

Company registration number 07686578 (England and Wales)

**HAZELWICK SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**



# **HAZELWICK SCHOOL**

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# HAZELWICK SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mrs R Bowron  
Mr L Clark  
Mr D Devanayagam (Resigned 22 September 2022)  
Mr N Duncan  
Ms T Grinham (Appointed 10 October 2022)  
Mrs J Jellicoe  
Mr I Larkham  
Ms A Nayee (Resigned 7 July 2022)  
Mrs J Peters (Appointed 10 October 2022)  
Mr J Rana (Appointed 23 September 2021. Resigned 6 September 2022)  
Mrs R Shah (Appointed 10 October 2022)  
Mrs S Tamber

### Trustees

Mrs R Bowron (Chair of Governors)  
Mr L Clark  
Mr D Devanayagam (Resigned 22 September 2022)  
Miss C Doherty  
Mr N Duncan  
Ms A Fearon (Headteacher and Accounting Officer)  
Mrs T Grinham (Appointed 10 October 2022)  
Mrs L Humphrey  
Mrs J Jellicoe  
Mr I Larkham  
Ms A Nayee (Appointed 23 September 2021 and resigned 7 July 2022)  
Mrs J Peters (Appointed 10 October 2022)  
Mrs R Shah (Appointed 10 October 2022)  
Mrs S K Tamber

### Senior management team

- Headteacher	Ms A Fearon
- Deputy Head	Mr M Chalmers
- Deputy Head	Mr D Leadbitter
- Assistant Head	Mr A Cahill
- Assistant Head	Mr A Chase
- Assistant Head	Mr J Hillier
- Assistant Head	Mr S Tasker
- Finance Director	Mr A Meggs
- HR Director	Ms M Lang

### Company secretary

Ms S Sparrowhawk

### Company registration number

07686578 (England and Wales)

### Registered office

Hazelwick School Close  
Three Bridges  
Crawley  
West Sussex  
RH10 1SX

# **HAZELWICK SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Independent auditor</b>	Moore (South) LLP City Gates 2 - 4 Southgate Chichester West Sussex PO19 8DJ
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<b>Bankers</b>	HSBC, Crawley 9 The Boulevard Crawley RH10 1UT
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# HAZELWICK SCHOOL

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report and strategic report under company law.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The academy trust was incorporated as an Academy on 26 June 2011 and commenced operation as an Academy on 21 July 2011.

The trustees of Hazelwick School are also the directors of the charitable company for the purposes of company law. The school has elected to refer to trustees as governors of the academy trust and from hereon in, within the Trustees' Report, trustees are therefore referred to as governors. Details of the governors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

##### Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Governor or other officer of the School shall be indemnified out of the assets of the School against any liability incurred by him in that capacity in defending any proceedings. Whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the School.

##### Method of recruitment and appointment or election of trustees

All Governors are Directors of the charitable company. Governors hold office for a period of four years, after which reappointment by election (for Parent and Staff Governors) or by invitation from the Governing Body (for Community Governor positions) may occur.

The Governing Body of Hazelwick School is constituted to comprise of five Community Governor positions, four Parent Governor positions, two Staff Governors and the Headteacher as ex officio. Parent Governors are elected by parents/carers of registered students at the school, following an appropriate nomination and election process of eligible candidates.

Staff Governor appointments also follow a nomination and election process with representation being taken from both the associate and teaching staff members.

Following changes to the Academies Trust Handbook (2021) Staff Governors are no longer able to be members; however, they still remain Governors with full voting rights at all meetings, other than the AGM.

When appointing Community Governors regard is given, so far as is possible, to the skills mix and backgrounds of the Governors to ensure an appropriate breadth of skills, knowledge and experience is acquired to enable the Governing Body to contribute fully to the School's development and improvement. Where there is perceived to be a lack of skills in a particular area, the Governing Body may appoint an Associate Governor for a fixed period of 12 months.

A Chair of Governors and Vice Chair of Governors are elected annually from the Governing Body population. However, a Governor who is employed by the School is not eligible for election as Chair or Vice Chair.

It should be noted that any Governor may elect not to become a Director of the Charity. Some Civil Service roles stipulate that the staff may not hold directorships for example.

# HAZELWICK SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Policies and procedures adopted for the induction and training of trustees

The Governing Body has a commitment to ensuring that all Governors are trained to enable them to fulfil their statutory duties. This training is primarily undertaken through local authority provision and through other specialist training providers. In addition to this, the Governors schedule a whole governing body training session on relevant topics, as required. The Clerk to the Governors monitors training attendance and administers the completion of a skills matrix which is periodically reviewed. The Chair of Governors makes recommendations to the Governing Body where it is felt that there is (or will be) a skills deficit.

### Organisational structure

Hazelwick School is governed by a Governing Body constituted under a Memorandum of Association and Articles of Association. The Governing Body is responsible for ensuring that high standards of governance are maintained. It exercises powers and functions with a view to fulfilling a largely strategic leadership role in the running of the School. This includes setting the strategic direction, ensuring compliance with legal requirements, financial stewardship and monitoring of the School's performance.

Governors are responsible for setting general policy, adopting an annual school improvement plan, setting a balanced budget, making major decisions about the direction of the School, capital expenditure and senior staff appointments.

The Headteacher is the Accounting Officer.

In addition, the Headteacher has the delegated authority for the day to day operation of the School and is assisted by a Senior Leadership Team (SLT) comprising of two Deputy Headteachers, four Assistant Headteachers and a Finance Director. Together the SLT control the School at an executive level implementing the policies laid down by the Governors and reporting back to them and providing evidence, reports and data analysis to the governing body meetings, allowing the governors to monitor effectively.

The Governing body operates a committee system with defined delegated terms of reference constituting the:

- Curriculum and Standards Committee
- Resources Committee

Each committee and the Full Governing Body meet at least once a term. Minutes from all the meetings are circulated to all Governors irrespective of their committee membership.

# HAZELWICK SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Arrangements for setting pay and remuneration of key management personnel

##### *Determination of Leadership Pay Ranges*

The Governors' Pay Review Committee (PRC) and Headteacher have set the indicative pay range for the Senior Leadership Team (SLT) and ensure that there is an appropriate differential maintained between the Headteacher, Deputy and Assistant pay ranges in accordance with the STPCD.

##### *Pay Progression Based on Performance for the Leadership Group*

The Headteacher, Deputy/Assistant Headteachers and Finance Director must demonstrate sustained high quality of performance, with particular regard to leadership, management and student progress and will be subject to an annual appraisal at which performance against objectives will be reviewed before any performance points will be awarded. Annual pay progression within the range is not automatic. The Pay Review Committee and the Headteacher will decide whether or not to increase the salary of members of the Senior Leadership Team, following this appraisal.

##### *The Headteacher*

The Headteacher's Review Panel will review the Headteacher's performance and make a recommendation to the Pay Review Committee. The Pay Review Committee set the level of remuneration and has the discretion to recommend up to a two-point increase to the Headteacher for performance in exceptional circumstances.

##### *Deputy/Assistant Heads*

The Full Governing Body delegates to the Headteacher the agreement of performance objectives and the Pay Review Committee will be guided by her recommendations with regard to pay progression. As with the Headteacher, the criteria employed that identify appropriate performance levels must be able to recognise that there has been sustained high quality of overall performance, taking account of the performance objectives agreed or set. The Headteacher has discretion to recommend to the Pay Review Committee that an Assistant or Deputy Head should be awarded two points for performance in exceptional circumstances.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	4
Full-time equivalent employee number	3.20

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	4
1%-50%	-
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	8,891,485
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### Related parties and other connected charities and organisations

The Academy has no further related parties, other connected charities, or organisations beyond those included per note 25.

# HAZELWICK SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Objectives and activities**

##### Objects and aims

Hazelwick is a large (approximately 1881 students) well established school serving a wide local community drawing students from over twenty different primary schools.

Hazelwick School is:

- a centre of educational excellence; successful, ambitious and dynamic, pushing the boundaries of academic achievement
- a provider of outstanding care, guidance and support a school where individuals are safe, happy and valued
- a community of opportunity; a vibrant school where all children can contribute, find success and develop diverse strengths and interests
- standing out from the rest with a distinctive character and ethos; traditional but forward-looking

In securing the Hazelwick School vision we will:

- provide dynamic, ambitious leadership, driving the improvement agenda across all areas of the school
- recruit, retain and develop a workforce of the highest quality
- provide a broad, balanced and responsive curriculum so that every student has rich and fulfilling education matched to their own needs
- provide an innovative, high quality and inclusive learning experience, equipping all learners with the knowledge, equipping all learners with the knowledge, understanding and skills to be confident and successful in life and to contribute positively to the school, the local community and wider society
- insist on the highest standards of behaviour and foster self-respect, moral and ethical growth and personal responsibility
- assist all children to maximise their academic potential, challenging them to 'add value' to their previous attainment in every Key Stage
- create the highest quality environment to promote learning and well being
- recognise, celebrate and encourage all types of achievement to promote inclusion, cohesion and self-esteem.

#### Objectives, strategies and activities

Our stated objectives for 2021-22 were to continue to:

- Maintain our strong progress 8 score
- Focus on raising the achievement of pupil premium students
- Focus on Year 11 and 13 exam groups following their time out of school owing to Covid
- Supporting incoming Year 7
- Investigate strategies for diminishing the difference between the achievement of boys and girls

#### *Equal Opportunities*

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The School has established equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. School policies reflect the School's position on equal opportunities.

Employees have access to Trades Union representation.

#### *Disabled employees*

The School fully supports the requirements of the Equality Act and ensures that school policy reflects this position. The policy of the School is to ensure equitable recruitment and retention of employees with disabilities. The School does this by adapting the physical environment, by making support resources available and through training and career development. The school has seven staff who have registered a disability. Their needs are evaluated in accordance with local policies, along with the needs of students who have registered a disability.

#### *Environmental policy*

Hazelwick School is committed to minimising the impact of its activities on the environment, All strategic initiatives consider relevant environmental legislation and the promotion of 'green' initiatives.



# HAZELWICK SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. The Public benefit aim of this charity is for the advancement of education.

#### **Strategic report**

##### **Achievements and performance**

Our stated objectives for 2021-22 were to continue to:

##### *Maintain our strong progress 8 score*

Students at risk of under achievement were identified whilst in Year 10 and given additional support throughout Years 10 and 11 with mentoring, individual progress sessions and the use of PiXL strategies. The involvement of parents/carers strengthens further our work in this area. Additional revision sessions were planned, although the Coronavirus Pandemic prevented these from taking place. We will identify any gaps created by the absence from school owing to the Pandemic.

##### *Focus on raising the achievement of pupil premium students*

Early intervention strategies were put in place at KS3 for any pupil premium students who were under achieving. Additional literacy and numeracy support was arranged for students whose progress was lower than expected. New impact reports for all pupil premium students were created by our Pupil Premium Lead allowing us to see clearly what impact pupil premium spending was having on students' progress. Pupil Premium mentors continued to offer additional support to our PP students during lockdown and will continue to work with students to identify any gaps.

##### *Focus on Year 11 and 13 exam groups following their time out of school owing to Covid*

We always have a specific focus on exam groups but this year is particularly important following the time lost in the previous summer term. Students' progress will be rigorously monitored and interventions put in place when necessary.

##### *Supporting incoming Year 7*

As Year 7 missed the whole term of their final year in primary school, including their SATS exams, we will have a particular focus on supporting students academically, socially and pastorally.

##### *Investigate strategies for diminishing the difference between the achievement of boys and girls*

The appointment of a member of staff with responsibility for raising the achievement of boys enabled us to focus on strategies to support staff in providing opportunities and ideas to improve the progress of boys. An analysis of under achieving boys in Year 11 was undertaken with the result of findings being shared with staff on how best to challenge and support boys in lessons. Staff training was undertaken led by our Raising Boys Achievement Co-ordinator.

# HAZELWICK SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Results

The results for 2021-22 were as follows:

##### A Level Results Summer 2021

Value Added (Academic)	+0.08
Value Added (A Level)	+0.08
A*-A	35.5%
A*-B	57.5%
A*-C	78.4%
Pass Rate	99%

##### GCSE Results Summer 2021

Progress 8	+0.65
English element	+0.70
Maths element	+0.51
EBacc element	+1.02
Open element	+0.33
Attainment 8	51.83
English Baccalaureate (9-5)	28%
Basics (9-5)	54%
%9-5 English	76%
%9-5 Maths	57%

#### Key performance indicators

During the year the Trust monitors a number of different indicators to assist in the measurement of our overall performance as an Academy. These measures can be summarised in the following table:

Key Performance Indicator	Target 2021-22	Achieved 2021-22
No. of students name Hazelwick as 1st preference for Year 7 intake	300	491
Total Staff Costs % of Revenue Income	83%	83%
Progress 8 School Score	+0.50	+0.74
A Level grades A*-B	50%	59%
School Attendance Figures	95%	95.1%

#### Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# HAZELWICK SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### Financial review

Hazelwick School is a charitable company whose principal income is central government funding. The School produces an annual student census report on which funding for the subsequent year is based. The School has a 6th form and receives funding for this from central government. This funding is calculated using a different criteria from 11 – 16 funding. The sixth form funding is in line with other sixth form and Further Education providers.

The School presents a balanced budget each year which calculates projected expenditure on all key Operating expenditure categories.

All expenditure is in support of providing non selective secondary education. The income consists of 99% central and local authority statutory funding and 1% from lettings. No funds are in deficit, there are no material investments and the land and buildings are freehold and are owned by the Academy Trust.

The Academy inherited the deficit in the Local Government Pension Scheme, in respect of its non-teaching staff. The deficit position has moved to a surplus position at the 2022 year end. This surplus is incorporated within the Statement of Financial Activities with details in Note 20 to the financial statements (see Balance Sheet, Pension Scheme £1,305,000 surplus). The pension scheme position is driven by recommendations from pension scheme actuaries and subsequent triennial valuations of the scheme.

The funds balances as at 31 August 2022 are as follows:

Restricted general funds	£399,567
Pension reserve	£nil
Fixed asset fund	£27,542,442
Total restricted funds	£27,942,009
Unrestricted funds	£387,280
Total funds	£28,329,289

The in year surplus was £3,541,035 with a revenue surplus (excludes fixed asset fund and pension fund) of £368,607.

#### Reserves policy

The School is a "converter" academy and brought forward a surplus from West Sussex County Council on conversion. That surplus (£493,000) was held in reserve primarily to improve the buildings and this was expended in 2013. Future accumulated reserves will be presented to the Governors to confirm that they are to be kept in reserve for building improvements. The school is developing a three year rolling capital works programme and it is anticipated that the reserves will contribute to funding this along with any capital grants that are available from central government funding. These are free reserves (e.g. not restricted funds). Their value is not dependant on the School releasing or disposing of fixed assets. The level of free reserves at 31 August 2022 is £387,280 (2021: £291,052).

Disclosure of funds is also included in the Funds Note in the financial statements (note 20). At the 2022 year end, there are no funds in deficit. The only fund in deficit at the 2021 year end was the pension reserve.

#### Investment policy

During the year ended 31 August 2022, no investments were made. Governors have determined that future cash flow will be managed to enable balances to be invested in secure short term High Interest Deposit Accounts.

#### Principal risks and uncertainties

The Governors have a risk assessment process that focuses on the areas of Strategic and Reputational, Operational, Compliance and Financial and is regularly reviewed to ensure the scope is sufficient.

# **HAZELWICK SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The School considers the following to be their primary risk categories which are evaluated monthly throughout the year by the Finance Team. The risk evaluation is held in the School's Risk Register which is reviewed annually by the governors. Exception reports are issued to the Accounting Officer and the Chair of the Finance & Premises Committee.

#### **Risks identified:**

- Overall financial control risk – budget /reconciliation/consolidation risk
- Financial systems risk – systems suitability/maintenance/disaster recovery/access
- Income risk – completeness/restricted income/cut off risk/fraud
- Expenditure risk – authorisation/allocation/price/cut off/fraud
- Treasury risk – cash flow
- Fixed asset risk – capital construction/asset recognition/fraud
- Stock risk – fraud
- Debtors risk – recoverability/completeness/cut off/cash flow
- Taxation risk – non charitable trading/change in legislation
- Provisions and contingency liability risk – recognition/contractual commitments
- Related party risk – identification/disclosure
- Funds risk – level of funds/endowment
- Pension risk – funding /contributions.

#### **Fundraising**

Hazelwick School does not formally engage with fund raising, other than a general request at the start of each academic year for parents/carers to consider a gift to the school fund. It is an area we are considering but none have yet been or pursued.

#### **Streamlined energy and carbon reporting**

##### *Streamlined Energy and Carbon reporting*

Hazelwick School does not meet the qualifying criteria for a large charitable company and therefore is not required to report in this section.

#### **Plans for future periods**

Our objectives for the current academic year are to continue to

- review the impact of curricular changes on progress measures
- develop our Performance Management systems, with the introduction of PM for Associate staff
- maintain our strong progress 8 outcomes
- continue to focus on literacy and numeracy across the school
- develop strategies to diminish the difference in achievement between girls and boys

#### **Funds held as custodian trustee on behalf of others**

There are no funds held by Hazelwick School as Custodian Trustee.

# **HAZELWICK SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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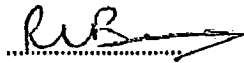
### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Moore (South) LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2022 and signed on its behalf by:



**Mrs R Bowron**  
**Chair of Governors**

# HAZELWICK SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hazelwick School has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hazelwick School and the Secretary of State for Education. The accounting officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of Governors has formally met 5 times during the year.

Trustees	Meetings attended	Out of possible
Mrs R Bowron (Chair of Governors)	5	5
Mr L Clark	5	5
Mr D Devanayagam (Resigned 22 September 2022)	1	5
Miss C Doherty	5	5
Mr N Duncan	5	5
Ms A Fearon (Headteacher and Accounting Officer)	5	5
Mrs T Grinham (Appointed 10 October 2022)		
Mrs L Humphrey	3	5
Mrs J Jellicoe	4	5
Mr I Larkham	4	5
Ms A Nayee (Appointed 23 September 2021 and resigned 7 July 2022)	1	2
Mrs J Peters (Appointed 10 October 2022)		
Mrs R Shah (Appointed 10 October 2022)		
Mrs S K Tamber	2	5

There were no key changes in the composition of the board of trustees.

### Resources Committee

The Resources Committee covers area such as HR and Payroll, IT Information, Site Management and Finances. There were no significant tender processes this year. It works with the school on financial performance, budget, staffing and the standards of infrastructure necessary to underpin teaching and learning. Although an Audit Committee is not necessary, given future and asset levels, the Resources Committee serves in this capacity informally.

### Review of value for money

As accounting officer, the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

# HAZELWICK SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- maintaining a focus on our outsourced facility lettings to ensure that revenues are secure and growing.
- stringent control of Covid-19 costs.
- ensuring incoming grant funds are spent appropriately.
- submitting fresh CIF bids for remaining roofs and Science block refurbishment
- pursuing a site wide significant solar panel energy solution.
- ensuring we target every significant cost item for ongoing need together with cost reduction and elimination where possible.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hazelwick School for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts.

#### Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and decided to appoint Schools Business Services (SBS) as internal auditor for 2021/2022. The Finance Director is part of the Locality Finance Group, and also a member of various Academy Business Manager groups which meet together routinely to discuss and share best practice.

#### Review of effectiveness

As accounting officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

## HAZELWICK SCHOOL

### GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

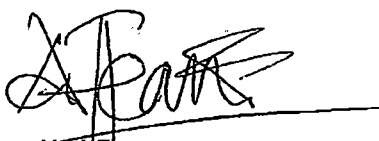
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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12 December 2022 and signed on its behalf by:



Mrs R Bowron  
Chair of Governors

  
Ms A Fearon  
Headteacher and Accounting Officer



## **HAZELWICK SCHOOL**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2022**

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As accounting officer of Hazelwick School, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Ms A Fearon  
Accounting Officer

12 December 2022

# HAZELWICK SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2022

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The trustees (who are also the directors of Hazelwick School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2021 to 2022 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

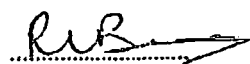
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12 December 2022 and signed on its behalf by:



Mrs R Bowron  
Chair of Governors

# **HAZELWICK SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAZELWICK SCHOOL FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Opinion**

We have audited the accounts of Hazelwick School for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the accounts, including 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), the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2022 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

### **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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 academy trust'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 trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and directors' report) the governance statement and the statement of regularity, propriety and compliance. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# HAZELWICK SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAZELWICK SCHOOL (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **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 trustees' report (which includes the directors' report) for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report, included within the trustees' 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 trustees either intend to liquidate the academy trust, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulation. 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.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the accounts 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 Academy Trust.

## **HAZELWICK SCHOOL**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAZELWICK SCHOOL (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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Our approach was as follows:

- The engagement partner selected staff for the audit, led by persons who it was deemed had sufficient experience and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud, management override was identified as a significant fraud risk. This is due to the ability to bypass controls through inappropriate expenditure and accounting policies adopted.
- Completeness of income was identified as a significant risk to the audit, as grant income may not be recognised in accordance with the SORP.
- The risk associated with non-disclosure of related party transactions is deemed a significant risk, due to the number of related parties which could be unknown to the management team and the scrutiny around related party transactions by the ESFA.
- We obtained an understanding of the legal and regulatory requirements applicable to the charity and we considered the most significant to be Academies Accounts Direction, the Charity SORP, Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council and UK Taxation legislation. We considered how the Academy Trust complies with these requirements by 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. Consideration was also made of the internal controls in place to mitigate the identified risks.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination of controls where appropriate, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and additional corroborative evidence was obtained as required.
- We obtained an understanding and assessed the impact of Covid-19 on the operations of the Academy Trust and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption and reviewed support received through the Coronavirus support schemes, dovetailed with work undertaken on management override.

To address the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- tested items of expenditure to ensure that they were valid and appropriate;
- confirmed monthly management accounts were reviewed by the board;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- reviewed the disclosures within the accounts to ensure they meet the requirements of the accounting standards and relevant legislation.

In response to the risk of irregularities with regards to completeness of income we:

- completed analytical work, to include comparison with prior periods;
- agreed a sample of income from source documentation to the accounting records to ensure that income is complete and recognised in the correct accounting period;
- reviewed minutes of governors meetings and confirmed income sources mentioned were included correctly within the accounts.

# **HAZELWICK SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAZELWICK SCHOOL (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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In response to the risk of irregularities with regards to non-disclosure of related parties we:

- completed analytical work, to include comparison with prior periods;
- obtained confirmation of material balances;
- agreed disclosures to source records, including approval; and
- reviewed minutes of governors meetings;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or 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. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Matthew Bather (Senior Statutory Auditor)**  
**for and on behalf of Moore (South) LLP**

13 December 2022

**Chartered Accountants**  
**Statutory Auditor**

City Gates  
2 - 4 Southgate  
Chichester  
West Sussex  
PO19 8DJ

# **HAZELWICK SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAZELWICK SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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In accordance with the terms of our engagement letter dated 19 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hazelwick School during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hazelwick School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hazelwick School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hazelwick School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Hazelwick School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Hazelwick School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity.

## **HAZELWICK SCHOOL**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HAZELWICK SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Moore (South) LLP*

#### **Reporting Accountant**

Moore (South) LLP  
City Gates  
2 - 4 Southgate  
Chichester  
West Sussex  
PO19 8DJ

Dated: 13 December 2022



# HAZELWICK SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	4	7,288	-	704,618	711,906
Charitable activities:					
- Funding for educational operations	5	-	11,119,688	-	11,119,688
Other trading activities	6	215,710	-	-	215,710
Investments	7	-	-	-	-
<b>Total</b>		<b>222,998</b>	<b>11,119,688</b>	<b>704,618</b>	<b>12,047,304</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	126,770	11,369,947	537,552	12,034,269
<b>Total</b>	8	<b>126,770</b>	<b>11,369,947</b>	<b>537,552</b>	<b>12,034,269</b>
<b>Net income/(expenditure)</b>		<b>96,228</b>	<b>(250,259)</b>	<b>167,066</b>	<b>13,035</b>
Transfers between funds	18	-	(64,362)	64,362	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	3,528,000	-	3,528,000
<b>Net movement in funds</b>		<b>96,228</b>	<b>3,213,379</b>	<b>231,428</b>	<b>3,541,035</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		291,052	(2,813,812)	27,311,014	24,788,254
Total funds carried forward		387,280	399,567	27,542,442	28,329,289

# HAZELWICK SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

Comparative year information Year ended 31 August 2021	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	4	7,850	-	36,577	44,427
Charitable activities:					
- Funding for educational operations	5	-	10,698,365	-	10,698,365
Other trading activities	6	78,608	-	-	78,608
Investments	7	100	-	-	100
<b>Total</b>		<b>86,558</b>	<b>10,698,365</b>	<b>36,577</b>	<b>10,821,500</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	9	22,120	10,861,638	458,772	11,342,530
<b>Total</b>	<b>8</b>	<b>22,120</b>	<b>10,861,638</b>	<b>458,772</b>	<b>11,342,530</b>
<b>Net Income/(expenditure)</b>		<b>64,438</b>	<b>(163,273)</b>	<b>(422,195)</b>	<b>(521,030)</b>
Transfers between funds	18	-	(161,136)	161,136	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	20	-	(569,000)	-	(569,000)
<b>Net movement in funds</b>		<b>64,438</b>	<b>(893,409)</b>	<b>(261,059)</b>	<b>(1,090,030)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		226,614	(1,920,403)	27,572,073	25,878,284
Total funds carried forward		291,052	(2,813,812)	27,311,014	24,788,254

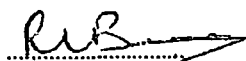
# HAZELWICK SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	26,910,801	27,311,014
<b>Current assets</b>			
Stocks	14	7,931	7,931
Debtors: amounts falling due within one year	15	775,730	218,884
Cash at bank and in hand		1,705,788	1,148,333
		2,489,449	1,375,148
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(1,070,961)	(956,908)
<b>Net current assets</b>		1,418,488	418,240
<b>Net assets excluding pension liability</b>		28,329,289	27,729,254
Defined benefit pension scheme liability	20	-	(2,941,000)
<b>Total net assets</b>		28,329,289	24,788,254
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	18		
- Fixed asset funds		27,542,442	27,311,014
- Restricted income funds		399,567	127,188
- Pension reserve		-	(2,941,000)
<b>Total restricted funds</b>		27,942,009	24,497,202
<b>Unrestricted income funds</b>	18	387,280	291,052
<b>Total funds</b>		28,329,289	24,788,254

The accounts on pages 23 to 46 were approved by the trustees and authorised for issue on 12 December 2022 and are signed on their behalf by:



Mrs R Bowron  
Chair of Governors

Company registration number 07686578

# HAZELWICK SCHOOL

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		581,377		456,101
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		-		100	
Capital grants from DfE Group		113,418		1,756,925	
Purchase of tangible fixed assets		(137,340)		(1,395,701)	
<b>Net cash (used in)/provided by investing activities</b>			(23,922)		361,324
<b>Net increase in cash and cash equivalents in the reporting period</b>			557,455		817,425
Cash and cash equivalents at beginning of the year			1,148,333		330,908
<b>Cash and cash equivalents at end of the year</b>			1,705,788		1,148,333

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: 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 (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 1 Accounting policies

(Continued)

##### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

##### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. No depreciation is charged in the year of acquisition. Depreciation rates, as follows:

Freehold land & buildings	Buildings 50 years; AWP 15 years; Land is not depreciated
Assets under construction	Not depreciated until in use
Computer equipment	3 - 7 years
Fixtures, fittings & equipment	10 - 15 years
Motor vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### 1.7 Leased assets

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

##### 1.8 Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

###### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

###### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

##### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

##### 1.10 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

### 2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

On conversion to an academy trust, the assets and liabilities of the School are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, see note 13 for further detail.



# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2022 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2022.

#### 4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Capital grants	-	704,618	704,618	36,577
Other donations	7,288	-	7,288	7,850
	<u>7,288</u>	<u>704,618</u>	<u>711,906</u>	<u>44,427</u>

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 5 Funding for the academy trust's charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	10,433,915	10,433,915	9,602,544
Other DfE/ESFA grants:				
- Pupil premium	-	276,365	276,365	262,818
- Teachers pay grant	-	25,721	25,721	129,851
- Teachers pension grant	-	72,684	72,684	366,935
- Others	-	124,276	124,276	44,039
	-	10,932,961	10,932,961	10,406,187
<b>Other government grants</b>				
Local authority grants	-	134,237	134,237	90,871
Special educational projects	-	10,108	10,108	-
	-	144,345	144,345	90,871
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	-	-	119,840
Other DfE/ESFA COVID-19 funding	-	42,382	42,382	49,037
<b>Non-DfE/ESFA</b>				
Other COVID-19 funding	-	-	-	32,430
	-	42,382	42,382	201,307
<b>Total funding</b>	-	11,119,688	11,119,688	10,698,365

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Hire of facilities	83,073	-	83,073	50,724
Trip income	116,665	-	116,665	19,588
Other income	15,972	-	15,972	8,296
	215,710	-	215,710	78,608

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Other investment income	-	-	-	100

### 8 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2022 £	Total 2021 £
Academy's educational operations					
- Direct costs	7,351,340	537,552	726,267	8,615,159	8,563,198
- Allocated support costs	2,161,754	960,304	297,052	3,419,110	2,779,332
	9,513,094	1,497,856	1,023,319	12,034,269	11,342,530

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Fees payable to auditor for:		
- Audit	9,835	9,550
- Other services	3,625	3,525
Operating lease rentals	91,568	20,500
Depreciation of tangible fixed assets	537,552	458,772
Net interest on defined benefit pension liability	53,000	37,000

### 9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Direct costs				
Educational operations	126,766	8,488,393	8,615,159	8,563,198
Support costs				
Educational operations	4	3,419,106	3,419,110	2,779,332
	126,770	11,907,499	12,034,269	11,342,530

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Charitable activities (Continued)

Analysis of costs	2022 £	2021 £
<b>Direct costs</b>		
Teaching and educational support staff costs	7,351,340	7,353,727
Staff development	97,339	86,639
Depreciation	537,552	458,772
Technology costs	96,704	107,729
Educational supplies and services	229,246	338,275
Examination fees	163,177	143,352
Educational consultancy	13,035	52,584
Other direct costs	126,766	22,120
	<u>8,615,159</u>	<u>8,563,198</u>
<b>Support costs</b>		
Support staff costs	2,161,754	1,844,488
Maintenance of premises and equipment	502,104	253,136
Cleaning	188,757	182,639
Energy costs	182,064	162,516
Rent, rates and other occupancy costs	47,047	48,793
Insurance	40,332	37,758
Security and transport	4,852	7,398
Catering	84,013	104,035
Finance costs	53,000	37,000
Other support costs	92,153	49,317
Governance costs	63,034	52,252
	<u>3,419,110</u>	<u>2,779,332</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2022 £	2021 £
Wages and salaries	6,722,733	6,645,550
Social security costs	684,603	651,703
Pension costs	2,018,149	1,808,441
	<u>9,425,485</u>	<u>9,105,694</u>
Staff costs - employees	9,425,485	9,105,694
Agency staff costs	87,609	92,521
	<u>9,513,094</u>	<u>9,198,215</u>
Staff development and other staff costs	97,339	86,639
	<u>9,610,433</u>	<u>9,284,854</u>
Total staff expenditure		

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 10 Staff

(Continued)

#### Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2022 Number	2021 Number
Teachers	117	117
Administration and support	81	85
Management	8	8
	<u>206</u>	<u>210</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2022 Number	2021 Number
Teachers	103	103
Administration and support	61	60
Management	8	8
	<u>172</u>	<u>171</u>

#### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	2022 Number	2021 Number
£60,001 - £70,000	-	2
£70,001 - £80,000	5	3
£80,001 - £90,000	-	2
£90,001 - £100,000	2	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>3</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £1,091,393 (2021: As restated to include staff trustees not considered senior management, £996,704. Per 2021 accounts: £890,499).

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11 Trustees' remuneration and expenses

One or more of the trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits were as follows:

Ms A Fearon (headteacher and trustee):

Remuneration £130,000 - £135,000 (2021: £125,000 - £130,000)

Employer's pension contributions paid £25,000 - £30,000 (2021: £25,000 - £30,000)

Mrs L Humphrey (staff trustee):

Remuneration £25,000 - £30,000 (2021: £20,000 - £25,000)

Employer's pension contributions paid £5,000 - £10,000 (2021: £5,000 - £10,000)

Miss C Doherty (staff trustee):

Remuneration £50,000 - £55,000 (2021: £50,000 - £55,000)

Employer's pension contributions paid £10,000 - £15,000 (2021: £10,000 - £15,000)

During the year, travel and subsistence payments totalling £nil (2021: £nil) were reimbursed or paid directly to the trustees.

#### 12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

#### 13 Tangible fixed assets

	Freehold land & buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 September 2021	30,349,383	-	682,158	123,214	33,979	31,188,734
Additions	-	35,843	17,209	84,288	-	137,340
At 31 August 2022	30,349,383	35,843	699,367	207,502	33,979	31,326,074
<b>Depreciation</b>						
At 1 September 2021	3,230,762	-	554,105	58,874	33,979	3,877,720
Charge for the year	464,354	-	60,303	12,896	-	537,553
At 31 August 2022	3,695,116	-	614,408	71,770	33,979	4,415,273
<b>Net book value</b>						
At 31 August 2022	26,654,267	35,843	84,959	135,732	-	26,910,801
At 31 August 2021	27,118,621	-	128,053	64,340	-	27,311,014

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 13 Tangible fixed assets

(Continued)

The land and buildings were valued on the depreciation replacement cost method in an exercise undertaken by the Education Funding Agency as at 31 August 2012. Included in the freehold land and buildings is transferred land with a value of £12,226,120 (2021: £12,226,120) which is not depreciated.

#### 14 Stocks

	2022 £	2021 £
Stationery and uniform stock	7,931	7,931

#### 15 Debtors

	2022 £	2021 £
Trade debtors	3,764	13,994
VAT recoverable	65,011	48,092
Other debtors	2,572	14,193
Prepayments and accrued income	704,383	142,605
	<u>775,730</u>	<u>218,884</u>

#### 16 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	324,726	279,667
Other taxation and social security	167,490	162,116
Other creditors	172,185	171,911
Accruals and deferred income	406,560	343,214
	<u>1,070,961</u>	<u>956,908</u>

#### 17 Deferred income

	2022 £	2021 £
Deferred income is included within:		
Creditors due within one year	189,437	96,026
	<u>189,437</u>	<u>96,026</u>
Deferred income at 1 September 2021	96,026	55,197
Released from previous years	(96,026)	(55,197)
Resources deferred in the year	189,437	96,026
	<u>189,437</u>	<u>96,026</u>
Deferred income at 31 August 2022	<u>189,437</u>	<u>96,026</u>

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 17 Deferred Income

(Continued)

The academy received the following income and funding in relation to 2022/23 and has been deferred into the next academic year as follows:

SSC SEN Provision	£73,808
Growth Funding	£45,510
NNDR Rates Relief	£26,999
Trips	£876

Grants provided for to be clawed back in 2022/23:

National Tutoring	£42,244
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#### 18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	127,188	10,433,915	(10,097,174)	(64,362)	399,567
Pupil premium	-	276,365	(276,365)	-	-
Other DfE/ESFA COVID-19 funding	-	42,382	(42,382)	-	-
Other DfE/ESFA grants	-	222,681	(222,681)	-	-
Other government grants	-	144,345	(144,345)	-	-
Pension reserve	(2,941,000)	-	(587,000)	3,528,000	-
	<u>(2,813,812)</u>	<u>11,119,688</u>	<u>(11,369,947)</u>	<u>3,463,638</u>	<u>399,567</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	27,134,805	704,618	(524,966)	64,362	27,378,819
Private sector capital sponsorship	176,209	-	(12,586)	-	163,623
	<u>27,311,014</u>	<u>704,618</u>	<u>(537,552)</u>	<u>64,362</u>	<u>27,542,442</u>
<b>Total restricted funds</b>	<u>24,497,202</u>	<u>11,824,306</u>	<u>(11,907,499)</u>	<u>3,528,000</u>	<u>27,942,009</u>
<b>Unrestricted funds</b>					
General funds	291,052	222,998	(126,770)	-	387,280
<b>Total funds</b>	<u>24,788,254</u>	<u>12,047,304</u>	<u>(12,034,269)</u>	<u>3,528,000</u>	<u>28,329,289</u>



# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 18 Funds

(Continued)

The specific purposes for which the funds are to be applied are as follows:

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department of Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department of Education.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2022. Note 3 discloses whether the limit was exceeded.

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	71,597	9,602,544	(9,385,817)	(161,136)	127,188
Pupil premium	-	262,818	(262,818)	-	-
Catch-up premium	-	119,840	(119,840)	-	-
Other DfE/ESFA COVID-19 funding	-	49,037	(49,037)	-	-
Other Coronavirus funding	-	32,430	(32,430)	-	-
Other DfE/ESFA grants	-	44,039	(44,039)	-	-
Other government grants	-	90,871	(90,871)	-	-
Teachers pay grant	-	129,851	(129,851)	-	-
Teachers pension grant	-	366,935	(366,935)	-	-
Pension reserve	(1,992,000)	-	(380,000)	(569,000)	(2,941,000)
	<u>(1,920,403)</u>	<u>10,698,365</u>	<u>(10,861,638)</u>	<u>(730,136)</u>	<u>(2,813,812)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	27,446,612	36,577	(446,186)	97,802	27,134,805
AWP private capital sponsorship	125,461	-	(12,586)	63,334	176,209
	<u>27,572,073</u>	<u>36,577</u>	<u>(458,772)</u>	<u>161,136</u>	<u>27,311,014</u>
<b>Total restricted funds</b>	<u>25,651,670</u>	<u>10,734,942</u>	<u>(11,320,410)</u>	<u>(569,000)</u>	<u>24,497,202</u>
<b>Unrestricted funds</b>					
General funds	226,614	86,558	(22,120)	-	291,052
<b>Total funds</b>	<u>25,878,284</u>	<u>10,821,500</u>	<u>(11,342,530)</u>	<u>(569,000)</u>	<u>24,788,254</u>

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	26,910,801	26,910,801
Current assets	388,156	1,469,652	631,641	2,489,449
Current liabilities	(876)	(1,070,085)	-	(1,070,981)
<b>Total net assets</b>	<b>387,280</b>	<b>399,567</b>	<b>27,542,442</b>	<b>28,329,289</b>
	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	27,311,014	27,311,014
Current assets	291,052	1,084,096	-	1,375,148
Current liabilities	-	(956,908)	-	(956,908)
Pension scheme liability	-	(2,941,000)	-	(2,941,000)
<b>Total net assets</b>	<b>291,052</b>	<b>(2,813,812)</b>	<b>27,311,014</b>	<b>24,788,254</b>

#### 20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Sussex County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £171,847 (2021: £166,963) were payable to the schemes at 31 August 2022 and are included within creditors.

##### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academy trusts. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## HAZELWICK SCHOOL

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to the TPS in the period amounted to £1,161,654 (2021: £1,156,494).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.5% for employers and on average 6% - 10% for employees.

The total contributions made for the year ended 31 August 2021 were £414,000 (2021: £393,000), of which employers contributions totalled £322,000 (2021: £305,000). No lump sum contributions have been paid in either 2022 or 2021. Contribution rates set are derived from the March 2019 valuation. Total employee contributions were £92,000 (2021: £88,000).

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

Local Government Pension Scheme funding valuations are completed every three years with the latest triennial valuation related to the period ended 31 March 2019. In the years succeeding this valuation, the accounting valuation methodology is adopted. The aim of the funding valuation is to ensure that each employer's share of the Fund's assets alongside future expected investment returns and contributions will be sufficient to meet future benefit payments from the Fund. The purpose of an accounting valuation, as conducted in the current and prior year, is to facilitate a consistent comparison of pension positions between employers. An accounting valuation has no effect on the cash contributions that will be certified for an employer.

In conducting an accounting valuation, actuaries have used the projected unit credit method of valuation as required by FRS 102 accounting standards. Results have been projected forward from the latest 2019 funding valuation using approximate roll forward methods to the accounting date of 31 August 2022. Allowances are made for changes in financial and demographic assumptions, benefit accrual, actual pension increases and estimated cashflows over the period. Allowances are also made for bulk transfers, business combinations and settlements where applicable.

Actuaries cannot assess the accuracy of roll forward estimates without another full funding valuation being undertaken. This is due to take place in respect of the period ending 31 March 2022 with results therefore impacting the financial statements for the year ended 31 August 2023.

Financial and demographic assumptions are detailed below and are assessed specifically to the accounting date of 31 August 2022. As at the accounting date, the net discount rate (discount rate net of inflation) has significantly increased compared to the prior year from 1.65% to 4.25%. The significant increase in discount rate assumption coupled with an increase in CPI assumption, from 2.9% to 3.05%, has resulted in a large gain on the balance sheet as at 31 August 2022.

Under FRS 102, an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The trustees acknowledge their responsibilities requiring them to make judgements and estimates that are reasonable and prudent. As such, the trustees deem it prudent not to recognise a defined benefit plan asset at the year end on the basis that the extent of future contributions cannot be reliably quantified.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2022 £	2021 £
Employer's contributions	322,000	305,000
Employees' contributions	92,000	88,000
Total contributions	414,000	393,000
Principal actuarial assumptions	2022 %	2021 %
Rate of increase in salaries	3.55	3.4
Rate of increase for pensions in payment/inflation	3.05	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.05	2.9

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2022 Years	2021 Years
Retiring today		
- Males	21.9	22.1
- Females	24.2	24.4
Retiring in 20 years		
- Males	22.8	23.1
- Females	25.9	26.1

Scheme liabilities would have been affected by changes in assumptions as follows:

	2022 £	2021 £
Discount rate - 0.5%	745,000	1,245,000
Salary increase rate + 0.5%	55,000	95,000
Mortality assumption + 1 year	250,000	411,000
Pension increase rate + 0.5%	695,000	1,135,000

#### Defined benefit pension scheme net asset/(liability)

	2022 £	2021 £
Scheme assets	7,544,000	7,330,000
Scheme obligations	(6,239,000)	(10,271,000)
Effect of changes in the amount of surplus deemed irrecoverable	(1,305,000)	
Net asset/(liability)	-	(2,941,000)

#### The academy trust's share of the assets in the scheme

	2022 Fair value £	2021 Fair value £
Equities	3,696,560	3,811,600
Bonds	2,414,080	2,638,800
Cash	226,320	293,200
Property	1,207,040	586,400
Total market value of assets	7,544,000	7,330,000

The actual return on scheme assets was £(127,000) (2021: £1,122,000).

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

Amount recognised in the statement of financial activities	2022 £	2021 £
Current service cost	534,000	343,000
Interest income	(124,000)	(103,000)
Interest cost	177,000	140,000
Total operating charge	587,000	380,000

#### Changes in the present value of defined benefit obligations

2022  
£

At 1 September 2021	10,271,000
Current service cost	856,000
Interest cost	177,000
Employee contributions	92,000
Actuarial (gain)/loss	(5,084,000)
Benefits paid	(73,000)
At 31 August 2022	6,239,000

#### Changes in the fair value of the academy trust's share of scheme assets

2022  
£

At 1 September 2021	7,330,000
Interest income	124,000
Actuarial loss/(gain)	(251,000)
Employer contributions	322,000
Employee contributions	92,000
Benefits paid	(73,000)
At 31 August 2022	7,544,000

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Notes	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		13,035	(521,030)
Adjusted for:			
Capital grants from DfE and other capital income		(704,618)	(36,577)
Investment income receivable	7	-	(100)
Defined benefit pension costs less contributions payable	20	534,000	343,000
Defined benefit pension scheme finance cost	20	53,000	37,000
Depreciation of tangible fixed assets		537,553	458,772
Decrease in stocks		-	295
Decrease in debtors		34,354	225,634
Increase/(decrease) in creditors		114,053	(50,893)
<b>Net cash provided by operating activities</b>		<b>581,377</b>	<b>456,101</b>

#### 22 Analysis of changes in net funds

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash	1,148,333	557,455	1,705,788

#### 23 Long-term commitments

##### Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2022 £	2021 £
Amounts due within one year	133,301	19,669
Amounts due in two and five years	287,873	8,413
	<b>421,174</b>	<b>28,082</b>

#### 24 Capital commitments

	2022 £	2021 £
Expenditure contracted for but not provided in the accounts	631,641	-

The capital commitments figure above comprises of amounts contracted for but not provided in the financial statements in respect of ongoing roof maintenance. The project is funded by Condition Improvement Funding.

# HAZELWICK SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **25 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### Expenditure related party transactions

During the year, D Fearon, J Fearon, R Fearon (children of A Fearon) and J Meggs (child of A Meggs), were employed by the academy trust for cleaning and administrative duties. Payments made to these individuals were within the normal pay scale and at standard market rate for their role and they received no special treatment as a result of their relationship to the key management personnel and trustees.

### **26 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.