

The principal activity of the Forum continues to be the improvement of standards across the schools.

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, five key strands of activity, designed to address the salient challenges faced by the Zone's pupils. The strands comprise of

- Basic Skills – to improve the fundamental educational building blocks, focusing primarily on early years but with application throughout the age range as necessary to address significant gaps in skill levels;
- Teaching and Learning – to identify and implement tried and tested as well as innovative approaches to enhance pupil attainment at all four Key Stages(KS);
- Leadership and Management – to help Headteachers and senior staff manage schools as effectively as possible, using relevant management information systems and quality management approaches;
- ICT – recognising the need to bring all schools in the Zone up to at least a minimum standard of information technology infrastructure and in their use of appropriate software to ensure that ICT is an integral part of teaching and learning across the curriculum; and
- Community Enrichment – addressing the fact that many of the influences on pupils arise from the wider environment. Family and community issues, along with health, all impact on pupils' attitudes and commitment to learning. A multi-agency approach is designed to launch a series of activities to improve the community environment as it relates to 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 Zone schools 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 Clacton and Harwich EAZ. The operational management structure of the EAZ consists of a Project Director, supported by a Personal Assistant, a part time bursar, a team of three experienced teachers (Teaching Skills Team) and a Recruitment and Retention Officer. Further support is bought in on a consultancy basis to provide project management to the five key project strands. These posts form the central EAZ team. The overall monitoring and deployment of the Zone's Action Plan, whilst ultimately the responsibility of the Forum, is undertaken through a conventional programme management structure. A Programme Board, chaired by the Zone Director and comprising a representation of Headteachers and external partners, oversees the progress of the Action Plan, decides any salient changes to resources and direction and provides a steer to individual project boards, particularly when planning the following year's activities. Each of the five key projects is led by a project sponsor and supported by a project board comprising a range of Headteachers, senior teachers and external partners. Additionally, a Finance and Audit committee has oversight of and supports the Zone Director on the financial operations of the Zone.

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

The Trustees of the EAZ during 2004-2005 are set out on page 2. All of the Trustees were appointed in April 2000 unless otherwise indicated.

Developments, activities and achievements

The Action Plan year 2004-2005 represents nine months of an implementation programme across Zone schools. This Plan for the Zone has continued with the original philosophy and remains based on the five fundamental projects outlined in the section 'Constitution and Principle Activities'.

The Action Forum throughout has been committed to a transparent and rigorous process of monitoring and evaluation. All Project Boards have been responsible for monitoring progress against project targets and expected outcomes. Regular reports have been produced and presented at every Forum meeting and annually a synopsis sent to the DfES and stakeholders.

A range of external project evaluators including colleagues from HE, LEA and voluntary organisations have been commissioned to assess performance of projects over the five year life of the Zone. With regular Ofsted inspections taking place in schools, each having a specific focus on Zone added value, significant data has been gathered with which to review performance and inform future planning at Zone and institutional levels.

The following information is a celebration of achievement in each of the five key project areas and provides only a partial image of the full impact of an energetic and committed Zone community 'achieving more'. Detailed evidence on these highlights and on the many other initiatives unable to be reported in this document is available in the comprehensive Zone Impact Database available from the Central Team.

The picture below summaries the many activities and their outcomes

Teaching and learning

Raising the quality of teaching

- all 24 schools using Zone Professional Development Portfolios (PDPs) for both teachers and support staff;
- all teachers in receipt of the Zone Teacher Competency Model (TCM) and using it to inform professional development decision making;
- 60% of schools report middle to high impact of PDP and TCM tools;
- nine schools benefit from the Zone Peer Support Programme with TSTs spending extended periods of time with key staff in both primary and secondary schools;
- ten INSET packages created and delivered by TST team in 90% of Zone schools
 - * INSET packages delivered by TST team rated as good or excellent by 90% of participants
 - * Ofsted report on a secondary school having received INSET and targeted programme of Peer Support from TSTs "Teaching and Learning are good overall and better than at the last inspection. Examples of good teaching were seen in all subjects and of very good teaching in most."
- Register of Good Practice created and over 50 ASTs and others being used across the Zone to achieve excellence in classroom practices;
- 40% of Headteachers report Zone activity has had a major impact on the quality of teaching;
- 60 students attend Maths Master Classes;
- over 50 teachers benefit from Peer Support provided by members of the TST Team; and
- a Headteacher reports "Staff retention was definitely enhanced directly as a result of this subtle and discreet support...Thank you".

Raising the quality of learning

- 'Critical Skills' programme delivered to over 100 Teachers and LSAs by TSTs
 - * Ofsted Report, "very effective learners are being created through this approach"
- 'Let's Think' programme delivered to over 60 Teachers and LSAs by TSTs in partnership with Kings College University of London
 - * Teacher reports "the best training I've ever been on"
- 225 students in three secondary schools undertake ABC project.

Typical comments from parents include "There has been a complete change in him since he has been on the programme".

- Over 600 Zone students in Yrs 10/11 experienced up to four days a week off school site on the applied learning vocational programme called P3;
- 45,000 P3 student training days over two years leading to
 - 93 NVQ Level 1s achieved;
 - 15 NVQ Level 2s achieved; and
 - 95% + of P3 cohort of students remain in learning Post 16 (baseline in 2000 less than 70%)

- * External Evaluation reports, "There is strong evidence that this programme has turned around the lives of the majority of the P3 participants"
- over 200 children attend cross phase gifted and talented summer schools
 - * External evaluation "The Summer School was the best I have ever seen"
- over 300 KS4 students and their parents/carers visit HE/FE sites as part of Aim Higher programme (formerly Excellence Challenge).

Basic skills

Improving the rates of acquiring literacy and numeracy skills

- all KS1 pupils in 16 primary schools participating in Early Reading Research (ERR programme);
- over 2,000 children assessed annually in ERR programme;
- all secondary schools build ERR into their 'catch up' literacy programme;
- percentage of Zone children 12 months or more in advance of their chronological reading age YrR 31%, Yr1 42%, Yr2 38%
 - * Ofsted Reports "The ERR initiatives have been very successful in building up a solid knowledge of letter sounds"
- Pilot Early Numeracy Research (ENR programme) introduced in two primary schools.

Reducing the 'drop off' in performance when transferring to secondary school

- since 2002 all students entering secondary education have agreed literacy targets (600+ per year);
- comprehensive training programme for all Year 6 and Year 7 English teachers in Zone to support monitoring and development of pupil performance; and
- process, documentation and website used by colleagues in other parts of Essex and the country.

Implementing an effective family learning programme

- over 200 courses run ranging from ICT, literacy, numeracy to poetry organised with partners Tendring Adult and Community College and Workers Education Association;
- over 1,500 parents/carers have participated; many taking advantage of crèche facilities provided;
- over 70 people moved back into learning from taster courses and progress up to NVQ Level 2;
- financial support provided for examination entries; and
- retention rates over the five years in excess of 95%.

Gaining accreditation of the Basic Skills Award

- five schools achieved accreditation;
- 80% of Zone schools have committed to achieving the Award; and
- project sponsor accredited as BSQA Assessor.

Leadership and management

Enhancing the knowledge and skills of leadership teams

- ten senior leadership programmes (up to five days in length) run in partnership with external providers such as the Dale Carnegie organisation and the Pacific Institute;
- all Headteachers completed either NPQH or NPSH national training programmes;
- four leadership training days held as part of Annual Training Day attracting international speakers e.g. Kris Akabussi, John McBeath, Neil Griffiths;
- LEA run Ofsted based school self evaluation programmes for all Zone schools;
- 150 workshops held over five years on Zone Training Day. Course evaluations (average 75% returned) very positive with very good or better responses rarely below 70% in relation to the quality of the delivery of workshops; and
- study visit for Headteachers undertaken to Chicago USA, to research, plan and implement 'world class' leadership development programmes.

Equipping all schools with relevant and effective management information

- all schools supported in developing their own management information systems within the context of national and county priorities and services; and
- continuous School Improvement (CSI) software and training purchased for all schools to support school self evaluation and performance management processes.

Supporting the recruitment and retention of staff

Nursery established and 15 places taken up by teachers from Zone schools

- recruitment and retention officer appointed;
- website established and used as a key tool for communication for existing and prospective staff;
- recruitment and retention brochure created and used around the country at HE fairs; and
- popular Zone social programme established for newly appointed and existing staff with activities ranging from Salsa dancing to Indian head massage.

In addition to the above, specific funding for additional staffing was provided to schools with 'serious weaknesses' or in 'special measures' to boost the capacity of leadership teams to address their challenging circumstances.

Information and communications technology

Providing a high quality reliable ICT platform

- a common platform was established in all Zone schools to national target ratios by 2001 (Computers for pupils in KS1, KS2 and KS3/4);
- funding in excess of £1,000,000 allocated to the purchase of hardware and software providing the common platform and curriculum computer networks in all schools;
- technical support provided exclusively for Zone schools for five years;
- 18 primary schools operating advanced Community Connect 3 networks and running servers using Windows XP operating systems;
- installation of ISDN 2 in all Zone schools;

- administration staff trained in use of electronic communication
 - * Essex LEA recognise that 'all Zone secondary schools have extensive ICT networks operating well above the national standard ratio requirements'
- all Headteachers confident in the use of Zone provided laptops and communicate with the central team through a Zone website.

Improving teaching and learning through the use of ICT and enabling all schools to deliver the requirements of the National Curriculum effectively

- comprehensive training programme for ICT leaders in schools;
- comprehensive training programmes for teaching and non teaching staff including over 40 workshops on annual Zone Training Days and New Opportunities Fund training;
- 25 Interactive Whiteboards installed in schools;
- all Zone primary schools using Easyteach software to support curriculum delivery;
- over 100 teachers and LSAs trained in the use of Interactive Whiteboards (150 Interactive Whiteboards currently in use in Zone);
- 12 Zone schools complete 30 hour Pearson's 'Curriculum Support' training packages for LSAs;
- over 400 teachers and support staff have attended training programmes run in partnership with external providers e.g. RM, Intel, Pearson's, Capita;
- 100 RM Interactive Learning Systems purchased and staff trained in their use across the Zone schools; and
- three schools pilot the use of tablet PC's and wireless projectors.

Ofsted comments on primary schools

"There has been very good improvement in all aspects of ICT since the previous inspection".

"Provision in ICT is very good and all pupils now have regular opportunities to develop and extend their skills in all curriculum areas".

Ofsted comments on secondary schools

"The numbers of computers is well above average for a school of this size "ICT developments have been well supported through EAZ funding and teachers use facilities well in lessons to demonstrate to pupils particular skills and techniques."

Community enrichment

Advertising community based factors influencing underachievement

- conducted major audit partnership with Joseph Rowntree Foundation (Communities That Care – CTC) to identify risks to young people;
- established the Plus Programme (formerly Clacton Plus) that
 - tackled the underlying causes of crime;
 - delivered preventive actions developed as a result of the audit; and
 - engaged health, education, police, social services and regeneration agencies in multi agency task groups
- Plus Action Team has grown from seven to 27 members now covering the most deprived wards across the whole of the Tendring District
 - * Police report "crime rates down by 30% - area rate now at or below the average for the District"; and
 - * External funding attracted for youth inclusion schemes tops £0.5 million
- joint service centres for community use being developed in secondary schools
 - * Multi Agency Plus team report "increased take up in community activities, more partnerships working on project and exciting new initiatives impacting on the quality of community life"
- Community Enrichment Conference held in 2004 attracting over 50 private and voluntary sector stakeholders.

Reducing level of absenteeism and disruptive behaviour in classrooms

- direct intervention model with most challenging parents and children implemented by Pupil Support Staff (full and part time)
- over 40 volunteer mentors identified trained and working with challenging families and children (over 3,800 mentoring hours completed)
 - * Ofsted Report on primary school states "the mentor intervention is an excellent example of involvement with the community and support for vulnerable children"
- twenty families and over fifty children engaged through the Plus Project. They were referred through schools and other agencies for anti social behaviour, non-attendance, need for respite care, for example
 - * Schools report "the referral process is very successful and having a major impact on some of the most challenging families in our schools"
- localised support and training for staff working with Looked After Children (LAC) with LSA's running lunchtime clubs and providing additional support
 - * A Looked After Child reports, "this helps us sort stuff out with teachers and social workers and carers so I can think straight"
- over 250 parents engaged in Parent Community programmes including support groups and the Bits n Bobs recycling projects gaining social skills and confidence to take greater ownership of their lives. 47 trained as volunteers and now supporting other families.

Operating and financial review

Commercial sponsorship has been secured well above the required level of £250,000 for the period.

External cash funding streams have been pursued. Approximately £209,000 was attracted in 2004-2005.

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

Most of the Education Action Zone's income is obtained from the Department for Education and Skills 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 Education Action Zone also received other restricted grants from the Department for Education and Skills.

Expenditure for the period was covered by grants from the DfES and other income and there was a shortfall of incoming resources over resources expended which was covered by retained earnings brought forward. There was a retained earnings figure from the previous year of £98,000.

At 9 January 2005 the net book value of fixed assets was nil and movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the EAZ.

Grants payable

The Zone paid grants to schools where

- schools have identified a particular short term need;
- the Zone offers support to all of the schools in terms of rolling out specific activities e.g. Early Reading Resource; and
- against targeted activities to schools that are in challenging circumstances.

All such grants are issued against either an invoice or a formal request from the schools clearly identifying the activities being funded.

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 £15,041 was transferred to Coppins Green Primary School, 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, listed below, to achieve the Forum's objectives

All Saints C of E Primary School, Alton Park Junior School, Bishops Park College, Burrsville Community Infant School, Cann Hall Primary School, Chase Lane Primary School, Clacton County High School, Colbays High School, Coppins Green Primary School, Frobisher Primary School, Great Clacton Junior School, Harwich Community Primary School, Holland Haven Primary School, Holland Park Primary School, Mayflower Primary School, Oakwood Infant School, Ravenscroft Primary School, Spring Meadow Primary School, St. Clare's RC Primary School, St. Joseph's RC Primary School, St. Osyth C of E Primary School, The Harwich School, Two Villages Primary School, Wix and Wrabness Primary School.

During 2004-2005 the Education Action Zone received donations of cash and kind from commercial and public sponsors Capita, Blacup Training Group, Career Track, Catten College, Clarkcraft, Colchester Institute, Education & Youth Service, Endaim Ltd, Easi Hair Academy, Future Training Agency, Pelcombe Training Ltd, VTS, NACRO, YMCA, Colchester Training Services, RP Training, Trident, EEDA., Tudor Trust, Tendring District Council, ESF, and the Clacton County High School. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended.

The Forum has also contracted with Essex LEA to provide payroll services.

Post balance sheet events

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

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into the Tendring Excellence Cluster. Expenditure for the period ended 9 January 2005 included redundancy costs of £15,748, and early retirement benefit costs of £45,297 due to redundancy, relating to two members of staff.

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 have become disabled whilst in the employment of the Forum, as well as generally through training and career development.

Reserves policy

The Forum cannot build up restricted reserves of DfES grant as the Department requires that this grant should be applied in the year in which it is received. Where the Forum has earned unrestricted income (e.g. bank interest), it is the Forum's policy to apply these reserves to enhance its overall strategy in supporting schools raise standards. This could range from supporting a school(s) in additional short-term mini-projects (within the broader whole Zone strategy) to the identification of need for additional support to those schools causing concern. Much of the reserves will also make a significant contribution to a Zone-wide strategy for the recruitment and retention of teachers.

Risk management

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

- 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 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.

Review of controls

As Trustees, we also had responsibility for reviewing the effectiveness of the system of internal control. The Forum established the following processes.

In order to identify key risks and the steps that need to be taken to minimise these the Zone adopted a two-stage process. The Zone Director with a core group drew up a Risk Assessment and Management Plan in which they identified risks associated with the implementation of the Zone Action Plan and strategies to minimise such risks. This was based on the objectives of the Zone as stated in the Action Plan submitted to the DfES. The outcome of their work was then presented to the Finance and Audit Committee and then the Forum for amendment and ratification. Each group had the opportunity to add or subtract from the risks identified or alter the assumed likelihood and impact scores. It has been firmly established that responsibility rests with the Trustees i.e. members of the Forum.

Identified risks based on the recommendation of SORPS, have been categorised as: Operational Risks, Financial Risks and Risks to the reputation or goodwill of the EAZ. The structure of the Zone with five Project Boards, the Programme Board, Finance and Audit Committee and the Forum offers a sound basis for shared responsibilities, monitoring of Zone activities (based on the objectives) and locating accountabilities. This structure ensures that the systems and procedures to mitigate the risks identified in the plan are in place.

Risk management

Each risk has a set of mitigating actions. The Zone Director, Finance and Audit Committee and then Forum agree these actions. The Finance and Audit Committee will review risks and actions regularly. Some key mitigating actions are

Operational

Five Project Boards are responsible for developing projects based on agreed Zone objectives.

EAZ project managers who in turn, keep the Zone Director and Programme Board apprised, support project boards.

Each year's action plan is developed and agreed by Forum members in a format that aids identification and prioritisation.

Financial

- Action Plan preparation is based on best judgement of projected costs with the level of over planning kept to a minimum;
- close monitoring of spend by Director and Finance and Audit Committee;
- substantial element of external cash funding;
- continuous reassessment of priorities; and
- access to and regular liaison between experienced project bursar, Director and Chair of Finance and Audit Committee.

Risks to reputation and goodwill

- succession of "good news" stories provided to local media through project boards and EAZ team;
- local MP kept on-side with EAZ developments; and
- EAZ maintains a high profile amongst a wide range of local groups.

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

Statement of Trustees responsibilities for the Financial Statements

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

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

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

Auditors

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

Approval

The report of the Trustees was approved by P Davis as sanctioned by the Trustees of the full Forum Meeting and signed on its behalf on 16 March 2005 by

Peter Davis
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 18 to 32 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 22 and 23.

Respective responsibilities of the Trustees

As described on page 15 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 pages 13 and 14 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Forum's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

Basis of 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 Clacton and Harwich Education Action Zone (Dissolution) Order 2005, the Zone ceased to exist with effect from 9 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 Clacton and Harwich 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

5 May 2005

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Statement of Financial Activities for the period ended 9 January 2005

	Notes	Unrestricted funds £000	DfES £000	Restricted funds Other £000	Fixed assets £000	Total 2004-2005 £000	Total 2003-2004 £000
Incoming resources							
DfES grants receivable	2,3	0	690	46	0	736	831
Other Government grants receivable	3	0	0	0	0	0	0
Private sector contributions	4	1,441	0	0	0	1,441	1,941
Public sector contributions	4	237	0	0	0	237	253
Other income	5	7	0	0	0	7	6
Amortisation transfer		0	0	0	0	0	0
Total incoming resources		1,685	690	46	0	2,421	3,031
Resources expended							
Costs of generating funds		0	0	0	0	0	0
Net incoming resources for charitable application		1,685	690	46	0	2,421	3,031
Charitable expenditure							
<i>Costs in furtherance of charitable objects</i>							
Provision of education	6	1,130	718	46	0	1,894	2,627
Education support costs	6	42	0	0	0	42	42
Grants payable	6	335	0	0	0	335	203
Management and administration	6	143	0	0	0	143	159
Total charitable expenditure		1,650	718	46	0	2,414	3,031
Costs of termination of operations	8	105	0	0	0	105	0
Total resources expended		1,755	718	46	0	2,519	3,031
Net incoming/(outgoing) resources before transfers							
Transfers between funds		(70)	(28)	0	0	(98)	0
Net movement in funds		(70)	(28)	0	0	(98)	0
Fund balances brought forward at 1 April 2004		70	28	0	0	98	98
Fund balances carried forward at 9 January 2005	16,17	0	0	0	0	0	98

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 cost 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 19 and the overall financial position at the period end is summarised in the balance sheet on page 20.

The notes on pages 22 to 32 form part of these accounts.

Income and Expenditure Account for the period ended 9 January 2005

	Notes	2004-2005 £000	2003-2004 £000
Income			
DfES EAZ recurrent grant	2	690	767
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	46	64
Other Government grants		0	0
Private sector contributions	4	1,441	1,941
Public sector contributions	4	237	253
Other income	5	7	6
Amortisation/deferred income		0	0
Total income		2,421	3,031
Charitable expenditure			
DfES EAZ grant expenditure	6	718	767
Other DfES grant expenditure	6	46	64
Other Government grant expenditure	6	0	0
Depreciation	6	0	1
Other expenditure	6	1,650	2,199
Total charitable expenditure		2,414	3,031
Costs of generating funds	6	0	0
Costs of termination of operations	8	105	0
Total resources expended		2,519	3,031
Excess of expenditure over income		98	0
Net transfers from funds			
DfES EAZ fund	16	0	28
Other restricted funds	16	0	0
Unrestricted funds	17	0	70
Net movement in funds		0	98

The Income and Expenditure Account is derived from the Statement of Financial Activities on page 18 which, together with the notes to the accounts on pages 22 to 32 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 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.

The notes on pages 22 to 32 form part of these accounts.

Balance Sheet at 9 January 2005

	Notes	9 January 2005 £000	31 March 2004 £000
Fixed assets			
Tangible assets	12	0	0
		0	0
Current assets			
Debtors	13	0	10
Cash at bank and in hand		0	130
		0	140
Creditors: amounts falling due within one period	14	0	42
Net current assets		0	98
Net assets		0	98
Funds			
Restricted funds	16	0	28
Unrestricted funds	17	0	70
		0	98

The financial statements were approved by P Davis as sanctioned by the Trustees of the full Forum meeting and confirmed and signed on 16 March 2005 by

Peter Davis
Chairman

Cash Flow Statement for the period ended 9 January 2005

	Note	2004-2005 £000	2003-2004 £000
Operating activities			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		736	831
Capital grant from DfES		0	0
Other Government grants		0	0
Private sector sponsorship		0	0
Public sector sponsorship		209	218
Other receipts		0	0
		945	1,049
<i>Payments</i>			
Staff costs		269	268
Other cash payments		813	774
Net cash (outflow)/inflow from operating activities	22	(137)	7
Returns on investments and servicing of finance			
Interest received		7	6
Interest paid		0	0
		7	6
Capital expenditure			
Purchase of tangible fixed assets		0	0
Receipts from sale of tangible fixed assets		0	0
Transfers of tangible fixed assets to schools		0	0
		0	0
Financing			
Deferred grant received		0	0
		0	0
Decrease in cash in the period		(130)	13

Notes to the Financial Statements 9 January 2005

1 Accounting policies

Format of accounts

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

Basis of accounting

The 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

The annual EAZ grant from the DfES, which is intended to meet recurrent costs and, where specified, to purchase fixed assets, is credited direct to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

Contributions in Kind

In accordance with the Accounts Direction provided by the Department for Education and Skills an income value is attributed to Contributions in Kind from business. These contributions are brought into the accounts at a reasonable estimate of their value to the Forum in the period in which they are receivable. As all gifts in Kind represent expenditure which the Forum would have had to incur; a notional expenditure charge is recorded equal to the value of the Contribution in Kind to the Forum.

Grants receivable

Where other grants have been received these are credited to the income and expenditure account as restricted income.

Interest receivable

Interest receivable is included in the financial statements on an accruals basis.

Amortisation transfer

The amortisation transfer relates to depreciation on assets acquired using funding provided by government grants. Additional depreciation is charged on assets acquired using other funds.

Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP expenditure has been analysed between charitable and other expenditure. The only activity undertaken by the EAZ is the operation of Clacton and Harwich EAZ. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include

Cost category	Basis of apportionment
Staff costs	All the five projects to recognise an amount of £12,000 from administration

Tangible fixed assets

Tangible fixed assets costing 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 on that fund is not available to the Forum to spend.

Depreciation

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are

Furniture and equipment	33%
Computer equipment and software	33%

Depreciation is charged for a full year in the year of acquisition and year of disposal of fixed assets.

Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

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.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to Coppins Green Primary School (the successor body) to meet outstanding liabilities.

Taxation

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

Pensions

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

2 DfES EAZ grant

	2004-2005 £000	2003-2004 £000
DfES grant received in period	690	767
Carry over from previous period	0	(33)
<i>Less</i>		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	690	734
Spent in the period	718	767
[Funded from general fund]	(28)	(33)
Maximum permitted carry over level	0	67
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

	2004-2005 £000	2003-2004 £000
Excellence challenge	42	48
Schools facing challenging circumstances	0	0
New partnerships	0	0
Gifted and talented summer schools	4	16
	46	64

4 Business contributions

	2004-2005 Cash £000	2004-2005 In-Kind £000	2004-2005 Total £000	2003-2004 Total £000
Private sector contributions				
Capita	0	21	21	40
Blacup Training Group	0	69	69	103
Career Track	0	24	24	0
Catten College	0	234	234	265
Clarkraft	0	14	14	0
Colchester Institute	0	275	275	501
Education & Youth Service	0	174	174	0
Endaim Ltd	0	90	90	245
Future Training Agency	0	148	148	214
Pelcombe Training Ltd	0	146	146	234
VTS	0	55	55	163
Nacro	0	12	12	9
Colchester Training	0	63	63	93
Easi Hair	0	74	74	38
RP Training	0	2	2	28
Trident	0	10	10	0
YMCA	0	30	30	0
Otley College	0	0	0	8
	0	1,441	1,441	1,941
Public sector contributions				
EEDA	153	0	153	64
Tudor Trust	25	0	25	0
Tendring District Council	2	0	2	0
ECC	0	0	0	5
ESF	29	0	29	124
CCHS	0	28	28	35
NHSU	0	0	0	24
Essex Education Business Partner	0	0	0	1
	209	28	237	253
	209	1,469	1,678	2,194

5 Other income

	2004-2005 £000	2003-2004 £000
Interest receivable	7	6
Sundry income	0	0
	7	6

6 Total resources expended

	Staff costs £000	Depreciation costs £000	Other costs £000	Total 2004-2005 £000	Total 2003-2004 £000
Direct provision of education	64	0	1,830	1,894	2,627
Education support costs	0	0	42	42	42
Grants payable*	0	0	335	335	203
Management and administration	122	0	21	143	159
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	83	0	22	105	0
	269	0	2,250	2,519	3,031
Of which					
DfES grant expenditure	186	0	532	718	767
Other DfES grant expenditure	0	0	46	46	64
Other Government grant expenditure	0	0	0	0	0
Depreciation	0	0	0	0	1
Other expenditure	0	0	1650	1650	2,199
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	83	0	22	105	0
	269	0	2,250	2,519	3,031

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

	Raising achievement £000	Programmes Developing employability £000	Total £000
Alton Park	28	0	28
Bishops Park	0	1	1
Burrsville	2	0	2
Cann Hall	2	0	2
Chase Lane	12	0	12
CCHS	32	109	141
Colbays	17	9	26
Coppins Green	5	0	5
Frobisher	5	0	5
Gt Clacton	2	0	2
Harwich Primary	2	0	2
Holland Haven	3	0	3
Holland Park	2	0	2
Mayflower	23	0	23
Oakwood	2	0	2
Ravenscroft	2	0	2
Spring Meadow	2	0	2
St Clare's	13	0	13
St Joseph's	5	0	5
St Osynth	5	0	5
The Harwich	10	40	50
Wix & Wrabness	2	0	2
	176	159	335

7 General expenditure

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

	2004-2005 £000	2003-2004 £000
Educational supplies and services	2,188	2,695
Occupancy costs	31	38
Supplies and services	21	14
Operating lease rentals	0	0
Auditors remuneration	0	6
Trustees expenses	0	0
Ex-Gratia payments	0	0
Miscellaneous	10	9
	2,250	2,762

8 Costs of termination of operations

	2004-2005 £000	2003-2004 £000
Staff costs arising from Zone closure	83	0
Archiving of documents	4	0
Cost of Post-Zone services provided by nominated successor body	3	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	15	0
	105	0

9 Staff costs

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

	2004-2005	2003-2004
Management	1.00	1.00
Administration	2.60	2.40
Teachers	2.75	2.75
Total employees	6.35	6.15

Staff costs for the above persons

	2004-2005 £000	2003-2004 £000
Wages and salaries	170	248
Social security costs	9	9
Other pension costs	7	11
Costs associated with Zone closure	83	0
Total staff costs	269	268

Costs associated with Zone closure comprised retention payments of £21,387, redundancy costs of £15,748 and early retirement costs of £45,296.

One employee earned more than £50,000 during 2004-2005. The total emoluments of this employee were in the following range

	2004-2005	2003-2004
£50,001 - £60,000	1	0
£60,001 - £70,000	0	1

Four teachers were seconded to the Zone for the Year 2004-2005; one from Colbayns High School for two terms and one from CCHS; one from Coppins Green and one from St. Osyth all for one term. The Bursar is seconded from Coppins Green Primary School for three days per week.

10 Emoluments of Trustees

	2004-2005	2003-2004
	£000	£000
Emoluments of Trustees	0	0

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

11 Trustees' and Officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £1,000,000 on any one claim and the cost for 2004-2005 was £1,234 (2003-2004: £1,260).

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 £763 (2003-2004: £686).

12 Tangible fixed assets

	Furniture and equipment	Computer equipment and software	Total 2004-2005	Total 2003-2004
	£000	£000	£000	£000
Cost acquired since incorporation				
At 1 April 2004	0	6	6	6
Capital expenditure	0	0	0	0
Disposals	0	6	6	0
At 9 January 2005	0	0	0	6
Depreciation				
At 1 April 2004	0	6	6	5
Charged in period	0	0	0	1
Disposals	0	6	6	0
At 9 January 2005	0	0	0	6
Net book value				
At 9 January 2005	0	0	0	0

The net book value at 9 January 2005 represents fixed assets used for

	Furniture and equipment £000	Computer equipment and software £000	Total 2004-2005 £000	Total 2003-2004 £000
Direct charitable purposes				
Educational provision	0	0	0	0
Support services	0	0	0	0
Other purposes				
Management and administration	0	0	0	0
	0	0	0	0

Source of funding for assets acquired

	2004-2005 £000	2003-2004 £000
DfES EAZ grant	0	0
Other DfES grants	0	0
Other Government grants	0	0
Private sector capital sponsorship	0	0
	0	0

13 Debtors

	9 January 2005 £000	31 March 2004 £000
Prepayments	0	10
Sundry debtors	0	0
Amounts due from DfES	0	0
	0	10

14 Creditors: amounts falling due within one year

	9 January 2005 £000	31 March 2004 £000
Taxation and social security	0	4
Sundry creditors	0	0
Amounts due to DfES	0	0
Accruals	0	38
	0	42

15 Pensions and similar obligations

	2004-2005 £000	2003-2004 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	7	11
Defined contribution scheme	0	0
<i>Essex County Council Pension Scheme</i>		
Nature of scheme	Defined benefit	
Zone's contribution rate in 2004-2005	10.32%	
Zone's contribution in 2004-2005	£6,877	
Zone's contribution in future years	£Nil	

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 October 2001 at which date the scheme was 88.6% funded. The next valuation will be as at 31 March 2004 but this has not yet been completed. Our best estimate of future year contribution rates in respect of this scheme is that used for 2004-2005.

The Essex County Council Pension Scheme is a multi-employer scheme. As such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

Any liabilities arising from the presence of a pension fund capitalisation deficit, attributable to Zone staff, will be met by the local education authority and not treated as a cost to the Zone.

16 Restricted funds

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

	Balance at 1 April 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	28	736	764	0	28
DfES fixed asset grant	0	0	0	0	0
Amortisation transfer	0	0	0	0	0
Other	0	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	28	736	764	0	28
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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.

17 Unrestricted funds

	2004-2005 £000	2003-2004 £000
Brought forward at 1 April 2004	70	69
Excess of expenditure over income	70	1
Carried forward at 9 January 2005	<hr/>	<hr/>
	0	70

18 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004-2005 £000	Total 2003-2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	140
Current liabilities	0	0	0	(42)
Deferred income	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	0	98
	<hr/>	<hr/>	<hr/>	<hr/>

19 Capital commitments

	9 January 2005 £000	31 March 2004 £000
Contracted for, but not provided in the accounts	0	0
Authorised by Trustees, but not yet contracted	0	0

20 Lease commitments

	9 January 2005 £000	31 March 2004 £000
Operating leases	0	0
The payments which the Forum is committed to make in the next period for operating leases		
Within one period	0	0
One to five periods	0	0

21 Contingent liabilities

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

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

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

As at 9 January 2005 there were no contingent liabilities (£nil at 31 March 2004).

22 Reconciliation of net incoming activities to net cash outflow from operating activities

	2004-2005 £000	2003-2004 £000
Net incoming resources	(98)	0
Interest received	(7)	(6)
Depreciation	0	1
Deferred grant released to income	0	0
Profit/(loss) on disposal of fixed assets	0	0
Decrease in debtors	10	(2)
(Decrease) in creditors	(42)	14
Net cash outflow from operating activities	(137)	7

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 Clacton and Harwich 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
Head of Standards Division
Department for Education and Skills

26 February 2002

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