

HAZELWOOD SCHOOL

England & Wales · Charity number 312081

Details

Other names HAZELWOOD SCHOOL LIMITED, HAZELWOOD SCHOOL

Status Registered

Legal form Charitable company

Company number [00925581](#)

Registered 1969-02-17

Register [View on the Charity Commission register](#)

Contact

Address Hazelwood School
Wolfs Hill
Oxted
RH8 0QU

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Website hazelwoodschool.co.uk

Activities

Objects: THE ADVANCEMENT AND PROMOTION OF EDUCATION IN PARTICULAR BUT NOT LIMITED TO BY THE PROVISION OF A BOARDING OR DAY SCHOOL OR SCHOOLS FOR THE EDUCATION OF CHILDREN OF EITHER SEX OR BOTH SEXES.

Activities: Providing education for children between the ages of 4 and 13

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information
- **What:** Education/training
- **Who:** Children/young People

Geography

- Kent
- Surrey

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£9,687,483	£9,541,452	£10,948,635	174
2024-07-31	£9,595,139	£8,913,565	£10,802,604	163
2023-07-31	£9,052,506	£8,224,913	£10,121,030	163
2022-07-31	£8,312,929	£7,410,259	£9,293,437	157
2021-07-31	£7,553,874	£6,642,940	£8,390,760	162
2020-07-31	£7,317,540	£6,674,742	£7,479,826	160

Trustees

Name	Role	Appointed
Harriet Leach	Chair	2018-12-05
Alex Campbell		2023-09-13
Benedict Allen Howard Figgis		2017-07-05
Dr Elizabeth Bruwer		2021-04-08
Emily Codling		2024-12-04
James Local		2025-06-23
Julie Coates		2016-11-16
Juliet Nebel		2024-09-01
Martin Redman		2023-03-03
Nicholas Hallam Carter-Pegg		2018-06-13

HAZELWOOD SCHOOL

England & Wales - Charity number 312081

Accounts



Hazelwood School

ANNUAL ACCOUNTS

A Charitable Educational Limited Trust Limited by Guarantee
Co. No. 925581



Governors

Harriet Leach (Chair)
Alex Campbell
Bayju Thakar (resigned 24th February 2025)
Ben Figgis
Darren Price (resigned 31st December 2025)
Elizabeth Bruwer
Emily Codling (appointed 4th December 2024)
James Local (appointed 23 June 2025)
Juliette Nebel (appointed 1st September 2024)
Julie Coates
Martin Redman
Nick Carter-Pegg
Nigel Taylor (resigned 4th December 2024)
Roger Heaton (resigned 16th December 2025)

Head

Mrs L. Louw

Director of Finance

Mr M. Hugall

Hazelwood School

Wolfs Hill

Oxted

RH8 0QU

Bankers

Barclays Bank plc
80 High Street
Sevenoaks
Kent
TN13 1LR

Solicitors

Veale Wasbrough Lawyers
Orchard Court
Bristol
BS1 5WS

Auditors

HaysMac LLP
London
EC4R 1AG

AUGUST 2024 - JULY 2025



Hazelwood School



Talk Education Review

This prep's innovative approach to learning takes your breath away. Bold moves such as flexible classrooms and giving children their own agency yields fantastic results which will no doubt stay with them way beyond their school days.

March 2026

Overview

In the 2024–25 academic year, the School has maintained stability and continued to make measurable progress against its strategic objectives. Pupil numbers remained strong, with sustained growth across key entry points, and the Nursery provision continues to thrive. In addition, recent changes to the School site layout have been successfully embedded and are contributing positively to the day-to-day experience of pupils.

The continued development of educational and operational strategy is against a backdrop of significant change in the industry, most notably the introduction of VAT on school fees.

The Finance Team is to be commended for its exceptional work in interpreting and implementing VAT policy changes. Their diligence and professionalism have ensured full compliance with evolving requirements while minimising disruption to the School's operations.

Throughout the year, the School has maintained a strong focus on its people-centred ethos, with continued emphasis on collaboration, staff wellbeing, and delivering high-quality educational outcomes.



Inclusive & Adaptive Provision

The School has further developed its inclusive approach to education, including:

- Exploration of a flexible Alternative Provision pathway for pupils unable to access full-time mainstream education. This remains at an early stage of development and aligns with local authority priorities for inclusive, needs-led provision
- An increase in 1:1 SEN support, reflecting both early identification of need and parental confidence in the School's ability to provide tailored provision

In addition, the School has adopted a more proactive approach to pupil transitions, engaging in early discussions with families where the School's provision may not be the most appropriate long-term setting. While these conversations are sensitive, they are conducted with care and in the best interests of each child.

Wellbeing & Pastoral Development

The School continues to strengthen its wellbeing provision through the development of its Wellbeing Hub, including:

- The planned launch of an in-house Dyslexia Assessment Centre, with qualified staff
- Expansion of expertise in neurodiversity support, including ADHD and autism coaching
- Introduction of a Parent Insights Programme (from Autumn 2025), designed to support parents in areas such as child development, relationships, and wellbeing

These initiatives aim to enhance both pupil and parent support and further embed a holistic approach to education.

Strategic Development & Educational Delivery



The School has continued to implement its strategic framework (the “Wheel”), embedding its core priorities across academic, pastoral, and co-curricular provision.

Curriculum & Real-World Learning

The School has continued to prioritise a broad and relevant curriculum, with a focus on real-world application. Key initiatives include:

- A whole-school Sustainable Development Goals (SDG) project, involving all year groups and culminating in a collaborative exhibition
- The introduction of an Industry Insights Programme for senior pupils, providing exposure to a range of professional sectors and developing skills in problem-solving and communication

Learning environments have also been further developed to support pupil engagement, independence and wellbeing, including enhancements to both classroom design and outdoor learning spaces. The School continues to explore the responsible and impactful use of new and established technology to support teaching, learning and operational efficiency.

Pupil Numbers & Admissions

Pupil numbers remain strong and continue to grow, with the School ending the academic year at 423 pupils and projecting 444 pupils for September 2025, reflecting resilience in a challenging sector environment.

Reception entry for 2025 is particularly strong, with 54 pupils across three classes, the majority progressing from the School's Nursery.

Growth has been supported by a number of strategic initiatives, including:

- Enhanced marketing activity, particularly through digital and video-led campaigns
- Increased engagement through open events
- Improved digital presence and website performance
- Continued development of the School's strategic vision and positioning



Strategic Development & Educational Delivery

Staff retention remains high and morale is positive. There is a clear sense of shared direction and commitment across the staff body. From 2025–26, the School will introduce a revised continuing Professional Development (CPD) model, structured around five key pathways:

- Wellbeing and Mental Health
- Leadership and Coaching
- Inclusive and Adaptive Teaching
- AI and Digital Innovation
- Real-World and Project-Based Learning

This model is designed to support both individual professional growth and whole-school improvement. There were a small number of staff departures during the year, alongside internal promotions, role developments, and new appointments. These changes reflect both natural staff turnover and the continued evolution.





Safeguarding

Safeguarding remains a central priority for the School.

The safeguarding team has worked effectively throughout the year, responding promptly to concerns and working closely with external agencies where appropriate. The School has engaged with local authority services in relation to individual cases, including Section 17 and Section 47 processes, and continues to monitor and support pupils and families as required.

The School benefits from the continued provision of a dedicated School Counsellor, offering regular wellbeing support and drop-in sessions for pupils.

Attendance monitoring and engagement with the local authority have also remained a focus, ensuring that pupils at risk of missing education are identified and supported.

Senior School Outcomes

The School has achieved excellent senior school outcomes during the year.

Pupils have secured a high number of offers to a range of leading senior schools, alongside scholarship awards. Common Entrance results were particularly strong, with an exceptional number of top grades achieved.

These outcomes reflect the commitment and hard work of both pupils and staff, as well as the strength of the School's academic provision.

CONCLUSION



This has been a year characterised by effective implementation, values-led decision-making, and continued strategic development.

The School has demonstrated resilience in responding to external challenges while maintaining strong pupil numbers, high staff morale and excellent educational outcomes.

Hazelwood is well positioned for the future, with a clear sense of purpose, a strong community and continued momentum across its key strategic priorities.

Key Financial Performance Indicators

	2025	2024
Teaching Costs Per Pupil	£9,844	£8,928
Premises and Running Costs Per pupil	£8,144	£7,693
Teacher/Pupil Ratio (Excluding Teaching Assistants)	1 to 8	1 to 8
Fee Increase	6.00%	6.75%
Pupil Numbers (Reception to Year 8)	422	432
Capital Expenditure Per Pupil	£1,320	£1,869
Operating Surplus as % of Gross Fee Income	5.97%	9.35%

Results, Financial Position and Reserve Policy

The consolidated surplus (net income) for the year amounted to £146,031 (2024: £681,574). 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 £1,852,075 (2024: £1,702,926).

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 a turnover of £2,095,200 (2024: £1,777,283) and made a profit before gift donation of £304,823 (2023:£256,277). 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 was the refurbishment and re-purposing of the Chestnut building, which following the conversion has become our Year 7 and Year 8 teaching centre, now named The Ruth Bourne Building. See image below.

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.



Governance and Management

Governance

The Governors have pleasure in presenting their report of the affairs of Hazelwood School (the School) for the year ended 31st July 2025 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 boys and girls.

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 March 2026.

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 2025, are shown on page 1.

During the year to 31st July 2025, Mrs Codling was appointed as a Governor (4th December 2024), Mr Local was appointed as a Governor (23rd June 2025), Mrs Nebel was appointed as a Governor (1st September 2024), Mr Taylor resigned (4th December 2024) and Mr Thakar resigned (24th February 2025.) After year end but prior to the accounts being signed, Mr Heaton resigned having come to the end of his period as Chair (16th December 2025) and Mr Price resigned (31st December 2025.)

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.

Full Board

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.

Audit Committee

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.

Principle Risks and Uncertainties

Risks

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, interest rate changes, the introduction of VAT on school fees and the abolishing of the business rates relief. After extensive modelling, the school is adjusting its future budgets to account for the increased costs of maintaining the highest level of education for the children.

Risk Management Register

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.

Principle Risks

Principle 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, the School 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.

More recently, the effect of the addition of VAT on school fees has been added to the Risk Management Register and has been extensively modelled. 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.

Charitable Status

The company fulfils its charitable objectives by running Hazelwood School, an independent Pre-Prep and Preparatory School for boys and girls aged 4 to 13 years. In shaping objectives for the year 2024-25 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)'.

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 Final Statement

Lettings

Lettings have continued to show a strong growth this year with a number of new regular hirers using our facilities as well as ad hoc users from the local community.

Statement of Governors' Responsibilities

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.

HaysMac were appointed in the year and 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: 28th May 2026

By order of the Governors, Mark Hugall, Secretary



Independent Auditor's Report to the Members of Hazelwood School

Opinion

We have audited the financial statements of Hazelwood School (the 'parent charitable company') for the year ended 31 July 2025, 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2025 and of the group's net movement in funds, including the 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 the 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 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 Governors are responsible for the other information. The other information comprises the information included in 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.

Independent Auditor's Report to the Members of Hazelwood School

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Governors' annual report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the governors' report included within the Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report (which incorporates the strategic report).

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

- Adequate accounting records have not been kept by the parent charitable company
- The parent charitable company financial statements are not in agreement with the accounting records and returns
- Certain disclosures of governors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement, set out in page 7, the Governor's (who are also the directors of the 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's and the 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Hazelwood School

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent Schools Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and Charity Law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP 2015) (Second edition, effective 1 January 2019) and consider other factors such as payroll tax and VAT.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent auditor's report to the members of Hazelwood School

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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 anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Askew (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors

Date: 28 May 2026

10 Queen Street Place
London
EC4R 1AG

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 2025

	Note	2025 Unrestricted Funds	2025 Restricted Funds	2025 Total Funds	2024 Total Funds
		£	£	£	£
Income from:					
Donations	2	-	26,402	26,402	33,875
Charitable activities	3	7,195,015	-	7,195,015	7,442,407
Turnover of subsidiary undertaking	4	2,095,200	-	2,095,200	1,777,283
Other income	5	370,866	-	370,866	341,574
Total Income		<u>9,661,081</u>	<u>26,402</u>	<u>9,687,483</u>	<u>9,595,139</u>
Expenditure on:					
Raising funds	6	114,011	-	114,011	89,906
Costs of Trading Subsidiary	11	1,502,379	-	1,502,379	1,233,002
Charitable activities	7	<u>7,905,615</u>	<u>19,447</u>	<u>7,925,062</u>	<u>7,590,657</u>
Total Expenditure		<u>9,522,005</u>	<u>19,447</u>	<u>9,541,452</u>	<u>8,913,565</u>
Net Income		<u>139,076</u>	<u>6,955</u>	<u>146,031</u>	<u>681,574</u>
Net movement in funds		<u>139,076</u>	<u>6,955</u>	<u>146,031</u>	<u>681,574</u>
Fund balances at 1st August		<u>10,642,514</u>	<u>160,090</u>	<u>10,802,604</u>	<u>10,121,030</u>
Fund balances at 31st July	17	<u><u>10,781,590</u></u>	<u><u>167,045</u></u>	<u><u>10,948,635</u></u>	<u><u>10,802,604</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 2025

	Note	2025		2024	
		Group £	Charity £	Group £	Charity £
Fixed Assets					
Tangible assets	10	10,178,891	10,178,891	10,612,041	10,612,041
Investment in Subsidiary Undertaking	11	-	100	-	100
		<u>10,178,891</u>	<u>10,178,991</u>	<u>10,612,041</u>	<u>10,612,141</u>
Current Assets					
Stock	12	14,686	9,798	15,051	9,412
Debtors	13	917,431	846,564	328,031	261,469
Cash at bank and in hand		<u>2,226,393</u>	<u>2,170,779</u>	<u>4,682,100</u>	<u>4,521,602</u>
		<u>3,158,510</u>	<u>3,027,141</u>	<u>5,025,182</u>	<u>4,792,483</u>
Creditors: Amounts falling due within one year	14	<u>(1,967,198)</u>	<u>(1,835,929)</u>	<u>(3,058,367)</u>	<u>(2,825,768)</u>
Net Current Assets		<u>1,191,312</u>	<u>1,191,212</u>	<u>1,966,815</u>	<u>1,966,715</u>
Total Assets less Current Liabilities		<u>11,370,203</u>	<u>11,370,203</u>	<u>12,578,856</u>	<u>12,578,856</u>
Creditors: Amounts falling due after more than one year	15	<u>(421,568)</u>	<u>(421,568)</u>	<u>(1,776,252)</u>	<u>(1,776,252)</u>
Net Assets		<u>10,948,635</u>	<u>10,948,635</u>	<u>10,802,604</u>	<u>10,802,604</u>
Accumulated Funds					
Unrestricted Funds - General Fund	17	10,781,590	10,781,590	10,642,514	10,642,514
Restricted Funds		<u>167,045</u>	<u>167,045</u>	<u>160,090</u>	<u>160,090</u>
		<u>10,948,635</u>	<u>10,948,635</u>	<u>10,802,604</u>	<u>10,802,604</u>

The surplus of the Charity for 2025 was £146,031 (2024: £681,574) including Gift Donation from The Larks.

The financial statements were approved by the Governors and authorised for issue on **28 May 2026** and signed on their behalf by:


H. Leach 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 2025

	2025		2024	
	£	£	£	£
Net Cash (Outflow)/Inflow from Operating Activities (note 1)		(1,851,737)		2,979,288
Cash flows from investing activities				
Purchase of tangible fixed assets	(180,892)		(756,407)	
Disposal of tangible fixed assets	-		-	
Net cash provided by/(used in) investing activities		(180,892)		(756,407)
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		(423,078)		(423,078)
Change in cash and cash equivalents in the reporting period		(2,455,707)		1,799,803
Cash and cash equivalents at the beginning of the reporting period		4,682,100		2,882,297
Cash and cash equivalents at the end of the reporting period		2,226,393		4,682,100

Notes to the Consolidated Statement of Cash Flows
For the year ended 31st July 2025

1	Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2025	2024
		£	£
	Net income for the year	146,031	681,574
	Depreciation	614,042	556,657
	Decrease/(Increase) in stock	365	(2,165)
	(Increase)/Decrease in debtors, and prepayments	(589,400)	(110,821)
	(Decrease)/Increase in creditors, provisions	(1,893,003)	1,579,581
	(Decrease)/Increase in fees in advance	(129,772)	274,462
	Net Cash Inflow from Operating Activities	(1,851,737)	2,979,288
2	Analysis of Cash and Cash Equivalents	At 31 July 2025	At 1 August 2024
		£	£
	Cash at bank and in hand	2,226,393	4,682,100
		2,226,393	4,682,100

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025

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 conducted a thorough review of the group's financial outlook for the upcoming year and remain fully confident in its long-term viability. By carefully analyzing detailed forecasts and proactively accounting for various market conditions, the Board has confirmed that the group is well-positioned for the future. Consequently, these financial statements have been prepared on a going concern basis, reflecting our continued financial stability. At the balance sheet date the group had net current assets of £1,191,212 (2024: £1,966,815).

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 2025 (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, net of VAT. Bursaries and Scholarships provided by the School are shown separately under Bursaries and other fee remissions. 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 2025 (Continued)

2	Income from Donations			
	Year to 31 July 2025	Unrestricted Funds £	Restricted Funds £	Total 2025 £
	Donations	-	26,402	26,402
		<u>-</u>	<u>26,402</u>	<u>26,402</u>
	Year to 31 July 2024	Unrestricted Funds £	Restricted Funds £	Total 2024 £
	Donations	-	33,875	33,875
		<u>-</u>	<u>33,875</u>	<u>33,875</u>
3	Income from Charitable activities			
	Year to 31 July 2025	Unrestricted Funds £	Restricted Funds £	Total 2025 £
	Gross Fees including disbursements charged	7,710,321	-	7,710,321
	Bursaries and other fee remissions	(523,948)	-	(523,948)
	Other pupil related income	8,642	-	8,642
		<u>7,195,015</u>	<u>-</u>	<u>7,195,015</u>
	Year to 31 July 2024	Unrestricted Funds £	Restricted Funds £	Total 2024 £
	Gross Fees including disbursements charged	7,834,257	-	7,834,257
	Bursaries and other fee remissions	(397,965)	-	(397,965)
	Other pupil related income	6,115	-	6,115
		<u>7,442,407</u>	<u>-</u>	<u>7,442,407</u>
4	Turnover from subsidiary undertakings			
	Year to 31 July 2025	Unrestricted Funds £	Restricted Funds £	Total 2025 £
	Turnover of subsidiary	2,095,200	-	2,095,200
		<u>2,095,200</u>	<u>-</u>	<u>2,095,200</u>
	Year to 31 July 2024	Unrestricted Funds £	Restricted Funds £	Total 2024 £
	Turnover of subsidiary	1,777,283	-	1,777,283
		<u>1,777,283</u>	<u>-</u>	<u>1,777,283</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025 (Continued)

5 Other income			
	Unrestricted	Restricted	Total
Year to 31 July 2025	Funds	Funds	2025
	£	£	£
Rental and hire fees	236,034	-	236,034
Interest Receivable	134,832	-	134,832
	<u>370,866</u>	<u>-</u>	<u>370,866</u>
	Unrestricted	Restricted	Total
Year to 31 July 2024	Funds	Funds	2,024
	£	£	£
Rental and hire fees	226,112	-	226,112
Interest Receivable	115,462	-	115,462
	<u>341,574</u>	<u>-</u>	<u>341,574</u>
6 Expenditure on raising funds			
	Unrestricted	Restricted	Total
Year to 31 July 2025	Funds	Funds	2025
	£	£	£
Advertising and publicity costs	114,011	-	114,011
	<u>114,011</u>	<u>-</u>	<u>114,011</u>
	Unrestricted	Restricted	Total
Year to 31 July 2024	Funds	Funds	2024
	£	£	£
Advertising and publicity costs	89,906	-	89,906
	<u>89,906</u>	<u>-</u>	<u>89,906</u>
7 Expenditure on charitable activities			
	Unrestricted	Restricted	Total
Year to 31 July 2025	Funds	Funds	2025
	£	£	£
Staff costs - teaching	4,002,727	-	4,002,727
- administrative	1,518,206	-	1,518,206
Education and recreation	448,341	-	448,341
Domestic	300,236	-	300,236
Establishment costs	387,309	-	387,309
Depreciation	593,737	19,447	613,184
Composition fee discounts	13,399	-	13,399
Office costs	154,455	-	154,455
Maintenance of buildings, swimming pool and equipment	184,146	-	184,146
Administrative costs	151,558	-	151,558
Bad debt expense	7,598	-	7,598
Bank interest & charges	122,515	-	122,515
Governance costs (see below)	21,388	-	21,388
	<u>7,905,615</u>	<u>19,447</u>	<u>7,925,062</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025 (Continued)

7 Expenditure on charitable activities (continued)

Year to 31 July 2024	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Staff costs - teaching	3,856,847	-	3,856,847
- administrative	1,238,974	-	1,238,974
Education and recreation	460,157	-	460,157
Domestic	309,221	-	309,221
Establishment costs	353,278	-	353,278
Depreciation	533,151	23,506	556,657
Composition fee discounts	4,068	-	4,068
Office costs	173,843	-	173,843
Maintenance of buildings, swimming pool and equipment	220,295	-	220,295
Administrative costs	256,472	-	256,472
Bad debt expense	(10,136)	-	(10,136)
Bank interest & charges	151,870	-	151,870
Governance costs (see below)	19,111	-	19,111
	<u>7,567,151</u>	<u>23,506</u>	<u>7,590,657</u>

Governance costs

Year to 31 July 2025	Unrestricted Funds £	Restricted Funds £	Total 2025 £
Auditors' remuneration:			
Audit fee including VAT	18,600	-	18,600
(Over) provision from prior year	(2,851)	-	(2,851)
Other services	-	-	-
Other professional fees	5,639	-	5,639
	<u>21,388</u>	<u>-</u>	<u>21,388</u>

Year to 31 July 2024	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Auditors' remuneration:			
Audit fee including VAT	15,082	-	15,082
Under provision from prior year	1,082	-	1,082
Other services	2,947	-	2,947
Other professional fees	-	-	-
	<u>19,111</u>	<u>-</u>	<u>19,111</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025 (Continued)

8	Net income	2025	2024
		£	£
	This is stated after charging:		
	Auditors' remuneration (excluding VAT)	15,749	13,470
	Depreciation	613,184	556,657
		613,184	556,657
9	Staff costs (Group)	2025	2024
		£	£
	Wages and salaries	5,360,296	4,869,601
	Social security costs	558,115	465,963
	Other pension costs	787,256	693,359
		6,705,667	6,028,923

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

Charity	2025	2024
	Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	79	75
Administration	57	56
	136	131

Group	2025	2024
	Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	112	103
Administration	62	60
	174	163

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

Remuneration Range	Number of Employees	
	2025	2024
£60,001 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	3	2
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1

Pension contributions made for higher paid employees were £72,363 (2024: £73,005).

Key management personnel

Key management personnel include the Head Teacher, Deputy Heads 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 £515,637 (2024: £516,322).

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025 (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 2024	13,867,771	264,216	2,925,238	8,450	348,264	17,413,939
Transfers	64,373	-	283,891	-	(348,264)	-
	<u>13,932,144</u>	<u>264,216</u>	<u>3,209,129</u>	<u>8,450</u>	<u>-</u>	<u>17,413,939</u>
Additions at cost	109,076	2,646	399,914	38,879	6,712	557,227
Disposals at cost	-	-	-	-	-	-
CGS Adjustment current year	-	-	(532)	(3,458)	-	(3,990)
CGS Adjustment prior year	(320,013)	(1,521)	(50,811)	-	-	(372,345)
	<u>13,721,207</u>	<u>265,341</u>	<u>3,557,700</u>	<u>43,871</u>	<u>6,712</u>	<u>17,594,831</u>
Depreciation						
At 1st August 2024	4,367,091	225,547	2,200,810	8,450	-	6,801,898
Charge for the year	404,353	6,310	200,185	2,336	-	613,184
Adjustment	-	-	858	-	-	858
Depreciation on Disposal	-	-	-	-	-	-
	<u>4,771,444</u>	<u>231,857</u>	<u>2,401,853</u>	<u>10,786</u>	<u>-</u>	<u>7,415,940</u>
Net Book Amount						
At 31st July 2025	<u>8,949,763</u>	<u>33,484</u>	<u>1,155,847</u>	<u>33,085</u>	<u>6,712</u>	<u>10,178,891</u>
At 31st July 2024	<u>9,500,680</u>	<u>38,669</u>	<u>724,428</u>	<u>-</u>	<u>348,264</u>	<u>10,612,041</u>

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 2025 was £2,095,200 (2023: £1,777,283) and its profit for the year was £0 (2024: £0) after a staff costs and overhead recharge from Hazelwood School Limited of £288,000 (2024: £288,000) and a gift donation to Hazelwood School Limited of £304,823 (2024: £256,277). A deed of covenant is in place approving the gift transfer of profit to Hazelwood School. Net assets at 31 July 2025 were £100 (2024: net assets £100).

12 Stock	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Sundry consumables	<u>14,686</u>	<u>15,051</u>	<u>9,798</u>	<u>9,412</u>

13 Debtors	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
School fees receivable	204,657	142,640	156,172	97,293
Other debtors	552,586	10,389	552,586	10,389
Prepayments and accrued income	160,188	175,002	137,806	153,787
Owed by Group undertaking	-	-	-	-
	<u>917,431</u>	<u>328,031</u>	<u>846,564</u>	<u>261,469</u>

Within 'Other debtors' is an amount of £216,664 which relates to VAT recoverable under the Capital Goods Scheme and is due after more than one Year (2024 £-).

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025 (Continued)

14 Creditors: Amounts falling due within one year	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Bank loan	1,249,376	423,078	1,249,376	423,078
Fees in advance (note 16)	321,158	345,622	214,158	258,122
Trade creditors	91,060	209,649	76,812	159,055
Accruals and deferred income	305,604	2,080,018	232,693	1,984,355
Owed to Group undertaking	-	-	62,890	1,158
	<u>1,967,198</u>	<u>3,058,367</u>	<u>1,835,929</u>	<u>2,825,768</u>

15 Creditors: Amounts falling due after more than one year	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Long term bank loan	-	1,249,376	-	1,249,376
Fees in advance (note 16)	<u>421,568</u>	<u>526,876</u>	<u>421,568</u>	<u>526,876</u>
	<u>421,568</u>	<u>1,776,252</u>	<u>421,568</u>	<u>1,776,252</u>

In June 2015, the school agreed a funding package with Barclays Bank plc to finance the construction of the Baily building. This included a term loan of £4.634m. 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 7.40% at the start of the year and 6.98% at the end of the year.

16 Fees in Advance	Composition	Disbursement	Total	Total
	Fees £	Deposits £	2025 £	2024 £
Net amounts repayable:				
in less than one year	192,977	21,181	214,158	258,122
in one to two years	133,915	39,295	173,210	191,749
in two to five years	128,143	72,681	200,824	285,764
After five years	-	47,534	47,534	49,363
	<u>455,035</u>	<u>180,691</u>	<u>635,726</u>	<u>784,998</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 £107,000 (2024: £87,500) 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 2025 (Continued)

17 Funds

Year to 31st July 2025	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	10,642,514	9,661,081	(9,522,005)	10,781,590
Restricted Funds:				
Innovation Space	44,457	-	(10,932)	33,525
Bursary Fund	-	402	-	402
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	6,063	-	-	6,063
Hazelwood Parents Association	107,329	26,000	(8,515)	124,814
	<u>10,802,604</u>	<u>9,687,483</u>	<u>(9,541,452)</u>	<u>10,948,635</u>

Restricted funds represent the following: The Innovation Space, an anonymous donation, to provide a hi tech agile learning space. The capital equipment element of this will be depreciated over 3-10 years (depending on asset type). The Bursary Fund is where parents can voluntarily donate their deposit when their child leaves the school for the benefit of other children. The Tanzania project is a long term initiative with donations ring-fenced to provide resources to fund the project moving forwards. This project has not yet recommenced since Covid. 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 funding provided by them for the purchase cost of the outdoor trim trail. This was capitalised and is being depreciated over 10 years.

Year to 31st July 2024	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	9,970,274	9,561,264	(8,889,024)	10,642,514
Restricted Funds:				
Innovation Space	55,389	-	(10,932)	44,457
Bursary Fund	-	1,035	(1,035)	-
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	3,307	2,756	-	6,063
Hazelwood Parents Association	89,819	30,084	(12,574)	107,329
	<u>10,121,030</u>	<u>9,595,139</u>	<u>(8,913,565)</u>	<u>10,802,604</u>

18 Operating Lease Commitments

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

	Group		Charity	
	2025	2024	2025	2024
	Other Assets	Other Assets	Other Assets	Other Assets
	£	£	£	£
Amounts due within one year	<u>27,554</u>	<u>53,588</u>	<u>27,554</u>	<u>53,588</u>
Amounts due in one to five years	<u>49,181</u>	<u>23,305</u>	<u>49,181</u>	<u>23,305</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 2025 (Continued)

19 Pension Scheme Arrangements
The Teachers' Pensions

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £525,307 (2024: £607,160). At the end of the year, nil was accrued in respect of the year.

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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Aviva, APTIS scheme

During the year, a new scheme was commenced for Teaching staff. This is the defacto scheme for new teaching staff as the school is in phased withdrawal from Teachers' Pension. The School's contribution is 21% whilst the employees can determine their own contribution rate, from 0 to 100%.

The Group pension charge for the year includes contributions payable to Aviva of £149,444 (2024: £-). At the year end £- (2024: £-) was accrued in respect of contributions.

The Pensions Trust

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

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

The Group pension charge for the year includes contributions payable to The Pensions Trust of £101,969 (2024: £82,858). At the year end £- (2024: £-) was accrued in respect of contributions.

This gives a total combined Group pension cost for The Teachers' Pensions, Aviva and The Pensions Trust of £782,772 (2024: £693,359) with £- accrued.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2025 (Continued)

20 Members' Liability

The number of members at 31st July 2025 was 12 (2024: 10) and their liability in the event of the winding-up of the Charity is limited to £1 per member.

21 Related Party Transactions

Two of the Governors have children at the School and pay full fees.

HAZELWOOD SCHOOL

England & Wales - Charity number 312081

Accounts

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 2024

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

Governors

E. Bruwer	H. Leach
A. Campbell (appointed 13th September 2023)	J. Nebel (appointed 1st September 2024)
N. Carter-Pegg	D. Price
J. Coates	M.Redman
E. Codling (appointed 4th December 2024)	N. Taylor (resigned 4th December 2024)
B. Figgis	B. Thakar
R. Heaton (Chair)	

Head

Mrs L. Louw

Director of Finance

Mr M. Hugall

Hazelwood School
Wolfs Hill
Limpsfield
Oxted
RH8 0QU

Bankers

Barclays Bank plc
80 High Street
Sevenoaks
Kent TN13 1LR

Solicitors

Veale Wasbrough Lawyers
Orchard Court
Orchard Lane
BRISTOL BS1 5WS

Auditors

Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

Hazelwood School

(A Charitable Educational Trust Limited by Guarantee)

Governors' Report

for the year ended 31st July 2024

Introduction

The Governors have pleasure in presenting their report of the affairs of Hazelwood School (the School) for the year ended 31st July 2024 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 2024, are shown on page 1.

During the year to 31st July 2024, Mr Campbell was appointed as a Governor (appointed 13th September 2023). After the end of the financial year, but prior to the signing off of the accounts Mrs Codling (appointed 4th December 2024) and Mrs Nebel (appointed 1st September 2024) were both appointed as Governors. Mr Taylor resigned on 4th December 2024.

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, interest rate changes, the introduction of VAT on school fees and the abolishing of the business rates relief. After extensive modelling, the school is adjusting its future budgets to account for the increased costs of maintaining the highest level of education for the children.

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. More recently, VAT on school fees has been added to the Risk Management Register and has been extensively modelled. 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.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2024
(continued)

Activities, Achievements and Performance

The company fulfils its charitable objectives 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 2023-24 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 made available to local and community organisations thereby delivering public benefit.

In 2023/24 we invested in our outdoor play provision working in partnership with our HPA to fund a playground/trim trail for our children in the lower school, in addition to investment in our sports facilities including a new long jump, improvements to pitches and safer access to New Field, and equipment for our swimming pool.

We continued with our IT renewal programme investing in new VR sets, iPads and Chromebooks as well as whiteboards and screens in various classrooms across the site.

Improvements to the site included the creation of a Wellbeing Hub creating a wonderful safe space for our children, and a central hub for our children with special educational needs and disabilities. In addition, we extended our Willow car park creating 29 additional parking spaces which has positively impacted our traffic management at peak times.

In Summer 2024, our Year 8 pupils achieved some of the best Common Entrance results in many years, with 100% scoring A*-C in all levels of paper and over 50% pupils achieving at least 1 A*. Considering the underlying ability of the cohort (average MidYIS 104 and CAT4 115), these scores are very impressive.

Phase 2 of our vision was shared in July 2024, where we have consolidated our research, efforts, and beliefs into a Learning Wheel. The Learning Wheel encapsulates our beliefs while firmly pointing to the future, our children's future, reflecting how we empower our pupils—and indeed all our people at Hazelwood—by expanding the definition of what constitutes an innovative education. This is an education that embraces the pace of change while treasuring and celebrating a wholesome childhood.

Our Learning Wheel will guide us as we stay on the cutting edge of education. It ensures our children are equipped for a future defined by adaptability, emotional intelligence, innovation, and problem-solving. With people always at its heart, our goal is clear: to create an environment where every pupil can thrive and every possibility is within reach. The learning wheel has six interconnected strands: people centred, harnessing AI, real world relevance, flexible classrooms, adaptive approaches and wellbeing and me.

Our commitment to wellbeing is reflected in the new Wellbeing Hub, which opened in July 2024, a dedicated space for SEN, counselling, mental health support, and nurturing the whole child. Staff training is underway to increase the number of qualified staff available to assess and support needs.

During the Summer Term, pupils participated in the County Athletics competition, with the under 12 girls relay team placing first overall and qualifying for the national finals, where they reached the final.

There were also some individual victories for one particular pupil in long jump and hurdles at county level, which resulted in national final participation in which she won the hurdles event and made it to the final of the long jump. The School has launched a brand new website which will create an engaging and inspirational site that will encapsulate Hazelwood values and vision. The site will also serve to promote our facilities for lettings purposes to help maximise commercial revenue as well as community benefit opportunities.

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

The Hazelwood Community Fund, which is an initiative set up pre covid to donate funds to local community projects, was re-energised this year and after depleting its balance in the previous year, started to replenish its coffers in order to make further donations. The first beneficiary this year was a local primary school and it is hoped that with more fundraising next year, the school can grow this initiative back to pre covid levels.

Lettings have continued to show a strong growth this year and the launch of School Hire, which enables us to advertise our facilities across the UK, has seen a number of new regular hirers using our facilities as well as ad hoc users from the local community. The roll out of this system has eliminated our debtors and streamlined administration.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2024
(continued)

Activities, Achievements and Performance (continued)

Key Performance Indicators

The following KPIs are reviewed by the Board:

	2024	2023
• <u>Teaching Costs per pupil</u>	£8,928	£7,727
• <u>Premises and Running Costs per pupil</u>	£7,693	£6,988
• <u>Teacher/Pupil ratio (Excluding Teaching Assistants)</u>	1 to 8	1 to 10
• <u>Fee Increase</u>	6.75%	5.50%
• <u>Pupil Numbers (Reception to Year 8)</u>	432	441
• <u>Capital Expenditure per pupil</u>	£1,869	£2,361
• <u>Operating Surplus as % of Gross Fee Income</u>	9.35%	14.52%

Results, Financial Position and Reserve Policy

The consolidated surplus (net income) for the year amounted to £681,574 (2023: 827,593). 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 £1,702,926 (2023: £1,649,064). 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 a turnover of £1,777,283 (2023: £1,546,936) and made a profit before gift donation of £256,277 (2023:136,429). 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 completion of the all weather pitch and pavilion.

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.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2024
(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: 11th February 2025

By order of the Governors



M. Hugall
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 2024 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 2024 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.

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

Date: 11th February 2025
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 2024

	Note	2024 Unrestricted Funds	2024 Restricted Funds	2024 Total Funds	2023 Total Funds
		£	£	£	£
Income from:					
Donations	2	-	33,875	33,875	84,648
Charitable activities	3	7,442,407	-	7,442,407	7,179,280
Turnover of subsidiary undertaking	4	1,777,283	-	1,777,283	1,546,936
Other income	5	341,574	-	341,574	241,642
Total Income		<u>9,561,264</u>	<u>33,875</u>	<u>9,595,139</u>	<u>9,052,506</u>
Expenditure on:					
Raising funds	6	89,906	-	89,906	73,359
Costs of Trading Subsidiary	11	1,233,002	-	1,233,002	1,223,507
Charitable activities	7	<u>7,567,151</u>	<u>23,506</u>	<u>7,590,657</u>	<u>6,928,047</u>
Total Expenditure		<u>8,890,059</u>	<u>23,506</u>	<u>8,913,565</u>	<u>8,224,913</u>
Net Income		<u>671,205</u>	<u>10,369</u>	<u>681,574</u>	<u>827,593</u>
Net movement in funds		<u>671,205</u>	<u>10,369</u>	<u>681,574</u>	<u>827,593</u>
Fund balances at 1st August		<u>9,970,274</u>	<u>150,756</u>	<u>10,121,030</u>	<u>9,293,437</u>
Fund balances at 31st July	17	<u><u>10,641,479</u></u>	<u><u>161,125</u></u>	<u><u>10,802,604</u></u>	<u><u>10,121,030</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.

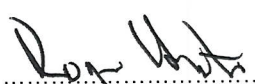
As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent Company is not presented as part of these accounts.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Balance Sheets at 31st July 2024

	Note	2024		2023	
		Group £	Charity £	Group £	Charity £
Fixed Assets					
Tangible assets	10	10,612,041	10,612,041	10,412,291	10,412,291
Investment in Subsidiary Undertaking	11	-	100	-	100
		<u>10,612,041</u>	<u>10,612,141</u>	<u>10,412,291</u>	<u>10,412,391</u>
Current Assets					
Stock	12	15,051	9,412	12,886	6,310
Debtors	13	328,031	261,469	217,210	279,410
Cash at bank and in hand		<u>4,682,100</u>	<u>4,521,602</u>	<u>2,882,297</u>	<u>2,615,233</u>
		<u>5,025,182</u>	<u>4,792,483</u>	<u>3,112,393</u>	<u>2,900,953</u>
Creditors: Amounts falling due within one year	14	(3,058,367)	(2,825,768)	(1,419,826)	(1,208,486)
Net Current Assets		<u>1,966,815</u>	<u>1,966,715</u>	<u>1,692,567</u>	<u>1,692,467</u>
Total Assets less Current Liabilities		<u>12,578,856</u>	<u>12,578,856</u>	<u>12,104,858</u>	<u>12,104,858</u>
Creditors: Amounts falling due after more than one year	15	(1,776,252)	(1,776,252)	(1,983,828)	(1,983,828)
Net Assets		<u>10,802,604</u>	<u>10,802,604</u>	<u>10,121,030</u>	<u>10,121,030</u>
Accumulated Funds					
Unrestricted Funds - General Fund	17	10,642,514	10,642,514	9,970,274	9,970,274
Restricted Funds		<u>160,090</u>	<u>160,090</u>	<u>150,756</u>	<u>150,756</u>
		<u>10,802,604</u>	<u>10,802,604</u>	<u>10,121,030</u>	<u>10,121,030</u>

The surplus of the Charity for 2024 was £681,574 (2023: £827,593) including Gift Donation from The Larks.

The financial statements were approved by the Governors and authorised for issue on 11th February 2025 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 2024

	2024		2023	
	£	£	£	£
Net Cash Inflow from Operating Activities (note 1)		2,979,288		954,430
Cash flows from investing activities				
Purchase of tangible fixed assets	(756,407)		(1,026,329)	
Disposal of tangible fixed assets	-		-	
Net cash provided by/(used in) investing activities		(756,407)		(1,026,329)
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		(423,078)		(423,078)
Change in cash and cash equivalents in the reporting period		1,799,803		(494,977)
Cash and cash equivalents at the beginning of the reporting period		2,882,297		3,377,274
Cash and cash equivalents at the end of the reporting period		4,682,100		2,882,297

Notes to the Consolidated Statement of Cash Flows
For the year ended 31st July 2024

1	Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2024	2023
		£	£
	Net income for the year	681,574	827,593
	Depreciation	556,657	510,361
	(Increase)/Decrease in stock	(2,165)	(270)
	Decrease/(Increase) in debtors, and prepayments	(110,821)	(19,514)
	(Decrease)/Increase in creditors, provisions	1,579,581	(89,224)
	(Decrease)/Increase in fees in advance	274,462	(274,516)
	Net Cash Inflow from Operating Activities	2,979,288	954,430
2	Analysis of Cash and Cash Equivalents	At 31 July 2024	At 1 August 2023
		£	£
	Cash at bank and in hand	4,682,100	2,882,297

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2024
(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 the introduction of VAT on school fees 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 £1,966,815 (2023: £1,692,567).

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 2024 (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, registered for VAT in December 2024. 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 2024 (Continued)

2	Income from Donations			
	Year to 31 July 2024	Unrestricted Funds	Restricted Funds	Total 2024
		£	£	£
	Donations	-	33,875	33,875
		-	33,875	33,875
	Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£
	Donations	7,526	77,122	84,648
		7,526	77,122	84,648
3	Income from Charitable activities			
	Year to 31 July 2024	Unrestricted Funds	Restricted Funds	Total 2024
		£	£	£
	Gross Fees including disbursements charged	7,834,257	-	7,834,257
	Bursaries and other fee remissions	(397,965)	-	(397,965)
	Other pupil related income	6,115	-	6,115
		7,442,407	-	7,442,407
	Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£
	Gross Fees including disbursements charged	7,466,721	-	7,466,721
	Bursaries and other fee remissions	(292,591)	-	(292,591)
	Other pupil related income	5,150	-	5,150
		7,179,280	-	7,179,280
4	Turnover from subsidiary undertakings			
	Year to 31 July 2024	Unrestricted Funds	Restricted Funds	Total 2024
		£	£	£
	Turnover of subsidiary	1,777,283	-	1,777,283
		1,777,283	-	1,777,283
	Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£
	Turnover of subsidiary	1,546,936	-	1,546,936
		1,546,936	-	1,546,936

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2024 (Continued)

5 Other income	Unrestricted Funds	Restricted Funds	Total 2024
Year to 31 July 2024	£	£	£
Rental and hire fees	226,112	-	226,112
Interest Receivable	115,462		115,462
	<u>341,574</u>	<u>-</u>	<u>341,574</u>
	Unrestricted Funds	Restricted Funds	Total 2023
Year to 31 July 2023	£	£	£
Rental and hire fees	187,231	-	187,231
Interest Receivable	54,411		54,411
	<u>241,642</u>	<u>-</u>	<u>241,642</u>
6 Expenditure on raising funds	Unrestricted Funds	Restricted Funds	Total 2024
Year to 31 July 2024	£	£	£
Advertising and publicity costs	89,906	-	89,906
	<u>89,906</u>	<u>-</u>	<u>89,906</u>
	Unrestricted Funds	Restricted Funds	Total 2023
Year to 31 July 2023	£	£	£
Advertising and publicity costs	73,359	-	73,359
	<u>73,359</u>	<u>-</u>	<u>73,359</u>
7 Expenditure on charitable activities	Unrestricted Funds	Restricted Funds	Total 2024
Year to 31 July 2024	£	£	£
Staff costs - teaching	3,856,847	-	3,856,847
- administrative	1,238,974	-	1,238,974
Education and recreation	460,157	-	460,157
Domestic	309,221	-	309,221
Establishment costs	353,278	-	353,278
Depreciation	533,151	23,506	556,657
Composition fee discounts	4,068	-	4,068
Office costs	173,843	-	173,843
Maintenance of buildings, swimming pool and equipment	220,295	-	220,295
Administrative costs	256,472	-	256,472
Bad debt expense	(10,136)	-	(10,136)
Bank interest & charges	151,870	-	151,870
Governance costs (see below)	19,111	-	19,111
	<u>7,567,151</u>	<u>23,506</u>	<u>7,590,657</u>

Hazelwood School
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Notes to the Financial Statements
For the year ended 31st July 2024 (Continued)

7 Expenditure on charitable activities (continued)

Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Staff costs - teaching	3,407,462	-	3,407,462
- administrative	1,206,589	-	1,206,589
Education and recreation	437,160	-	437,160
Domestic	291,153	-	291,153
Establishment costs	283,684	-	283,684
Depreciation	484,138	26,223	510,361
Composition fee discounts	3,394	-	3,394
Office costs	166,747	-	166,747
Maintenance of buildings, swimming pool and equipment	244,019	-	244,019
Administrative costs	187,236	750	187,986
Bad debt expense	28,200	-	28,200
Bank interest & charges	146,620	-	146,620
Loss on Disposal of fixed asset	-	-	0
Governance costs (see below)	14,672	-	14,672
	<u>6,901,074</u>	<u>26,973</u>	<u>6,928,047</u>

Governance costs

Year to 31 July 2024	Unrestricted Funds	Restricted Funds	Total 2024
	£	£	£
Auditors' remuneration:			
Audit fee including VAT	15,082	-	15,082
Under/(over) provision from prior year	1,082	-	1,082
Other services	2,947	-	2,947
Other professional fees	-	-	0
	<u>19,111</u>	<u>-</u>	<u>19,110</u>

Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Auditors' remuneration:			
Audit fee including VAT	12,828	-	12,828
Under/(over) provision from prior year	(348)	-	(348)
Other services	1,434	-	1,434
Other professional fees	758	-	758
	<u>14,672</u>	<u>-</u>	<u>14,672</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2024
(Continued)

8	Net income	2024	2023
		£	£
	This is stated after charging:		
	Auditors' remuneration (excluding VAT)	13,470	10,400
	Depreciation	556,657	510,361
		<u>556,657</u>	<u>510,361</u>
9	Staff costs (Group)	2024	2023
		£	£
	Wages and salaries	4,869,601	4,484,722
	Social security costs	465,963	433,180
	Other pension costs	693,359	607,784
		<u>6,028,923</u>	<u>5,525,686</u>

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

Charity

2024	2023
Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	75	75
Administration	56	54
	<u>131</u>	<u>129</u>

Group

2024	2023
Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	103	103
Administration	60	60
	<u>163</u>	<u>163</u>

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

Remuneration Range	Number of Employees	
	2024	2023
£60,001 - £70,000	0	0
£70,001 - £80,000	0	1
£80,001 - £90,000	2	1
£110,001 - £120,000	0	0
£120,001 - £130,000	0	1
£130,001 - £140,000	1	0

Pension contributions made for higher paid employees were £73,005 (2023: £46,774). There were no termination payments (2023 £0).

Key management personnel

Key management personnel include the Head Teacher, Deputy Heads and Directors of Finance. The total employee benefits (including salaries, bonuses, employers pension costs and other benefits) of the School's key management personnel were £516,322 (2023: £362,327).

Hazelwood School
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Notes to the Financial Statements
For the year ended 31st July 2024 (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 2023	13,738,661	253,028	2,630,833	8,450	26,560	16,657,532
Transfers	10,938	0	10,415	0	-21,353	0
	<u>13,749,599</u>	<u>253,028</u>	<u>2,641,248</u>	<u>8,450</u>	<u>5,207</u>	<u>16,657,532</u>
Additions at cost	118,172	11,188	283,990	0	343,057	756,407
Disposals at cost Adjustment						
At 31st July 2024	<u>13,867,771</u>	<u>264,216</u>	<u>2,925,238</u>	<u>8,450</u>	<u>348,264</u>	<u>17,413,939</u>
Depreciation						
At 1st August 2023	3,957,562	219,702	2,059,527	8,450	0	6,245,241
Charge for the year	409,529	5,845	141,283	0	0	556,657
Depreciation on Disposal						
At 31st July 2024	<u>4,367,091</u>	<u>225,547</u>	<u>2,200,810</u>	<u>8,450</u>	<u>0</u>	<u>6,801,898</u>
Net Book Amount At 31st July 2024	<u>9,500,680</u>	<u>38,669</u>	<u>724,428</u>	<u>0</u>	<u>348,264</u>	<u>10,612,041</u>
At 31st July 2023	<u>9,781,099</u>	<u>33,326</u>	<u>571,306</u>	<u>0</u>	<u>26,560</u>	<u>10,412,291</u>

At 31 July 2024 the company had contractual capital commitments in respect of building works totalling £0 (2023: £31,374).

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 2024 was £1,777,283 (2023: £1,546,936) and its profit for the year was £0 (2023: £0) after a staff costs and overhead recharge from Hazelwood School Limited of £288,000 (2023: £187,000) and a gift donation to Hazelwood School Limited of £256,277 (2023: £136,429). A deed of covenant is in place approving the gift transfer of profit to Hazelwood School. Net assets at 31 July 2024 were £100 (2023: net assets £100).

12 Stock	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Sundry consumables	<u>15,051</u>	<u>12,886</u>	<u>9,412</u>	<u>6,310</u>

13 Debtors	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
School fees receivable	142,640	83,283	97,293	66,014
Other debtors	10,389	7,655	10,389	7,655
Prepayments and accrued income	175,002	126,272	153,787	113,338
Owed by Group undertaking	-	-	-	92,403
	<u>328,031</u>	<u>217,210</u>	<u>261,469</u>	<u>279,410</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2024 (Continued)

14 Creditors: Amounts falling due within one year	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Bank loan	423,078	423,078	423,078	423,078
Fees in advance (note 16)	345,622	286,662	258,122	207,312
Trade creditors	209,649	284,427	159,055	247,434
Accruals and deferred income	2,080,018	425,659	1,984,355	330,662
Owed to Group undertaking	-	-	1,158	-
	<u>3,058,367</u>	<u>1,419,826</u>	<u>2,825,768</u>	<u>1,208,486</u>

15 Creditors: Amounts falling due after more than one year	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Long term bank loan	1,249,376	1,672,454	1,249,376	1,672,454
Fees in advance (note 16)	<u>526,876</u>	<u>311,374</u>	<u>526,876</u>	<u>311,374</u>
	<u>1,776,252</u>	<u>1,983,828</u>	<u>1,776,252</u>	<u>1,983,828</u>

In June 2015, the school agreed a funding package with Barclays Bank plc to finance the construction of the Baily building. This included a term loan of £4.634m. 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 3.2293% at the start of the year and 7.6366% at the end of the year.

16 Fees in Advance	Composition	Disbursement	Total	Total
	Fees £	Deposits £	2024 £	2023 £
Net amounts repayable:				
in less than one year	218,808	39,314	258,122	207,312
in one to two years	170,328	21,421	191,749	72,963
in two to five years	201,638	84,126	285,764	195,409
After five years	<u>16,514</u>	<u>32,849</u>	<u>49,363</u>	<u>43,002</u>
	<u>607,288</u>	<u>177,710</u>	<u>784,998</u>	<u>518,686</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 £87,500 (2023: £79,350) 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 2024 (Continued)

17 Funds

Year to 31st July 2024	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	9,970,274	9,561,264	(8,889,024)	10,642,514
Restricted Funds:				
Innovation Space	55,389	-	(10,932)	44,457
Bursary Fund	0	1,035	(1,035)	0
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	3,307	2,756	0	6,063
Hazelwood Parents Association	89,819	30,084	(12,574)	107,329
	<u>10,121,030</u>	<u>9,595,139</u>	<u>(8,913,565)</u>	<u>10,802,604</u>

Restricted funds represent the following: The Innovation Space, an anonymous donation, to provide a hi tech agile learning space. The capital equipment element of this will be depreciated over 3-10 years (depending on asset type). The Bursary Fund is where parents can voluntarily donate their deposit when their child leaves the school for the benefit of other children. This has been released as bursaries during the year. The Tanzania project is a long term initiative with donations ring-fenced to provide resources to fund the project moving forwards. This project has not yet recommenced since Covid. 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 funding provided by them for the purchase cost of the outdoor trim trail. This was capitalised and is being depreciated over 10 years.

Year to 31st July 2023	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	9,188,379	8,975,384	(8,193,389)	9,970,274
Restricted Funds:				
Innovation Space	66,321	-	(10,932)	55,389
Bursary Fund	4,001	450	(4,451)	0
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	2,385	1,672	(750)	3,307
Hazelwood Parents Association	30,110	75,000	(15,291)	89,819
	<u>9,293,437</u>	<u>9,052,506</u>	<u>(8,224,813)</u>	<u>10,121,030</u>

18 Operating Lease Commitments

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

	Group		Charity	
	2024	2023	2024	2023
	Other Assets	Other Assets	Other Assets	Other Assets
	£	£	£	£
Amounts due within one year	<u>53,588</u>	<u>66,163</u>	<u>53,588</u>	<u>66,163</u>
Amounts due in one to five years	<u>23,305</u>	<u>76,893</u>	<u>23,305</u>	<u>76,893</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2024 (Continued)

19 Pension Scheme Arrangements

The Teachers' Pensions

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £607,160 (2023: £526,202). At the end of the year, nil was accrued in respect of the year.

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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Pensions Trust

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

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

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. There is only one employee left on this arrangement as this option is not available for new employees (there were two in the prior year). There were no accrued contributions at the year end.

The Group pension charge for the year includes contributions payable to The Pensions Trust of £82,858 (2023: £75,077) and personal pension of £3,340 (2023: £6,505). At the year end £nil (2023: £nil) was accrued in respect of contributions.

This gives a total combined Group pension cost for The Teachers' Pensions, The Pensions Trust and private pension of £693,359 (2023: £607,784) with £nil accrued.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2024 (Continued)

20 Members' Liability

The number of members at 31st July 2024 was 10 (2023: 11) 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 2024.

HAZELWOOD SCHOOL

England & Wales - Charity number 312081

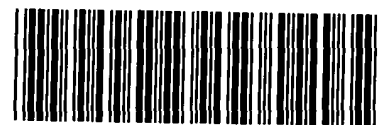
Accounts

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 2023

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COMPANIES HOUSE

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

Governors

E. Bruwer
N. Carter-Pegg
A. Campbell (appointed 13th September 2023)
J. Coates
A. Curson (resigned 26th June 2023)
B. Figgis
S. Heald (resigned 7th December 2022)
R. Heaton (Chair)

H. Leach
D. Price (appointed 13th March 2023)
T. Proctor (resigned 7th December 2022)
M. Redman (appointed 1st March 2023)
G. Reedy (resigned 7th December 2022)
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
6th Floor
9 Appold Street
London
EC2A 2AP

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2023

Introduction

The Governors have pleasure in presenting their report of the affairs of Hazelwood School (the School) for the year ended 31st July 2023 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 2023, 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. More recently, VAT on school fees has been added to the Risk Management Register and has been extensively modelled. 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.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2023
(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 2022-23 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 made available to local and community organisations thereby delivering public benefit.

Over the summer of 2022, the School completed the 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.

In January, 2023, the school had its 3rd NACE (National Association for Able Children in Education) inspection and is now one of a few schools nationally who has reached this level of accreditation from NACE. One of many positive comments by the inspector was that staff and pupils have high expectations of themselves and of one another. And that there is a relentless drive to promote effective learning and ensure the Hazelwood pupils are 'future ready'.

The school was visited for an overdue ISI School Compliance inspection, and a full inspection for the Nursery, and is delighted that the School met all the necessary standards for compliance and achieved 'outstanding' across all 5 areas at the Nursery for their full inspection.

Following on from the success of the Sustainable Goals project the year before, this year the school ran a 'Perspectives Week' which encouraged all year groups to look at the world through a different lens. Some of the questions tackled by year groups included, 'Are my views my own?', 'Can one person change the world?', 'What is the golden age?', 'Can kindness change the world?' The project yet again showed how Hazelwood embraces unique ways of learning to allow children to experience learning in different ways.

Another highlight of the year was the success of the Chapel Choir winning a gold medal in the Young Bohemia, Prague International Music Festival. The choir was highly commended by both the judges and also conductors of other participants.

In sports the U13 boys won the IAPS Nationals in football and the girls finished 6th overall in the English Primary schools swimming Finals in Sheffield.

The launch of the new parental communication portal has been well received by parents and the School is currently working on a brand new website which will create an engaging and inspirational site that will encapsulate Hazelwood values and vision. The site will also serve to promote our facilities for lettings purposes to help maximise commercial revenue as well as community benefit opportunities.

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

The Hazelwood Community Fund, which is an initiative that was set up pre covid to donate funds to local community projects, was re-energised this year, post covid, and after depleting its balance in the previous year, started to replenish its coffers in order to make further donations. The first beneficiary this year was a local primary school and it is hoped that with more fundraising next year, the school can grow this initiative back to pre covid levels.

Lettings have shown a strong growth this year with over 35 local organisations benefiting from the use of our facilities. The completed all weather pitch is proving very popular with local sports clubs of all ages hiring it on a regular basis.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2023
(continued)

Activities, Achievements and Performance (continued)

Key Performance Indicators

The following KPIs are reviewed by the Board:

	2023	2022
• <u>Teaching Costs per pupil</u>	£7,727	£6,797
• <u>Premises and Running Costs per pupil</u>	£6,988	£6,821
• <u>Teacher/Pupil ratio (Excluding Teaching Assistants)</u>	1 to 10	1 to 10
• <u>Fee Increase</u>	6.75%	5.50%
• <u>Pupil Numbers (Reception to Year 8)</u>	441	444
• <u>Capital Expenditure per pupil</u>	£2,361	£1,659
• <u>Operating Surplus as % of Gross Fee Income</u>	14.52%	14.77%

Results, Financial Position and Reserve Policy

The consolidated surplus (net income) for the year amounted to £831,190 (2022: £902,670). 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 £1,649,064 (2022: £1,810,659). 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 a turnover of £1,573,770 (2022: £1,375,130) and made a profit before gift donation of £136,429 (2022: £141,558). 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 completion of the all weather pitch and pavilion.

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.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2023
(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
OXTEO
Surrey RH8 0QU

Date: 6th December 2023

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 2023 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 2023 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: 22 March 2024
6th Floor
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 2023

	Note	2023 Unrestricted Funds	2023 Restricted Funds	2023 Total Funds	2022 Total Funds
		£	£	£	£
Income from:					
Donations:	2	7,526	77,122	84,648	13,323
Charitable activities	3	7,179,280	-	7,179,280	6,759,671
Turnover of subsidiary undertaking	4	1,546,936	-	1,546,936	1,375,130
Other income	5	241,642	-	241,642	164,805
Total Income		<u>8,975,384</u>	<u>77,122</u>	<u>9,052,506</u>	<u>8,312,929</u>
Expenditure on:					
Raising funds	6	73,359	-	73,359	45,669
Costs of trading subsidiary	11	1,223,507	-	1,223,507	1,058,572
Charitable activities	7	6,901,074	26,973	6,928,047	6,306,018
Total Expenditure		<u>8,197,940</u>	<u>26,973</u>	<u>8,224,913</u>	<u>7,410,259</u>
Net Income		<u>777,444</u>	<u>50,149</u>	<u>827,593</u>	<u>902,670</u>
Net movement in funds		<u>777,444</u>	<u>50,149</u>	<u>827,593</u>	<u>902,670</u>
Fund balances at 1st August		<u>9,188,379</u>	<u>105,058</u>	<u>9,293,437</u>	<u>8,390,767</u>
Fund balances at 31st July	17	<u>9,965,823</u>	<u>155,207</u>	<u>10,121,030</u>	<u>9,293,437</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 2023

	Note	2023		2022	
		Group £	Charity £	Group £	Charity £
Fixed Assets					
Tangible assets	10	10,412,291	10,412,291	9,896,324	9,896,324
Investment in Subsidiary Undertaking	11		100		100
		<u>10,412,291</u>	<u>10,412,391</u>	<u>9,896,324</u>	<u>9,896,424</u>
Current Assets					
Stock	12	12,886	6,310	12,616	7,469
Debtors	13	217,210	279,410	197,696	144,964
Cash at bank and in hand		2,882,297	2,615,233	3,377,274	3,258,735
		<u>3,112,393</u>	<u>2,900,953</u>	<u>3,587,586</u>	<u>3,411,168</u>
Creditors: Amounts falling due within one year	14	(1,419,826)	(1,208,486)	(1,643,375)	(1,467,057)
Net Current Assets		<u>1,692,567</u>	<u>1,692,467</u>	<u>1,944,211</u>	<u>1,944,111</u>
Total Assets less Current Liabilities		<u>12,104,858</u>	<u>12,104,858</u>	<u>11,840,535</u>	<u>11,840,535</u>
Creditors: Amounts falling due after more than one year	15	(1,983,828)	(1,983,828)	(2,547,097)	(2,547,097)
Net Assets		<u>10,121,030</u>	<u>10,121,030</u>	<u>9,293,438</u>	<u>9,293,438</u>
Accumulated Funds					
Unrestricted Funds - General Fund	17	9,970,374	9,970,274	9,188,379	9,188,379
Restricted Funds		150,756	150,756	105,058	105,058
		<u>10,121,130</u>	<u>10,121,030</u>	<u>9,293,437</u>	<u>9,293,437</u>

The surplus of the Charity for 2023 was £827,593 (including Gift Donation from The Larks).

The financial statements were approved by the Governors and authorised for issue on 6th December 2023 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 2023

	2023	2022
	£	£
Net Cash Inflow from Operating Activities (note 1)	954,430	1,495,368
Cash flows from investing activities:		
Purchase of tangible fixed assets	(1,026,329)	(736,584)
Disposal of tangible fixed assets		
Net cash provided by/(used in) investing activities:	(1,026,329)	(736,584)
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:	(423,078)	(423,078)
Change in cash and cash equivalents in the reporting period	(494,977)	335,706
Cash and cash equivalents at the beginning of the reporting period	3,377,274	3,041,568
Cash and cash equivalents at the end of the reporting period	2,882,297	3,377,274

Notes to the Consolidated Statement of Cash Flows
For the year ended 31st July 2023

1 Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2023	2022
	£	£
Net income for the year	827,593	902,670
Depreciation	510,361	394,089
(Increase)/Decrease in stock	(270)	(3,546)
Decrease/(Increase) in debtors, and prepayments	(19,514)	(23,868)
(Decrease)/Increase in creditors, provisions	(89,224)	335,341
(Decrease)/Increase in fees in advance	(274,516)	(109,318)
Net Cash Inflow from Operating Activities	954,430	1,495,368

2 Analysis of Cash and Cash Equivalents	At 31 July 2023	At 1 August 2022
	£	£
Cash at bank and in hand	2,882,297	3,377,274
	2,882,297	3,377,274

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023

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 the potential introduction of VAT on school fees 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 £1,692,567 (2022: £1,944,211).

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 2023 (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 2023 (Continued)

2 Income from Donations

Year to 31 July 2023	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Donations	7,526	77,122	84,648
	<u>7,526</u>	<u>77,122</u>	<u>84,648</u>
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>

3 Income from Charitable activities

Year to 31 July 2023	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Gross Fees including disbursements charged	7,466,721	-	7,466,721
Bursaries and other fee remissions	(292,591)	-	(292,591)
Other pupil related income	5,150	-	5,150
	<u>7,179,280</u>	<u>-</u>	<u>7,179,280</u>
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>

4 Turnover from subsidiary undertakings

Year to 31 July 2023	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Turnover of subsidiary	1,546,936	-	1,546,936
	<u>1,546,936</u>	<u>-</u>	<u>1,546,936</u>
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>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023 (Continued)

5	Other income			
	Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£
	Rental and hire fees	187,231	-	187,231
	CJRS Funding	-	-	-
	Interest Receivable	54,411	-	54,411
		<u>241,642</u>	<u>-</u>	<u>241,642</u>
	Year to 31 July 2022	Unrestricted Funds	Restricted Funds	Total 2022
		£	£	£
	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>
6	Expenditure on raising funds			
	Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£
	Advertising and publicity costs	73,359	-	73,359
		<u>73,359</u>	<u>-</u>	<u>73,359</u>
	Year to 31 July 2022	Unrestricted Funds	Restricted Funds	Total 2022
		£	£	£
	Advertising and publicity costs	45,669	-	45,669
		<u>45,669</u>	<u>-</u>	<u>45,669</u>
7	Expenditure on charitable activities			
	Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
		£	£	£
	Staff costs - teaching	3,407,462	-	3,407,462
	- administrative	1,206,589	-	1,206,589
	Education and recreation	437,160	-	437,160
	Domestic	291,153	-	291,153
	Establishment costs	283,684	-	283,684
	Depreciation	484,138	26,223	510,361
	Composition fee discounts	3,394	-	3,394
	Office costs	166,747	-	166,747
	Maintenance of buildings, swimming pool and equipment	244,019	-	244,019
	Administrative costs	187,236	750	187,986
	Bad debt expense	28,200	-	28,200
	Bank interest & charges	146,620	-	146,620
	Loss on Disposal of fixed asset	-	-	-
	Governance costs (see below)	14,672	-	14,672
		<u>6,901,074</u>	<u>26,973</u>	<u>6,928,047</u>

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023 (Continued)

7 Expenditure on charitable activities (continued)

Year to 31 July 2022	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
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 - Restated	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
	6,283,351	22,667	6,306,018

Governance costs

Year to 31 July 2023	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Auditors' remuneration:			
Audit fee including VAT	12,828	-	12,828
Under/(over) provision from prior year	(348)	-	(348)
Other services	1,434	-	1,434
Other professional fees	758	-	758
	14,672	-	14,672

Year to 31 July 2022	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
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
	17,778	-	17,778

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023 (Continued)

8	Net income	2023	2022
		£	£
	This is stated after charging:		
	Auditors' remuneration (excluding VAT)	10,400	12,225
	Depreciation	510,361	394,089
		<u>520,761</u>	<u>406,314</u>
9	Staff costs (Group)	2023	2022
		£	£
	Wages and salaries	4,484,722	4,206,581
	Social security costs	433,180	384,423
	Other pension costs	607,784	553,636
		<u>5,525,686</u>	<u>5,144,640</u>

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

Charity	2023	2022
	Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	75	69
Administration	54	56
	<u>129</u>	<u>125</u>

Group	2023	2022
	Actual	Actual

The average monthly number of employees during the year was:

Teaching and learning support	103	95
Administration	60	62
	<u>163</u>	<u>157</u>

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

	Number of Employees	
Remuneration Range	2023	2022
£60,001 - £70,000	0	1
£70,001 - £80,000	1	0
£80,001 - £90,000	1	2
£110,001 - £120,000	0	1
£120,001 - £130,001	1	0

Pension contributions made for higher paid employees were £46,774 (2022: £52,346). There were no termination payments (2022 £0).

Key management personnel

Key management personnel include the Head Teacher, 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 £362,327 (2022: £434,050). The Bursar left mid year in 21/22 and his salary to date of leaving was included last year.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023 (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 2022	12,302,871	253,028	2,491,124	8,450	575,731	15,631,204
Transfers	560,850	-	14,881	-	(575,731)	-
	<u>12,863,721</u>	<u>253,028</u>	<u>2,506,005</u>	<u>8,450</u>	<u>26,560</u>	<u>15,631,204</u>
Additions at cost	874,940	-	124,828	-	-	1,026,328
Disposals at cost	-	-	-	-	-	-
At 31st July 2023	<u>13,738,661</u>	<u>253,028</u>	<u>2,630,833</u>	<u>8,450</u>	<u>26,560</u>	<u>16,657,532</u>
Depreciation						
At 1st August 2022	3,575,338	214,143	1,936,949	8,450	-	5,734,880
Charge for the year	382,224	5,559	122,578	-	-	510,361
Depreciation on Disposal	-	-	-	-	-	-
At 31st July 2023	<u>3,957,562</u>	<u>219,702</u>	<u>2,059,527</u>	<u>8,450</u>	<u>-</u>	<u>6,245,241</u>
Net Book Amount						
At 31st July 2023	<u>9,781,099</u>	<u>33,326</u>	<u>571,306</u>	<u>-</u>	<u>26,560</u>	<u>10,412,291</u>
At 31st July 2022	<u>8,727,533</u>	<u>38,885</u>	<u>554,175</u>	<u>-</u>	<u>575,731</u>	<u>9,896,324</u>

At 31 July 2023 the company had contractual capital commitments in respect of building works totalling £31,374 (2022: £1,141,926).

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 2023 was £1,573,770 (2022: £1,375,130) and its profit for the year was £0 (2022: £0) after a staff costs and overhead recharge from Hazelwood School Limited of £187,000 (2022: £175,000) and a gift donation to Hazelwood School Limited of £138,429 (2022: £141,558). A deed of covenant is in place approving the gift transfer of profit to Hazelwood School. Net assets at 31 July 2023 were £100 (2022: net assets £100).

12 Stock	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Sundry consumables	<u>12,886</u>	<u>12,618</u>	<u>6,310</u>	<u>7,469</u>

13 Debtors	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
School fees receivable	83,283	92,575	66,014	80,327
Other debtors	7,655	9,138	7,655	9,138
Prepayments and accrued income	126,272	95,983	113,338	80,738
Owed by Group undertaking	-	-	92,403	(25,239)
	<u>217,210</u>	<u>197,696</u>	<u>279,410</u>	<u>144,964</u>

The value of the bad debts provision included under School fees receivable was 2023: £94,164 (2022: £73,466).

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023 (Continued)

14 Creditors: Amounts falling due within one year	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Bank loan	423,078	423,078	423,078	423,078
Fees in advance (note 16)	286,662	420,987	207,312	350,187
Trade creditors	284,427	141,161	247,434	117,791
Accruals and deferred income	425,659	658,149	330,662	576,001
Owed to Group undertaking	-	-	-	-
	<u>1,419,826</u>	<u>1,643,375</u>	<u>1,208,486</u>	<u>1,467,057</u>

15 Creditors: Amounts falling due after more than one year	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Long term bank loan	1,672,454	2,095,532	1,672,454	2,095,532
Fees in advance (note 16)	<u>311,374</u>	<u>451,565</u>	<u>311,374</u>	<u>451,565</u>
	<u>1,983,828</u>	<u>2,547,097</u>	<u>1,983,828</u>	<u>2,547,097</u>

In June 2015, the school agreed a funding package with Barclays Bank plc to finance the construction of the Baily building. This included a term loan of £4.634m. 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 3.2293% at the start of the year and 7.6366% at the end of the year.

16 Fees in Advance	Composition	Disbursement	Total	Total
	Fees	Deposits	2023	2022
Net amounts repayable:	£	£	£	£
in less than one year	163,003	44,309	207,312	350,187
in one to two years	52,176	20,787	72,963	158,092
in two to five years	112,184	83,225	195,409	219,104
After five years	<u>11,053</u>	<u>31,949</u>	<u>43,002</u>	<u>74,369</u>
	<u>338,416</u>	<u>180,270</u>	<u>518,686</u>	<u>801,752</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 £79,350 (2022: £70,800) 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 2023 (Continued)

17 Funds

Year to 31st July 2023	Brought Forward	Income	Expenditure / Transfers	Carried Forward
	£	£	£	£
Unrestricted Funds - General Fund	9,188,379	8,975,384	(8,193,389)	9,970,374
Restricted Funds:				
Innovation Space	66,321	-	(10,932)	55,389
Bursary Fund	4,001	450	(4,451)	0
Tanzania	2,241	-	-	2,241
Hazelwood Community Fund	2,385	1,672	(750)	3,307
Hazelwood Parents Association	30,110	75,000	(15,291)	89,819
	<u>9,293,437</u>	<u>9,052,506</u>	<u>(8,224,813)</u>	<u>10,121,130</u>

Restricted funds represent the following: The Innovation Space, an anonymous donation, to provide a hi tech agile learning space. The capital equipment element of this will be depreciated over 3-10 years (depending on asset type). The Bursary Fund is where parents can voluntarily donate their deposit when their child leaves the school for the benefit of other children. This has been released as bursaries during the year. The Tanzania project is a long term initiative with donations ring-fenced to provide resources to fund the project moving forwards. This project has not yet recommenced since Covid. 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 funding provided by them for the purchase cost of a treehouse, teepee and information display screens and a contribution to the new pavilion. These were capitalised and are being depreciated over 10 years.

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>

18 Operating Lease Commitments

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

	Group		Charity	
	2023	2022	2023	2022
Other Assets	Other Assets	Other Assets	Other Assets	Other Assets
	£	£	£	£
Amounts due within one year	<u>66,163</u>	<u>61,095</u>	<u>66,163</u>	<u>61,095</u>
Amounts due in one to five years	<u>76,893</u>	<u>97,146</u>	<u>76,893</u>	<u>97,146</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 2023 (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 £526,202 (2022: £473,215) and at the year-end £nil (2022: £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 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Pensions Trust

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

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

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. There is only one employee left on this arrangement as this option is not available for new employees (there were two in the prior year). There were no accrued contributions at the year end.

The Group pension charge for the year includes contributions payable to The Pensions Trust of £75,077 (2022: £70,150) and personal pensions of £6,505 (2022: £10,271). At the year end £nil (2022: £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 £607,784 (2022: £553,636) with £nil accrued.

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Notes to the Financial Statements
For the year ended 31st July 2023 (Continued)

20 Members' Liability

The number of members at 31st July 2023 was 11 (2022: 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 were no related third party transactions in 2023.

HAZELWOOD SCHOOL

England & Wales - Charity number 312081

Accounts

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
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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:	2021	2020
• <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
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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
		£	£	£	£
Income from:					
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
Total Income		<u>8,299,806</u>	<u>13,123</u>	<u>8,312,929</u>	<u>7,553,874</u>
Expenditure on:					
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>
Total Expenditure		<u>7,387,592</u>	<u>22,667</u>	<u>7,410,259</u>	<u>6,642,940</u>
Net Income/(Expenditure)		<u>912,214</u>	<u>(9,544)</u>	<u>902,670</u>	<u>910,934</u>
Net movement in funds		<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>
Fund balances at 31st July	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.

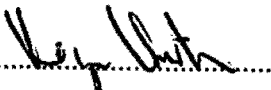
As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent Company is not presented as part of these accounts.

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

	Note	2022		2021	
		Group £	Charity £	Group £	Charity £
Fixed Assets					
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>
Current Assets					
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>
Accumulated Funds					
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

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

1 Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2022	2021	
	£	£	
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)	
Net Cash Inflow from Operating Activities	<u>1,495,368</u>	<u>1,083,438</u>	
2 Analysis of Cash and Cash Equivalents	At 31 July 2022	At 1 August 2021	
	£	£	
Cash at bank and in hand	<u>3,377,274</u>	<u>3,041,568</u>	
	<u>3,377,274</u>	<u>3,041,568</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

Year to 31 July 2022	Unrestricted Funds £	Restricted Funds £	Total 2022 £
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>

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>

6 Expenditure on raising funds

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

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>

7 Expenditure on charitable activities

Year to 31 July 2022	Unrestricted Funds £	Restricted Funds £	Total 2022 £
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)

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 - 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
	<u>5,577,599</u>	<u>32,651</u>	<u>5,610,250</u>

Governance costs

Year to 31 July 2022	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
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
	<u>17,778</u>	<u>-</u>	<u>17,778</u>

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

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

8	Net income	2022	2021
		£	£
	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>
9	Staff costs (Group)	2022	2021
		£	£
	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

2022	2021
Actual	Actual

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

2022	2021
Actual	Actual

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)

10 Fixed Assets	Freehold	Swimming	Equipment,	Motor	Assets	Total
Group and company	Land and	Pool	Furniture	Vehicles	Under	
Cost	Buildings	£	and Fittings	£	Construction	£
At 1st August 2021	£	£	£	£	£	£
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>
Depreciation						
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>
Net Book Amount						
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).

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

13 Debtors	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
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.

HAZELWOOD SCHOOL

England & Wales - Charity number 312081

Accounts

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
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Surrey RH8 9EF

Solicitors

Veale Wasbrough Lawyers
Orchard Court
Orchard Lane
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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
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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
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(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:

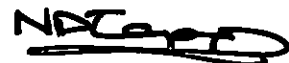
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that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

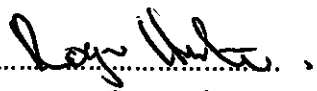
As permitted by section 408 of the Companies Act 2006 the income and expenditure account of the parent Company is not presented as part of these accounts.

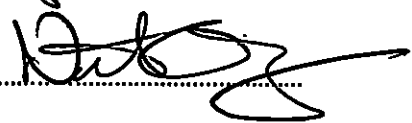
Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Balance Sheets at 31st July 2021

	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>8,390,760</u>	<u>8,390,760</u>	<u>7,479,826</u>	<u>7,479,826</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>8,390,760</u>	<u>8,390,760</u>	<u>7,479,826</u>	<u>7,479,826</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	(127,684)		31,186
	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
	<u>5,684,249</u>	<u>39,489</u>	<u>5,723,738</u>

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
	<u>16,952</u>	<u>-</u>	<u>16,952</u>

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
	<u>13,599</u>	<u>-</u>	<u>13,599</u>

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:

	Number of Employees	
Remuneration Range	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.

HAZELWOOD SCHOOL

England & Wales - Charity number 312081

Accounts

HAZELWOOD SCHOOL
(A Charitable Educational Trust Limited by Guarantee)

Company No. 925581
Registered Charity No. 312081

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

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

Governors

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

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

Head

Mrs L. Louw

Bursar

N. Tappin

Registered Office

Hazelwood School
Wolfs Hill
Limpsfield
Oxted
RH8 0QU

Bankers

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

Solicitors

Veale Wasbrough Lawyers
Orchard Court
Orchard Lane
BRISTOL BS1 5WS

Auditors

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

Hazelwood School

(A Charitable Educational Trust Limited by Guarantee)

Governors' Report

for the year ended 31st July 2020

Introduction

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

Charitable Objects

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

Governance and Management

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

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

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

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

Strategic Report

Principal Risks and Uncertainties

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

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

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2020
(continued)

Principal Risks and Uncertainties (continued)

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

Activities, Achievements and Performance

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

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

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

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

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

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

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

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

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

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

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2020
(continued)

Activities, Achievements and Performance (continued)

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

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

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

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

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

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

Hazelwood School
(A Charitable Educational Trust Limited by Guarantee)
Governors' Report
for the year ended 31st July 2020
(continued)

Activities, Achievements and Performance (continued)

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

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

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

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

Public Benefit

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

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

Hazelwood School
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Governors' Report
for the year ended 31st July 2020

(continued)

Activities, Achievements and Performance (continued)

Public Benefit (continued)

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

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

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

Key Performance Indicators

The following KPIs are reviewed by the Board:

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

Results, Financial Position and Reserve Policy

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

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

Hazelwood School
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Governors' Report
for the year ended 31st July 2020
(continued)

Activities, Achievements and Performance (continued)

Fixed Assets and Capital Investment

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

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

Statement of Governors' Responsibilities

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

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

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

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

In so far as the Governors are aware:

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

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

Wolfs Hill
Date:



By order of the Governors
N. Tappin
Secretary

Independent Auditors' Report to the Members of Hazelwood School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report to the Members of Hazelwood School

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Independent Auditors' Report to the Members of Hazelwood School

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

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

Use of our Report

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

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

Date:
Devonshire House
60 Goswell Road
London
EC1M 7AD

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

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

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

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

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

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

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

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

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

R. Heaton  Governor (Chair)

N. Carter-Pegg  Governor

Company Number. 925581

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

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

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

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

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

1 Accounting policies

a) Accounting convention

Basis of preparation of financial statements

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

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

b) Going Concern Basis

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

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

c) Fixed Assets and Depreciation

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

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

Fixtures, fittings and equipment:

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

Other assets:

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

No depreciation is provided on freehold land.

d) Stock

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

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

1 Accounting policies (continued)

e) Fees including disbursements charged

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

f) Pension Scheme Contributions

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

g) Composition Fees

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

h) Allocation of Expenditure

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

i) Leasing and hire purchase commitments

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

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

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

j) Consolidation

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

k) Critical accounting estimates and areas of judgement

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

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

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

l) Financial instruments

Cash and cash equivalents

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

Basic financial instruments

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

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

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

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

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

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

7 Expenditure on charitable activities (continued)

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

Governance costs

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

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

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

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

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

Charity	2020	2019
	Actual	Actual
The average monthly number of employees during the year was:		
Teaching and learning support	71	67
Administration	56	51
	<u>127</u>	<u>118</u>

Group	2020	2019
	Actual	Actual
The average monthly number of employees during the year was:		
Teaching and learning support	99	93
Administration	61	57
	<u>160</u>	<u>150</u>

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

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

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

Key management personnel

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

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

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

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

11 Investment in Subsidiary undertaking

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

12 Stock	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Sundry consumables	<u>10,782</u>	<u>9,952</u>	<u>8,057</u>	<u>7,360</u>

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

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

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

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

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

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

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17 Funds

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

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

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

18 Operating Lease Commitments

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

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19 Pension Scheme Arrangements

The Teachers' Pensions

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

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

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

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

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

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

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

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

The Pensions Trust

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

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

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Pension Scheme Arrangements (continued)

The Pensions Trust (continued)

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

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

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

20 Members' Liability

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

21 Related Party Transactions

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

