

HAZELWOOD SCHOOL
(A Charitable Educational Trust Limited by Guarantee)

Company No. 925581
Registered Charity No. 312081

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST JULY 2020

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Reference and Administrative Details

Governors

J. Bleakley
N. Carter-Pegg
J. Coates
A. Curson
B. Figgis
P. Harvey (resigned 6th January 2020)
S. Heald

R. Heaton (Chair appointed 1st January 2020)
A. J. Lark (Chair resigned 1st January 2020)
H. Leach
T. Proctor
G. Reedy
N. Taylor
B. Thakar

Head

Mrs L. Louw

Bursar

N. Tappin

Registered Office

Hazelwood School
Wolfs Hill
Limpsfield
Oxted
RH8 0QU

Bankers

Barclays Bank plc
9 Station Road West
Oxted
Surrey RH8 9EF

Solicitors

Veale Wasbrough Lawyers
Orchard Court
Orchard Lane
BRISTOL BS1 5WS

Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Hazelwood School

(A Charitable Educational Trust Limited by Guarantee)

Governors' Report

for the year ended 31st July 2020

Introduction

The Governors have pleasure in presenting their report of the affairs of Hazelwood School (the School) for the year ended 31st July 2020 together with the audited financial statements for that period. These have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities (The FRS 102 SORP), current statutory requirements and the Charity's Memorandum and Articles of Association.

Charitable Objects

The objects for which the Trust is established are the advancement and promotion of education in particular by the provision of a school for the education of children of both sexes.

Governance and Management

Hazelwood School is a registered charity (No 312081) and a company limited by guarantee (No 925581). It is governed by its Memorandum and Articles of Association. The Board of Governors (the Board) is guided by its Governance Document, last updated in June 2017.

The members of the Board, who were Trustees of the Charity's activities and Directors of the Company for the purposes of the Companies Act 2006 during the year ended 31st July 2020, are shown on page 1.

On appointment, Governors are provided with a comprehensive information pack and guidelines on Governorship. They are encouraged to attend familiarisation visits to the School and all Governors are given opportunities to attend seminars run by professional bodies to enhance awareness of both governance skills and school management issues.

The full Board meets four times a year with two meetings scheduled in the Autumn term; the first is a 'catch up Board Meeting' following the summer with the second taking the shape of a full day's immersion at the School. All the Governor Committees (Finance & General Purposes, Nomination & Remuneration, Compliance, Education and Property) continue to meet at least once a term. The Audit Committee meets once a year to provide oversight of the School's financial management, of the annual financial statements and of the School's external auditors. The School has a wholly owned trading subsidiary, The Larks at Laverock Limited, which runs a day nursery for children aged 6 months to 4 years. Its Board meets at least once a term. The Head, assisted by the Bursar, is responsible for the day to day management of the School and reports directly to the Governing Body.

Strategic Report

Principal Risks and Uncertainties

During the course of the 2019-20 academic year, the School updated its Principal Risk document to include the incidence of a pandemic. The School identified its key risks associated with this unprecedented period. These included failure to follow government guidelines at the expense staff and pupil welfare including its inability to contain the spread of infection, the dilution of the educational offering leading to parental dissatisfaction and damage to the School's reputation and the loss of income through reduced fee income and cessation of additional revenue streams. The mitigating procedures and adjustments outlined in this document assisted the School, via Governor scrutiny and input, in presenting an effective Return to School Protocol and Risk Assessment when pupils were allowed to return to Hazelwood in June 2020.

In addition, the Governors continue to review not only the application of statutory compliance and best practice, but also the other major risks to which the School is exposed and they ensure that controls are put in place to mitigate those risks. The School's Risk Management Register details risk exposure including its Objects, Charity Law and Regulation, Governance and Management, External Influences, Environmental Health & Safety, Operational Processes, Technological, Academic, Pastoral, Financial, Investment and Privacy. Risks have been allocated to the individual Governor Committees for review at their termly meetings. Principal risks include loss of reputation leading to a drop in pupil numbers. This is mitigated first and foremost by a broad and balanced curriculum which delivers progress and results. The school also boasts strong safeguarding procedures, works to maintain a positive profile in the community and operates an excellent staff performance and development programmes to maintain high calibre staff. In addition, it invests in stringent financial modelling to capture emerging trends early in order to rebalance the impact of falling pupil numbers. Also identified as a principal risk is the risk of financial mismanagement which is mitigated by strong internal controls, detailed financial budgeting and modelling of long term cash flow forecasts and regular reviews by Governors. The Governors are confident that risks are minimised and maintained within acceptable tolerances.

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Principal Risks and Uncertainties (continued)

The Governors have no financial interest in the Charity and receive no remuneration from the Charity.

Activities, Achievements and Performance

The company fulfils its charitable objects by running Hazelwood School, an independent Pre- prep and Preparatory School for boys and girls aged 4 to 13 years. In shaping our objectives for the year 2019-20 and planning the school's activities, the Governors are aware of the Charity Commission's guidance on public benefit including the document, 'Public Benefit running a charity (P2)'. In order to deliver the charitable objects, the school employs individuals and owns buildings whose expertise, accommodation and facilities are made available to local and community organisations thereby delivering public benefit.

At the start of the 19/20 academic year, it felt like any other new term and year getting underway.

The School had undergone its summer programme of works and improvements and a final flurry of new pupil recruitment meant that the School roll call was marginally up on the previous year with numbers, particularly in the middle part of the school buoyant and heading, in some instances towards maximum capacity.

Developments for teaching and learning in The BOX (the School's innovations space) were focusing on cross-year collaboration and taking the same creativity and courage of thought across into all other aspects of our pupils' daily routines so that the approach became a site-wide dynamic and not one associated with a specific space or environment.

Plans had been made over the summer to introduce a new navy blue blazer for the pupils in Years 7 and 8 so that they were given an air of distinction and responsibility for setting the right impression for the younger pupils (still clad in the familiar raspberry pink blazers) to follow. Having made the positive choice to stay and benefit from Hazelwood's Upper School approach to learning and personal development, the new uniform was part of a package of initiatives (including the addition of Mandarin to the Electives Programme) designed to reward and recognise this commitment. The blue blazers arrived in time for the transition to the winter uniform after October half term.

Significant time had been invested in the School's All-Weather Pitch Project with the final specification of the installation and the nominated contractor being endorsed by the Governors' Property and Finance Committees and full Board. Work had begun in earnest to prepare the detail required for the Planning Application. Various cost options had been reviewed by the Finance team in order to establish the affordability of the investment against a number of different cash flow scenarios.

The finishing touches had been made on a job description for the School's new Enterprise Manager. Having undertaken a small consultancy project which had confirmed the opportunity, the School was keen to broaden its income stream away from solely relying on fee and lettings income. The Enterprise Manager was to be tasked with the development of a programme which looked at the income potential of a more committed approach to alumni relations and of promoting intellectual properties which were rooted in the School's teaching and learning. Applications for the post were invited shortly after Christmas.

The Autumn Term was to be the last for the School's Chair of Governors. After 17 years of service to the School, through a multitude of roles including parent, Form Rep, Governor and Chair, Mrs Lark chaired her final meeting in December. She was confident that the School was in, perhaps, the strongest position of its most recent history. She took her leave of Hazelwood in the New Year, intent on enjoying her retirement and promising to stay in touch with the School, its staff and pupils.

Despite being so early on in the school year, the first term promised a time for celebration, for reflection and for looking ahead to a continued bright and optimistic future. No-one was to know what lay around the corner, nor how the 2020 global Coronavirus pandemic would bring about the most significant change in the delivery of teaching and learning at Hazelwood School and across the whole of the educational sector.

There were challenges and disappointments. The Nursery closed soon after lockdown was announced on the 20th March and the decision was taken not to charge parents for a service the School was no longer able to provide. The loss of more than a third of its annual income severely hit the bottom line of the Nursery. The previously healthy Lettings Programme was put on hold with a further and significant loss of income. School events such as Sports Day and Prize Giving were cancelled with the children too missing out on their chance to represent Hazelwood at the highly-competitive U13 IAPS National Netball Finals and in Flanders at the prestigious World Choir Games. After months of rehearsal, Year 6 were deprived of the opportunity to perform their play to their friends and families and the Year 8 Leavers' Programme was forced, in part, to relocate from the cliff tops of Dorset to the virtual worlds of Google Hangouts and ZOOM. The search for the Enterprise Manager was put on hold.

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for the year ended 31st July 2020
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Activities, Achievements and Performance (continued)

However, there were also numerous examples of how the School responded to the crisis which set it apart from the competition and further underlined many of the findings in the School's 2019 EXCELLENT ISI Inspection Report.

In order to support the uncertain financial futures of its parents, Hazelwood offered a generous discount off summer term fees, a fees-freeze for the autumn term and the introduction of a Fee Holiday Scheme. The Scheme allowed the payment of summer term fees to be delayed until the end of December 2020 thereby assisting those families, most severely affected, with some breathing space for personal finances to return to some sense of normality. The school's own uncertain financial position, (the Governors were ever mindful of a second spike and possible reduction in pupil numbers), was mitigated against in part by meticulous cost control and staff salary savings made through an appropriate participation in the Government's Job Retention Scheme. Each decision taken was informed by a series of cash flow scenarios which made assumptions and forecasts which, in turn, were rigorously challenged by Leadership and Governors in specially convened Finance, COVID and full Board Committee Meetings. Such commanding leadership and decision-making found favour with the parent community.

Its Remote Learning Programme (RLP) was second to none and received almost unanimous support from a community of parents, delighted to see their children so motivated to learn on a daily basis and to have time and freedom to focus on their own punishing working from home schedules away from home schooling.

Hazelwood's RLP was developed as an approach which suited our staff and our pupils and their enhanced digital literacy developed through 18 months of working in The BOX, our innovations space. Preferring to buck the trend and not to invest in pre-recorded video teaching and emailed worksheets, Hazelwood's RLP positively embraced the demands and challenges of live teaching with full mornings being taught for children lower down the school and a normal daily timetable being delivered for its pupils in Years 6,7 and 8. It was a Programme which responded to feedback given by parents following its four-day trial before Easter and which benefitted from interrogation and ongoing monitoring by the Governors' Education Committee. When the programme returned in April, it had undergone the Zoom treatment, with many more staff allocated to each year group providing in-depth educational and pastoral support for all its pupils at a time when most would have been feeling vulnerable and uncertain.

The daily opportunity for the children to see and work alongside their trusted teachers had a positive effect on the community. There was a morale boost in seeing friends; an opportunity for continued staff to pupil engagement and monitoring of pastoral as well as academic development. There was job satisfaction for teachers to see pupils making progress. Meaningful feedback could be given in real time so that pupils could ask questions when uncertain, be praised when working well and build on the ideas of their peers when shared in the live class lessons. There was balance in the delivery of a broad curriculum. The focus on numeracy and literacy offset by the opportunities presented in music, art and drama to explore the more creative influences of living in lockdown. Form Times took on a new dimension with scavenger hunts, dress-up challenges and themed events starting the day off with a smile and sharing of ideas and enthusiasms. The children remain motivated to come to 'school' each day and to build further their sense of, and pride in, their independence. As a result, they made progress and when they returned to School in September there was little 'lost learning ground' to make up.

This independence was very evident in those pupils who were included within the Government's priority cohorts to return in June. Time and effort was invested by the School in drafting a robust and thorough Risk Assessment and Return to School Protocol. Both documents set out a new routine for the staff and children with designated indoor and outdoor spaces by pupil bubble being reached by exclusive access routes. There were markings on the floor to underline the need for social distancing and sanitiser stations at regular intervals throughout the School's buildings with particular emphasis on points of entrance and exit. Even the youngest of the returning pupils, the five year olds of Oak Reception, took the new measures in their stride showing an understanding and maturity way beyond their years. As a result, the School was able to manage effectively the return. By the end of the term, of all its pupils (even those in Years 2, 3, 4 and 7 who were only reunited for a day in which to wrap up the school year and look forward to the next) were welcomed back to Hazelwood. There were no reported cases of COVID 19 amongst the School's staff and pupils.

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Activities, Achievements and Performance (continued)

The Year 8 Common Entrance and internal assessment results were outstanding, pointing to a year group motivated to learn right up until the very end, and in the most trying and exceptional of circumstances. Their results were particularly pleasing given that these were the first young men and women to have gone through the newly innovated Upper School curriculum from start to finish. If any parent is looking for a reason to complete the whole Hazelwood learning adventure with a 13+ departure, they need look no further than the class of 2020.

It was these same pupils who attended a very unique and tailored end of year Prize Giving. The School swapped the audience of 700 in the Sports Hall for a socially distanced gathering of just forty pupils and key staff members out on the Head's Lawn. The focused event allowed for the delivery of a very personal message to each of the children, a message of self-belief and giving things in life a go, of being true to themselves and having confidence in their own motivations. The celebration was live-streamed to parents watching at home. The impressive Year 8 Jazz Group gave their final performance of the school year, watched and appreciated by an audience in awe of their immeasurable talent.

The impact of COVID 19 struck hard at all aspects of school life but 2020 will be remembered as the year in which the whole school community demonstrated its grit and resolve, its adaptability and its foresight to look ahead and plan. It was a year in which the rigour and depth of the School's financial systems and management allowed the Governors to quickly, emphatically and confidently respond to the extraordinary circumstances which have dominated the 2019-20 academic year. It was a year which ended with the parent community emphatically behind the efforts of the School in all its multi-faceted endeavours. It was also the year in which the enhanced digital literacy of its staff and pupils (developed through 18 months working in The BOX), facilitated a seamless transition to a most compelling and pioneering Remote Learning Programme.

It was particularly fitting therefore that ahead of Lockdown, Hazelwood School had received a prestigious nomination for an i25 Award designed to recognise invention and innovation within the Independent Schools sector. Joining only a few Prep Schools on the short list of 25, alongside many of the country's leading and well-recognised Senior Schools and Colleges, the nomination was, and is, testament to the power of Hazelwood's courage and creativity. Lockdown has served only to strengthen this expansive thinking. The School, as it awaits the start of the 2020-21 academic year in equally uncertain circumstances (and the re-staging of the i25 Awards Ceremony) is committed to continuing this spirit of invention and innovation. It wants its pupils to receive the very best prep School education, fit for purpose for, and robust enough to adapt to, a 21st Century that, as the pandemic has proven, is prepared to derail and surprise even the best-laid plans.

Public Benefit

The School continues to follow its Bursary Policy, making a limited number of assisted places available to those families (new and existing) whose financial circumstances would not allow them to consider, or continue with, an education at Hazelwood School. The places are awarded following an income and expense review conducted by an independent agent. The School's spend on bursaries (and scholarships including staff and sibling allowances) as a percentage of total income sits well within the levels recommended by the Independent Schools' Bursars' Association. The decision was taken this year by the Governor Finance Committee to increase the annual bursaries' allowance in the budget to accommodate any requests received mid-way through an academic year.

Moreover, the School's Community Fund, in its fourth year of operation, directly benefits some of these and other community organisations. The fourth distribution of funds was completed in March 2020. Eight organisations, all working with young people or adults in educational pursuits, received a share of just over £5,500. This money was raised through the year by the pupils, staff and parents of Hazelwood as a result of fund raising events and donations. The awarded grants facilitated, amongst other things, a local athletics club to buy much-needed equipment, a local State secondary school to re-equip its Music Department and a local centre for Performing and Visual Arts to develop its on-line learning platform so students can enjoy a more tailored and effective programme of independent study.

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Activities, Achievements and Performance (continued)

Public Benefit (continued)

During the year, the following organisations have benefited from the use of Hazelwood School's facilities: All England Netball Association, Aqualots, Ballet School of Dancing, BOOSTfit, British Wheel of Yoga, Edenbridge Cricket Club, Fortitude Academy (Martial Arts), Girls Attack!, Holland Sports Athletics Club, Limpsfield Chart Cricket Club, Moo Music, M-Tech, Oxted and Limpsfield Music Society, NCT, Oxted and District Football Club, Pool Schools, Redhill and Reigate Roller Skating Club, Rugbytots SE London, She Active, SMG Scuba, Stagecoach Oxted, Starmakerz, SwimKidz, The Wise Body, Velocity Gymnastics, Woop Fitness and Wellbeing and Zorball.

In addition, many parents and individuals from the School and surrounding communities also made use of the facilities for private enterprise and events.

The School undertakes modest amounts of fundraising for donations to the Community Fund and does not engage professional fundraisers. No complaints have been received by the School in relation to its fundraising activities.

Key Performance Indicators

The following KPIs are reviewed by the Board:

	2020	2019
• <u>Teaching Costs per pupil</u>	£6,548	£6,135
• <u>Premises and Running Costs per pupil</u>	£5,327	£6,378
• <u>Teacher/Pupil ratio (Excluding Teaching Assistants)</u>	1 to 9	1 to 9
• <u>Fee Increase</u>	3.00%	3.20%
• <u>Pupil Numbers (Reception to Year 8)</u>	440	431
• <u>Capital Expenditure per pupil</u>	£264	£289
• <u>Operating Surplus as % of Gross Fee Income</u>	13.09%	14.99%

Results, Financial Position and Reserve Policy

The consolidated surplus (net income) for the year amounted to £609,632 (2019: £880,985). The Charity's "free reserves" as defined by the Charity Commission (that part of a charity's unrestricted funds that are freely available to spend on any of the Charity's purposes but excludes fixed assets such as land and buildings) net of associated borrowings amount to £783,935 (2019: £345,888). The Governors' policy is to apply any surplus towards enhancing the quality of education, the School's facilities, and in maintaining the operational capability of the School in the event of fluctuations in its net income. The surplus in the current year demonstrates a positive move towards building reserves which has enabled further investment in the School and its facilities. Last year a reserves policy was agreed which defines a level of reserves of £200,000 to be held against unforeseen events.

The School's wholly owned trading subsidiary, The Larks at Laverock Limited, generated turnover of £1,139,622 (2019: £1,385,403) and made a profit before gift donation of £44,756 (2019: £195,375). The profit was gifted to Hazelwood School. These figures are included in the consolidated accounts.

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Activities, Achievements and Performance (continued)

Fixed Assets and Capital Investment

At the beginning of the year, it was hoped that the All-weather pitch would break ground mid-way through the year to allow for completion by September 2020. A large percentage of the School's investment programme was focused on this project. As the pitch installation has only been postponed and not cancelled, when the decision was taken, in light of COVID 19, to delay the works, the funds were carried forward to the following financial year. Investment was made over the course of the 19/20 academic year in the installation of an upgraded fire system Control Box and a new filtration plant in the Swimming Pool. The first will allow for enhanced fire safety in the event of an emergency at School whilst the second should drastically cut the number of days on which the pool is closed with the resultant loss of teaching and pupil exercise. Interior upgrades were delivered in the upper corridor of the Main School Building and the lack of the summer Fun Club allowed for the long overdue redecoration of the entire Chestnut Building.

The Masterplan continues to detail the School's ambition for its two sites. A revised document was redrafted ahead of being presented to and ratified by the Board of Governors in June 2020.

Statement of Governors' Responsibilities

The Governors (who are also directors of Hazelwood School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires Governors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the Group and of the income and expenditure of the Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year subject to the recommendation of the Audit Committee.

Wolfs Hill
Date:



By order of the Governors
N. Tappin
Secretary

Independent Auditors' Report to the Members of Hazelwood School

Opinion

We have audited the financial statements of Hazelwood School for the year ended 31 July 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Parent Charitable Company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the Parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Parent Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Governors' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Governors' annual report have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Members of Hazelwood School

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the Parent Charitable Company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 6, the Governors (who are also the directors of the Parent Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Group and Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Group or Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group and Parent Charitable Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Parent Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or Parent Charitable Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report to the Members of Hazelwood School

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date:
Devonshire House
60 Goswell Road
London
EC1M 7AD

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Consolidated Statement of Financial Activities
(incorporating an income and expenditure account)
For the year ended 31st July 2020

	Note	2020 Unrestricted Funds	2020 Restricted Funds	2020 Total Funds	2019 Total Funds
		£	£	£	£
Income from:					
Donations	2	7,417	6,323	13,740	4,528
Charitable activities	3	5,857,140	-	5,857,140	6,101,764
Turnover of subsidiary undertaking	4	1,139,621	-	1,139,621	1,385,403
Other income	5	313,362	-	313,362	199,238
Total Income		<u>7,317,540</u>	<u>6,323</u>	<u>7,323,863</u>	<u>7,687,933</u>
Expenditure on:					
Raising funds	6	45,628	-	45,628	36,601
Costs of trading subsidiary	11	944,865	-	944,865	1,027,027
Charitable activities	7	<u>5,684,249</u>	<u>39,489</u>	<u>5,723,738</u>	<u>5,743,320</u>
Total Expenditure		<u>6,674,742</u>	<u>39,489</u>	<u>6,714,231</u>	<u>6,806,948</u>
Net Income/(Expenditure)		<u>642,798</u>	<u>(33,166)</u>	<u>609,632</u>	<u>880,985</u>
Net movement in funds		<u>642,798</u>	<u>(33,166)</u>	<u>609,632</u>	<u>880,985</u>
Fund balances at 1st August		<u>6,700,502</u>	<u>169,692</u>	<u>6,870,194</u>	<u>5,989,209</u>
Fund balances at 31st July	17	<u><u>7,343,300</u></u>	<u><u>136,526</u></u>	<u><u>7,479,826</u></u>	<u><u>6,870,194</u></u>

All amounts relate to continuing activities in respect of both years.

There were no other recognised gains or losses during the two financial years.

As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent Company is not presented as part of these accounts.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Balance Sheets at 31st July 2020

	Note	2020		2019	
		Group £	Charity £	Group £	Charity £
Fixed Assets					
Tangible assets	10	9,501,053	9,501,053	9,719,380	9,719,380
Investment in Subsidiary Undertaking	11	-	100	-	100
		<u>9,501,053</u>	<u>9,501,153</u>	<u>9,719,380</u>	<u>9,719,480</u>
Current Assets					
Stock	12	10,782	8,057	9,862	7,360
Debtors	13	106,670	142,970	263,334	299,259
Cash at bank and in hand		<u>2,795,373</u>	<u>2,659,777</u>	<u>2,297,573</u>	<u>2,151,595</u>
		<u>2,912,825</u>	<u>2,810,804</u>	<u>2,570,868</u>	<u>2,458,214</u>
Creditors: Amounts falling due within one year	14	<u>(1,442,720)</u>	<u>(1,340,799)</u>	<u>(1,428,407)</u>	<u>(1,315,852)</u>
Net Current Assets		<u>1,470,105</u>	<u>1,470,005</u>	<u>1,142,461</u>	<u>1,142,362</u>
Total Assets less Current Liabilities		<u>10,971,158</u>	<u>10,971,158</u>	<u>10,861,842</u>	<u>10,861,842</u>
Creditors: Amounts falling due after more than one year	15	<u>(3,491,332)</u>	<u>(3,491,332)</u>	<u>(3,991,648)</u>	<u>(3,991,648)</u>
Net Assets		<u><u>7,479,826</u></u>	<u><u>7,479,826</u></u>	<u><u>6,870,194</u></u>	<u><u>6,870,195</u></u>
Accumulated Funds					
Unrestricted Funds - General Fund	17	7,343,300	7,343,300	6,700,502	6,700,503
Restricted Funds		<u>136,526</u>	<u>136,526</u>	<u>169,692</u>	<u>169,692</u>
		<u><u>7,479,826</u></u>	<u><u>7,479,826</u></u>	<u><u>6,870,194</u></u>	<u><u>6,870,195</u></u>

The surplus of the Charity for 2020 was £609,632 (including Gift Donation from The Larks).

The financial statements were approved by the Governors and authorised for issue on and signed on their behalf by:

R. Heaton  Governor (Chair)

N. Carter-Pegg  Governor

Company Number. 925581

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Consolidated Statement of Cash Flows
For the year ended 31st July 2020

	2020	2019
	£	£
Net Cash Inflow from Operating Activities (note 1)	1,055,577	1,388,815
Cash flows from investing activities		
Purchase of tangible fixed assets	(134,699)	(203,780)
Disposal of tangible fixed assets	-	-
Net cash provided by/(used in) investing activities	<u>(134,699)</u>	<u>(203,780)</u>
Cash flows from financing activities		
Cash inflows from new borrowing	-	-
Repayments of borrowing	(423,078)	(423,078)
Net cash provided by/(used in) financing activities	<u>(423,078)</u>	<u>(423,078)</u>
Change in cash and cash equivalents in the reporting period	<u>497,800</u>	<u>761,978</u>
Cash and cash equivalents at the beginning of the reporting period	<u>2,297,573</u>	<u>1,535,595</u>
Cash and cash equivalents at the end of the reporting period	<u>2,795,373</u>	<u>2,297,573</u>

Notes to the Consolidated Statement of Cash Flows
For the year ended 31st July 2020

1 Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2020	2019
	£	£
Net income for the year	609,632	880,985
Depreciation	353,026	372,298
(Increase)/Decrease in stock	(820)	(817)
Decrease/(Increase) in debtors, and prepayments	156,664	(543)
(Decrease)/Increase in creditors, provisions	(84,111)	1,276
(Decrease)/Increase in fees in advance	31,186	135,616
Net Cash Inflow from Operating Activities	<u>1,055,577</u>	<u>1,388,815</u>
2 Analysis of Cash and Cash Equivalents	At 31 July 2020	At 1 August 2019
	£	£
Cash at bank and in hand	<u>2,795,373</u>	<u>2,297,573</u>
	<u>2,795,373</u>	<u>2,297,573</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

1 Accounting policies

a) Accounting convention

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Parent Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest pound.

b) Going Concern Basis

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the group to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the group's forecasts and projections and have taken account of pressures on income. Particular consideration has been given to coronavirus and its impact and detailed financial modelling has been conducted for various scenarios for a period of at least twelve months from the date of approval of the financial statements. As a result, the Governors have concluded that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

At the balance sheet date the group had net current assets of £1,470,005 (2019: £1,142,461).

c) Fixed Assets and Depreciation

The school's freehold properties are capitalised in the financial statements at their historic cost or, in the case of the Laverock site, its existing use valuation as at the date of its transfer to Hazelwood School.

All fixed assets with a cost above £1,000 are capitalised and depreciated at rates calculated to write off the cost less estimated residual value, evenly over their expected useful lives, as follows:

Fixtures, fittings and equipment:

Computer and other equipment	33.3% per annum
Other fixtures and fittings	10% per annum

Other assets:

Motor vehicles	20% per annum
Buildings	2% per annum
Swimming pool	10% per annum

No depreciation is provided on freehold land.

d) Stock

Stock is valued at the lower of cost and net realisable value.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

1 Accounting policies (continued)

e) Fees including disbursements charged

These represent the gross invoiced value of all educational and associated activities provided during the year. Bursaries and Scholarships provided by the School are shown separately under Bursaries and other fee remissions. The School, which provides educational services, is not registered for VAT. All fees are derived from within the UK.

f) Pension Scheme Contributions

These are charged to the Statement of Financial Activities as they arise

g) Composition Fees

Discounting on composition fees is calculated termly at rates set annually by the Governors by reference to rates of return available to the School and is charged to the Statement of Financial Activities on an accruals basis

h) Allocation of Expenditure

All expenditure incurred in the running of the School is treated as charitable expenditure. A proportion of administrative costs is recharged to the Larks at Laverock Limited to reflect management time incurred in relation to that company.

i) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their expected useful lives.

The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease on a straight line basis

Rentals paid under operating leases are charged on a straight line basis over the lease term.

j) Consolidation

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Parent Charitable Company and its subsidiary. The assets and liabilities of the subsidiary are consolidated on a line by line basis.

k) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governors to have the most significant effect on amounts recognised in the financial statements:

The annual depreciation charge for property, plant and equipment is sensitive to changes in useful economic life and residual values of assets. These are reassessed annually and an impairment review is performed where necessary

The repayment periods for fees in advance is estimated on the expected attendance at the school of the students.

l) Financial instruments

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short term deposits with a maturity date of three months or less.

Basic financial instruments

The Charity only holds basic financial instruments as defined by FRS 102. Financial instruments receivable or payable within one year of the reporting date are carried at their at transaction price and subsequently at amortised cost

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

2	Income from Donations			
	Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£
	Donations	7,417	6,323	13,740
		<u>7,417</u>	<u>6,323</u>	<u>13,740</u>
	Year to 31 July 2019	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£
	Donations	-	4,528	4,528
		<u>-</u>	<u>4,528</u>	<u>4,528</u>
3	Income from Charitable activities			
	Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£
	Gross Fees including disbursements charged	6,137,736	-	6,137,736
	Bursaries and other fee remissions	(283,345)	-	(283,345)
	Other pupil related income	2,750	-	2,750
		<u>5,857,140</u>	<u>-</u>	<u>5,857,140</u>
	Year to 31 July 2019	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£
	Gross Fees including disbursements charged	6,400,936	-	6,400,936
	Bursaries and other fee remissions	(303,548)	-	(303,548)
	Other pupil related income	4,376	-	4,376
		<u>6,101,764</u>	<u>-</u>	<u>6,101,764</u>
4	Turnover from subsidiary undertakings			
	Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£
	Turnover of subsidiary	1,139,621	-	1,139,621
		<u>1,139,621</u>	<u>-</u>	<u>1,139,621</u>
	Year to 31 July 2019	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£
	Turnover of subsidiary	1,385,403	-	1,385,403
		<u>1,385,403</u>	<u>-</u>	<u>1,385,403</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

5	Other income			
	Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£
	Rental and hire fees	115,795	-	115,795
	CJRS Funding	189,744	-	189,744
	Interest Receivable	7,823	-	7,823
		<u>313,362</u>	<u>-</u>	<u>313,362</u>
	Year to 31 July 2019	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£
	Rental and hire fees	189,133	-	189,133
	Interest Receivable	7,105	-	7,105
		<u>196,238</u>	<u>-</u>	<u>196,238</u>
6	Expenditure on raising funds			
	Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£
	Advertising and publicity costs	45,628	-	45,628
		<u>45,628</u>	<u>-</u>	<u>45,628</u>
	Year to 31 July 2019	Unrestricted Funds	Restricted Funds	Total 2019
		£	£	£
	Advertising and publicity costs	36,601	-	36,601
		<u>36,601</u>	<u>-</u>	<u>36,601</u>
7	Expenditure on charitable activities			
	Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
		£	£	£
	Staff costs - teaching	2,881,125	-	2,881,125
	- administrative	1,095,101	-	1,095,101
	Education and recreation	262,688	-	262,688
	Domestic	175,190	-	175,190
	Establishment costs	270,941	-	270,941
	Depreciation	321,395	31,631	353,026
	Composition fee discounts	19,423	-	19,423
	Office costs	184,696	-	184,696
	Maintenance of buildings, swimming pool and equipment	172,871	-	172,871
	Administrative costs	131,825	7,858	139,683
	Bad debt expense	36,970	-	36,970
	Bank interest & charges	118,425	-	118,425
	Loss on Disposal of fixed asset	-	-	-
	Governance costs (see below)	13,599	-	13,599
		<u>5,684,249</u>	<u>39,489</u>	<u>5,723,738</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

7 Expenditure on charitable activities (continued)

Year to 31 July 2019	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Staff costs - teaching	2,653,104	-	2,653,104
- administrative	930,662	-	930,662
Education and recreation	390,421	-	390,421
Domestic	391,765	-	391,765
Establishment costs	281,950	-	281,950
Depreciation	340,408	31,890	372,298
Composition fee discounts	18,410	-	18,410
Office costs	194,960	-	194,960
Maintenance of buildings, swimming pool and equipment	149,420	1,924	151,344
Administrative costs - Restated	166,575	9,908	176,483
Bad debt expense	33,926	-	33,926
Bank interest & charges	135,292	-	135,292
Loss on Disposal of fixed asset	-	-	-
Governance costs (see below) - Restated	13,599	-	13,599
	<u>5,700,492</u>	<u>43,722</u>	<u>5,744,214</u>

Governance costs

Year to 31 July 2020	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Auditors' remuneration:			
Audit fee including VAT	10,700	-	10,700
Under/(over) provision from prior year	555	-	555
Other services	1,272	-	1,272
Other professional fees	1,072	-	1,072
	<u>13,599</u>	<u>-</u>	<u>13,599</u>

Year to 31 July 2019 Restated	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Auditors' remuneration:			
Audit fee including VAT	9,864	-	9,864
Under/(over) provision from prior year	206	-	206
Other services	840	-	840
Other professional fees	1,795	-	1,795
	<u>12,705</u>	<u>-</u>	<u>12,705</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

8	Net Income	2020	2019
		£	£
	This is stated after charging:		
	Auditors' remuneration (excluding VAT)	9,379	8,392
	Depreciation	353,026	372,288
		<u> </u>	<u> </u>
9	Staff costs (Group)	2020	2019
		£	£
	Wages and salaries	3,867,805	3,641,369
	Social security costs	343,082	323,708
	Other pension costs	507,258	357,850
	Termination Payments	19,570	13,500
		<u>4,737,715</u>	<u>4,336,457</u>

No remuneration was paid to the Governors in either period and no expenses were reimbursed

Charity	2020	2019
	Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	71	67
Administration	56	51
	<u>127</u>	<u>118</u>

Group	2020	2019
	Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	99	93
Administration	61	57
	<u>160</u>	<u>150</u>

The number of employees whose emoluments amounted to over £60,000 in the year were as follows:

	Number of Employees	
Remuneration Range	2020	2019
£60,001 - £70,000	2	2
£80,001 - £90,000	1	1
£100,001 - £110,000	1	1

Pension contributions made for higher paid employees were £48,980 (2019: £37,699). There were termination payments for two individuals totalling £19,570 (2019: £13,500)

Key management personnel

Key management personnel include the Head Teacher, Bursar, one Deputy Head and Finance Manager. The total employee benefits (including bonuses, employers pension costs and other benefits) of the School's key management personnel were £406,565 (2019: £432,985)

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

10 Fixed Assets Group and company	Freehold Land and Buildings	Swimming Pool	Equipment, Furniture and Fittings	Motor Vehicles	Assets Under Construction	Total
Cost	£	£	£	£	£	£
At 1st August 2019	12,046,448	210,677	2,075,371	8,450	-	14,340,946
Additions at cost	-	42,351	44,792	-	47,556	134,699
Disposals at cost	-	-	-	-	-	-
Adjustment	(1,995)	-	1,655	-	-	-
At 31st July 2020	12,044,453	253,028	2,122,158	8,450	47,556	14,475,645
Depreciation						
At 1st August 2019	2,806,141	179,044	1,627,932	8,450	-	4,621,567
Charge for the year	254,658	9,317	89,050	-	-	353,025
Depreciation on Disposal	-	-	-	-	-	-
At 31st July 2020	3,060,799	188,361	1,716,982	8,450	-	4,974,592
Net Book Amount						
At 31st July 2020	<u>8,983,654</u>	<u>64,667</u>	<u>405,176</u>	<u>-</u>	<u>47,556</u>	<u>9,501,053</u>
At 31st July 2019	<u>9,240,307</u>	<u>31,633</u>	<u>447,439</u>	<u>-</u>	<u>-</u>	<u>9,719,380</u>

At 31 July 2020 the company had contractual capital commitments in respect of building works totalling £nil (2019: £nil)

11 Investment in Subsidiary undertaking

Hazelwood School owns the entire issued share capital of The Larks at Laverock Limited of £100. The company's turnover for the year ended 31 July 2020 was £1,139,622 (2019: £1,385,403) and its profit for the year was £0 (2019: £0) after a staff costs and overhead recharge from Hazelwood School Limited of £150,000 (2019: £183,000) and a gift donation to Hazelwood School Limited of £44,750 (2019: £195,375). A deed of covenant is in place approving the gift transfer of profit to Hazelwood School. Net assets at 31 July 2020 were £100 (2019: net assets £100).

12 Stock	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Sundry consumables	<u>10,782</u>	<u>9,962</u>	<u>8,057</u>	<u>7,360</u>

13 Debtors	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
School fees receivable	8,470	100,579	5,917	84,359
Other debtors	5,692	11,412	5,536	11,413
Prepayments and accrued income	92,508	151,343	88,993	143,240
Owed by Group undertaking	-	-	42,524	60,247
	<u>106,670</u>	<u>263,334</u>	<u>142,970</u>	<u>299,259</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

14 Creditors: Amounts falling due within one year	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loan	423,078	423,078	423,078	423,078
Fees in advance (note 16)	559,910	451,486	506,310	393,086
Trade creditors	212,183	287,708	206,455	289,306
Accruals and deferred income	247,549	266,135	204,956	230,382
	<u>1,442,720</u>	<u>1,428,407</u>	<u>1,340,799</u>	<u>1,315,852</u>

15 Creditors: Amounts falling due after more than one year	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Long term bank loan	2,941,688	3,364,766	2,941,688	3,364,766
Fees in advance (note 16)	549,644	626,882	549,644	626,882
	<u>3,491,332</u>	<u>3,991,648</u>	<u>3,491,332</u>	<u>3,991,648</u>

In June 2015, the school agreed a new funding package with Barclays Bank plc to finance the construction of the Bailey building. This includes a term loan of £4.634m which had a two year grace period. Termly repayments of £141,000 commenced from September 2017 with a final repayment of £1,249m in August 2025. The loan is secured by a fixed charge over the School's freehold property and a cross-guarantee and debenture with The Larks at Laverock Limited. Current year's interest is payable at 2.4% over Barclays Bank plc base rate.

16 Fees in Advance	Composition	Disbursement	Total	Total
	Fees £	Deposits £	2020 £	2019 £
Net amounts repayable:				
in less than one year	459,122	47,188	506,310	393,086
in one to two years	255,019	14,713	269,732	238,427
in two to five years	163,738	83,036	246,774	356,711
After five years	-	33,138	33,138	31,743
	<u>877,879</u>	<u>178,075</u>	<u>1,055,954</u>	<u>1,019,967</u>

The Composition Fees repayment periods are based on the annual utilisation spread over the life of the scheme. If a pupil left prematurely the balance would become repayable at that date. Disbursement deposits are repayable by deduction from the final term's fees. Discounts on composition fees are credited to the composition fee account on a termly basis in accordance with the Accounting Policy described in note 1, and are calculated on the amounts remaining in the fund following the withdrawal of each term's fees. The above table is for the charity alone. In addition, there are £53,600 (2019: £58,400) of disbursement deposits held in the Larks subsidiary which are shown as repayable in less than one year.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2020 (Continued)

17 Funds

Year to 31st July 2020	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	6,700,502	7,317,540	(6,674,742)	7,343,300
Restricted Funds				
Innovation Space	126,653	-	(24,698)	101,955
Bursary Fund	501	-	-	501
Tanzania	2,095	2,183	(2,037)	2,241
Hazelwood Community Fund	3,233	4,140	(5,821)	1,552
Hazelwood Parents Association	37,210	-	(6,933)	30,277
	<u>6,870,194</u>	<u>7,323,863</u>	<u>(6,714,231)</u>	<u>7,479,826</u>

Restricted funds represent the following: The Innovation Space, an anonymous donation, to provide a hi tech agile learning space. The capital equipment element of this will be depreciated over 3-10 years (depending on asset type). The Bursary Fund is where parents can voluntarily donate their deposit when their child leaves the school for the benefit of other children. The Tanzania project is a long term initiative with donations ring-fenced to provide resources to fund the project moving forwards. Donations to the Hazelwood Community Fund (less expenses related to the Fund) are used to contribute towards good causes within the local community and the Hazelwood Parents Association relates to the purchase cost of a treehouse funded by them. This was capitalised and is being depreciated over 10 years

Year to 31st July 2019	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	5,780,323	7,683,405	(6,763,226)	6,700,502
Restricted Funds:				
Innovation Space	153,261	-	(26,608)	126,653
Bursary Fund	-	501	-	501
Tanzania	4,781	387	(3,073)	2,095
Hazelwood Community Fund	6,427	3,641	(6,835)	3,233
Hazelwood Parents Association	44,417	-	(7,207)	37,210
	<u>5,989,209</u>	<u>7,687,934</u>	<u>(6,806,949)</u>	<u>6,870,194</u>

18 Operating Lease Commitments

At 31st July the Charity had total commitments under operating leases as follows:	Group		Charity	
	2020 Other Assets £	2019 Other Assets £	2020 Other Assets £	2019 Other Assets £
Amounts due within one year	<u>67,700</u>	<u>99,716</u>	<u>67,179</u>	<u>98,444</u>
Amounts due in one to five years	<u>84,529</u>	<u>53,873</u>	<u>84,529</u>	<u>52,601</u>
Amounts due in more than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Notes to the Financial Statements

For the year ended 31st July 2020 (Continued)

19 Pension Scheme Arrangements

The Teachers' Pensions

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The Group pension charge for the year includes contributions payable to the TPS of £434,204 (2019: £300,359) and at the year-end £nil (2019: £710) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Pensions Trust

In line with the Government pension auto-enrolment requirement to provide a workplace pension scheme, the school has a pension scheme for non-teaching staff which commenced in May 2014. The Scheme is a defined contributions scheme managed by The Pensions Trust ISPS and is run as a contractual scheme, meaning that all permanent non-teaching staff are automatically put into the scheme, regardless of earnings, as long as they are over 18 and under state retirement age. They have the option to opt out.

The Government minimum contribution for Employees and Employers increased to a total of 8% from March 2019 (guidance was Employees 5% and Employers 3%). The school has taken the decision to increase the minimum Employer's contribution to 4%, thereby reducing the burden on the Employee to 4%, due to the policy of matching Employees contributions. This satisfies the Government requirement for 8% in total. Employer contributions can rise to a maximum of 5% if the Employee contributes the same. Employer's contribution rates will continue to increase in the future to at least meet the government minimum levels for auto-enrolment schemes.

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For the year ended 31st July 2020 (Continued)

Pension Scheme Arrangements (continued)

The Pensions Trust (continued)

In addition, the School continues to contribute to defined contribution personal pension arrangements of certain other existing non-teaching staff who preferred to remain with their own scheme rather than joining the new workplace pension scheme. This option is not available for new employees. There were no accrued contributions at the year end.

The Group pension charge for the year includes contributions payable to The Pensions Trust of £57,745 (2019: £45,808) and personal pensions of £11,511 (2019: £11,682). At the year end £nil (2019: £200) was accrued in respect of contributions.

This gives a total combined Group pension cost for The Teachers' Pensions, The Pensions Trust and private pensions of £503,450 (2019: £357,849) with £nil accrued.

20 Members' Liability

The number of members at 31st July 2020 was 12 (2019: 14) and their liability in the event of the winding-up of the Charity is limited to £1 per member.

21 Related Party Transactions

There was one Governor during the year (2019: one) whose Spouse was employed by the school as a Teacher. The Spouse's remuneration for this employment was £16,211 (2019: £15,780), and fell under the normal employment terms and conditions of the school. The Spouse had undertaken this role before the role of Governor commenced.

