

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 2021

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

Governors

J. Bleakley
E. Bruwer (appointed 8th April 2021)
N. Carter-Pegg
J. Coates
A. Curson
B. Figgis
S. Heald

R. Heaton (Chair)
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 2021

Introduction

The Governors have pleasure in presenting their report of the affairs of Hazelwood School (the School) for the year ended 31st July 2021 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 2021, 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 and this was reviewed during 20-21. The School identified its key risks associated with this unprecedented period. These included failure to follow government guidelines at the expense of 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 after both periods of school closure.

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 has strong safeguarding procedures, works to maintain a positive profile in the community and operates an excellent staff performance and development programme 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.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2021

Principal Risks and Uncertainties (continued) (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 2020-21 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 offers a limited number of grant-assisted places which are made available to local families whose financial positions would not otherwise allow them to consider Hazelwood School for their child/children. Moreover, the School employs individuals and owns buildings whose expertise, accommodation and facilities are, under normal circumstances, made available to local and community organisations thereby delivering public benefit. Five years ago the School established its Community Fund which shares out the monies raised through its own internal fund-raising activities to a number of local and community organisations which apply to the School for a grant. Since its inception, over £20,000 has been distributed to a wide range of organisations.

The arrival of the pandemic and accompanying periods of lockdown and remote learning impacted the School's 20/21 Public Benefit Programme with its lettings and fund-raising programmes shutting down. As a result, others were not able to make use of the School's facilities (until late into the summer term) and no Community Fund grant distribution was possible. The School did however make available a number of supportive finance measures designed to help its own enrolled families manage their financial commitments during this extended period of challenge and uncertainty. A School Fee Holiday initiative allowed families to delay payment of fees in order for their child to remain at Hazelwood whilst their own financial position stabilised. A number of families took advantage of the scheme and their children continue to be part of the school community.

It is hoped that the absence of fully-committed lettings and fund-raising programmes will be temporary with plans already underway to re-instate both from September 2021 (subject to prevailing Government guidelines).

2020/21 will certainly be remembered as the academic year when COVID 19 further tested all aspects of school life.

But it will also be the year better remembered for the delivery of a number of initiatives and projects which will reap benefit for the School, its staff and pupils, into a pandemic-free future.

Phase 1 of the School's innovative outdoor learning environment was completed for the start of the summer term. The Outside BOX, set into the hillside of the school's 26-acre site, takes its lead from the indoor and award nominated BOX by continuing to challenge convention and encourage expansive thought amongst the school's staff and pupils. Lessons can be enjoyed in the giant tepee, in the teaching domes, under the canopy classroom or, from the start of the new academic year in September 2021, in the willow domes set amongst the trees. Children get to choose their al fresco classroom and how they will access it. The 30m slide is proving to be the most popular route down the slope with the cargo net, a close second! The inventive tubular telephones allow the pupils to keep in touch with friends and teachers working in other parts of this special and unique space. The secret to The BOX's success lies in the way in which the indoor environment teams the possibility of agile and lateral thought with the capability of the latest technology. Working in union, these two open up a world of opportunity. It is hoped that working in The Outside BOX, with far-reaching views over glorious countryside and open skies, will similarly broaden horizons and fill pupil and staff bodies and minds with "lungfuls of fresh air and inspiration".

Planning Permission was finally granted for the School's planned 80m x 50m floodlit all-weather pitch. Whilst awarded with conditions to be dispensed prior to construction, all fundamental aspects of the School's submission received approval. The long-awaited decision will allow the school to invest further in the sporting opportunity offered to all its pupils and to be guaranteed access to top level coaching in even the wettest and most miserable of weathers. With lockdown and the continuing restrictions preventing competitive sport and inter-school matches, moving forwards one of the returning School's focus will be placed on re-energising this important facet of school life. The promise of the all-weather pitch will be an important part of this process. It is planned for the pitch to be installed ahead of the start of the 22/23 academic year in September 2022. In the meantime, the development, for September 2021, of a Cardio and Body Conditioning Suite, a Fitness Room and a Yoga Studio will help to further diversify the sports offering and encourage Hazelwood staff and pupils to keep themselves in the best possible shape – in body and in mind!

Throughout the year, the Leadership team and Governors discussed the impact of the pandemic on the mental well-being of its staff and pupils. Time was dedicated, during Board, Committee and Leadership meetings, to discuss what should be done to support those who needed support and coping strategies.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2021
(continued)

Activities, Achievements and Performance (continued)

A Staff Survey was implemented across all members of the School's staff teams with its findings feeding into a newly established Staff Welfare Committee. As a result of the feedback, further investment has been made into staff training and facilities, into an enhanced on-site School Counsellor presence and into new Deputy DSLs joining a well-established safeguarding team. The grit and resilience showed by staff and pupils was reflective of a tightly-knit and determined community. All were adaptable and flexible to change whilst finding the positive in even the smallest of presented opportunities. Whilst the School operated in bubbles until the very end of the academic year, there was cohesion and strength gained from a shared focus and purpose. This sense of community was very evident when Hazelwood launched its Walking on Sunshine campaign at the beginning of the summer term. Designed to put the spring back into everyone's step on their return to school after a grey and miserable period of both weather and lockdown, the programme of special Vitamin D-Day events did wonders to ease everyone back into an on-site routine. The activities which involved the whole school, individual year groups and even the local community provided a further fillip to everyone's sense of mental and physical well-being and earned the School a good deal of positive exposure on the social media platforms of Instagram, Twitter and Facebook.

The School's commitment to providing a compelling curriculum for its Years 7 and 8 pupils remained as strong as ever in spite of the long periods spent in remote or bubble learning. This focus was rewarded with buoyant retention rates. For the second year running, record numbers of children chose to continue their academic adventure at Hazelwood. This was due in equal part to the inventiveness of the curriculum, the quality of the teaching staff at Hazelwood and the effective preparation and support given to the Year 6 pupils. Many sat their pre-assessment exams looking to secure their chosen Y9 places with a number of academic scholarships already awarded ahead of time. The addition of a bespoke Graphics Studio and a refurbished Art Studio has further strengthened the Upper School offering and new staff appointments in core curriculum subjects, Sport and Music have added a depth of experience and expertise.

In terms of the pandemic, the School's response to it was both thorough and effective. The early successes of the Remote Learning Programme were consolidated through subsequent sessions of home schooling (January through to March) and children arrived at the end of the 2020/21 academic year having made good progress in spite of the disruption. The Year 8 Common Entrance Examination results were impressive and all children secured places at their first choice Senior Schools. Scholarships were awarded to many in areas of sporting, musical, dramatic, academic and all-round excellence. The Survey undertaken by the ISI (published October 2020) about the School's response to the pandemic was very encouraging with almost 50% of parents agreeing that the quality of education given throughout was comparable to that given in School. 89% of the respondents agreed that the quality of the education justified the fees charged (compared to a national figure of 72%). 90% of parents were impressed with the speed at which the School responded to the demands of the pandemic and the changes in Government regulatory requirement. The School responded well to the need for an on-site Testing Programme (from March 2021) with members of staff undertaking the training in time for the return of staff and pupils with only a few days' notice. The presence of the on-site Testing Centre was cited in the Staff Welfare Survey as providing support and confidence; evidence that the School was doing all it could to keep everyone safe and protected. Financially the School performed well, more than achieving its re-forecast expectations. Costs were kept under control and pupil numbers weathered the COVID storm and remained at consistent levels. Such measures allowed the School to successfully absorb the impact of a fee remission reflective of the second period of Remote Learning during the spring term which was offered as a discount against the summer term fees.

National restrictions did not ease enough or in time to allow the School to end the 2020/21 academic term in the celebratory manner that it had at one time hoped. Nevertheless, there were signs that school life was returning to normal. The Year 4 children presented their annual Year 4 Play, performed to an internal audience only. The School's musicians impressed a remote audience with their talents via a recorded Picnic Concert and all years competed in Sports Days with the Year 8 parents only being invited on site, under strictly controlled protocols, to cheer on the pupils.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2021
(continued)

Activities, Achievements and Performance (continued)

The School has been grateful for the support and expertise of its Governors throughout the year. Additional meetings were inevitable as circumstance and regulation ebbed and flowed. Some meetings were necessitated at very short notice but a quorum of Governors was always on hand to support the School in its decision making. Those decisions have allowed Hazelwood School to put itself in the very best of positions from which to move forward. The continued investment in staff and facilities is testament to the belief that all have in the future of the school's approach to teaching and learning and presents exciting opportunities for staff and pupils alike.

Public Benefit

The school continues to follow its Bursary Policy, making a limited number of assisted places available to those families whose financial circumstances would not allow them to consider 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 within the levels recommended by the Independent Schools' Bursars' Association.

As a result of the pandemic and periods of enforced lockdowns and subsequent COVID protocols, the School's Lettings Programme was suspended for much of the 2020/21 academic year. It is hoped to welcome as many as possible back from September 2021.

Key Performance Indicators

The following KPIs are reviewed by the Board:	2021	2020
• <u>Teaching Costs per pupil</u>	£6,715	£6,548
• <u>Premises and Running Costs per pupil</u>	£5,290	£5,327
• <u>Teacher/Pupil ratio (Excluding Teaching Assistants)</u>	1 to 10	1 to 9
• <u>Fee Increase</u>	3.00%	3.00%
• <u>Pupil Numbers (Reception to Year 8)</u>	441	440
• <u>Capital Expenditure per pupil</u>	£946	£264
• <u>Operating Surplus as % of Gross Fee Income</u>	16.03%	13.09%

Results, Financial Position and Reserve Policy

The consolidated surplus (net income) for the year amounted to £913,683 (20120: £609,632). 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 £1,240,947 (2020: £783,935). 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. A reserves policy has been agreed which defines a level of cash 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 £1,264,316 (2020: £1,139,622) and made a profit before gift donation of £77,004 (2020: £44,756). The profit was gifted to Hazelwood School. These figures are included in the consolidated accounts.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2021
(continued)

Activities, Achievements and Performance (continued)

Fixed Assets and Capital Investment

Whilst Planning Permission was secured in March for the all-weather pitch, a decision was taken to delay its installation until the summer of 2022. This was to allow for the pupils to return in April 2021 for a full summer term of sport and outdoor learning without further interruption and disruption to their timetable. Funds were allocated during the year to create the unique Outdoor Learning Area (The Outside BOX), to move the library to a bespoke and beautifully designed space within The Baily Building and to develop a Graphics and Design Hub within the Dining Hall Building comprising of a refurbished Art Room and a new Graphics Studio. Funds were also made available for a continued programme of refurbishment of the School's boilers and windows. The re-surfacing and re-fencing of the School's courts was completed in time for the pupils' return in September 2021.

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:

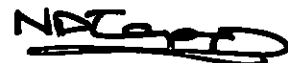
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that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

1 December 2021

Wolfs Hill
Limpsfield
OXTED
Surrey RH8 0QU
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 (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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 and the Charities Act 2011.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 themselves. 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 and the Charities Act 2011 require 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Moore Kingston Smith LLP

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

Date: 27 January 2021
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 2021

	Note	2021 Unrestricted Funds	2021 Restricted Funds	2021 Total Funds	2020 Total Funds
		£	£	£	£
Income from:					
Donations	2	9,389	10,727	20,116	13,740
Charitable activities	3	6,075,720	-	6,075,720	5,857,140
Turnover of subsidiary undertaking	4	1,264,316	-	1,264,316	1,139,621
Other income	5	193,722	-	193,722	313,362
Total Income		<u>7,543,147</u>	<u>10,727</u>	<u>7,553,874</u>	<u>7,323,863</u>
Expenditure on:					
Raising funds	6	45,378	-	45,378	45,628
Costs of trading subsidiary	11	987,312	-	987,312	944,865
Charitable activities	7	<u>5,577,599</u>	<u>32,651</u>	<u>5,610,250</u>	<u>5,723,738</u>
Total Expenditure		<u>6,610,289</u>	<u>32,651</u>	<u>6,642,940</u>	<u>6,714,231</u>
Net Income/(Expenditure)		<u>932,858</u>	<u>(21,924)</u>	<u>910,934</u>	<u>609,632</u>
Net movement in funds		<u>932,858</u>	<u>(21,924)</u>	<u>910,934</u>	<u>609,632</u>
Fund balances at 1st August		<u>7,343,300</u>	<u>136,526</u>	<u>7,479,826</u>	<u>6,870,194</u>
Fund balances at 31st July	17	<u>8,276,158</u>	<u>114,602</u>	<u>8,390,760</u>	<u>7,479,826</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.

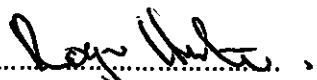
As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent Company is not presented as part of these accounts.


Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Balance Sheets at 31st July 2021

	Note	2021		2020	
		Group £	Charity £	Group £	Charity £
Fixed Assets					
Tangible assets	10	9,553,821	9,553,821	9,501,053	9,501,053
Investment in Subsidiary Undertaking	11	-	100	-	100
		<u>9,553,821</u>	<u>9,553,921</u>	<u>9,501,053</u>	<u>9,501,153</u>
Current Assets					
Stock	12	9,070	5,992	10,782	8,057
Debtors	13	173,828	202,530	106,670	142,970
Cash at bank and in hand		3,041,568	2,873,588	2,795,373	2,659,777
		<u>3,224,466</u>	<u>3,082,110</u>	<u>2,912,825</u>	<u>2,810,804</u>
Creditors: Amounts falling due within one year	14	(1,400,396)	(1,258,140)	(1,442,720)	(1,340,799)
Net Current Assets		<u>1,824,070</u>	<u>1,823,970</u>	<u>1,470,105</u>	<u>1,470,005</u>
Total Assets less Current Liabilities		<u>11,377,891</u>	<u>11,377,891</u>	<u>10,971,158</u>	<u>10,971,158</u>
Creditors: Amounts falling due after more than one year	15	(2,987,131)	(2,987,131)	(3,491,332)	(3,491,332)
Net Assets		<u><u>8,390,760</u></u>	<u><u>8,390,760</u></u>	<u><u>7,479,826</u></u>	<u><u>7,479,826</u></u>
Accumulated Funds					
Unrestricted Funds - General Fund	17	8,276,158	8,276,158	7,343,300	7,343,300
Restricted Funds		114,602	114,602	136,526	136,526
		<u><u>8,390,760</u></u>	<u><u>8,390,760</u></u>	<u><u>7,479,826</u></u>	<u><u>7,479,826</u></u>

The surplus of the Charity for 2021 was £910,934 (including Gift Donation from The Larks).

The financial statements were approved by the Governors and authorised for issue on 1 December 2021 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 2021

	2021	2020
	£	£
Net Cash Inflow from Operating Activities (note 1)	1,083,438	1,055,577
Cash flows from investing activities		
Purchase of tangible fixed assets	(414,165)	(134,699)
Disposal of tangible fixed assets	-	-
Net cash provided by/(used in) Investing activities	<u>(414,165)</u>	<u>(134,699)</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>246,195</u>	<u>497,800</u>
Cash and cash equivalents at the beginning of the reporting period	<u>2,795,373</u>	<u>2,297,573</u>
Cash and cash equivalents at the end of the reporting period	<u>3,041,568</u>	<u>2,795,373</u>

Notes to the Consolidated Statement of Cash Flows
For the year ended 31st July 2021

1 Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2021	2020
	£	£
Net income for the year	910,934	609,632
Depreciation	361,397	353,026
(Increase)/Decrease in stock	1,712	(820)
Decrease/(Increase) in debtors, and prepayments	(67,158)	156,664
(Decrease)/Increase in creditors, provisions	4,237	(94,111)
(Decrease)/Increase in fees in advance	<u>(127,684)</u>	<u>31,186</u>
Net Cash Inflow from Operating Activities	<u>1,083,438</u>	<u>1,055,577</u>
2 Analysis of Cash and Cash Equivalents	At 31 July 2021	At 1 August 2020
	£	£
Cash at bank and in hand	<u>3,041,568</u>	<u>2,795,373</u>
	<u>3,041,568</u>	<u>2,795,373</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021

1 Accounting policies

(Continued)

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 £2,108,871 (2020: £1,470,105).

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 2021 (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 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 2021 (Continued)

2 Income from Donations

Year to 31 July 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Donations	9,389	10,727	20,116
	<u>9,389</u>	<u>10,727</u>	<u>20,116</u>

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>

3 Income from Charitable activities

Year to 31 July 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Gross Fees including disbursements charged	6,350,001	-	6,350,001
Bursaries and other fee remissions	(277,580)	-	(277,580)
Other pupil related income	3,300	-	3,300
	<u>6,075,720</u>	<u>-</u>	<u>6,075,720</u>

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>

4 Turnover from subsidiary undertakings

Year to 31 July 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Turnover of subsidiary	1,264,316	-	1,264,316
	<u>1,264,316</u>	<u>-</u>	<u>1,264,316</u>

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>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021
(Continued)

5 Other income

Year to 31 July 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Rental and hire fees	69,999	-	69,999
CJRS Funding	123,433	-	123,433
Interest Receivable	290	-	290
	<u>193,722</u>	<u>-</u>	<u>193,722</u>
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>

6 Expenditure on raising funds

Year to 31 July 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Advertising and publicity costs	45,378	-	45,378
	<u>45,378</u>	<u>-</u>	<u>45,378</u>
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>

7 Expenditure on charitable activities

Year to 31 July 2021	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Staff costs - teaching	2,961,331	-	2,961,331
- administrative	1,112,253	-	1,112,253
Education and recreation	177,372	-	177,372
Domestic	178,254	-	178,254
Establishment costs	254,638	-	254,638
Depreciation	328,746	32,651	361,397
Composition fee discounts	12,796	-	12,796
Office costs	141,322	-	141,322
Maintenance of buildings, swimming pool and equipment	208,677	-	208,677
Administrative costs	119,318	-	119,318
Bad debt expense	(18,763)	-	(18,763)
Bank interest & charges	84,703	-	84,703
Loss on Disposal of fixed asset	-	-	-
Governance costs (see below)	16,952	-	16,952
	<u>5,577,599</u>	<u>32,651</u>	<u>5,610,250</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021 (Continued)

7 Expenditure on charitable activities (continued)

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 - Restated	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) - Restated	13,599	-	13,599
	5,684,249	39,489	5,723,738

Governance costs

Year to 31 July 2021	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£
Auditors' remuneration:			
Audit fee including VAT	11,460	-	11,460
Under/(over) provision from prior year	460	-	460
Other services	2,958	-	2,958
Other professional fees	2,074	-	2,074
	16,952	-	16,952

Year to 31 July 2020	Unrestricted Funds	Restricted Funds	Total 2020
Restated	£	£	£
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
	13,599	-	13,599

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021 (Continued)

8	Net income	2021	2020
		£	£
	This is stated after charging:		
	Auditors' remuneration (excluding VAT)	9,933	9,379
	Depreciation	361,397	353,026
		<u>361,397</u>	<u>353,026</u>
9	Staff costs (Group)	2021	2020
		£	£
	Wages and salaries	3,932,086	3,867,805
	Social security costs	367,040	343,082
	Other pension costs	532,422	507,258
	Termination Payments	-	19,570
		<u>4,831,548</u>	<u>4,737,715</u>

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

Charlty	2021	2020
	Actual	Actual
The average monthly number of employees during the year was:		
Teaching and learning support	71	71
Administration	56	56
	<u>127</u>	<u>127</u>

Group	2021	2020
	Actual	Actual
The average monthly number of employees during the year was:		
Teaching and learning support	100	99
Administration	62	61
	<u>162</u>	<u>160</u>

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

Remuneration Range	Number of Employees	
	2021	2020
£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 £51,305 (2020: £48,980). There were no termination payments (2020 £19,570).

Key management personnel

Key management personnel include the Head Teacher, Bursar, 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 £436,529 (2020: £406,565).

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021 (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 2020	12,044,453	253,028	2,122,158	8,450	47,556	14,475,645
Additions at cost	105,905	-	187,563	-	120,697	414,165
Correction	-	-	4,804	-	-	4,804
Disposals at cost	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
At 31st July 2021	12,150,358	253,028	2,314,525	8,450	168,253	14,894,614
Depreciation						
At 1st August 2020	3,060,799	188,361	1,716,982	8,450	-	4,974,592
Charge for the year	249,055	12,389	99,953	-	-	361,397
Correction	-	-	4,804	-	-	4,804
Depreciation on Disposal	-	-	-	-	-	-
At 31st July 2021	3,309,854	200,750	1,821,739	8,450	-	5,340,793
Net Book Amount						
At 31st July 2021	<u>8,840,504</u>	<u>52,278</u>	<u>492,786</u>	<u>-</u>	<u>168,253</u>	<u>9,553,821</u>
At 31st July 2020	<u>8,983,854</u>	<u>64,667</u>	<u>405,176</u>	<u>-</u>	<u>-</u>	<u>9,501,053</u>

At 31 July 2021 the company had contractual capital commitments in respect of building works totalling £248,305 (2020: £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 2021 was £1,284,316 (2020: £1,139,622) and its profit for the year was £0 (2020: £0) after a staff costs and overhead recharge from Hazelwood School Limited of £200,000 (2020: £150,000) and a gift donation to Hazelwood School Limited of £77,004 (2020: £44,756). A deed of covenant is in place approving the gift transfer of profit to Hazelwood School. Net assets at 31 July 2021 were £100 (2020: net assets £100).

12 Stock	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Sundry consumables	<u>9,070</u>	<u>10,782</u>	<u>5,992</u>	<u>8,057</u>

13 Debtors	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
School fees receivable	78,701	8,470	62,709	5,917
Other debtors	8,596	5,692	8,484	5,536
Prepayments and accrued income	86,531	92,508	80,245	88,993
Owed by Group undertaking	-	-	51,092	42,524
	<u>173,828</u>	<u>106,670</u>	<u>202,530</u>	<u>142,970</u>

The value of the bad debts provision included under School fees receivable was 2021: £108,363(2020: £129,540).

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021 (Continued)

14 Creditors: Amounts falling due within one year	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loan	423,078	423,078	423,078	423,078
Fees in advance (note 16)	513,349	559,910	438,549	506,310
Trade creditors	179,603	212,183	166,613	206,455
Accruals and deferred income	284,366	247,549	229,900	204,956
	<u>1,400,396</u>	<u>1,442,720</u>	<u>1,258,140</u>	<u>1,340,799</u>

15 Creditors: Amounts falling due after more than one year	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Long term bank loan	2,518,610	2,941,688	2,518,610	2,941,688
Fees in advance (note 16)	468,521	549,644	468,521	549,644
	<u>2,987,131</u>	<u>3,491,332</u>	<u>2,987,131</u>	<u>3,491,332</u>

In June 2015, the school agreed a new funding package with Barclays Bank plc to finance the construction of the Baily 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. The interest rate calculation will be changing following the cessation of LIBOR after 31st December 2021 and will move from LIBOR to the Bank of England Bank Rate plus a credit adjustment spread which is designed to approximate to what the rate would have been if continued on the previous basis.

16 Fees in Advance	Composition	Disbursement	Total	Total
	Fees	Deposits	2021	2020
Net amounts repayable:	£	£	£	£
in less than one year	397,299	41,250	438,549	506,310
in one to two years	215,587	19,350	234,937	269,732
in two to five years	125,084	89,300	214,384	246,774
After five years	-	19,200	19,200	33,138
	<u>737,970</u>	<u>169,100</u>	<u>907,070</u>	<u>1,055,954</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 £74,800 (2020: £53,600) 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 2021 (Continued)

17 Funds

Year to 31st July 2021	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	7,343,300	7,543,147	(6,610,289)	8,276,158
Restricted Funds:				
Innovation Space	101,955	-	(24,698)	77,257
Bursary Fund	501	2,000	-	2,501
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	1,552	1,000	-	2,552
Hazelwood Parents Association	30,277	7,727	(7,953)	30,051
	<u>7,479,826</u>	<u>7,553,874</u>	<u>(6,642,940)</u>	<u>8,390,760</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 or (fee discount during the pandemic) 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 and teepee funded by them. These were capitalised and are being depreciated over 10 years.

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
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>

18 Operating Lease Commitments

At 31st July the Charity had total commitments under operating leases as follows:

	Group		Charity	
	2021	2020	2021	2020
Other Assets	Other Assets	Other Assets	Other Assets	Other Assets
	£	£	£	£
Amounts due within one year	<u>60,734</u>	<u>67,700</u>	<u>60,734</u>	<u>67,179</u>
Amounts due in one to five years	<u>116,765</u>	<u>84,529</u>	<u>116,765</u>	<u>84,529</u>
Amounts due in more than five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021 (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 £442,249 (2020: £421,832) and at the year-end £nil (2020: £nil) 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 government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 the cost cap mechanism review is completed 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.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2021 (Continued)

Pension Scheme Arrangements (continued)

The Pensions Trust (continued)

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.

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 £41,272 (2020: £36,274) and personal pensions of £11,867 (2020: £11,511). At the year end £nil (2020: £nil) 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 £495,636 (2020: £469,617) with £nil accrued.

20 Members' Liability

The number of members at 31st July 2021 was 13 (2020: 12) 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 (2020: one) whose Spouse was employed by the school as a Teacher. The Spouse's remuneration for this employment was £16,410 (2020: £16,211), and fell under the normal employment terms and conditions of the school. The Spouse had undertaken this role before the role of Governor commenced.