

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 Ellesmere Port 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. 1046 of 2003-2004.)

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

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# Ellesmere Port Education Action Zone Account 1 April 2004 to 9 January 2005

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

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## Legal and Administrative Information

### Trustees

Mr R Atkins	Mr S Cardiff
Mr B Brennan	Mrs M Conde
Mr M Cash	Ms L Cousins
Dr L Cooke	Mr G Dickinson*
Mr D Cracknell	Mrs B Harvey
Mrs P Fidler	Mrs M Hughes
Ms J Herbert	Mr R Hughes
Mr S Hoy	Mr R Jones
Mr P Jenkins	Mr P Lee*
Mrs A Kelly	Ms G Lloyd
Mr T Lloyd	Mr L McAllion
Mrs C Lyons	Cllr P Merrick
Mr R Manley+	Mr P Newman
Ms S Mogel	Mrs A Petry
Mr M Nield	Ms D Morrison
Mr M O'Malley+	Mrs J Reddy
Ms J Potts	Mr B Schmack
Mr PL Smith*	Mrs H Trattles
Mrs P Downes	Mrs M Walsh
Mr M Whitaker	Mrs A Whitley

\* Members of the Finance Sub Committee

\*\* Forum membership has changed during the year

+ Resigned during the year

Forum members are appointed in accordance with Section 4 of the Statutory Instrument. The following were identified by Forum to act as members of the Executive.

### Executive Committee from September 2003

Ms E Cousins  
Mr D Cracknell (Chair)  
Mrs B Harvey  
Mrs A Kelly  
Mr P Lee  
Mrs G Lloyd  
Mr M Nield  
Mr B Schmack

### Project Director

Ms E Cousins

### Administrator

Mrs S Vernon

**Education Action Zone Office**

Epicentre LEAP Education Action Zone  
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Mill Lane, Ellesmere Port  
Cheshire CH66 3WA  
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**Accountants**

Johnstone Howell & Co  
Fairfield House  
104 Whitby Road  
Ellesmere Port  
Cheshire CH65 OAB  
Tel 0151 356 1496

**Bankers**

HSBC Bank PLC  
94 Whitby Road  
Ellesmere Port  
Cheshire CH65 OAE

**Solicitors**

Legal Department  
Ellesmere Port and Neston Borough Council  
Ellesmere Port  
Cheshire CH76 OBE

**Auditors**

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

## Report of the Trustees

The Trustees present their report and the audited financial statements for the nine-month 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. All members of the Forum are Trustees with the exception of the Project Director.

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

Epicentre LEAP has two partner organisations for appointing members of the Forum (Cheshire County Council and Ellesmere Port and Neston Borough Council). Membership of the Forum includes

- a one person appointed by the governing body of each Zone school, unless any such governing body chooses not to make such an appointment;
- b either one or two persons appointed by the Secretary of State; and
- c up to twelve persons appointed by each partner, unless any partner chooses not to make such an appointment.

The Forum may at any time appoint additional members as follows

- a up to six persons representing the interests of business in Cheshire;
- b up to six parents of registered pupils attending Zone schools; and
- c up to six persons representing the interests of the education sector generally in the area served by the Zone schools.

In accordance with the Act, the Forum has adopted an 'Action Plan', which has been revised annually by the Zone and approved by the Secretary of State for Education and Skills. The Action Plan specifies activities that will address the Zone's nine objectives in order to significantly raise the levels of achievement of pupils in Zone schools and will remain in operational effect until the Zone's transformation into an Excellence Cluster on 10 January 2005.

The Zone's objectives are to

- improve performance in each key stage (KS);
- improve attendance;
- reduce the number of exclusions;
- improve teaching and management in Zone schools;
- improve the quality of pre-school provision;
- increase support for pupils' education from parents, carers and volunteers from business and the community and encourage greater participation in lifelong learning;
- boost motivation and self esteem and enrich the learning experiences of Zone pupils of all ages and abilities by providing curriculum enhancement opportunities;
- ensure that the Zone makes effective use of ICT; and
- ensure that equal opportunities issues are addressed by the Zone.

## Future prospects

Under the 1988 School Standards and Framework Act the Epicentre LEAP 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 accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities were 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 Ellesmere Port Epicentre LEAP Education Action Zone.

The present Trustees of the EAZ are set out on page 2.

The operational management structure of the EAZ consists of a Project Director and Zone Administrator. These two posts constitute the EAZ Senior Management Team, which reports to the Forum. The Forum has two committees to which it devolves many of its day-to-day management responsibilities. These are

- LEAP Executive; and
- Finance Sub Group.

## Developments, activities and achievements

In its fifth and final year, the Epicentre LEAP Education Action Zone delivered a wide range of activities as identified in the Action Plan.

The Engage programme extensively supported children, families, and teachers dealing with the consequences of stress and disaffection and provided strategies to reduce exclusion and absence.

Attendance Teams of Educational Welfare Officers, Family Support Worker and a School Nurse provided support for individual pupils and their families in Zone high schools and primaries, and established whole school and whole class initiatives to improve levels of attendance.

There was continued support for pupils with special educational needs through funding for additional classroom assistant time for targeted groups of pupils.

Three Learning Support Units ran until the end of the academic year 2004.

Nurture groups continued to operate in three Zone primary schools funded by Children's Fund. The groups provided nurturing support programmes for a small number of vulnerable children with the aim of reintegrating them into the mainstream.

Training for Learning Mentors was delivered to all Zone schools as part of the Zone's transformation process to an Excellence Cluster. The Learning Mentor programme commenced in all schools in the Autumn Term.

The Ensure programme provided additional support for literacy development at KS1 and KS2. This support was delivered within schools by trained teaching assistants through daily sessions with small groups of identified pupils. A Gifted and Talented summer school on 'Science through Performing Arts' was held. Support for KS3 curriculum development in secondary schools continued to support effective practice in literacy, numeracy, science and teaching and learning, developed by schools which had previously shadowed the Cheshire KS3 Pilot.

Individual school grants enable the Zone primary schools to continue with innovative projects to target specific areas for improvement.

A high quality Science and Technology workshop programme was delivered to Zone schools by Shell Education Service and Teachers from Industry under contract to BNFL.

The Aspire activities continued the development of KS4 GNVQ courses and alternative provision at Sutton and Stanney.

Leap through the Arts delivered a successful arts development programme to all Zone schools culminating in a summer arts festival of dance, drama, music and art with performances for pupils' families and the wider community. Staff development sessions have been delivered on arts, drama and music.

The School Sport Co-ordinator Partnership has been extended to cover Neston, Whitby, Frodsham, Helsby and partner primary schools, with effect from September 2004. The partnership delivered comprehensive sports programmes in all Zone schools and has contributed to the professional development of teachers through continued training and provision of improved specialist resources. From September the partnership transferred to Stanney Specialist Sports College.

An additional seven schools have achieved Active Mark or Active Mark Gold this year. All Zone primary schools have now attained an Active Mark or Active Mark Gold award. Three Zone high schools have Sportsmark awards. Celebratory events included a Schools Jubilee Games and Circus Skills workshops.

At KS4 and sixth form, pupils benefited from the Excellence Challenge partnership with additional support from schools, college of FE, Connexions and three Higher Education institutions. Excellence Challenge events included a Summer School, parents evening, visits to universities and an aspirational residential weekend for pupils at the Conway centre. Laptop computers were purchased for 6th form study areas to increase learning opportunities and access to HE information.

Through the Advance programme, LEAP has provided locally based training in Mind Friendly Learning. A major conference took place with a focus on inclusion in education. The conference was delivered by a number of high profile speakers and trainers. 900 staff from 35 schools in Ellesmere Port took part.

The Connect programme has ensured that schools are supported with their strategic planning and effective use of ICT within the curriculum. All schools have access to technical support and to curriculum advice and training. In addition, the Zone has enabled schools to purchase additional hardware and software.

## 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 Education Action Zone's income is obtained from the DfES in the form of recurrent grants, the use of which is restricted to particular purposes. The Education Action Zone also received other restricted grants from DfES. The grants received during 2004-2005 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Zone received a grant of £41,500 for Excellence Challenge from DfES. This funding was applied to the following activities: co-ordination, visits, training events and resources.

In accordance with the DfES's funding conditions, the Education Action Zone aims to raise private business contributions of at least £250,000 per financial year. For 2004-2005, contributions have totalled £131,000 with additional contributions in Kind from the public sector of £9,537.

Expenditure for the year exceeded income by £205,000. This deficit has decreased the accumulated fund to £Nil at 9 January 2005.

At 9 January 2005 the net book value of fixed assets was £Nil and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets are used exclusively for providing education and associated support services to the pupils of the EAZ.

## 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 £159,347 was transferred to Cheshire County Council, 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 grant from the DfES.



## Restrictions imposed by the governing document

The EAZ cannot enter into debt.

## Connected organisations

The EAZ worked closely with its 20 partnership schools, its public, community and voluntary sector partners and its private sector partners to achieve the Forum's objectives.

The Zone's main partners as identified in the Statutory Instrument are Cheshire County Council and Ellesmere Port and Neston Borough Council. Both organisations are represented on the Executive Committee and Forum.

The total cash and in-Kind contribution from the private sector partners during the period 2004-2005 was £131,000 and from the public sector partners was £9,537.

During the period 2004-2005, the Education Action Zone had service level agreements with the County Council to supply payroll, premises and personnel services, and with Ellesmere Port and Neston Borough Council to provide legal services.

The partners within the Education Action Zone are

### *Schools*

<b>Schools</b>	<b>Postcode</b>	<b>DfES No</b>
Atherton Nursery and Infant School	CH65 8HL	2259
Brookside Primary School	CH66 4RU	2732
Cambridge Road Community Primary School	CH65 4AQ	2235
Ellesmere Port Christ Church	CH65 6TU	8753552
Ellesmere Port Catholic High School	CH65 7AQ	4611
Gorsthills Primary	CH66 4LT	8752704
Hinderton School	CH65 7AQ	2015
John Street Primary School	CH65 2ED	2239
Mansfield Primary School	CH65 7EF	2703
Our Lady's Catholic Infants School	CH65 6SH	3554
Our Lady's Catholic Junior School	CH65 7AQ	3553
Parklands Community Primary School	CH66 3RL	2721
Pooltown Community Junior School	CH65 7ED	2244
St Mary of the Angels	CH65 6SH	3558
Rivacre Valley Primary School	CH66 1LE	2725
Rossmore School	CH66 1HF	8752279
Sutton Green	CH66 4NW	8752268
St Bernard's Catholic Primary School	CH65 9HE	3556
The Oaks Community Primary School	CH65 9EX	2013
Stanney High School	CH65 9DB	4154
Sutton High School	CH66 3NG	4161
The Whitby High School	CH66 2NU	8754167
William Stockton Primary School	CH65 8DH	2237
Wolverham Primary School	CH65 5AT	2242

### *Public, community, and voluntary sector partners*

#### Connexions

Cheshire County Council (Education, Community Development and Social Services)  
 Chester College of Higher Education  
 Ellesmere Port and Neston Borough Council  
 Ellesmere Port and Neston Primary Care Trust  
 Epicentre Partnership  
 Roman Catholic Diocese of Shrewsbury  
 Trinity Creche  
 West Cheshire College

### *Private sector partners*

ACE Training	MacDonalds Restaurants Ltd
Active-8	MerseyGrid Ltd
Action Transport Theatre	Nandos Restaurant
Accurate plc	Nike Cheshire Oaks
Associated Octel Co. Ltd	Positive Accounting Solutions
BAA McArthur Glen UK Ltd	Scottish Power Learning
BNFL plc	Shell International Ltd
Chester Zoo	TGI Fridays
Chiquitos Restaurant	Vue Cinemas
Engineering and Physical Sciences Research Council	Urenco
Gingerbean	Ellesmere Port Shopping Centre Ltd

### Disabled persons

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

### Post balance sheet events

There were no post balance sheet events.

The Zone ceased all activities at the end of its statutory life on 9 January 2005. At this date it transformed into an Excellence Cluster. Expenditure for the period ended 9 January 2005 included redundancy costs of £7,000 and early retirement benefit costs of £90,000 due to redundancy, relating to one member of staff.

### Prior year adjustments

There were no prior year adjustments.

### 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 programmes within the Action Plan.

### Statement on risk management

The Zone has undertaken review of the major risks to which the charity is exposed. This was reviewed by Trustees in January 2004.

Examples of good practice include

- regular review of transformation plan by Executive;
- regular Finance Sub Group Meetings and monitoring visits from Designated Trustee;
- implementation of specific actions identified to reduce risk areas in the plan;
- weekly bank reconciliations; and
- increased frequency of budget monitoring as Zone draws to a close.

## 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's policies, aims, and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The Trustees have approved a set of Financial Regulations for the Zone.

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

- loss of Key Staff; and
- Management of Closure Issues.

### Review of internal controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal control. In 2004-2005 the Forum has maintained the following processes

- a risk analysis identifying key risks and risks to which it is exposed;
- systems and procedures to mitigate the risks identified in the plan;
- the allocation of risk ownership, including role of Forum, sub-committees, and Project Director;
- the annual review of the risk analysis plan;
- a transformation plan; and
- Financial Regulations.

Some examples of good practice include

- regular oversight of financial procedures by Nominated Trustees and regular reports to Forum;
- improved security of Zone data;
- separation of staff duties has been maintained in a very small team;
- improved clarity of meeting papers and reports;
- staff development opportunities have been identified throughout the year; and
- frequency of finance progress meetings increased to end of the Zone.

## Statement of Trustees' responsibilities for the Financial Statements

Under Schedule 1 of the School Standards and Framework Act 1998, the Trustees are required to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Forum and of the net incoming resources of the Forum for that period on the basis determined by the Secretary of State with approval of the Treasury.

In preparing these financial statements, the Trustees have

- selected suitable accounting policies and applied them consistently;
- made judgments 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 Secretary of State's Accounts Direction. 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 their behalf on 14 March 2005 and signed by David Cracknell, Director for Education and Community, Cheshire County Council.

*David Cracknell*  
(on behalf of the Trustees)

## 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 13 to 27 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 17 and 18.

### Respective responsibilities of the Trustees and Auditor

As described on page 10 the Trustees are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Trustees are also responsible for the preparation of the Trustees' Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills, whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and whether the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Forum has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 9 reflects the Forum's compliance with HM Treasury's guidance 'Corporate governance: statement on the system of internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Trustees' Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Zone's corporate governance procedures or its risk and control procedures.

### Basis of audit opinion

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

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

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

## Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the Ellesmere Port 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

22 March 2005

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Victoria  
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## Statement of Financial Activities for the period ended 9 January 2005

	Notes	Funds	Unrestricted DfES	Restricted funds Other	Fixed assets	<b>Total Period ended 9 January 2005 £000</b>	Total Year ended 31 March 2004 £000
		£000	£000	£000	£000		
<b>Incoming resources</b>							
DfES grants receivable	2,3	0	955	171	0	<b>1,126</b>	1,150
Other Government grants receivable	4	0	0	5	0	<b>5</b>	21
Private sector contributions	5	131	0	0	0	<b>131</b>	296
Public sector contributions	5	10	0	0	0	<b>10</b>	31
Other income	6	58	0	0	0	<b>58</b>	17
Amortisation transfer		0	0	0	0	<b>0</b>	0
<b>Total incoming resources</b>		<b>199</b>	<b>955</b>	<b>176</b>	<b>0</b>	<b>1,330</b>	<b>1,515</b>
<b>Resources expended</b>							
Costs of generating funds	7	0	0	0	0	<b>0</b>	0
<b>Net incoming resources for charitable application</b>		<b>199</b>	<b>955</b>	<b>176</b>	<b>0</b>	<b>1,330</b>	<b>1,515</b>
<b>Charitable expenditure</b>							
<i>Costs in furtherance of charitable objectives</i>							
Provision of education	7	0	45	34	0	<b>79</b>	92
Education support costs	7	221	220	23	17	<b>481</b>	607
Grants payable	7	0	561	143	0	<b>704</b>	558
Management and administration	7	6	107	0	1	<b>114</b>	139
<b>Total charitable expenditure</b>		<b>227</b>	<b>933</b>	<b>200</b>	<b>18</b>	<b>1,378</b>	<b>1,396</b>
Transfer of unspent funds		0	0	42	0	<b>42</b>	0
Costs of termination of operations	9	0	115	0	0	<b>115</b>	0
<b>Total resources expended</b>		<b>227</b>	<b>1,048</b>	<b>242</b>	<b>18</b>	<b>1,535</b>	<b>1,396</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(28)</b>	<b>(93)</b>	<b>(66)</b>	<b>(18)</b>	<b>(205)</b>	<b>119</b>
Transfers between funds		0	0	0	0	<b>0</b>	0
<b>Net movement in funds</b>		<b>(28)</b>	<b>(93)</b>	<b>(66)</b>	<b>(18)</b>	<b>(205)</b>	<b>119</b>
Fund balances brought forward at 1 April 2004		28	93	66	18	<b>205</b>	86
<b>Fund balances carried forward at 9 January 2005</b>	17,18	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>205</b>

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

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

Further analysis of the income and expenditure for the period is shown on page 14 and the overall financial position at the period end is summarised in the balance sheet on page 15.

*The notes on pages 17 to 27 form part of these accounts.*

# Income and Expenditure Statement for the period ended 9 January 2005

	Notes	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
<b>Income</b>			
DfES EAZ recurrent grant	2	955	895
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	171	255
Other government grants	4	5	21
Private sector contributions	5	131	296
Public sector contributions	5	10	31
Other income	6	58	17
<b>Total income</b>		<b>1,330</b>	<b>1,515</b>
<b>Charitable expenditure</b>			
DfES EAZ grant expenditure	7	921	802
DfES EAZ fixed asset grant expenditure	7	0	0
Other DfES grant expenditure	7	191	243
Other government grant expenditure	7	8	8
Depreciation	7	18	18
Other expenditure	7	240	325
<b>Total charitable expenditure</b>		<b>1,378</b>	<b>1,396</b>
Costs of generating funds	7	0	0
Transfer of unspent funds		42	0
Costs of termination of operations		115	0
<b>Total resources expended</b>		<b>1,535</b>	<b>1,396</b>
<b>Excess of income over expenditure</b>		<b>(205)</b>	<b>119</b>
<b>Net transfers to/from funds</b>			
DfES EAZ fund	17	(93)	93
Other restricted funds	17	(84)	7
Unrestricted funds	18	(28)	19
<b>Net movement in funds</b>		<b>(205)</b>	<b>119</b>

The Income and Expenditure account is derived from the Statement of Financial Activities on page 13 which, together with the notes to the accounts on pages 17 to 27 provide full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the excess of income over expenditure for period to 9 January 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 17 to 27 form part of these accounts.*



## Balance sheet as at 9 January 2005

	Notes	<b>9 January 2005 £000</b>	31 March 2004 £000
<b>Fixed assets</b>			
Tangible assets	13	<u>0</u>	<u>18</u>
		<b>0</b>	<b>18</b>
<b>Current assets</b>			
Debtors	14	<u>0</u>	<u>7</u>
Cash at Bank and in hand		<u>0</u>	<u>422</u>
		<b>0</b>	<b>429</b>
<b>Creditors: amounts falling due within one year</b>	15	<u>0</u>	<u>242</u>
<b>Net current assets</b>		<b>0</b>	<b>187</b>
<b>Net assets</b>		<u><b>0</b></u>	<u><b>205</b></u>
<b>Funds</b>			
Restricted funds	17	<u>0</u>	<u>177</u>
Unrestricted funds	18	<u>0</u>	<u>28</u>
		<u><b>0</b></u>	<u><b>205</b></u>

The financial statements were approved by the Finance Sub Group on 22 November 2004 and signed on its behalf by

*David Cracknell*

Director of Education and Community, Cheshire County Council (on behalf of the Trustees)

*The notes on pages 17 to 27 form part of these accounts.*

## Cash Flow Statement for the period ended 9 January 2005

	Note	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
<b>Operating activities</b>			
<i>Receipts</i>			
Recurrent EAZ grant received from DfES		955	895
Capital grant from DfES		0	0
Other government grants		121	293
Private sector sponsorship		2	1
Public sector sponsorship		0	0
Other receipts		56	14
		<u>1,134</u>	<u>1,203</u>
<i>Payments</i>			
Staff costs		236	244
Other cash payments		1,327	746
<b>Net cash (outflow)/inflow from operating activities</b>	23	<b>(429)</b>	213
<b>Returns on investments and servicing of finance</b>			
Interest received		7	8
Interest paid		0	0
		<u>7</u>	<u>8</u>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		0	0
Receipts from sale of tangible fixed assets		0	0
Transfer of tangible fixed assets to schools		0	0
		<u>0</u>	<u>0</u>
<b>Financing</b>			
Deferred grant received		0	0
		<u>0</u>	<u>0</u>
<b>(Decrease)/increase in cash in the period</b>		<b>(422)</b>	221

The notes on pages 17 to 27 form part of these accounts.

# Notes to the Financial Statement

## 1 Accounting policies

### *Format of the accounts*

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP 2000), 'Accounting and Reporting Charities' published in October 2000 and the Charities Act 1993. A summary of the principle 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 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 businesses. 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 treated in the income and expenditure account as restricted income.

### *Investment income and interest receivable*

Investment income and interest receivable are included in the financial statements on an accruals basis, and are stated inclusive of related tax credits.

### *Management and administration*

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

### *Allocation of costs 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 Ellesmere Port 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**

Staff costs

#### **Basis of apportionment**

Time spent

### *Tangible fixed assets*

Tangible fixed assets, which cost more than £1,000, 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 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 for 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 assets are

Furniture and equipment	20%
Computer equipment and software	20%

There is a full year's depreciation in the year of purchase but none in the year of sale.

The fixed assets of the Zone have been transferred to the Zone Schools and the Excellence Cluster, at no charge.

### *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 Cheshire County Council 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**

	<b>Period ended</b> <b>9 January</b> <b>2005</b> <b>£000</b>	Year ended 31 March 2004 £000
DfES grant received in period	<b>955</b>	895
Carry Over from previous period	<b>93</b>	0
<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>1,048</b>	895
Spent in the period	<b>1,048</b>	806
Underspent grant/[funded from general fund]	<b>0</b>	89
Maximum permitted carry over level	<b>0</b>	79
Excess grant to surrender	<b>0</b>	10

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

**3 Other DfES grants**

	<b>Period ended</b> <b>9 January</b> <b>2005</b> <b>£000</b>	Year ended 31 March 2004 £000
Aim higher/excellence challenge	<b>43</b>	46
Gifted and talented summer schools	<b>4</b>	9
Children's fund	<b>75</b>	97
School sports coordinator grant	<b>49</b>	103
	<b>171</b>	255

**4 Other government grants**

	<b>Period ended</b> <b>9 January</b> <b>2005</b> <b>£000</b>	Year ended 31 March 2004 £000
New opportunities fund: Leap	<b>5</b>	1
New opportunities fund: SSC	<b>0</b>	20
	<b>5</b>	21

**5 Business contributions**

	Cash	In Kind	Total Period ended 9 January 2005 £000	Total Year ended 31 March 2004 £000
	£000	£000	£000	£000
<b>Private sector contributions</b>				
Accurate plc	0	10	10	16
Ace	0	0	0	3
Active 8	0	0	0	2
BNFL	0	3	3	10
Chester News	0	0	0	2
Chester Zoo	0	24	24	39
Frankie & Benny's	0	0	0	1
Gingerbean	0	0	0	1
MacDonalds	0	0	0	3
Mentors	0	1	1	3
Nike Stores	0	0	0	6
Norkem	0	0	0	8
Parental Contributions	0	0	0	23
Provident Personal Credit	0	4	4	0
Scottish Power	0	0	0	21
Shell UK	0	16	16	12
Urenco	0	1	1	0
Various	0	69	69	27
Volunteers	0	3	3	34
Warner Brothers	0	0	0	2
Work Experience	0	0	0	83
	0	131	131	296
<b>Public sector contributions</b>				
Cheshire County Council	0	4	4	1
CCC EAZ Schools	0	0	0	6
CCC Family Learning	0	6	6	24
	0	10	10	31
	0	141	141	327

**6 Other income**

	Period ended 9 January 2005 £000	Year ended 31 March 2004 £000
Interest receivable	7	8
Partnership funding	3	5
C Hackman fees	1	4
Course fees	2	0
Schools income	45	0
	58	17

**7 Total resources expended**

	Staff	Depreciation	Other	<b>Total Period ended 9 January 2005 £000</b>	Total Year ended 31 March 2004 £000
	£000	£000	£000	£000	£000
Direct provision of education	25	0	54	<b>79</b>	92
Education support costs	20	17	444	<b>481</b>	607
Grants payable*	0	0	704	<b>704</b>	558
Management and administration	84	1	29	<b>114</b>	139
Transfer of unspent funds	0	0	42	<b>42</b>	0
Costs of termination of operations	107	0	8	<b>115</b>	0
	<u>236</u>	<u>18</u>	<u>1,281</u>	<u><b>1,535</b></u>	<u>1,396</u>
<b>Of which</b>					
DfES grant expenditure	104	0	817	<b>921</b>	802
DfES EAZ fixed asset grant expenditure	0	0	0	<b>0</b>	0
Other DfES grant expenditure	25	0	166	<b>191</b>	243
Other government grant expenditure	0	0	8	<b>8</b>	8
Depreciation	0	18	0	<b>18</b>	18
Other expenditure	0	0	240	<b>240</b>	325
Costs of generating funds	0	0	0	<b>0</b>	0
Transfer of unspent funds	0	0	42	<b>42</b>	0
Costs of termination of operations	107	0	8	<b>115</b>	0
	<u>236</u>	<u>18</u>	<u>1,281</u>	<u><b>1,535</b></u>	<u>1,396</u>

\* In the period the Zone paid the following grants to schools

	Raising achievement £000	Programmes Developing employability £000	<b>Total £000</b>
Atherton Nursery and Infant School	26	0	<b>26</b>
Brookside Primary School	28	0	<b>28</b>
Cambridge Road Community Primary School	39	0	<b>39</b>
Christ Church	8	0	<b>8</b>
Ellesmere Port Catholic High School	52	4	<b>56</b>
Gorst Hills	11	0	<b>11</b>
Hinderton School	20	0	<b>20</b>
John Street Primary School	24	0	<b>24</b>
Mansfield Primary School	28	0	<b>28</b>
Our Lady's Catholic Infants School	20	0	<b>20</b>
Our Lady's Catholic Junior School	22	0	<b>22</b>
Parklands Community Primary School	35	0	<b>35</b>
Pooltown Community Junior School	30	0	<b>30</b>
St Mary of the Angels	26	0	<b>26</b>
Rivacre Valley Primary School	30	0	<b>30</b>
Rossmore	21	0	<b>21</b>
St Bernard's Catholic Primary School	30	0	<b>30</b>
The Oaks Community Primary School	29	0	<b>29</b>
Stanney High School	50	13	<b>63</b>
Sutton Green	11	0	<b>11</b>
Sutton High School	45	14	<b>59</b>
William Stockton Primary School	37	0	<b>37</b>
Whitby High School	7	4	<b>11</b>
Wolverham Primary School	29	0	<b>29</b>
Ellesmere Port Catholic High School	11	0	<b>11</b>
	<u>669</u>	<u>35</u>	<u><b>704</b></u>

## 8 General expenditure

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

	<b>Period ended</b> <b>9 January</b> <b>2005</b> <b>£000</b>	Year ended 31 March 2004 £000
Educational supplies and services	<b>1,204</b>	1,105
Occupancy costs	<b>4</b>	5
Supplies and services	<b>16</b>	17
Operating lease rentals	<b>1</b>	2
Auditor's remuneration	<b>6</b>	5
Transfer of unspent funds	<b>42</b>	0
Costs of termination of operations	<b>8</b>	0
	<b><u>1,281</u></b>	<u>1,134</u>

## 9 Costs of termination of operations

	<b>Period ended</b> <b>9 January</b> <b>2005</b> <b>£000</b>	Year ended 31 March 2004 £000
Staff costs arising from Zone closure paid by closure date	<b>7</b>	0
Costs of post Zone services provided by nominated successor body	<b>4</b>	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	<b>159</b>	0
Transfer of unspent funds	<b>42</b>	0
Transformation costs	<b>4</b>	0
	<b><u>216</u></b>	<u>0</u>

The amounts transferred to nominated successor body to meet residual liabilities includes £100,000 of staff costs arising on Zone closure.

The Costs of termination of operations in this note differs from that disclosed elsewhere in the accounts, due to the inclusion of the amounts transferred to the nominated successor body to meet the Zone's residual liabilities, and the transfer of £42,000 to Stanney High School for the ongoing School Sports Coordinator programme which is separately disclosed elsewhere in these accounts.

## 10 Staff costs

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

	<b>Period ended</b> <b>9 January</b> <b>2005</b>	Year ended 31 March 2004
Management	<b>1</b>	1
Administration	<b>2</b>	3
Teachers	<b>2</b>	3
<b>Total employees</b>	<b><u>5</u></b>	<u>7</u>



	<b>Period ended 9 January 2005 £000</b>	Year ended 31 March 2004 £000
<b>Staff costs for the above persons</b>		
Wages and salaries	<b>105</b>	213
Social Security costs	<b>10</b>	14
Other pension costs (see note 16)	<b>14</b>	17
Costs associated with Zone closure	<b>107</b>	0
<b>Total staff costs</b>	<b>236</b>	244

Costs associated with Zone closure comprised retention payments of £7,402, redundancy costs of £9,414 and early retirement costs of £90,245.

One employee earned more than £50,000 during period ended 9 January 2005. The total emoluments of this employee were in the following range

	<b>Period ended 9 January 2005</b>	Year ended 31 March 2004
£50,001 - £60,000	<b>1</b>	0
£60,001 - £70,000	<b>0</b>	1

Staff costs included School Sports Coordinator staff.

## 11 Emoluments of Trustees

	<b>Period ended 9 January 2005 £000</b>	Year ended 31 March 2004 £000
Emoluments of Trustees	<b>0</b>	0

The Trustees of the Forum did not receive any payment from the Forum other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. Travel and subsistence expenses reimbursed in the period to 9 January 2005 totalled £nil.

## 12 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 £187 (2003-2004: £250)

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 £75 (2003-2004: £100).

**13 Tangible fixed assets**

	Furniture and equipment £000	Computer equipment and software £000	<b>Total Period ended 9 January 2005 £000</b>	Total Year ended 31 March 2004 £000
<b>Cost</b>				
<b>Acquired since incorporation</b>				
At 1 April 2004	11	82	<b>93</b>	97
Capital expenditure	0	0	<b>0</b>	0
Disposals	0	0	<b>0</b>	(4)
At 9 January 2005	<u>11</u>	<u>82</u>	<u><b>93</b></u>	<u>93</u>
<b>Depreciation</b>				
At 1 April 2004	9	66	<b>75</b>	59
Charged in period	2	16	<b>18</b>	18
Disposals	0	0	<b>0</b>	(2)
At 9 January 2005	<u>11</u>	<u>82</u>	<u><b>93</b></u>	<u>75</u>
<b>Net book value</b>				
At 9 January 2005	<u>0</u>	<u>0</u>	<u><b>0</b></u>	<u>18</u>

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

	Furniture and equipment £000	Computer equipment and software £000	<b>Total Period ended 9 January 2005 £000</b>	Total Year ended 31 March 2004 £000
<b>Charitable purposes</b>				
Educational provision	0	0	<b>0</b>	18
Support services	0	0	<b>0</b>	0
<b>Other purposes</b>				
Management and administration	0	0	<b>0</b>	0
	<u>0</u>	<u>0</u>	<u><b>0</b></u>	<u>18</u>

*Source of funding for assets acquired*

	<b>Total Period ended 9 January 2005 £000</b>	Total Year ended 31 March 2004 £000
DfES EAZ grant	<b>0</b>	17
Other DfES grants	<b>0</b>	0
Other government grants	<b>0</b>	0
Private sector capital sponsorship	<b>0</b>	1
	<u><b>0</b></u>	<u>18</u>

The assets of the Zone have a value of £nil and have been transferred to Zone schools and to the new Excellence Cluster.

**14 Debtors**

	<b>9 January 2005 £000</b>	31 March 2004 £000
Prepayments	0	3
Sundry debtors	0	4
Amounts due from DfES	0	0
	<u>0</u>	<u>7</u>

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

	<b>9 January 2005 £000</b>	31 March 2004 £000
Taxation and Social Security	0	0
Sundry creditors	0	82
Amounts due to DfES	0	0
Accruals and deferred income	0	160
	<u>0</u>	<u>242</u>

**16 Pensions and similar obligations**

	<b>Period ended 9 January 2005</b>	Year ended 31 March 2004
<i>Other pension costs comprise</i>		
Defined benefit scheme - regular cost	14	17
Defined contribution scheme	0	0

The Zone's employees belong to the following pension scheme

*Cheshire County Council Pension Scheme*

<b>Nature of scheme</b>	<b>Defined benefit</b>
Zone's contribution rate in the nine month period	17%
Zone's contribution in the nine month period	£14,404
Zone's contribution in future years	£0

Contributions are actuarially valued. The date of the last full actuarial valuation was March 2001 at which date the scheme was 91% funded.

The Cheshire 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.

## 17 Restricted funds

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

	Balance at 1 April 2004 £000	Incoming resources £000	Expenditure gains, losses and transfers £000	<b>Balance at 9 January 2005 £000</b>	Balance at 31 March 2004 £000
DfES recurrent grant	93	955	(1,048)	<b>0</b>	93
Other DfES grants	18	171	(189)	<b>0</b>	18
DfEs fixed asset grant	18	0	(18)	<b>0</b>	18
Other government grants	48	5	(53)	<b>0</b>	48
	<u>177</u>	<u>1,131</u>	<u>(1,308)</u>	<u><b>0</b></u>	<u>177</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 has no carry forward allowances this period as it ceases to operate on 9 January 2005.

## 18 Unrestricted funds

	<b>Period ended 9 January 2005 £000</b>	Year ended 31 March 2004 £000
Brought forward at 1 April 2004	<b>28</b>	9
Excess of income over expenditure	<b>(28)</b>	19
Carried forward at 9 January 2005	<u><b>0</b></u>	<u>28</u>

## 19 Analysis of net assets between funds

Fund balances at 9 January 2005 are represented by

	Unrestricted funds £000	Restricted funds £000	<b>Total Period ended 9 January 2005 £000</b>	Total Year ended 31 March 2004 £000
Tangible fixed assets	0	0	<b>0</b>	18
Current assets	0	0	<b>0</b>	429
Current liabilities	0	0	<b>0</b>	(242)
Deferred income	0	0	<b>0</b>	0
	<u>0</u>	<u>0</u>	<u><b>0</b></u>	<u>205</u>

**20 Capital commitments**

	<b>Period ended 9 January 2005 £000</b>	Year ended 31 March 2004 £000
Contracted for but not provided in the accounts	<b>0</b>	0
Authorised by Trustees, but not yet contracted	<b>0</b>	0

**21 Lease commitments**

	<b>Period ended 9 January 2005 £000</b>	Year ended 31 March 2004 £000
<b>Operating leases</b>		
<i>The payments which the Forum is committed to make in the next period for operating leases</i>		
Within one period	<b>0</b>	1
One to five periods	<b>0</b>	0

**22 Contingent liabilities**

As at 9 January 2005 there were contingent liabilities of £nil (£106,000 at 31 March 2004).

**23 Reconciliation of net incoming resources to net cash inflow from operating activities**

	<b>Period ended 9 January 2005 £000</b>	Year ended 31 March 2004 £000
Net incoming resources	<b>(205)</b>	119
Interest received	<b>(7)</b>	(8)
Depreciation	<b>18</b>	18
Deferred grant released to income	<b>0</b>	0
(Profit)/loss on disposal of fixed assets	<b>0</b>	2
(Increase)/decrease in stocks	<b>0</b>	0
(Increase)/decrease in debtors	<b>7</b>	10
Increase/(decrease) in creditors	<b>(242)</b>	72
<b>Net cash inflow from operating activities</b>	<b>(429)</b>	213

## 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 Ellesmere Port 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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