

Company registration number 07686578 (England and Wales)

HAZELWICK SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2023

HAZELWICK SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 11
Governance statement	12 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the accounts	17 - 20
Independent reporting accountant's report on regularity	21 - 22
Statement of financial activities including income and expenditure account	23 - 24
Balance sheet	25
Statement of cash flows	26
Notes to the accounts including accounting policies	27 - 47

HAZELWICK SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

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

Trustees

Mrs R Bowron (Chair of Governors to 31 August 2023)
Mr L Clark (Chair of Governors from 1 September 2023)
Mr D Devanayagam (Resigned 22 September 2022)
Miss C Doherty (Staff Governor)
Mr N Duncan
Ms A Fearon (Headteacher and Accounting Officer)
Mrs T Grinham (Appointed 10 October 2022)
Mrs L Humphrey (Staff Governor)
Mrs J Jellicoe
Mr I Larkham
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

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

Bankers	HSBC, Crawley 9 The Boulevard Crawley RH10 1UT
----------------	---

HAZELWICK SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2022 to 31 August 2023. 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 trustees 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 2023

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 2023

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	2
Full-time equivalent employee number	1.80

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	9,828,999
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	-
---	---

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 2023

Objectives and activities

Objects and aims

Hazelwick is a large (approximately 1874 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, 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 2022-23 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
- Supporting incoming Year 7 as this is a larger than normal year group
- Ensure that Gatsby Benchmark 6 is met

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 eight 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 2023

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 2022-23 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 of students owing to 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

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

There will be a focus on supporting our increased number of Year 7 students academically, socially and pastorally.

Ensure that Gatsby Benchmark 6 is met

To create a plan to enable students to undertake work visits, work shadowing and/or work experience without having an adverse effect on curriculum time.

HAZELWICK SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Results

The results for 2022-23 were as follows:

A Level Results Summer 2023

Value Added (Academic)	+0.08
Value Added (A Level)	+0.08
A*-A	25.2%
A*-B	53.0%
A*-C	77.1%
Pass Rate	97.8%

GCSE Results Summer 2023

Progress 8	+0.41
English element	+0.39
Maths element	+0.26
EBacc element	+0.75
Open element	+0.17
Attainment 8	49.05
English Baccalaureate (9-5)	24%
Basics (9-5)	50%
%9-5 English	70%
%9-5 Maths	52%

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 2022-23	Achieved 2022-23
No. of students name Hazelwick as 1st preference for Year 7 intake	300	503
Total Staff Costs % of Revenue Income	83%	83%
Progress 8 School Score	+0.50	+0.65
A Level grades A*-B	50%	57.5%
School Attendance Figures	95%	93.2%

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 2023

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 has inherited the deficit in the Local Government Pension Scheme, in respect of its non-teaching staff. The deficit position moved to a surplus position at the 2022 year end and, whilst reducing in year, the surplus position remains at the 2023 year end. On the basis that the recoverability of the asset cannot be reliably quantified, the surplus has been restricted to £nil at the year end. 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 2023 are as follows:

Restricted general funds	£320,053
Pension reserve	£nil
Fixed asset fund	£27,231,673
Total restricted funds	£27,551,726
Unrestricted funds	£507,736
Total funds	£28,059,462

The in year deficit was £269,827 with a revenue surplus (excludes fixed asset fund and pension fund) of £40,942.

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 2023 is £507,736 (2022: £387,280).

Disclosure of funds is also included in the Funds Note in the financial statements (note 18). There are no funds in deficit.

Investment policy

During the year ended 31 August 2023, 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 2023

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
- focus on developing wellbeing programmes for both students and 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 2023

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 30 November 2023 and signed on its behalf by:



Mr L Clark

Chair of Governors from 1 September 2023

HAZELWICK SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

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 to 31 August 2023)	5	5
Mr L Clark (Chair of Governors from 1 September 2023)	5	5
Mr D Devanayagam (Resigned 22 September 2022)	0	1
Miss C Doherty (Staff Governor)	5	5
Mr N Duncan	4	5
Ms A Fearon (Headteacher and Accounting Officer)	5	5
Mrs T Grinham (Appointed 10 October 2022)	2	4
Mrs L Humphrey (Staff Governor)	5	5
Mrs J Jellicoe	5	5
Mr I Larkham	5	5
Mrs J Peters (Appointed 10 October 2022)	4	4
Mrs R Shah (Appointed 10 October 2022)	3	4
Mrs S K Tamber	2	5

Lewis Clark became Chair of Governors with effect from 1st September 2023, replacing Rachel Bowron who is remaining as a Governor.

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 2023

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 2022 to 31 August 2023 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 2022 to 31 August 2023 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 2023/2024. 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.

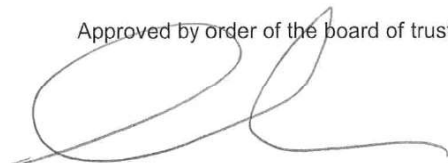
HAZELWICK SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

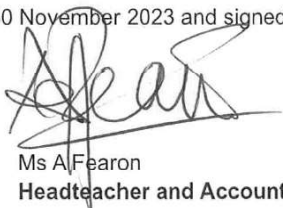
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 30 November 2023 and signed on its behalf by:



Mr L. Clark

Chair of Governors from 1 September 2023



Ms A. Fearon

Headteacher and Accounting Officer

HAZELWICK SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2023

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, including for estates safety and management, 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 2022, including responsibilities for estates safety and management.

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 2022.

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

30 November 2023

HAZELWICK SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2022 to 2023;
- 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 30 November 2023 and signed on its behalf by:



Mr L Clark

Chair of Governors from 1 September 2023

HAZELWICK SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAZELWICK SCHOOL FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the accounts of Hazelwick School for the year ended 31 August 2023 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 2022 to 2023 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 2023 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 2022 to 2023.

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 2023

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 2023

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.

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 2023

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

1 December 2023

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 2023

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 2022 to 2023, 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 2022 to 31 August 2023 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 2022, 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 2022 to 2023. 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 2022 to 31 August 2023 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 2023

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 2022 to 31 August 2023 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

1 December 2023

HAZELWICK SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds: General £ Fixed asset £	Total 2023 £	Total 2022 £
Income and endowments from:					
Donations and capital grants	4	9,485	-	122,351	131,836
Charitable activities:					
- Funding for educational operations	5	-	11,949,917	-	11,949,917
Other trading activities	6	297,671	682	-	298,353
Investments	7	4,438	-	-	4,438
Total		311,594	11,950,599	122,351	12,384,544
Expenditure on:					
Charitable activities:					
- Educational operations	9	191,138	11,959,230	539,003	12,689,371
Total	8	191,138	11,959,230	539,003	12,689,371
Net income/(expenditure)		120,456	(8,631)	(416,652)	(304,827)
Transfers between funds	18	-	(105,883)	105,883	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	35,000	-	35,000
Net movement in funds		120,456	(79,514)	(310,769)	(269,827)
Reconciliation of funds					
Total funds brought forward		387,280	399,567	27,542,442	28,329,289
Total funds carried forward		507,736	320,053	27,231,673	28,059,462

HAZELWICK SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2023

Comparative year information Year ended 31 August 2022	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2022 £
Income and endowments from:					
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
Total		222,998	11,119,688	704,618	12,047,304
Expenditure on:					
Charitable activities:					
- Educational operations	9	126,770	11,369,947	537,552	12,034,269
Total	8	126,770	11,369,947	537,552	12,034,269
Net income/(expenditure)		96,228	(250,259)	167,066	13,035
Transfers between funds	18	-	(64,362)	64,362	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	3,528,000	-	3,528,000
Net movement in funds		96,228	3,213,379	231,428	3,541,035
Reconciliation of funds					
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

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13	27,231,673		26,910,801	
Current assets					
Stock	14	7,931		7,931	
Debtors: amounts falling due within one year	15	456,284		775,730	
Cash at bank and in hand		1,620,335		1,705,788	
		2,084,550		2,489,449	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,256,761)		(1,070,961)	
Net current assets		827,789		1,418,488	
Net assets		28,059,462		28,329,289	
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds		27,231,673		27,542,442	
- Restricted income funds		320,053		399,567	
Total restricted funds		27,551,726		27,942,009	
Unrestricted income funds	18	507,736		387,280	
Total funds		28,059,462		28,329,289	

The accounts on pages 23 to 47 were approved by the trustees and authorised for issue on 30 November 2023 and are signed on their behalf by:

Mr L Clark

Chair of Governors from 1 September 2023

Company registration number 07686578 (England and Wales)

HAZELWICK SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		189,929		581,377
Cash flows from investing activities					
Dividends, interest and rents from investments		4,438		-	
Capital grants from DfE Group		564,415		113,418	
Capital funding received from sponsors and others		15,640		-	
Purchase of tangible fixed assets		(859,875)		(137,340)	
Net cash used in investing activities			(275,382)		(23,922)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(85,453)		557,455
Cash and cash equivalents at beginning of the year			1,705,788		1,148,333
Cash and cash equivalents at end of the year			1,620,335		1,705,788

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

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 2022 to 2023 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 2023

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; Building improvements 20 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 2023

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 2023

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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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 2023

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2023 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 2023.

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Capital grants	-	106,711	106,711	704,618
Other donations	9,485	15,640	25,125	7,288
	<u>9,485</u>	<u>122,351</u>	<u>131,836</u>	<u>711,906</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
DfE/ESFA grants				
General annual grant (GAG)	-	10,909,895	10,909,895	10,433,915
Other DfE/ESFA grants:				
- Pupil premium	-	295,129	295,129	276,365
- Teachers pay grant	-	597	597	25,721
- Teachers pension grant	-	45,263	45,263	72,684
- Supplementary grant	-	417,252	417,252	116,501
- Others	-	(1,412)	(1,412)	7,775
	<u>-</u>	<u>11,666,724</u>	<u>11,666,724</u>	<u>10,932,961</u>
Other government grants				
Local authority grants	-	204,279	204,279	134,237
Special educational projects	-	-	-	10,108
	<u>-</u>	<u>204,279</u>	<u>204,279</u>	<u>144,345</u>
COVID-19 additional funding				
DfE/ESFA				
Other DfE/ESFA COVID-19 funding	-	78,914	78,914	42,382
	<u>-</u>	<u>78,914</u>	<u>78,914</u>	<u>42,382</u>
Total funding	<u>-</u>	<u>11,949,917</u>	<u>11,949,917</u>	<u>11,119,688</u>

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Hire of facilities	93,278	-	93,278	83,073
Trip income	157,262	682	157,944	116,665
Other income	47,131	-	47,131	15,972
	<u>297,671</u>	<u>682</u>	<u>298,353</u>	<u>215,710</u>

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Short term deposits	4,438	-	4,438	-
	<u>4,438</u>	<u>-</u>	<u>4,438</u>	<u>-</u>

8 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2023 £	Total 2022 £
Academy's educational operations					
- Direct costs	7,906,825	539,003	845,204	9,291,032	8,615,159
- Allocated support costs	2,131,820	958,099	308,420	3,398,339	3,419,110
	<u>10,038,645</u>	<u>1,497,102</u>	<u>1,153,624</u>	<u>12,689,371</u>	<u>12,034,269</u>

Net income/(expenditure) for the year includes:

	2023 £	2022 £
Operating lease rentals	134,491	91,568
Depreciation of tangible fixed assets	539,003	537,552
Fees payable to auditor for:		
- Audit	11,300	9,835
- Other services	3,915	3,625
Net interest on defined benefit pension liability	(53,000)	53,000
	<u>714,709</u>	<u>1,185,580</u>

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Direct costs				
Educational operations	174,467	9,116,565	9,291,032	8,615,159
Support costs				
Educational operations	16,671	3,381,668	3,398,339	3,419,110
	<u>191,138</u>	<u>12,498,233</u>	<u>12,689,371</u>	<u>12,034,269</u>

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

9 Charitable activities (Continued)

Analysis of costs	2023 £	2022 £
Direct costs		
Teaching and educational support staff costs	7,906,825	7,351,340
Staff development	101,232	97,339
Depreciation	539,003	537,552
Technology costs	50,637	96,704
Educational supplies and services	290,423	229,246
Examination fees	211,320	163,177
Educational consultancy	16,850	13,035
Other direct costs	174,742	126,766
	<u>9,291,032</u>	<u>8,615,159</u>
Support costs		
Support staff costs	2,131,869	2,161,754
Technology costs	41,658	-
Maintenance of premises and equipment	490,341	502,104
Cleaning	200,361	188,757
Energy costs	182,059	182,064
Rent, rates and other occupancy costs	40,861	47,047
Insurance	44,477	40,332
Security and transport	8,085	4,852
Catering	93,794	84,013
Finance costs	(53,000)	53,000
Other support costs	132,287	92,153
Governance costs	85,547	63,034
	<u>3,398,339</u>	<u>3,419,110</u>

10 Staff

Staff costs

Staff costs during the year were:

	2023 £	2022 £
Wages and salaries	7,210,844	6,722,733
Social security costs	742,006	684,603
Pension costs	1,964,149	2,018,149
	<u>9,916,999</u>	<u>9,425,485</u>
Staff costs - employees	9,916,999	9,425,485
Agency staff costs	121,646	87,609
	<u>10,038,645</u>	<u>9,513,094</u>
Staff development and other staff costs	101,281	97,339
	<u>10,139,926</u>	<u>9,610,433</u>

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

10 Staff

(Continued)

Included within pension costs is a £250,000 contribution towards an LGPS ill health early retirement pay-out. The remainder of the pay-out will be funded by the Local Authority.

LGPS service costs included within pension costs amounted to £88,000 (2022: £534,000).

Staff numbers

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

	2023 Number	2022 Number
Teachers	127	117
Administration and support	81	81
Management	9	8
	<hr/>	<hr/>
	217	206
	<hr/>	<hr/>

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

	2023 Number	2022 Number
Teachers	110	103
Administration and support	58	61
Management	9	8
	<hr/>	<hr/>
	177	172
	<hr/>	<hr/>

Higher paid staff

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

	2023 Number	2022 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	5	5
£90,001 - £100,000	2	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<hr/>	<hr/>

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 £1,151,293 (2022: £1,091,393).

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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 £140,000 - £145,000 (2022: £130,000 - £135,000)

Employer's pension contributions paid £30,000 - £35,000 (2022: £25,000 - £30,000)

Mrs L Humphrey (staff trustee):

Remuneration £25,000 - £30,000 (2022: £25,000 - £30,000)

Employer's pension contributions paid £5,000 - £10,000 (2022: £5,000 - £10,000)

Miss C Doherty (staff trustee):

Remuneration £55,000 - £60,000 (2022: £50,000 - £55,000)

Employer's pension contributions paid £10,000 - £15,000 (2022: £10,000 - £15,000)

During the year, travel and subsistence payments totalling £nil (2022: £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.

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

13 Tangible fixed assets

	Freehold land & buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2022	30,349,383	35,843	699,366	207,502	33,979	31,326,073
Transfer	35,843	(35,843)	-	-	-	-
Additions	762,737	-	12,863	84,275	-	859,875
Disposals	-	-	(509,638)	-	-	(509,638)
At 31 August 2023	31,147,963	-	202,591	291,777	33,979	31,676,310
Depreciation						
At 1 September 2022	3,695,116	-	614,407	71,770	33,979	4,415,272
On disposals	-	-	(509,638)	-	-	(509,638)
Charge for the year	475,887	-	43,837	19,279	-	539,003
At 31 August 2023	4,171,003	-	148,606	91,049	33,979	4,444,637
Net book value						
At 31 August 2023	26,976,960	-	53,985	200,728	-	27,231,673
At 31 August 2022	26,654,267	35,843	84,959	135,732	-	26,910,801

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 (2022: £12,226,120) which is not depreciated.

14 Stock

	2023 £	2022 £
Stationery and uniform stock	7,931	7,931

15 Debtors

	2023 £	2022 £
Trade debtors	15,966	3,764
VAT recoverable	134,482	65,011
Other debtors	3,887	2,572
Prepayments and accrued income	301,949	704,383
	456,284	775,730

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	377,284	324,726
Other taxation and social security	173,393	167,490
Other creditors	185,854	172,185
Accruals and deferred income	520,230	406,560
	<u>1,256,761</u>	<u>1,070,961</u>

17 Deferred income

	2023 £	2022 £
Deferred income is included within: Creditors due within one year	<u>218,069</u>	<u>189,437</u>
Deferred income at 1 September 2022	189,437	96,026
Released from previous years	(189,437)	(96,026)
Resources deferred in the year	<u>218,069</u>	<u>189,437</u>
Deferred income at 31 August 2023	<u>218,069</u>	<u>189,437</u>

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	£88,320
Growth Funding	£49,500
National Tutoring	£46,755
ESFA receipt	£31,127
Early careers	£12,500
Payback tuition fund	(£7,697)
Other overbilled	(£2,436)

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2023 £
Restricted general funds					
General Annual Grant (GAG)	399,567	10,909,895	(10,883,526)	(105,883)	320,053
Pupil premium	-	295,129	(295,129)	-	-
Other DfE/ESFA COVID-19 funding	-	78,914	(78,914)	-	-
Other DfE/ESFA grants	-	44,448	(44,448)	-	-
Other government grants	-	204,279	(204,279)	-	-
Supplementary grant	-	417,252	(417,252)	-	-
Other restricted funds	-	682	(682)	-	-
Pension reserve	-	-	(35,000)	35,000	-
	<u>399,567</u>	<u>11,950,599</u>	<u>(11,959,230)</u>	<u>(70,883)</u>	<u>320,053</u>
Restricted fixed asset funds					
DfE group capital grants	27,378,819	106,711	(539,003)	118,469	27,064,996
Private sector capital sponsorship - AWP	163,623	-	-	(12,586)	151,037
Private sector capital sponsorship - cricket pitch	-	15,640	-	-	15,640
	<u>27,542,442</u>	<u>122,351</u>	<u>(539,003)</u>	<u>105,883</u>	<u>27,231,673</u>
Total restricted funds	<u>27,942,009</u>	<u>12,072,950</u>	<u>(12,498,233)</u>	<u>35,000</u>	<u>27,551,726</u>
Unrestricted funds					
General funds	<u>387,280</u>	<u>311,594</u>	<u>(191,138)</u>	<u>-</u>	<u>507,736</u>
Total funds	<u>28,329,289</u>	<u>12,384,544</u>	<u>(12,689,371)</u>	<u>35,000</u>	<u>28,059,462</u>

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. Included within unrestricted funds is £60,000 specifically designated towards the replacement of the all weather pitch.

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 2023. Note 3 discloses whether the limit was exceeded.

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

18 Funds

(Continued)

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

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
Restricted general funds					
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	-	106,180	(106,180)	-	-
Other government grants	-	144,345	(144,345)	-	-
Supplementary grant	-	116,501	(116,501)	-	-
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>
Restricted fixed asset funds					
DfE group capital grants	27,134,805	704,618	(524,966)	64,362	27,378,819
Private sector capital sponsorship - cricket pitch	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>
Total restricted funds	<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>
Unrestricted funds					
General funds	291,052	222,998	(126,770)	-	387,280
	<u>291,052</u>	<u>222,998</u>	<u>(126,770)</u>	<u>-</u>	<u>387,280</u>
Total funds	<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>

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	-	-	27,231,673	27,231,673
Current assets	507,736	1,576,814	-	2,084,550
Current liabilities	-	(1,256,761)	-	(1,256,761)
Total net assets	<u>507,736</u>	<u>320,053</u>	<u>27,231,673</u>	<u>28,059,462</u>

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2022 are represented by:				
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)	-	(1,070,961)
Total net assets	387,280	399,567	27,542,442	28,329,289

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 2022.

Contributions amounting to £181,077 (2022: £171,847) were payable to the schemes at 31 August 2023 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.

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, relevant to the year ended 31 August 2023, was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation were:

- 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%.

A subsequent actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023 with the valuation results due to be implemented from 1 April 2024.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates increasing to 28.68% from 1 April 2024 (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for the service to the effective date of £262,000 millions, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million giving a notional past service deficit of £39,800 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

The employer's pension costs paid to the TPS in the period amounted to £1,275,633 (2022: £1,161,654).

A copy of the valuation reports 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 19.7% for employers and on average 6% - 10% for employees.

The total contributions made for the year ended 31 August 2023 were £414,000 (2022: £414,000), of which employers contributions totalled £322,000 (2022: £322,000). No lump sum contributions have been paid in either 2023 or 2022. Contribution rates set are derived from the March 2022 valuation. Total employee contributions were £92,000 (2022: £92,000).

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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 2022. 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 2022 funding valuation using approximate roll forward methods to the accounting date of 31 August 2023. 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 2025 with results therefore impacting the financial statements for the year ended 31 August 2026.

Financial and demographic assumptions are detailed below and are assessed specifically to the accounting date of 31 August 2023. As at the accounting date, the net discount rate (discount rate net of inflation) has again increased compared to the prior year from 4.25% to 5.20%. Conversely, the rate of CPI has fallen from 3.05% to 3.00% resulting in a marginal decrease in the pension scheme asset at the period end.

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	2023 £	2022 £
Employer's contributions	322,000	322,000
Employees' contributions	92,000	92,000
Total contributions	414,000	414,000

Principal actuarial assumptions	2023 %	2022 %
Rate of increase in salaries	4.50	3.55
Rate of increase for pensions in payment/inflation	3.00	3.05
Discount rate for scheme liabilities	5.20	4.25
Inflation assumption (CPI)	3.00	3.05

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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:

	2023 Years	2022 Years
Retiring today		
- Males	20.7	21.9
- Females	24.8	24.2
Retiring in 20 years		
- Males	19.7	22.8
- Females	26.1	25.9

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

Defined benefit pension scheme net asset	2023 £	2022 £
Scheme assets	7,017,000	7,544,000
Scheme obligations	(5,738,000)	(6,239,000)
Effect of changes in amount of surplus deemed irrecoverable brought forward	(1,305,000)	-
Effect of changes in amount of surplus deemed irrecoverable during the period	26,000	(1,305,000)
Net asset	-	-

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

	2023 Fair value £	2022 Fair value £
Equities	3,719,010	3,696,560
Bonds	2,175,270	2,414,080
Cash	140,340	226,320
Property	982,380	1,207,040
Total market value of assets	7,017,000	7,544,000

The actual return on scheme assets was £(847,000) (2022: £(127,000)).

Amount recognised in the statement of financial activities	2023 £	2022 £
Current service cost	88,000	534,000
Interest income	(327,000)	(124,000)
Interest cost	274,000	177,000
Total operating charge	35,000	587,000

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

20	Pension and similar obligations		(Continued)
	Changes in the present value of defined benefit obligations		2023
			£
	At 1 September 2022		6,239,000
	Current service cost		410,000
	Interest cost		274,000
	Employee contributions		92,000
	Actuarial gain		(1,183,000)
	Benefits paid		(94,000)
	At 31 August 2023		5,738,000
	Changes in the fair value of the academy trust's share of scheme assets		2023
			£
	At 1 September 2022		7,544,000
	Interest income		327,000
	Actuarial loss		(1,174,000)
	Employer contributions		322,000
	Employee contributions		92,000
	Benefits paid		(94,000)
	At 31 August 2023		7,017,000
21	Reconciliation of net (expenditure)/income to net cash flow from operating activities		
		2023	2022
	Notes	£	£
	Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(304,827)	13,035
	Adjusted for:		
	Capital grants from DfE and other capital income	(122,351)	(704,618)
	Investment income receivable	7 (4,438)	-
	Defined benefit pension costs less contributions payable	20 88,000	534,000
	Defined benefit pension scheme finance (income)/cost	20 (53,000)	53,000
	Depreciation of tangible fixed assets	539,003	537,553
	(Increase)/decrease in debtors	(138,258)	34,354
	Increase in creditors	185,800	114,053
	Net cash provided by operating activities	189,929	581,377

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

22 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash	1,705,788	(85,453)	1,620,335

23 Long-term commitments

Operating leases

At 31 August 2023 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £	2022 £
Amounts due within one year	137,497	133,301
Amounts due in two and five years	172,034	287,873
	309,531	421,174

24 Capital commitments

	2023 £	2022 £
Expenditure contracted for but not provided in the accounts	-	631,641

The capital commitments figure in respect of 2022 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.

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), 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.

HAZELWICK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2023*

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.