

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 Bristol Education Action Zone for the year ended 31 March 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1159 of 2002-2003)

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

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# Bristol Education Action Zone Account 2003-2004

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

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## Legal and Administrative Information

### Trustees

Simon Bale  
Nigel Belletty  
Malcolm Broad  
Martin Brown  
Sarah Burns  
Carmen Cadwgan  
Heather Churchill  
Hester Cockcroft  
Peter Davies  
Patrick Edwards  
Jenny Fennell  
Ken Fyfe  
Sarah Gornall  
Richard Turpin

Hannah Hill  
Joyce Hissey  
Kirsty Judge  
Bev Knott  
Paulette North  
John Palmer  
Ray Priest  
Ron Ritchie  
Frances Roberts  
Louise Rodriguez  
Peter Scholey  
Stan Szecowka  
Howard Wilson  
Mukhtar Younis

### EAZ Executive Committee

Malcolm Broad (Chairman)  
Simon Bale  
Martin Brown  
Carmen Cadwgan  
Hester Cockcroft  
Sarah Gornall  
Paulette North  
Ray Priest  
Frances Roberts  
Peter Scholey  
Mukhtar Younis

### EAZ Office

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Felix Road  
Bristol  
BS5 0HE  
Tel: 0117 941 5895/6

### Auditors

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

### Advisers

Solomon Hare LLP  
Oakfield House, Oakfield Grove  
Clifton  
Bristol  
BS8 2BN

### Bankers

HSBC Bank plc  
49 Corn Street  
Bristol  
BS99 7PP

# Report of the Trustees

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

## Constitution and principal activities

### Forum

The Bristol Education Action Forum is a corporate body and exempt charity established on 17 April 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. The Statutory Instrument of the Forum has been changed over the course of the year. Trustees of the Forum are nominated under the following categories

- one or two Trustees from each Zone school (categories 4a, 5a, 5b);
- one or two Trustees appointed by the Secretary of State (4b);
- five Trustees nominated by partners – three from Bristol City Council, one from HSBC, one from the Arts Council of England (4c);
- up to six members to represent local businesses (5c);
- up to three members to represent local arts organisations (5d);
- one member nominated by the Education Joint Consultative Committee of Bristol City Council, or by any successor body (5e);
- up to six members to represent local community based groups (5f);
- up to six members to represent local regeneration groups (5g);
- two members to represent organisations supporting Black or Minority Ethnic Groups (5h);
- one member to represent higher education institutions (5i);
- one person nominated by Connexions (5j); and
- up to five members who appear to Forum to represent the interests of local ethnic minority groups who would otherwise be under-represented on the Forum (5k).

### Activities

The principal activity of the Forum is to improve standards of attainment within the schools that are part of its Education Action Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies the Zone vision, desired pupil outcomes and strategies to achieve those outcomes.

The Zone vision is to achieve improvement through developing inclusive and innovative approaches to the learning experience, working in partnership with local business and community groups.

The Zone aims to achieve pupil outcomes in three areas

Achievement	High attainment, with Minority Ethnic pupils attaining as well as White UK
Learning Skills	Independent, collaborative, purposeful and reflective learners, aware of preferred learning styles
Emotional Well Being	Confident and secure pupils with pride in themselves and their identity and awareness and respect for others

There are three strategy areas through which we address the key aims of the Zone

Leadership	Develop confident, empowered leaders with the skills, vision and knowledge to inspire and effectively support staff and run high achieving schools.
Teaching and Learning	Support school staff in developing and implementing a more appropriate curriculum and new skills and strategies that engage pupils more effectively in their own learning and personal development.
Partnerships	Develop partnerships with parents and the wider community to develop understanding and commitment to work with schools and each other to boost children's learning and attainment.

Within the three strategy areas, there are 11 themes and 23 programmes, covering support for senior management in schools, the learning ethos of the school, teaching methodology, use of new technologies, a creative and integrated approach to the curriculum, development work with parents, employee volunteering schemes run with local businesses and exciting cross Zone challenges.

<b>Strategy</b>	<b>Theme</b>	<b>Programme</b>	
Leadership	Leadership Skills	1 Positive Change Management	
	Best Practice	2 Individual coaching	
		3 Strategic planning	
		4 Learning Sets	
		5 Data use & evaluation	
	Anti Racist Ethos	6 Raising ME Attainment	
Teaching & Learning	Personal and Learning Skills	7 Thinking Skills	
		8 Emotional Literacy	
		9 Mediation & aspiration	
		10 Inclusion Workers	
		11 KS4 Mentors	
		12 Behaviour & Learning	
		13 Integrated Curriculum	
		14 Transition	
		15 Out of School Hours Activities	
		Literacy	16 Reading Interventions
			17 Reading Buddies
		ICT	18 ICT across curriculum
	Partnerships	Parents	19 Engagement & Learning
		Arts	20 Residencies & Celebrations
		Community	21 Capacity building
			22 Supplementary Schools
		Business	23 Widening Horizons

### Organisation and objectives

The sole activity of the Forum is the operation of the Bristol Education Action Zone. The Forum is supported in the implementation of the Action Plan by an Executive Committee, and by a Finance Committee. Both these committees report to the Forum at each full Forum meeting. Forum members may also join Focus Groups: Teaching and Learning, Engagement & Inclusion, Arts, Monitoring & Evaluation and Raising Minority Ethnic Attainment.

The operational management structure of the EAZ consists of a Project Director, an Assistant Director, the Teaching & Learning Team Leader and the Engagement & Inclusion Team Leader. These four posts constitute the EAZ Leadership Team which reports to the Forum. Their aim is to provide leadership and direction, support staff, involve Schools, Community and Business Partners and encourage involvement in decision making at all levels.

The present Trustees of the EAZ are set out on page 2. All the Trustees served throughout the period with the following exceptions

### Resignations

I Shedden, S Rickard	30 August 2003
S Clemson, P Courtier, L Driver, I Flexman, B Janke, K Hanid, J Hervieu, J Whitehead	30 September 2003
S Boulter	18 November 2003
S Beresford	30 December 2003
H Emery	31 April 2004
S Danvers, N McAllister, J Timlin, C Jones	11 May 2004
S Cummings	4 July 2004

### Disqualifications

L Scott-Ashe, C Sefia, J Serwah, M Shotter	30 August 2003
N Clough, H Collins, D Forrester, A Gulati, K Kanu	18 November 2003

### Appointments

M Brown, B Knott, L Rodriguez	20 September 2003
H Churchill, R Ritchie	10 Mar 2004
J Palmer, P Scholey	29 April 2004

The present Executive Committee is set out on page 2. All the Executive Committee members served throughout the period with the following exceptions

### Resignations

C Jones, J Lonsdale, N McAllister	31 August 2003
P Courtier	30 September 2003
S Boulter	18 November 2003

### Disqualifications

A Gulati

### Appointments

H Cockroft	6 November 2003
P Scholey	29 April 2004
M Younis	19 May 2004

## Developments, activities and achievements

The Forum is in its fifth period of operation. During the past twelve months of operation the Forum has

- developed and secured funding for a groundbreaking Building Learning Power Programme across 20 Zone schools. Building Learning Power provides a framework and a powerful and coherent educational philosophy that brings together and underpins many of the Zone's other strategies and initiatives;
- appointed a Race Equality co-ordinator to support schools in developing and implementing their Race Equality Policies and Action Plans, and provided an honorarium for a teacher in each school to lead on race equality issues;
- appointed an Arts Co-ordinator to build on and extend the work initiated by the Arts Council Arts Coordinator, with an increased focus on securing longer term residencies and integrating arts work with the wider curriculum in a more holistic way;
- secured corporate funding for 'Imagination at Play', an exciting new project in four primary schools focusing on developing lunchtimes and play times as positive and enriching parts of the school day which benefit pupils' personal skills and readiness to learn and improve staff morale;
- increased young people's interest and engagement in science through the highly successful Young Inventors Challenge, delivered in partnership with Airbus UK, Bristol Evening Post and @Bristol, which culminated in a showcase event attended by HRH the Duke of York;
- worked to build the skills, knowledge and capacity of parents including participation in planning and delivering the Family Festival, which attracted approximately 3,000 local people from all sectors of the community;
- provided executive coaching for Headteachers, which has contributed significantly to developing Headteachers' confidence, leadership and management skills;
- provided support and supervision for Zone teachers undertaking Best Practice Research;
- seconded the Zone's lead advisory teacher for two days a week to lead the Behaviour and Learning Improvement Project in six Zone schools, building on existing emotional literacy, personal skills and inclusion programmes;
- initiated a Peer Reporters programme which stimulates young people to develop communication and presentation skills through the use of video;
- developed a new Number Partners employee volunteering programme, and maintained and further developed excellent partnerships with over 40 local businesses;
- continued to build staff and pupil's skills and confidence in ICT, with four schools nearing the level to achieve the NAACE Gold standard;
- promoted the development and sharing of a broad and balanced curriculum and offered a wide range of enrichment opportunities;
- delivered workshops at regional conferences in relation to Parent work, ICT, Building Learning Power, Peer Mediation, the Integrated Curriculum;
- organised consultations with minority ethnic groups in order to stimulate a better dialogue with the world of education and improved support for young people's learning;
- initiated a Maths Challenge across Zone schools and the wider city of Bristol; and
- included three Associate schools in part of the programme in order to ease transition to the future EiCAZ and to increase the chances of success for this body, which will have only a very limited timescale in which to be effective.



## Operating and financial review

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

Most of the EAZ's income is obtained from the Department for Education and Skills in the form of recurrent grants the use of which is restricted to particular purposes. The grants received during 2003-2004 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2003-2004 the EAZ benefited once again from generous support from its business partners. Amongst them, the EAZ is particularly grateful to the GE Foundation for their most generous support of 'Imagination at Play', to Clerical Medical Investment Group who are supporting the 2003-2005 Maths Challenge (through the HBOS Community Foundation), and to HSBC Bank plc, and Solomon Hare LLP for their continuing management support and expertise. Zone schools also receive invaluable support from the hundreds of individual employees who give so generously of their time and energy to the mentoring, reading buddy and number partner programmes. A substantial grant from the Esmee Fairbairn Foundation is part funding the Building Learning Power programme. All business and private donations have been given to the EAZ to assist it to achieve its Action Plan and have been fully expended, with the exception of the grants from the GE Foundation and the HBOS Community Foundation which are funding programmes which continue in 2004-2005.

During 2003-2004 the EAZ also received other restricted grants from the DfES and other Government Departments and public bodies, the details of which are in notes 3, 4 and 5. These donations have been given to the EAZ to assist it to achieve its Action Plan and have been substantially expended.

Expenditure for the period was covered by grants from the DfES and other income and the excess of incoming resources over resources expended for the 12 months was £90,493.71.

At 31 March 2004 the net book value of fixed assets was £313 and movements in tangible fixed assets are shown in note 12 to the financial statements.

## Fund review

The EAZ held fund balances at 31 March 2004 of £153,655. The Trustees believe that the fund balances are adequate to fulfil the obligations of the EAZ and provide a balance against most unforeseen future events. To achieve its Action Plan objectives the EAZ remains dependent on the provision of grants from both the DfES and commercial sponsors.

## Connected organisations

The EAZ is working closely with its partnership schools and with the six nursery schools within the EAZ to achieve the Forum's objectives. Headteachers have regular meetings. During 2003-2004 Headteachers met six times to review progress against the Action Plan, to plan the programme for the next year, and to plan the transformation of the Zone into the EiC Action Zone.

The schools named in the statutory instrument are

<b>Secondary Schools</b>	<b>Post Code</b>	<b>DfES No.</b>
St George Community College	BS5 9JG	8014104
Fairfield High School	BS6 5JW	8014101
<b>Special School</b>		
Bristol Gateway Special School	BS2 9UR	8017001
<b>Primary Schools</b>		
Barton Hill Infant and Nursery School	BS2 9TX	8012342
Barton Hill Primary School	BS2 9TX	8012145
Cabot Primary School	BS2 9JE	8012139
Bannerman Road Primary School	BS5 0HR	8012009
Easton CE Primary School	BS5 0HR	8013301
Hannah More Primary School	BS2 0LT	8012299
Millpond Primary School	BS5 OYR	8012336
Sefton Park Junior School	BS7 9BJ	8012074
Sefton Park Infants School	BS7 9BJ	8012073
St Barnabas CE Primary School	BS6 5LQ	8013010
St Werburgh's Primary School	BS2 9UH	8012019
St Nicholas of Tolentine RC Primary School	BS2 0TJ	8013408
Whitehall Primary School	BS5 9AT	8012328
St Michael-On-The-Mount CE Primary School	BS2 8BE	8013018

The Nursery Schools working in partnership with the EAZ are

- Cashmore Nursery;
- Rosemary Nursery;
- Springwoods Nursery;
- St James & St Agnes Nursery;
- St Werburgh's Park Nursery; and
- The Limes Nursery.

The Forum also contracted with Bristol City Council to provide payroll and personnel services.

## Disabled persons

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

## Post balance sheet events

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

## Reserves policy

The Forum cannot build up restricted reserves of DfES grant as the Department requires that this grant should be applied in the year in which it is received. Where the Forum has earned unrestricted income (e.g. bank interest) it is the Forum's policy to apply these reserves to its management and administration programme. The EAZ has budgeted to use the DfES grant and other restricted balances carried forward at 31 March 2004 to implement the 2004-2005 Action Plan.

## Transformation

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. This period will be completed on 16 April 2005, at which point the Zone will transform into an Excellence in Cities Action Zone. Trustees of the Zone and Headteachers have worked closely with Excellence in Cities and with Bristol Local Education Authority throughout 2003-2004 to draw up a Transformation Action Plan, and operational plans to ensure a smooth transition to the new body.

## Risk management

In 2001-2002 the Trustees carried out a detailed review of the charity's activities and produced a comprehensive strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan at each quarterly meeting and a comprehensive review of the plan is carried out annually. As part of this process, the Trustees have implemented a risk management strategy which comprises

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

## Statement on Internal Control

### a Maintenance of internal controls

As Trustees, we have responsibility for maintaining a sound system of internal control that supports the achievement of the Forum's policies, aims and objectives whilst safeguarding the public funds and assets for which we are responsible, in accordance with the responsibilities assigned to us in our Financial Memorandum and Government Accounting.

The system of internal control established by the Forum is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system is based on an ongoing process designed to identify the principal risks to the achievement of Forum policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The process has been in place for the year ended 31 March 2004 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

### b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2003-2004 the Forum has established the following processes

- identification of the Forum's objectives and key risks;
- the establishment of systems and procedures to mitigate the 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. This has included
  - adopting and implementing the Zone's Child Protection Policy;
  - issuing new staff contracts from April 2004;
  - allocating a half day a month for staff professional development;
  - commencing development of individual training plans;
  - negotiating a redeployment agreement with Bristol City Council;
  - implementing 360° appraisal; and
  - reviewing the structure of Trustee briefing meetings.
- a specific risk assessment focusing on the risks associated with transformation which identified the following risks
  - partners do not own projects until too late to sustain work;
  - demand for services is not supported by donations or other income;
  - Trustees may leave the Zone during the final year; and
  - loss of staff and difficulty in recruitment.
- procedures for monitoring progress against the strategic objectives set out in the Risk Management Action Plan at regular Trustees' meetings;
- a comprehensive annual review of the action plan, including a review of the risks which the Forum may face; and
- the allocation of risk ownership, including the role of the Forum, sub-committees and Project Director.

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

- the adoption of financial irregularities, performance, information, management of change and attendance policies;
- the appointment of a transformation committee; and
- staff INSET days and additional provision for professional development and training.

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

## Statement of Trustees' responsibilities for the Financial Statements

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

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction given by the Secretary of State. They are also responsible for safeguarding the assets of the Forum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Auditors

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

### Approval

The report of the Trustees was approved on 7 July 2004 and signed on its behalf by

*Malcolm Broad*  
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 15 to 30 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 19 and 20.

## Respective responsibilities of the Trustees and Auditor

As described on page 12 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 guided 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 10 to 11 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the 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.

## Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Bristol EAZ at 31 March 2004 and of its incoming resources, application of resources and cash flows for the year then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

*John Bourn*  
Comptroller and Auditor General

22 March 2005

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## Statement of Financial Activities for the year ended 31 March 2004

	Notes	Unrestricted funds £000	DfES £000	Restricted funds Other £000	Fixed assets £000	<b>Total 2003-2004 £000</b>	Total 2002-2003 £000
<b>Incoming resources</b>							
DfES grants receivable	2,3	0	858	0	0	<b>858</b>	779
Other Government grants receivable	4	0	0	428	0	<b>428</b>	275
Private sector contributions	5	29	0	307	0	<b>336</b>	296
Public sector contributions	5	5	0	11	0	<b>16</b>	8
Other income	6	7	0	0	0	<b>7</b>	13
<b>Total incoming resources</b>		<b>41</b>	<b>858</b>	<b>746</b>	<b>0</b>	<b>1,645</b>	1,371
<b>Resources expended</b>							
Costs of generating funds	7	0	3	0	0	<b>3</b>	1
<b>Net incoming resources for charitable application</b>		<b>41</b>	<b>855</b>	<b>746</b>	<b>0</b>	<b>1,642</b>	1,370
<b>Charitable expenditure</b>							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	13	384	107	0	<b>504</b>	522
Education support costs	7	8	253	475	0	<b>736</b>	533
Grants payable	7	0	102	94	0	<b>196</b>	164
Management and administration	7	20	95	0	1	<b>116</b>	120
<b>Total charitable expenditure</b>		<b>41</b>	<b>834</b>	<b>676</b>	<b>1</b>	<b>1,552</b>	1,339
<b>Total resources expended</b>		<b>41</b>	<b>837</b>	<b>676</b>	<b>1</b>	<b>1,555</b>	1,340
<b>Net incoming/(outgoing) resources before transfers</b>		<b>0</b>	<b>21</b>	<b>70</b>	<b>(1)</b>	<b>90</b>	31
Transfers between funds		0	3	(3)	0	<b>0</b>	0
<b>Net movement in funds</b>		<b>0</b>	<b>24</b>	<b>67</b>	<b>(1)</b>	<b>90</b>	31
Fund balances brought forward at 1 April 2003		0	40	23	1	<b>64</b>	33
<b>Fund balances carried forward at 31 March 2004</b>	16,17	<b>0</b>	<b>64</b>	<b>90</b>	<b>0</b>	<b>154</b>	64

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the EAZ during the year and reconciles the movement in funds. There is no difference in the net movement of funds stated above and its historical equivalent.

Further analysis of the income and expenditure for the year is shown on page 16 and the overall financial position at the year end is summarised in the balance sheet on page 17.

*The notes on pages 19 to 30 form part of these accounts.*

## Income and Expenditure Account for the year ended 31 March 2004

	Notes	2003-2004 £000	2002-2003 £000
<b>Income</b>			
DfES EAZ recurrent grant	2	840	765
Other DfES grants	3	18	14
Other government grants	4	428	275
Private sector contributions	5	336	296
Public sector contributions	5	16	8
Other income	6	7	13
<b>Total income</b>		<b>1,645</b>	1,371
<b>Charitable expenditure</b>			
DfES EAZ grant expenditure	7	816	750
Other DfES grant expenditure	7	18	14
Other government grant expenditure	7	417	256
Depreciation	7	1	1
Other expenditure	7	300	318
<b>Total charitable expenditure</b>		<b>1,552</b>	1,339
Costs of generating funds	7	3	1
<b>Total resources expended</b>		<b>1,555</b>	1,340
<b>Excess of income over expenditure</b>		<b>90</b>	31
<b>Net transfers to/from funds</b>			
DfES EAZ fund	16	24	14
Other restricted funds	16	66	17
Unrestricted funds	17	0	0
<b>Net movement in funds</b>		<b>90</b>	31

The Income and Expenditure account is derived from the Statement of Financial Activities on page 15 which, together with the notes to the accounts on pages 19 to 30 provide full information on the movements during the year on all the funds of the Forum.

All items dealt with in arriving at the excess of income over expenditure for 2003-2004 relate to continuing operations.

The Forum has no recognised gains and losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented.

*The notes on pages 19 to 30 form part of these accounts.*

## Balance Sheet as at 31 March 2004

	Notes	31 March 2004 £000	31 March 2003 £000
<b>Fixed assets</b>			
Tangible assets	12	<u>0</u>	<u>1</u>
		<b>0</b>	<b>1</b>
<b>Current assets</b>			
Debtors	13	<b>100</b>	75
Cash at bank and in hand		<u><b>195</b></u>	<u>239</u>
		<b>295</b>	<b>314</b>
<b>Creditors: amounts falling due within one year</b>	14	<u><b>141</b></u>	<u>251</u>
<b>Net current assets</b>		<b>154</b>	<b>63</b>
<b>Net assets</b>		<u><b>154</b></u>	<u>64</u>
<b>Funds</b>			
Restricted funds	16	<b>154</b>	64
Unrestricted funds	17	<u><b>0</b></u>	<u>0</u>
		<b>154</b>	<b>64</b>

The financial statements were approved by the Forum on 7 July 2004 and signed on its behalf by

*Malcolm Broad*  
Chairman

*The notes on pages 19 to 30 form part of these accounts.*

## Cash Flow Statement for the year ended 31 March 2004

	2003-2004	2002-2003
	Note	£000
<b>Operating activities</b>		
<i>Receipts</i>		
Recurrent EAZ grant received from DfES	<b>840</b>	765
Other grant from DfES	<b>17</b>	14
Other government grants	<b>401</b>	209
Private sector sponsorship	<b>100</b>	6
Public sector sponsorship	<b>4</b>	6
Other receipts	<b>7</b>	7
	<b>1,369</b>	1,007
<i>Payments</i>		
Staff costs	<b>790</b>	504
Other cash payments	<b>626</b>	472
<b>Net cash inflow/(outflow) from operating activities</b>	22 <b>(47)</b>	31
<b>Returns on investments and servicing of finance</b>		
Interest received	<b>3</b>	4
Interest paid	<b>0</b>	0
	<b>3</b>	4
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<b>0</b>	0
Receipts from sale of tangible fixed assets	<b>0</b>	0
Transfer of tangible fixed assets to schools	<b>0</b>	0
	<b>0</b>	0
<b>Financing</b>		
Deferred grant received	<b>0</b>	0
	<b>0</b>	0
<b>Increase/(decrease) in cash in the year</b>	<b>(44)</b>	35

The notes on pages 19 to 30 form part of these accounts.

# Notes to the Financial Statements

## 1 Accounting policies

### *Format of accounts*

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

### *Basis of accounting*

The financial statements are prepared under the historical cost convention. The Forum was established under the Schools Standards and Framework Act initially for three years, subsequently extended by the Secretary of State for a further two years. These financial statements have been prepared on a going concern basis.

### *Recognition of income*

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

### *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 financial statements at a reasonable estimate of their value to the Forum in the year 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.

### *Management and administration*

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements.

### *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 Bristol Education Action Forum is the operation of the Education Action Zone. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include

#### **Cost Category**

Staff costs

Premises and other support costs

#### **Basis of apportionment**

Time spent

Number of staff working within strand expressed as full-time equivalents

### *Tangible fixed assets*

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

Where assets are purchased for use by Zone schools, ownership of the asset will pass to the school on satisfactory evaluation of its use.

### *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 assets are

Computer equipment and software	25%
---------------------------------	-----

### *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 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. Funds carried forward will be applied to future programmes in accordance with the Action Plan.

### *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.

The Education Action Zone participates in the Avon Pension Fund and the Teachers' Pension Scheme. These are both final salary schemes providing former employees with defined benefits based on final pensionable pay and length of service. Full details of both schemes are provided in Note 15.

**2 DfES EAZ grant**

	<b>2003-2004</b>	2002-2003
	<b>£000</b>	£000
DfES grant received in year	<b>840</b>	765
Carry over from previous year	<b>40</b>	26
<i>Less</i>		
Amounts due from DfES	<b>0</b>	0
Amount used to purchase fixed assets	<b>0</b>	0
Total grant available to spend	<b>880</b>	791
Spent in the year	<b>816</b>	751
Underspent grant/[funded from general fund]	<b>64</b>	40
Maximum permitted carry over level	<b>76</b>	69
Excess grant to surrender	<b>0</b>	0

**3 Other DfES grants**

	<b>2003-2004</b>	2002-2003
	<b>£000</b>	£000
Gifted and Talented Summer Schools	<b>9</b>	9
Literacy Easter School	<b>2</b>	0
Threshold Awards	<b>6</b>	5
Innovations Unit	<b>1</b>	0
	<b>18</b>	14

**4 Other government grants**

	<b>2003-2004</b>	2002-2003
	<b>£000</b>	£000
New Opportunities Fund	<b>99</b>	66
Single Regeneration Budget	<b>76</b>	4
Community at Heart	<b>74</b>	54
Neighbourhood Renewal Fund - Easton	<b>55</b>	30
European Regional Development Fund - Objective 2	<b>48</b>	2
Neighbourhood Renewal Fund - Ashley Ward	<b>44</b>	55
Behaviour and Learning Improvement Project	<b>21</b>	16
Sure Start	<b>6</b>	6
Excellence in Cities	<b>5</b>	2
Learning & Skills Council	<b>0</b>	40
	<b>428</b>	275

**5 Business contributions**

	Cash	In Kind	Total	Total
	£000	£000	2003-2004 £000	2002-2003 £000
<b>Private sector contributions</b>				
The GE Foundation	40	9	<b>49</b>	0
Mentors	0	34	<b>34</b>	24
The Esmee Fairbairn Foundation	27	0	<b>27</b>	0
Bristol Evening Post	0	22	<b>22</b>	52
HBOS Community Foundation	20	0	<b>20</b>	0
Airbus UK	0	17	<b>17</b>	20
HSBC Bank plc	0	14	<b>14</b>	4
Hyder Consulting	0	14	<b>14</b>	0
Bristol Rotary Club	0	14	<b>14</b>	0
Institute of Physics Publishing	0	12	<b>12</b>	0
Reading Buddies	0	14	<b>14</b>	52
Multi-A	0	11	<b>11</b>	17
Business Support Group	0	10	<b>10</b>	16
BBC	0	10	<b>10</b>	0
Rolls Royce	0	9	<b>9</b>	11
@ Bristol	0	8	<b>8</b>	28
University of Bristol	6	0	<b>6</b>	0
Asdan	5	0	<b>5</b>	0
Business in the Community	0	5	<b>5</b>	24
Clerical Medical Investment Group	0	5	<b>5</b>	0
Number Partners	0	5	<b>5</b>	0
WH Smith	0	4	<b>4</b>	4
Atkins Highways and Transportation	0	4	<b>4</b>	0
GWR FM	0	4	<b>4</b>	0
C Lindup	0	3	<b>3</b>	2
Unum Provident	0	2	<b>2</b>	0
Solomon Hare LLP	0	1	<b>1</b>	4
Picador Design Consultant	0	1	<b>1</b>	0
St George's Bristol	0	1	<b>1</b>	0
Active Opportunities	0	0	<b>0</b>	14
Bristol Rovers Football Club	0	0	<b>0</b>	10
Marsh UK	0	0	<b>0</b>	3
Partners in Leadership	0	0	<b>0</b>	3
East Bristol Enterprises	0	0	<b>0</b>	2
Other private sector bodies	2	3	<b>5</b>	6
	<u>100</u>	<u>236</u>	<u><b>336</b></u>	<u>296</u>
<b>Public sector contributions</b>				
Arts Council of England	3	0	<b>3</b>	4
Avon and Somerset Police Community Trust	1	0	<b>1</b>	0
Connexions	1	0	<b>1</b>	3
NESTA	0	0	<b>0</b>	1
Mentors	0	8	<b>8</b>	0
Business Support Group	0	2	<b>2</b>	0
Reading Buddies	0	1	<b>1</b>	0
	<u>105</u>	<u>247</u>	<u><b>352</b></u>	<u>304</u>



**6 Other income**

	<b>2003-2004</b> <b>£000</b>	2002-2003 £000
Interest receivable	<b>3</b>	4
Tax reclaimed on bank interest	<b>1</b>	4
Sundry income	<b>3</b>	5
	<b>7</b>	13

**7 Total resources expended**

	Staff costs £000	Depreciation £000	Other costs £000	<b>Total</b> <b>2003-2004</b> <b>£000</b>	Total 2002-2003 £000
Direct provision of education	316	0	188	<b>504</b>	522
Education support costs	348	0	388	<b>736</b>	533
Grants payable*	0	0	196	<b>196</b>	164
Management and administration	65	1	50	<b>116</b>	120
Costs of generating funds	0	0	3	<b>3</b>	1
	<b>729</b>	<b>1</b>	<b>825</b>	<b>1,555</b>	1,340
<b>Of which</b>					
DfES grant expenditure	488	0	328	<b>816</b>	750
Other DfES grant expenditure	7	0	11	<b>18</b>	14
Other Government grant expenditure	232	0	185	<b>417</b>	256
Depreciation	0	1	0	<b>1</b>	1
Other expenditure	2	0	298	<b>300</b>	318
Costs of generating funds	0	0	3	<b>3</b>	1
	<b>729</b>	<b>1</b>	<b>825</b>	<b>1,555</b>	1,340

\* In 2003-2004 the Zone paid the following grants to schools

	Programmes				Total £000
	Leadership £000	Teaching & Learning £000	Partnerships £000	Out of hours activities £000	
Bannerman Road Primary School	1	13	0	7	21
Barton Hill Infant & Nursery School	1	1	1	1	4
Barton Hill Primary School	1	0	1	2	4
Cabot Primary School	3	5	2	13	23
Cashmore Nursery	0	0	0	1	1
Easton CE Primary School	1	0	0	3	4
Fairfield High School	1	0	0	12	13
Hannah More Primary School	2	0	0	4	6
Millpond Primary School	1	0	0	9	10
Sefton Park Infant School	3	0	0	1	4
Sefton Park Junior School	2	0	1	3	6
Springwoods Nursery School	1	1	0	2	4
St Barnabas CE VC Primary	2	7	1	4	14
St George Community College	1	0	1	14	16
St James & St Agnes Nursery	3	0	0	1	4
St Michael on the Mount Primary School	3	2	1	4	10
St Nicholas of Tolentine Primary School	3	0	0	3	6
St Werburgh's Park Nursery	1	0	1	0	2
St Werburgh's Primary School	2	8	5	4	19
The Limes Nursery	3	1	0	0	4
Whitehall Primary School	2	1	1	4	8
Supplementary Schools	0	0	12	0	12
Small Grants	1	0	0	0	1
	<u>38</u>	<u>39</u>	<u>27</u>	<u>92</u>	<u>196</u>

## 8 General expenditure

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

	2003-2004 £000	2002-2003 £000
Educational supplies and services	772	727
Occupancy costs	19	16
Supplies and services	26	40
Operating lease rentals	1	1
Auditor's remuneration	6	6
Trustees' expenses	1	1
Miscellaneous	0	0
	<u>825</u>	<u>791</u>

## 9 Staff costs

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

	2003-2004	2002-2003
Management	2	2
Administration	4	3
Teachers	6	5
Engagement and inclusion	10	7
<b>Total employees</b>	<b>22</b>	<b>17</b>

	2003-2004 £000	2002-2003 £000
<b>Staff costs for the above persons</b>		
Wages and salaries	626	475
Social security costs	48	33
Other pension costs (see note 15)	55	40
<b>Total staff costs</b>	<b>729</b>	<b>548</b>

One employee earned more than £60,000 during 2003-2004. The total emoluments of this employee were in the following range

	2003-2004	2002-2003
£60,000 - £70,000	1	1

## 10 Emoluments of Trustees

	2003-2004 £000	2002-2003 £000
Emoluments of Trustees	1	1

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, and the reimbursement of expenditure incurred on behalf of the Education Action Zone.

Travel and subsistence expenses reimbursed in the Year to 31 March 2004 totalled £945.

Travel and subsistence expenses were paid to two Trustees during the Year.

## 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 2003-2004 was £582 (2002-2003: £88).

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 £100,000 and the cost for 2003-2004 was £105 (2002-2003: £105).

**12 Tangible fixed assets**

	Furniture and equipment £000	Computer equipment and software £000	<b>Total 2003-2004 £000</b>	Total 2002-2003 £000
<b>Cost acquired since incorporation</b>				
At 1 April 2003	0	2	<b>2</b>	2
Capital expenditure	0	0	<b>0</b>	0
Disposals	0	0	<b>0</b>	0
<b>At 31 March 2004</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Depreciation</b>				
At 1 April 2003	0	1	<b>1</b>	0
Charged in year	0	1	<b>1</b>	1
Disposals	0	0	<b>0</b>	0
<b>At 31 March 2004</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>Net book value</b>				
<b>At 31 March 2004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

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

	Furniture and equipment £000	Computer equipment and software £000	<b>Total 2003-2004 £000</b>	Total 2002-2003 £000
<b>Other purposes</b>				
Management and administration	0	0	<b>0</b>	1
	0	0	<b>0</b>	1

**13 Debtors**

	<b>31 March 2004 £000</b>	31 March 2003 £000
Prepayments	<b>5</b>	4
Government grants receivable	<b>93</b>	66
Sundry debtors	<b>2</b>	5
	<b>100</b>	75

**14 Creditors: amounts falling due within one year**

	<b>31 March 2004 £000</b>	31 March 2003 £000
Sundry creditors	<b>26</b>	79
Accruals	<b>115</b>	172
	<b>141</b>	251

**15 Pensions and similar obligations**

	<b>2003-2004</b>	2002-2003
<b>Other pension costs comprise</b>		
Defined benefit scheme - regular cost	<b>55</b>	40
Defined contribution scheme	<b>0</b>	0

The Zone's employees belong to the following pension schemes

*Teachers' Superannuation Scheme for England and Wales*

<b>Nature of scheme</b>	<b>Defined benefit</b>
Zone's contribution rate in 2003-2004	13.5%
Zone's contribution in 2003-2004	£15,684
Zone's contribution in future years	£16,231

The Teachers' Superannuation Scheme is an unfunded multi-employer scheme. Contributions are based on valuations made by the Government Actuary. The actuary's last report was in March 2003 using data primarily from the period April 1996 to March 2001.

*Avon Pension Fund*

<b>Nature of scheme</b>	<b>Defined benefit</b>
Zone's contribution rate in 2003-2004	9.5%
Zone's contribution in 2003-2004	£39,221
Zone's contribution in future years	£43,627

Contributions are actuarially valued. The date of the last full actuarial valuation was 31 March 2001 at which date the scheme was 99.4% funded. The next valuation will be as at 31 March 2004, but this has not yet been completed.

Our best estimate of future year contribution rates in respect of this scheme is that used for 2003-2004.

The Avon Pension Fund 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.

**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 2003 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	<b>Balance at 31 March 2004 £000</b>	Total 31 March 2003 £000
DfES recurrent grant	40	840	816	<b>64</b>	40
The GE Foundation	0	40	0	<b>40</b>	0
NRF grant (Easton)	23	55	50	<b>28</b>	23
HBOS Community Foundation	0	20	5	<b>15</b>	0
University of Bristol	0	6	2	<b>4</b>	0
NRF grant (Ashley)	0	44	41	<b>3</b>	0
NoF grant	0	99	99	<b>0</b>	0
Contributions in Kind	0	207	207	<b>0</b>	0
SRB6	0	76	76	<b>0</b>	0
Community at Heart	0	74	74	<b>0</b>	0
ERDF Objective 2	0	48	48	<b>0</b>	0
The Esmee Fairbairn Foundation	0	27	27	<b>0</b>	0
Behaviour and Learning Project	0	21	21	<b>0</b>	0
DfES other grant	0	18	18	<b>0</b>	0
Public sector contributions	0	11	11	<b>0</b>	0
Sure Start	0	6	6	<b>0</b>	0
Excellence in Cities	0	5	5	<b>0</b>	0
Asdan	0	5	5	<b>0</b>	0
Other private sector	0	2	2	<b>0</b>	0
DfES fixed assets	1	0	1	<b>0</b>	1
	<u>64</u>	<u>1,604</u>	<u>1,514</u>	<u><b>154</b></u>	<u>64</u>

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

A transfer was made to refund expenses incurred by the DfES Recurrent Grant restricted fund that were subsequently paid by Community at Heart.

**17 Unrestricted funds**

	<b>2003-2004 £000</b>	2002-2003 £000
Brought forward at 1 April 2003	<b>0</b>	0
Excess of income over expenditure	<b>0</b>	0
<b>Carried forward at 31 March 2004</b>	<b><u>0</u></b>	<u>0</u>

## 18 Analysis of net assets between funds

Fund balances at 31 March 2003 are represented by

	Unrestricted funds £000	Restricted funds £000	<b>Total 2003-2004 £000</b>	Total 2002-2003 £000
Tangible fixed assets	0	0	<b>0</b>	1
Current assets	0	295	<b>295</b>	314
Current liabilities	0	(141)	<b>(141)</b>	(251)
	<u>0</u>	<u>154</u>	<u><b>154</b></u>	<u>64</u>

## 19 Capital commitments

	<b>31 March 2004 £000</b>	31 March 2003 £000
Contracted for, but not provided in the accounts	<b>0</b>	6
Authorised by Trustees, but not yet contracted	<b>0</b>	0

## 20 Lease commitments

	<b>31 March 2004 £000</b>	31 March 2003 £000
<b>Operating leases</b>		
The payments which the Forum is committed to make in the next period for operating leases		
Within one period	<b>0</b>	1
One to five periods	<b>0</b>	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 31 March 2004 there were the following contingent liabilities (nil at 31 March 2003)

- Costs of termination of operations

The Zone is due to close on 16 April 2005 at which point retention, redundancy and early retirement costs estimated at £152,000 may arise.

**22 Reconciliation of net incoming resources to net cash inflow/outflow from operating activities**

	<b>2003-2004</b>	2002-2003
	<b>£000</b>	£000
Net incoming resources	<b>90</b>	31
Interest received	<b>(3)</b>	(4)
Depreciation	<b>1</b>	1
(Increase)/decrease in debtors	<b>(25)</b>	(72)
Increase/(decrease) in creditors	<b>(110)</b>	75
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(47)</b>	31



## 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 Bristol 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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