

**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 2022**

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

**Governors**

J. Bleakley (resigned 21st May 2022)  
E. Bruwer  
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

**Director of Finance**

Mrs A. Field

**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 2022**

#### **Introduction**

The Governors have pleasure in presenting their report of the affairs of Hazelwood School (the School) for the year ended 31st July 2022 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 2022, 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 Senior Leadership Team, is responsible for the day to day management of the School and reports directly to the Governing Body.

#### **Strategic Report**

##### **Principal Risks and Uncertainties**

The focus of the latest review of Principle Risks document was to identify more current risks associated with current economic conditions, most notably inflationary pressures and interest rate increases.

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 changing 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.

The Governors have no financial interest in the Charity and receive no remuneration from the Charity except to the extent disclosed in note 21.

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Governors' Report**  
**for the year ended 31st July 2022**  
**(continued)**

**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.

Over the summer of 2022, the School has built a new all weather floodlit pitch and sports pavilion which will enhance the provision of many sports in our aim to achieve sporting excellence, as well as to provide the local community with a new facility.

At the beginning of the year, we launched the Sustainable Development Goals project as a schoolwide initiative involving all year groups from Reception through to Year 8. The focus of this was on developing new solutions to the challenges faced by our global community. Developed by the United Nations, the seventeen sustainable development goals are described as a blueprint to achieve a better and more sustainable future for all. From Oak to Year 8, we challenged our pupils to choose a goal, conduct research to broaden their understanding of its effects and develop a potential solution to help meet that goal. Our commitment as a school was that for the project that showed the most potential, the whole school body would support its development – anything from practical help, financial investment, knowledge, experience or something different. The whole initiative captivated the school and cumulated in 2 hours of presentations from all our class teams, presented to the entire school and an external panel of parent judges. It was a truly memorable highlight for Hazelwood in 2022.

Thankfully, 2022 saw a return to normality for most of our school events and performances after the hiatus caused by Covid. Everything from school plays in the auditorium, to the much loved Hazelwood Talent Show were enjoyed by pupils and parents and it was a joy to see these hugely popular events back.

Another long awaited and much anticipated highlight of the year, has been the launch of a new parental communication portal. For parents it provides them with a single source for all important school information in one place. This enhancement showcases our school as a modern forward thinking and dynamic community that holds parents and pupils at the heart of what we do.

**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.

**Lettings and the Community**

Lettings have shown a good recovery post pandemic with over 30 local organisations benefitting from the use of our facilities on a regular basis during the year. It is anticipated that external demand for the use of the new all weather pitch will have a positive effect on the letting programme going forward.

The School continues to run the Hazelwood Community Fund which raises funds for local community projects. This year over £3,000 was given to provide defibrillators at the local railway station and Godstone Bowling Cub.

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Governors' Report**  
**for the year ended 31st July 2022**  
**(continued)**

**Activities, Achievements and Performance (continued)**

**Key Performance Indicators**

The following KPIs are reviewed by the Board:	<b>2021</b>	<b>2020</b>
• <u>Teaching Costs per pupil</u>	£6,797	£6,715
• <u>Premises and Running Costs per pupil</u>	£6,621	£5,290
• <u>Teacher/Pupil ratio (Excluding Teaching Assistants)</u>	1 to 10	1 to 10
• <u>Fee Increase</u>	2.00%	3.00%
• <u>Pupil Numbers (Reception to Year 8)</u>	444	441
• <u>Capital Expenditure per pupil</u>	£1,659	£946
• <u>Operating Surplus as % of Gross Fee Income</u>	14.77%	16.03%

**Results, Financial Position and Reserve Policy**

The consolidated surplus (net income) for the year amounted to £902,670 (2021: £910,934). 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 £1,810,659 (2020: £1,664,025). 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 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 £141,558 (2021: £77,004). The profit was gifted to Hazelwood School. These figures are included in the consolidated accounts.

**Fixed Assets and Capital Investment**

The fixed asset focus this year has been the all weather pitch and pavilion however there has also been significant investment in a new Design Technology facility and a new Food Technology area.

**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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Governors' Report**  
**for the year ended 31st July 2022**  
**(continued)**

**Statement of Governors' Responsibilities (continued)**

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  
Limpsfield  
OXTED  
Surrey RH8 0QU

Date: 7th DECEMBER 2022

By order of the Governors



A. Field  
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 2022 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 2022 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 Saunders (Senior Statutory Auditor)  
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 7 February 2023  
9 Appold Street  
London  
EC2A 2AP

**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 2022**

	Note	2022 Unrestricted Funds	2022 Restricted Funds	2022 Total Funds	2021 Total Funds
		£	£	£	£
<b>Income from:</b>					
Donations	2	200	13,123	13,323	20,116
Charitable activities	3	6,759,671	-	6,759,671	6,075,720
Turnover of subsidiary undertaking	4	1,375,130	-	1,375,130	1,264,316
Other income	5	164,805	-	164,805	193,722
<b>Total Income</b>		<u>8,299,806</u>	<u>13,123</u>	<u>8,312,929</u>	<u>7,553,874</u>
<b>Expenditure on:</b>					
Raising funds	6	45,669	-	45,669	45,378
Costs of trading subsidiary	11	1,058,572	-	1,058,572	987,312
Charitable activities	7	<u>6,283,351</u>	<u>22,667</u>	<u>6,306,018</u>	<u>5,610,250</u>
<b>Total Expenditure</b>		<u>7,387,592</u>	<u>22,667</u>	<u>7,410,259</u>	<u>6,642,940</u>
<b>Net Income/(Expenditure)</b>		<u>912,214</u>	<u>(9,544)</u>	<u>902,670</u>	<u>910,934</u>
<b>Net movement in funds</b>		<u>912,214</u>	<u>(9,544)</u>	<u>902,670</u>	<u>910,934</u>
Fund balances at 1st August		<u>8,276,165</u>	<u>114,602</u>	<u>8,390,767</u>	<u>7,479,826</u>
<b>Fund balances at 31st July</b>	17	<u><u>9,188,379</u></u>	<u><u>105,058</u></u>	<u><u>9,293,437</u></u>	<u><u>8,390,760</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.

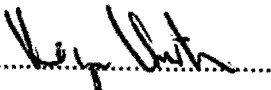
As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent Company is not presented as part of these accounts.

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Balance Sheets at 31st July 2022**

	Note	2022		2021	
		Group £	Charity £	Group £	Charity £
<b>Fixed Assets</b>					
Tangible assets	10	9,896,323	9,896,323	9,553,821	9,553,821
Investment in Subsidiary Undertaking	11	-	100	-	100
		<u>9,896,323</u>	<u>9,896,423</u>	<u>9,553,821</u>	<u>9,553,921</u>
<b>Current Assets</b>					
Stock	12	12,616	7,469	9,070	5,992
Debtors	13	197,696	170,203	173,828	202,530
Cash at bank and in hand		<u>3,377,274</u>	<u>3,258,735</u>	<u>3,041,568</u>	<u>2,873,588</u>
		<u>3,587,586</u>	<u>3,436,407</u>	<u>3,224,466</u>	<u>3,082,110</u>
Creditors: Amounts falling due within one year	14	(1,643,375)	(1,492,296)	(1,400,396)	(1,258,140)
Net Current Assets		<u>1,944,211</u>	<u>1,944,111</u>	<u>1,824,070</u>	<u>1,823,970</u>
Total Assets less Current Liabilities		<u>11,840,534</u>	<u>11,840,534</u>	<u>11,377,891</u>	<u>11,377,891</u>
Creditors: Amounts falling due after more than one year	15	(2,547,097)	(2,547,097)	(2,987,131)	(2,987,131)
Net Assets		<u><u>9,293,437</u></u>	<u><u>9,293,437</u></u>	<u><u>8,390,760</u></u>	<u><u>8,390,760</u></u>
<b>Accumulated Funds</b>					
Unrestricted Funds - General Fund	17	9,188,379	9,188,379	8,276,158	8,276,158
Restricted Funds		<u>105,058</u>	<u>105,058</u>	<u>114,602</u>	<u>114,602</u>
		<u><u>9,293,437</u></u>	<u><u>9,293,437</u></u>	<u><u>8,390,760</u></u>	<u><u>8,390,760</u></u>

The surplus of the Charity for 2022 was £902,670 (including Gift Donation from The Larks).

The financial statements were approved by the Governors and authorised for issue on 7th December 2022 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 2022**

		<b>2022</b>		<b>2021</b>	
	£	£	£	£	£
<b>Net Cash Inflow from Operating Activities (note 1)</b>		1,495,368		1,083,438	
<b>Cash flows from investing activities</b>					
Purchase of tangible fixed assets	(736,584)		(414,165)		
Disposal of tangible fixed assets	-		-		
<b>Net cash provided by/(used in) investing activities</b>		<u>(736,584)</u>		<u>(414,165)</u>	
<b>Cash flows from financing activities</b>					
Cash inflows from new borrowing	-		-		
Repayments of borrowing	(423,078)		(423,078)		
<b>Net cash provided by/(used in) financing activities</b>		<u>(423,078)</u>		<u>(423,078)</u>	
<b>Change in cash and cash equivalents in the reporting period</b>		<u>335,706</u>		<u>246,195</u>	
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>3,041,568</u>		<u>2,795,373</u>	
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>3,377,274</u></u>		<u><u>3,041,568</u></u>	

**Notes to the Consolidated Statement of Cash Flows**  
**For the year ended 31st July 2022**

<b>1 Reconciliation of Net Income to Net Cash Inflow from Operating Activities</b>	<b>2022</b>	<b>2021</b>	
	£	£	
Net income for the year	902,670	910,934	
Depreciation	394,089	361,397	
(Increase)/Decrease in stock	(3,546)	1,712	
Decrease/(Increase) in debtors, and prepayments	(23,868)	(67,158)	
(Decrease)/Increase in creditors, provisions	335,341	4,237	
(Decrease)/Increase in fees in advance	(109,318)	(127,684)	
<b>Net Cash Inflow from Operating Activities</b>	<u>1,495,368</u>	<u>1,083,438</u>	
<b>2 Analysis of Cash and Cash Equivalents</b>	<b>At 31 July 2022</b>	<b>At 1 August 2021</b>	
	£	£	
Cash at bank and in hand	<u>3,377,274</u>	<u>3,041,568</u>	
	<u><u>3,377,274</u></u>	<u><u>3,041,568</u></u>	

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022**  
**(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 £1,944,211 (2021: £1,824,070).

**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 2022 (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 2022 (Continued)**

**2 Income from Donations**

Year to 31 July 2022	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Donations	200	13,123	13,323
	<u>200</u>	<u>13,123</u>	<u>13,323</u>

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>

**3 Income from Charitable activities**

Year to 31 July 2022	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Gross Fees including disbursements charged	7,008,579	-	7,008,579
Bursaries and other fee remissions	(253,458)	-	(253,458)
Other pupil related income	4,550	-	4,550
	<u>6,759,671</u>	<u>-</u>	<u>6,759,671</u>

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>6,075,721</u>	<u>-</u>	<u>6,075,721</u>

**4 Turnover from subsidiary undertakings**

Year to 31 July 2022	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Turnover of subsidiary	1,375,130	-	1,375,130
	<u>1,375,130</u>	<u>-</u>	<u>1,375,130</u>

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>

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022 (Continued)**

**5 Other income**

<b>Year to 31 July 2022</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>
Rental and hire fees	160,348	-	160,348
CJRS Funding	1,735	-	1,735
Interest Receivable	2,722	-	2,722
	<u>164,805</u>	<u>-</u>	<u>164,805</u>

<b>Year to 31 July 2021</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2021 £</b>
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>

**6 Expenditure on raising funds**

<b>Year to 31 July 2022</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>
Advertising and publicity costs	45,669	-	45,669
	<u>45,669</u>	<u>-</u>	<u>45,669</u>

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

**7 Expenditure on charitable activities**

<b>Year to 31 July 2022</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2022 £</b>
Staff costs - teaching	3,017,757	-	3,017,757
- administrative	1,315,563	-	1,315,563
Education and recreation	357,579	-	357,579
Domestic	262,368	-	262,368
Establishment costs	292,180	-	292,180
Depreciation	374,812	19,277	394,089
Composition fee discounts	4,665	-	4,665
Office costs	144,019	-	144,019
Maintenance of buildings, swimming pool and equipment	230,664	-	230,664
Administrative costs	158,798	3,390	162,188
Bad debt expense	24,356	-	24,356
Bank interest & charges	82,812	-	82,812
Loss on Disposal of fixed asset	-	-	-
Governance costs (see below)	17,778	-	17,778
	<u>6,283,351</u>	<u>22,667</u>	<u>6,306,018</u>

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022 (Continued)**

**7 Expenditure on charitable activities (continued)**

<b>Year to 31 July 2021</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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 - Restated	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) - Restated	16,952	-	16,952
	<b>5,577,599</b>	<b>32,651</b>	<b>5,610,250</b>

**Governance costs**

<b>Year to 31 July 2022</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Auditors' remuneration:			
Audit fee including VAT	12,828	-	12,828
Under/(over) provision from prior year	1,842	-	1,842
Other services	1,434	-	1,434
Other professional fees	1,674	-	1,674
	<b>17,778</b>	<b>-</b>	<b>17,778</b>

<b>Year to 31 July 2021</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
Restated	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>16,952</b>	<b>-</b>	<b>16,952</b>

**Hazelwood School**  
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**Notes to the Financial Statements**  
**For the year ended 31st July 2022 (Continued)**

<b>8</b>	<b>Net income</b>	<b>2022</b>	<b>2021</b>
		£	£
	This is stated after charging:		
	Auditors' remuneration (excluding VAT)	12,225	9,933
	Depreciation	394,089	361,397
		<u>394,089</u>	<u>361,397</u>
<b>9</b>	<b>Staff costs (Group)</b>	<b>2022</b>	<b>2021</b>
		£	£
	Wages and salaries	4,206,581	3,932,086
	Social security costs	384,423	367,040
	Other pension costs	553,636	532,422
		<u>5,144,640</u>	<u>4,831,548</u>

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

**Charity**

<b>2022</b>	<b>2021</b>
<b>Actual</b>	<b>Actual</b>

The average monthly number of employees during the year was:

Teaching and learning support	69	71
Administration	56	56
	<u>125</u>	<u>127</u>

**Group**

<b>2022</b>	<b>2021</b>
<b>Actual</b>	<b>Actual</b>

The average monthly number of employees during the year was:

Teaching and learning support	95	100
Administration	62	62
	<u>157</u>	<u>162</u>

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

Remuneration Range	Number of Employees	
	2022	2021
£60,001 - £70,000	1	2
£80,001 - £90,000	2	1
£90,001 - £115,000	1	1

Pension contributions made for higher paid employees were £52,346 (2021: £51,305). There were no termination payments (2021 £0).

**Key management personnel**

Key management personnel include the Head Teacher, Bursar, Deputy Head and Director of Finance. The total employee benefits (including salaries, bonuses, employers pension costs and other benefits) of the School's key management personnel were £434,050 (2021: £436,529). The Bursar left in December so the employee benefits total reflects their benefits to date of leaving.

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022 (Continued)**

<b>10 Fixed Assets</b>	<b>Freehold</b>	<b>Swimming</b>	<b>Equipment,</b>	<b>Motor</b>	<b>Assets</b>	<b>Total</b>
<b>Group and company</b>	<b>Land and</b>	<b>Pool</b>	<b>Furniture</b>	<b>Vehicles</b>	<b>Under</b>	<b></b>
<b>Cost</b>	<b>Buildings</b>	<b>£</b>	<b>and Fittings</b>	<b>£</b>	<b>Construction</b>	<b>£</b>
<b>At 1st August 2021</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st August 2021	12,150,358	253,028	2,314,525	8,450	168,253	14,894,614
Transfers	67,616	-	53,081	-	- 120,697	-
	<u>12,217,974</u>	<u>-</u>	<u>2,367,606</u>	<u>-</u>	<u>47,556</u>	<u>14,894,614</u>
Additions at cost	84,896	-	123,518	-	528,175	736,589
Disposals at cost	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st July 2022	<u>12,302,870</u>	<u>-</u>	<u>2,491,124</u>	<u>-</u>	<u>575,731</u>	<u>15,631,203</u>
<b>Depreciation</b>						
At 1st August 2021	3,309,854	200,750	1,821,739	8,450	-	5,340,793
Charge for the year	265,484	13,393	115,210	-	-	394,087
Depreciation on Disposal	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31st July 2022	<u>3,575,338</u>	<u>214,143</u>	<u>1,936,949</u>	<u>8,450</u>	<u>-</u>	<u>5,734,880</u>
<b>Net Book Amount</b>						
At 31st July 2022	<u>8,727,532</u>	<u>- 214,143</u>	<u>554,175</u>	<u>-</u>	<u>575,731</u>	<u>9,896,323</u>
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 31 July 2022 the company had contractual capital commitments in respect of building works totalling £1,141,926 (2021: £248,305).

**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 2022 was £1,375,130 (2021: £1,264,316) and its profit for the year was £0 (2021: £0) after a staff costs and overhead recharge from Hazelwood School Limited of £175,000 (2021: £200,000) and a gift donation to Hazelwood School Limited of £141,558 (2021: £77,004). A deed of covenant is in place approving the gift transfer of profit to Hazelwood School. Net assets at 31 July 2022 were £100 (2021: net assets £100).

<b>12 Stock</b>	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sundry consumables	<u>12,616</u>	<u>9,070</u>	<u>7,469</u>	<u>5,992</u>

<b>13 Debtors</b>	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
School fees receivable	92,575	78,701	80,327	62,709
Other debtors	9,138	8,596	9,138	8,484
Prepayments and accrued income	95,983	86,531	80,738	80,245
Owed by Group undertaking	-	-	-	51,092
	<u>197,696</u>	<u>173,828</u>	<u>170,203</u>	<u>202,530</u>

The value of the bad debts provision included under School fees receivable was 2022: £73,466 (2021: £108,363).

**Hazelwood School**  
**(A Charitable Educational Trust Limited by Guarantee)**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022 (Continued)**

14 Creditors: Amounts falling due within one year	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loan	423,078	423,078	423,078	423,078
Fees in advance (note 16)	420,987	513,349	350,187	438,549
Trade creditors	141,161	179,603	117,791	166,613
Accruals and deferred income	658,149	284,366	576,001	229,900
Owed to Group undertaking	-	-	25,239	-
	<u>1,643,375</u>	<u>1,400,396</u>	<u>1,492,296</u>	<u>1,258,140</u>

15 Creditors: Amounts falling due after more than one year	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Long term bank loan	2,095,532	2,518,610	2,095,532	2,518,610
Fees in advance (note 16)	<u>451,565</u>	<u>468,521</u>	<u>451,565</u>	<u>468,521</u>
	<u>2,547,097</u>	<u>2,987,131</u>	<u>2,547,097</u>	<u>2,987,131</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. The interest rate calculation has changed following the cessation of LIBOR after 31st December 2021 and has moved 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. Since the change, current year interest has varied between 2.4793% at the change and 3.2293% at the end of the year.

16 Fees in Advance	Composition	Disbursement	Total	Total
	Fees £	Deposits £	2022 £	2021 £
Net amounts repayable:				
in less than one year	310,049	40,138	350,187	438,549
in one to two years	139,385	18,707	158,092	234,937
in two to five years	141,241	77,863	219,104	214,384
After five years	<u>43,297</u>	<u>31,072</u>	<u>74,369</u>	<u>19,200</u>
	<u>633,972</u>	<u>167,780</u>	<u>801,752</u>	<u>907,070</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 £70,800 (2021: £74,800) 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 2022 (Continued)**

**17 Funds**

Year to 31st July 2022	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	8,276,165	8,299,806	(7,387,592)	9,188,379
Restricted Funds:				
Innovation Space	77,257	-	(10,936)	66,321
Bursary Fund	2,501	1,500	-	4,001
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	2,552	3,223	(3,390)	2,385
Hazelwood Parents Association	30,051	8,400	(8,341)	30,110
	<u>8,390,767</u>	<u>8,312,929</u>	<u>(7,410,259)</u>	<u>9,293,437</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, teepee and information display screens funded by them. These were capitalised and are being depreciated over 10 years.

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	-	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>

**18 Operating Lease Commitments**

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

	Group		Charity	
	2022	2021	2022	2021
	Other Assets	Other Assets	Other Assets	Other Assets
	£	£	£	£
Amounts due within one year	<u>61,095</u>	<u>60,734</u>	<u>61,095</u>	<u>60,734</u>
Amounts due in one to five years	<u>97,146</u>	<u>116,765</u>	<u>116,765</u>	<u>116,765</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 2022 (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 £455,753 (2021: £442,249 ) and at the year-end £nil (2021: £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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

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 2022 (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. By the end of the year this had reduced from two employees down to one employee. 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 £45,934 (2021: £41,272) and personal pensions of £10,271 (2021: £11,867). At the year end £nil (2021: £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 £511,958 (2021: £495,636) with £nil accrued.

**20 Members' Liability**

The number of members at 31st July 2022 was 12 (2021: 13) and their liability in the event of the winding-up of the Charity is limited to £1 per member.

**21 Related Party Transactions**

There were no related third party transactions in 2022. In the prior year, there was one Governor during the year whose Spouse was employed by the school as a Teacher. The Spouse's remuneration for this employment was £16,410, and fell under the normal employment terms and conditions of the school. The Spouse had undertaken this role before the role of Governor commenced.