CHAILEY HERITAGE FOUNDATION

England & Wales · Charity number 1075837

Details

Other names	CHAILEY HERITAGE SCHOOL
Status	Registered
Legal form	Charitable company
Company number	03769775
Registered	1999-06-04
Register	View on the Charity Commission register

Contact

Address	Chailey Heritage Foundation Haywards Heath Road North Chailey Lewes East Sussex BN8 4EF
Phone	01825724444
Email	fduff@chf.org.uk
Website	www.chf.org.uk

Activities

Objects: THE OBJECTS OF THE CHARITY ARE FOR THE PUBLIC BENEFIT, THE EDUCATION AND CARE OF PEOPLE WHO HAVE PHYSICAL DISABILITIES AND OTHER COMPLEX HEALTH NEEDS, PARTICULARLY BUT NOT EXCLUSIVELY CHILDREN AND YOUNG PERSONS (THE BENEFICIARIES) INCLUDING THE CONDUCT AND MAINTENANCE OF A SPECIAL SCHOOL (THE SCHOOL) WITHIN THE MEANING OF THE EDUCATION ACTS AND OF A TRANSITION SERVICE FOR BENEFICIARIES (THE OBJECTS).

Activities: Chailey Heritage Foundation, based in Sussex, provides education and care services for children and young people with complex disabilities and health needs. The Charity has a special school, residential and community services for both children and young adults, as well as a range of day services for young adults.

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Classification

- **How:** Provides Services
- **What:** Education/training, Disability, Accommodation/housing
- **Who:** Children/young People, People With Disabilities

Geography

- **Area of benefit:** IN OR NEAR CHAILEY, EAST SUSSEX.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£18,373,000	£17,972,000	£19,438,000	442
2024-08-31	£17,961,000	£17,095,000	£18,958,000	417
2023-08-31	£15,613,000	£15,393,000	£17,774,000	383
2022-08-31	£14,238,000	£14,244,000	£17,666,000	410
2021-08-31	£13,104,000	£13,735,000	£18,020,000	458
2020-08-31	£12,721,000	£13,284,000	£17,945,000	447

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Trustees

Name	Role	Appointed
MARK FRANCIS CREAMER	Chair	
Alison Grover		2018-12-10
Chris Brown		2025-10-15
Christina Hart		2025-10-30
Darren Chilcott		2019-12-17
Deirdre Prower		2025-10-15
Denise Garland		2020-11-16
Jennifer Mary Clark		2016-07-14
Joanne Taylor		2025-10-15
Jonathan Ota		2025-10-15
Neil Blanchard		2025-10-15
Neil Edward Francis Bennett		2018-12-10
Professor Ashok Soni		2026-01-27

Linked charities

- CHAILEY HERITAGE SCHOOL PRIZE FUND (1075837-1)

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CHAILEY HERITAGE FOUNDATION

England & Wales - Charity number 1075837

Accounts

Annual Report & Accounts

2024-25

Chailey Heritage Foundation





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Statement from Chief Executive



Welcome

This year has been one of resilience, progress and ambition for Chailey Heritage Foundation. Despite the continuing uncertainty surrounding SEND reforms, economic pressures and a challenging labour market, we have remained steadfast in our mission: to empower children and young people with complex disabilities to live their lives to the fullest and to support their families.

I am delighted to report that, even against these headwinds, the Foundation delivered a strong and stable financial performance. Significant legacies have enabled us to invest in our site infrastructure and specialist services, while demand for our provision has remained consistently high. Alongside this, our fundraising efforts and reliable income streams have ensured we can continue to provide the exceptional care and education that define Chailey Heritage Foundation. Our unique partnership with our NHS partners in Chailey Clinical Services enables us to provide the very best provision of treatment and care to the young people with such complex needs, so families can have total peace of mind.

"Meaningful joint working between the care, health and education teams provides an effective wraparound service and ensures that there is a shared understanding of the goals that are important to the children."
Ofsted

Our commitment to increasing opportunities and experiences for children, young people and their families has never been stronger. This year, we have expanded our community services by introducing new activities through *The Activity Place*, and enhancing family support with siblings' days, holiday clubs and a dedicated family liaison service. These developments reflect our commitment to families and the belief that every child and young person should have the chance to thrive, learn and connect.

From the opening of Hazel's Kitchen and the Dervia Sensory Suite, with grateful thanks to the donors who made those amazing facilities possible, to the growth of our Tech Room and assistive technology services, we are harnessing creativity and innovation to ensure every young person can flourish and achieve extraordinary things.

Looking ahead, we are going to continue to grow our wonderful team of volunteers who give up their time so generously. We will continue to share our knowledge, influence policy and strengthen partnerships to amplify the voices of those we support by working in partnership with other organisations who support our vision. By sharing our skills and expertise within and beyond our sector, even more children and young people can benefit from our approaches.



Our strategy also focuses on strengthening our digital capabilities. We will invest in technology that empowers young people, as well as improves our operational efficiency. Alongside this, we will continue our commitment to environmental responsibility, increasing green energy use and reducing our carbon footprint. These steps will ensure Chailey Heritage Foundation remains future-ready while staying true to our values.

None of this would be possible without the dedication of our colleagues, volunteers, supporters and partners. Your commitment enables us to deliver life-changing possibilities every day.

Gareth

Gareth Germer
Chief Executive



About
Chailey Heritage Foundation

Chailey Heritage Foundation is a specialist disability charity for children and young people. We are a thriving community of support for children and young people living with complex disabilities, as well as their families.

Our Ofsted Outstanding school, welcoming residential homes and bustling centre combining gym and art therapy, a farm and café create a thriving community of support. Our expert teams dedicate time, patience and curiosity to nurturing the potential of every child and young person who comes to us.

Founded in 1903 by Grace Kimmins, we still embrace her ethos today. We believe that each child and young person should have every opportunity to fulfil their potential, no matter what the challenges. Our promise today is that:



We will never, ever, give up working with children, young people, and their families to empower them to make their own choices at every stage in life.

We have developed a world-class range of specialist services that are necessary to meet the needs of these disabled young people. We work in close partnership with Chailey Clinical Services, a nationally recognised specialist NHS tertiary service for children and young adults with complex neurological and physical disabilities. Being on the same site enables us to deliver uniquely, integrated multi-agency services for the benefit of the young people and their families.

Our Values

The Foundation aims for a values-based culture, and we expect all colleagues and volunteers to embody those values every day.

Belonging

we are a community with a shared purpose. Everyone is accepted, everyone matters.

Commitment

every day we strive to make a positive difference for the children, young people, and their families.

Ambition

we have high expectations. ‘OK’ is never good enough.

Celebration

we celebrate what we achieve together.



Our partners

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables wraparound care from a team of doctors, therapists, and other clinicians 24 hours a day.

What we do

Under the Chailey Heritage Foundation umbrella, the Charity delivers its services in three main areas:

Education

An Ofsted ‘Outstanding’ non-maintained special school for 3–19-year-olds.

Ofsted Outstanding Provider

Residential

A range of boarding options for pupils of the school and a transition service for young adults up to the age of 25.

Community Services

A range of on-site services offering the skills of our colleagues to families living in the community.

The difference we make

The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to their lives and that of their families. You will learn more about this impact as you read the case studies of the young people using our services throughout this report.

77
pupils in school

20
children access residential care

All pupils have at least 1:1 support

Number of young adults accessing residential care:
16

Bed nights for children:
4,851

Number of sessions in The Activity Place:
20,136

936
sessions of hippotherapy delivered

Bed nights for young adults:
5,123

1,443
swims in hydrotherapy pool

30
sessions delivered by our Holiday Club

Meet Eva



Eva has been part of Chailey Heritage Foundation since she was very young. Her charming wit and warm, friendly nature make her a joy to be around, and today, as a proud member of the Post-16 Hanbury Department, Eva is thriving in an environment that celebrates her independence and empowers her to take an active role in school life.

At Chailey Heritage School, Eva benefits from a bespoke curriculum tailored to her individual needs and aspirations. Her dedicated team understands how to bring out the best in her, nurturing her strengths and supporting her development. This personalised approach is central to Chailey's mission to enable every young person to achieve their full potential.

Communication is at the heart of Eva's journey. With the support of her team, Eva uses a range of tools to express herself and connect with the world around her. A key part of her communication toolkit is a device that uses Picture Exchange Communication (PEC) symbols. With it, Eva constructs sentences, asks questions, plays games, and writes stories that reflect her vibrant personality. The device speaks in a voice she chose herself; a powerful expression of her own individuality.

In addition to her device, Eva uses Makaton and British Sign Language (BSL) to engage with her peers and support team. These tools give her the flexibility to communicate in ways that feel natural and empowering, helping her build meaningful relationships and participate fully in school life.

Mel, Eva's mum highlights how

"Eva has made incredible strides in her time at Chailey, far surpassing our ideas of what she might achieve. The first time she made her "mum" sound I sobbed. She was 12!"



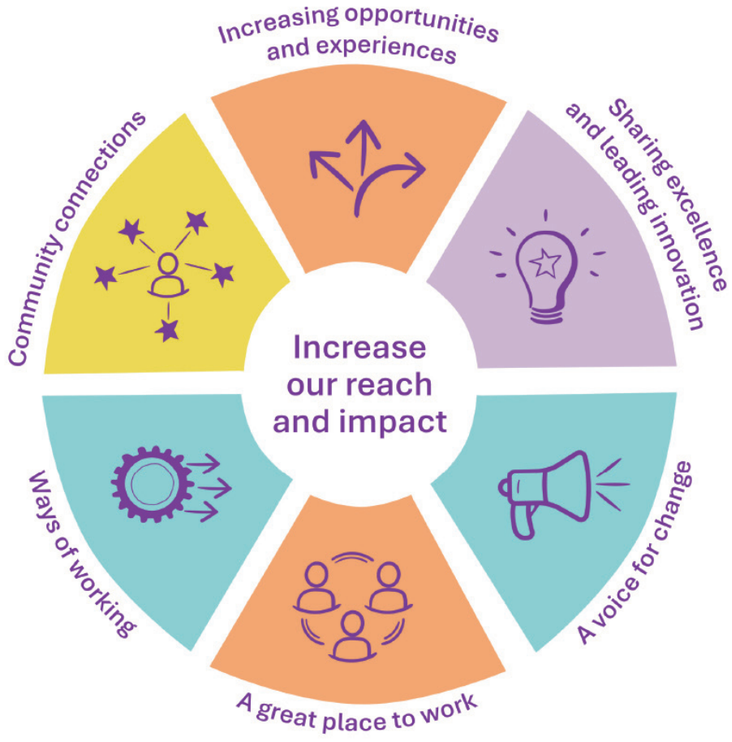
Eva's progress means that we can now better understand what drives Eva and what she needs to make her happy. What she has achieved would not have been possible without both her determination and the expertise, support and guidance she gets from Chailey.

Eva is passionate about developing her creativity, both in and outside the classroom. Whether she's crafting a short story or sharing her thoughts with friends, she brings energy, imagination, and pride to everything she does. Her dedication to improving her communication has strengthened her confidence and deepened her connections with others.

Finding Her Voice, Sharing Her World

Trustees' Strategic Report
Achievements and Performance

In 2024, we launched our new five-year strategy which focused on increasing our reach and impact. To support this, we introduced six areas of focus; three strategic priorities and three strategic enablers.



Our strategic priorities are:

1. Increasing opportunities and experiences
2. Sharing excellence and leading innovation
3. Being a voice for change

In seeking to make this difference, we will continue to grow our services and share our skills and expertise with others. We will amplify the voices of children, young people and their families to influence policymakers to better consider their needs, so that barriers to achieving potential are removed.

Our strategic enablers are:

1. Community connections
2. Ways of working
3. A great place to work

Our strategic plan cannot be delivered in isolation. We will need to draw on our community connections, invest in our people and strengthen the foundations of our organisation to grow.

Within this document, we will demonstrate what we have achieved over the past year to support the delivery of our strategy.

Strategic Priority 1:

Increasing Opportunities and Experiences

Retaining our Ofsted 'Outstanding' status for our school since 2007 is testament to the knowledge and expertise of those colleagues working in the school and the impact they have on the pupils. Every pupil has their own curriculum, built specifically for them based on their skills and desired outcomes. The endorsement from Ofsted that our innovative Individual Learner Driven (CHILD) curriculum works is high praise:

"Pupils achieve exceptionally well because of this precise and ambitious approach".

> *"Staff are experts in what they do. They have superb knowledge about profound and multiple learning difficulties. This means that support for pupils is exemplary."*
> **Ofsted**

We are very experienced at preparing pupils and their families for life after school and we aim to do everything we can to support the future placement planning process. Throughout the transition journey, we involve colleagues from school and the residential bungalows, if the young person lives with us, as well as our therapy team. These are the professionals who know the young person well, and can support them, and their family, with the move into adulthood.

"Thanks for all your help and support to get my son to National Star, I could never repay you." Parent (whose son transitioned to a specialist college, National Star)

The Activity Place

We continue to be committed to expanding access to our exceptional services for our community as too many individuals with complex disabilities still face barriers to the specialist support they need. This year, we have started to make changes to our day service offering as well as ensuring we continue to utilise innovations in technology to improve accessibility and meet our growing demand.

During the year, we transitioned the Hub and Learning Skills Centre (LSC) into the Activity Place, which will bring all of our activities together under one centralised community offering. It's a place where anyone aged 16 or over with a disability can come and make new friends, work out in the gym, relax in a sensory session and enjoy a cookery or art session.

We have also made other improvements to this community space, adding in new activities to our timetables, including immersive dance sessions and accessible tech sessions for adults and a brand-new cookery space called Hazel's kitchen.

All of these additions have helped us to provide 29% more activity sessions compared to last year, which was over 20,000 sessions in total.

FUNDRAISING

Hazel's Kitchen has been completed which has transformed an underused corner of the Foundation into a vibrant activity space tailor made for young adults from our community to explore new flavours and learn new skills, providing 25% additional capacity.



Residential service for children

We were delighted to retain our ‘Good’ rating with Ofsted for our Children’s Home at their recent inspection in November 2025. The Inspectors were complimentary in their report about our colleagues and the progress the children make: *“Children make good progress in relation to their social and emotional well-being. One child has been able to expand the range of activities they can enjoy because staff have given them sensitive support to try new experiences. Another child has been able to start spending time with their family at home. The child’s parent said, ‘The staff are lovely, and I am very happy with how well he is looked after.’”*

“Pupils thrive at this life-changing school.”
Ofsted



Inspectors also recognised the range of opportunities and experiences the children have whilst living with us: *“Children enjoy a wide range of activities that are suited to their individual interests, both inside and outside the home.Children’s ideas and preferences are explored by supporting them to try new experiences and enabling them to communicate what they like and to what extent they want to participate. Children have been on holidays and had adventurous days out. For example, one child with complex health needs was helped to enjoy rides at a theme park.”*

“Staff understand and support children’s individual communication needs. Children who are non-verbal are supported to share their views. Staff are skilled at responding to signs that children are becoming upset and use a sensitive approach to help them calm. Support is provided with a sense of fun, and children are continuously helped to make choices. This means that children’s feelings are considered and respected.” Ofsted

“I wanted to thank you again for all your support. I genuinely couldn’t have managed some of those conversations with (social worker) without your help, it was such a difficult experience and your support meant so much.”
Parent

Family services and support

We continue to put the families of the children and young people we support at the centre of our work and have continued the expansion of family services with siblings’ days, holiday and after-school clubs. As well as providing support for families at every step of their journey with us, we also enjoy celebrating achievements together. We hold our annual Celebration Day at the end of the summer term, where extended families get together to celebrate the successes of their young people.

The dedicated Family Room is well used by all families as a place to relax, meet up together and is especially helpful out of school hours for families visiting their young people who live with us in the bungalows.

“Now we are living life again, whereas before we were just existing. We have time to breathe, have a social life, and even go on holiday! Seeing my son so settled and happy is extremely reassuring. The staff at Chailey Heritage are amazing and we feel so blessed that he’s able to live his life to the full there.”
Parent



”I enjoy sibling days because I meet new people and see friends I made last time.”
Sibling

Funded through a separate linked charity, our Family Liaison Workers assist families throughout the year, on arriving at the school, in the annual review, during times of transition and by arranging social coffee mornings during term time.



Celebration Day



Engineering and Assistive Technology

Our Engineering and Assistive Technology teams continue to provide and adapt specialist equipment that enables young people to communicate, move and learn more independently. From powered mobility and positioning systems to custom switches and communication aids, every solution is tailored to individual need.

The Tech Room has gone from strength to strength, expanding session availability through the Activity Place to include members of the wider community.

Its popularity has led to plans for a second Tech Room within the school, ensuring we can meet the growing demand for accessible and innovative technology support.

"The Family Liaison Worker has helped and supported me when filling out complicated forms which are so important for our child's future."
Parent

"Chailey has really far exceeded our high expectations ... and of course, they take my son's likes into account and he gets to do all his favourite things whilst having new adventures and experiences too ... he really is living his best life."
Parent



The Dervia Sensory Studio

FUNDRAISING

The Dervia Sensory Studio now provides three purpose-built individual sensory rooms where pupils at the school can experience environments designed by our expert team to support education, all sensory needs and development goals.

Meet Ellisha



Meet Ellisha, one of the inspiring young people who attends the Activity Place. With determination, expert guidance, and cutting-edge technology, Ellisha is taking bold steps towards greater independence and self-expression.

Working closely with our Assistive Technology team, Ellisha has been mastering the use of eye gaze communication; a transformative tool that allows her to interact with the world using only her eyes. Through focused practice and the unwavering support of our specialists, Ellisha has now received her own eye gaze device from NHS Chailey Clinical Services.

This technology has opened a new world of communication for Ellisha. By simply looking at words and symbols on a screen, she can now express her thoughts, needs, and personality with confidence. It's a powerful reminder of how the right tools, in the right hands, can unlock potential.

But Ellisha's journey doesn't stop there.

She's now integrating eye gaze into her daily life at home; from turning up the TV volume with a glance to messaging her family on WhatsApp. These milestones are more than just technological achievements, they're steps towards autonomy, connection and independence.



Empowering Communication, Enabling Potential

Strategic Priority 2:

Sharing Excellence and Leading Innovation

We continue to share our skills and expertise within and beyond our sector so that more children and young people can benefit from our approaches. This year we have ensured that we continue to offer learning opportunities for others, as well as developing partnerships ourselves.

Opening our doors

Over this year, our school has hosted numerous educational visits from schools and universities from around the world to learn about our CHILD curriculum and how we deliver education to meet the needs of all pupils. We continue with the successful delivery of the Sex Factor (PSHE curriculum) to schools across the country.

We have a growing presence nationally for our expertise in transitions for young people with disabilities and delivered external presentations this year on preparation for post-compulsory education, including at the International Children and Families Conference.

As well as sharing our expertise on learning, we are developing collaborative research partnerships with UK and European universities, exploring how technology can support neurological development, communication and independence.



Strategic Priority 3:

A Voice for Change

We want to become a voice for change to amplify the experiences of children and young people living with complex disabilities as well as those of their families. This year, we have started that work by commissioning research and forging alliances with other organisations to influence policy at a local, regional and national level.

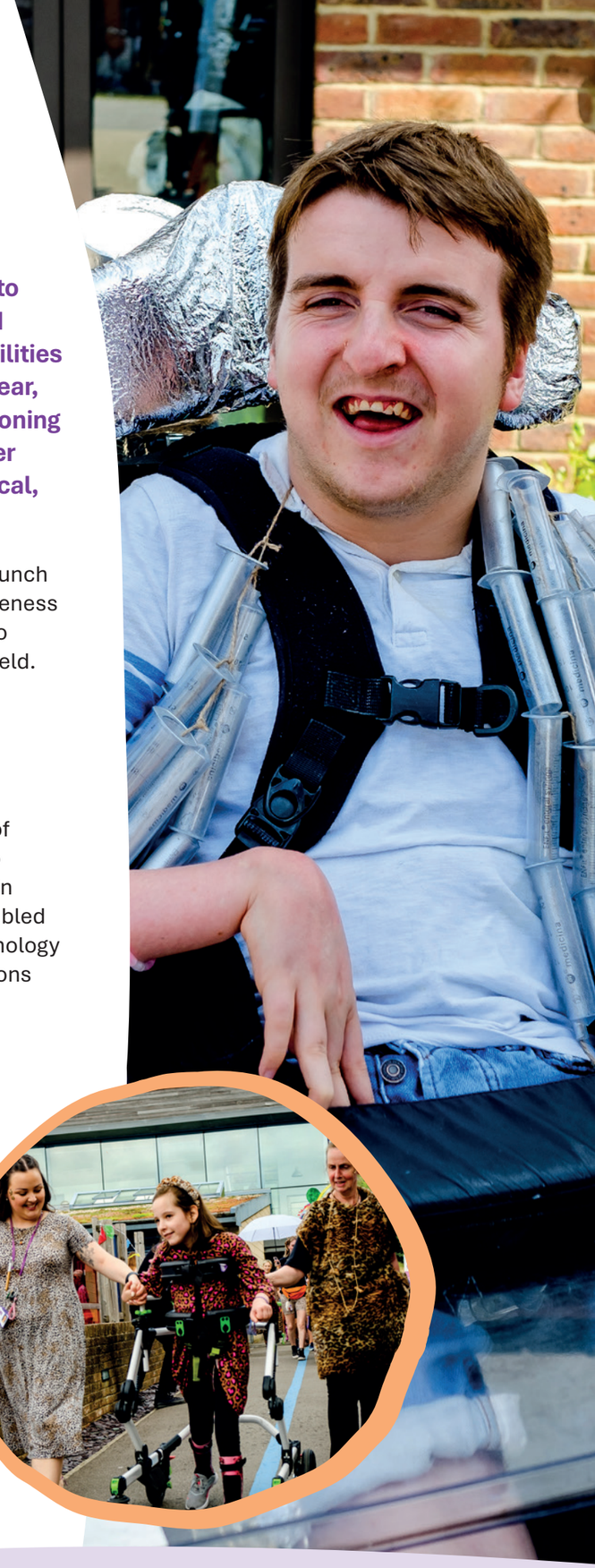
Our refreshed brand was supported by the launch of our new website, enabling us to raise awareness of our work, reach new audiences and start to position ourselves as an expert voice in our field.

Active in our sector

Within the wider disability sector, we have made active progress with our membership of The Voluntary Organisations Disability Group (VODG) which represents organisations within the voluntary sector who work alongside disabled people. This year, our CEO and Head of Technology were involved in shaping VODG's IT Applications and Infrastructure Benchmarking Survey and analysing its findings. We have also been involved with their individual professional network meetings.

We have a close connection with the National Association of Special Schools, sharing our expertise and our specialised CHILD Curriculum. During the year, our Chief Executive, Gareth Germer, was a member of the NASS Trustee Board.

We were delighted to welcome the Dame Vera Lynne Children's Charity with their move to our site and to offer their children access to our life-changing facilities. We look forward to working in partnership with more charities in the coming year.





Strategic Enabler 1:

Community Connections



Our aim is to harness the strength and resources of our local community to help us grow. Increasing the support from our local community through fundraising, volunteering activities and commercial income will help fund the resources we need to deliver our new strategy.

Volunteering

We are immensely grateful to all our volunteers, including our Trustees and Governors, who give their valuable time and expertise in so many ways. Our therapeutic horse riding could not operate without the volunteers who support our colleagues and specialist Hippotherapists. This specialist horse riding requires four people to support each young person taking part in a riding session; two of these people are usually volunteers.

"Volunteering has given me a sense of purpose and achievement. The flexibility allows you some freedom which suits my life. I have met people in the local community and it gives me a sense of belonging."
Volunteer

"It is life affirming – seeing the interaction of children with the horses and how they benefit from the physiotherapy."
Volunteer

As well as concentrating on recruiting more volunteers to help with our essential services, this year's focus has been the development of a Volunteer Framework to enhance how volunteers are recruited, supported, and recognised at Chailey Heritage Foundation. We have grown our volunteer base this year from 56 to 71. Our aim is to ensure every volunteer feels valued and appreciated for the vital role they play. Volunteer events were held during the year to share the charity's five-year strategy, gather feedback on the volunteer experience, and to socialise and celebrate the charity's history and services.



Highlights of the last year included four long-serving volunteers representing the charity at a Royal Garden Party at Buckingham Palace, radio interviews with Ashdown and Mid Downs Radio, and a Volunteers' Week social media campaign, recognising our dedicated team.





The Best of British Event

Community fundraising

Supporters have taken on incredible challenges including marathons, channel swims, mountain climbs, and more, helping us to raise funds and awareness.

There have been a number of amazing fundraising events which make an invaluable contribution and also raise the profile of the charity. From charity lunches in Brighton for 500 guests with our partners at Best of British, to wonderful concerts performed by the talented Jumbo Ensemble and Coro Nuovo, and golf days for longtime supporter Vistry Homes South East, we are grateful for all your hard work and commitment.



We have forged connections with local primary schools and a number of secondary schools that have helped fundraise for The Bradbury Den. They will be involved with the community elements of the build and will be able to access this wonderful resource, alongside pupils from Chailey Heritage School, once it is completed in the Spring of 2026.



An Artist's Impressions of the Bradbury Den

FUNDRAISING: *The Bradbury Den*

Work is now underway to build a unique learning and community space on our Patchwork Farm which will utilise local materials and traditional building techniques to create an eco-friendly, indoor-outdoor space for the children at Chailey and our local community.

Meet Seth





For eight-year-old Seth, the hydrotherapy pool has played a vital role in his journey towards greater independence.

Seth lives with congenital myopathy and significant hypotonia, which means he has very low muscle tone and requires a permanent tracheostomy to breathe. When he joined Chailey in 2021, he was unable to support the weight of his own head; a challenge that limited his ability to communicate and interact with the world around him.

Thanks to the specialist hydrotherapy pool, Seth now has access to a warm, weightless environment where he can move freely, safely and joyfully. In the water, he's no longer confined by his wheelchair. He can stretch, float and explore his body's capabilities in ways that aren't possible out of the water.

Through regular sessions, Seth has developed the ability to nod and shake his head, giving clear 'yes' and 'no' responses to those who help to support him, putting him in control of his communication and right to decide.

"It gives Seth his right to choose. He can decide where he wants to go and when he wants to turn, instead of always relying on someone else to make those decisions for him."
Support team



Donations help fund the hydrotherapy pool and therefore fundraising plays a critical role in maintaining and expanding these services, ensuring that more young people like Seth can benefit from the same opportunities.

Seth's story is a testament to what's possible when specialist facilities and expert care come together.

Strategic Enabler 2:

Ways of Working

We remain committed to modernising and streamlining our operations. By making the best use of our resources, mitigating risks, and focusing on sustainable growth, we strive to create a secure, efficient, and future-ready environment for our residents, students, and colleagues.

This year, we have implemented several key improvements to our systems and infrastructure, ensuring that we continue to deliver high-quality services while enhancing safety, efficiency, and user experience.

Modern systems and secure operations

We completed the move to modern, cloud-based systems through Microsoft 365, improving reliability, data security and access for staff. Upgrades to our network and Wi-Fi have reduced disruptions and improved connectivity across the site.

Cybersecurity remains a key priority, with enhanced device protection, better access controls and continued staff training. The rollout of SAGE Intacct, our new finance system, was completed successfully, bringing greater transparency and efficiency.

Site Developments

Ensuring our site can operate to provide the services and support for our community is fundamental and so, this year, we have completed the solar panel installation, upgraded part of the school's roof and introduced a new Nurse Call system.

Environmental Sustainable

Following investment in further solar panels, which came fully online this year, the electricity we produce ourselves has jumped from 0.3% of the total used to 12%. This has helped reduce our carbon emissions significantly.

Heating the water for the hydrotherapy pool uses a lot of gas; this year a project examined the backwash process which uses unheated water. By adjusting this process, it keeps the pool water a more constant temperature so requiring less top-up heating.

Solar panels on one of our bungalows







The Chailey Carbon Challenge (CCC) is the charity's plan to reduce our carbon footprint, switch to sustainable energy sources and reduce energy consumption and waste. During the year, we ran a campaign to raise awareness among colleagues to switch off equipment overnight and at weekends. We have examined room heating controls - turning down thermostats, adjusting heating out of hours, where possible, and changing the temperature of air conditioning units.

Our SECR carbon emissions for the financial reporting year 2024-25 amounted to 382 tCO2e, with 68% arising from gas consumption.

Absolute emissions have fallen by 9% since last year and relative emissions (compared to turnover) are down by 20%. With no green electricity purchased this reporting year, market-based emissions have fallen by 1% and 13% respectively.

Further information can be found in the Streamlined Energy and Carbon Report (SECR) on page 39.

Looking ahead

Our future focus is on strengthening the Foundation's data and digital maturity - using information more effectively, exploring the responsible use of Artificial Intelligence, improving digital engagement with families and supporters, and expanding the use of mobile technology to support colleagues.

We have made the decision to purchase green electricity again, starting the new contract from September 2025.

Our goal remains clear: to use technology thoughtfully and creatively to empower young people and enhance the quality of life for everyone at Chailey Heritage Foundation.

Strategic Enabler 3:

A Great Place to Work



We are proud of all the colleagues who work at the Foundation. Our ability to expand access to our services relies on having a strong team of skilled and dedicated individuals to deliver them effectively. We continue to strengthen our credentials as a great place to work; a place where colleagues feel proud to belong, supported to develop, and empowered to make a difference. Our focused People Plan underpins this, helping to deepen the culture, capability and connections that make Chailey Heritage Foundation a unique and rewarding place to work.

Recognition and Rewards

We have maintained our Living Wage Employer accreditation, as well as introduced enhanced maternity leave, further family-friendly policies and provided additional benefits through introduction of a free mortgage advice service.

This has been a year of consolidating progress and building stability, creating the conditions for colleagues to feel better supported, informed and equipped to do their best work. While turnover remains an area of focus, progress in several areas demonstrates the impact of sustained attention to communication, leadership and the overall colleague experience.

Colleague wellbeing has continued to increase in focus, with visible investment in initiatives that support connection, recognition and appreciation. The introduction of Foundation Day marked an important milestone, bringing colleagues together from across the Foundation to celebrate achievements, share experiences and strengthen our sense of belonging. Alongside this, targeted communications, campaigns and local wellbeing activities have helped ensure colleagues feel valued and supported throughout the year.

Feedback from colleagues

Understanding how colleagues feel about working here remains central to our success. The 2025 Colleague Engagement Survey provided valuable insight into what matters most: pride, purpose and connection.

The survey achieved a 62% response rate, up from 42% the previous year, reflecting stronger engagement and willingness to share feedback. The Engagement Index rose to 7.3/10, showing high levels of purpose and alignment with our mission.

Feedback reinforced that colleagues value the supportive, team-oriented culture and feel motivated by the difference they make for the children and young people in our care. Insights from this survey are already shaping our priorities for 2025/26, with an emphasis on visible leadership, clearer development pathways and enhanced recognition, ensuring every colleague feels heard, appreciated and supported.



The Engagement Index rose to 7.3/10, showing high levels of purpose and alignment with our mission.



Learning and development

Supporting people to grow and learn is so important with the need for such a highly skilled workforce to support the complex needs of the children and young people we care for. The launch of People Learn, our new digital learning platform, and the opening of our dedicated Learning Space represent major steps forward in making development more accessible, visible and meaningful for everyone.

Since launch, People Learn has recorded more than 1,153 logins and over 3,766 course completions, including hundreds of optional courses beyond mandatory requirements. This is a clear sign of growing engagement in personal and professional development.

Our leadership development offer has also strengthened, with ongoing People Manager training and accredited programmes such as the Principles in Team Leading qualification. Colleagues continue to value the opportunity



to build skills, confidence and consistency in how they lead.

Together, these developments reflect a visible shift toward a culture of shared learning, collaboration and professional pride, helping to ensure that every colleague feels supported to develop and contribute their best.

People Learn has recorded more than 1,153 logins and over 3,766 course completions

The Learning Space





FUNDRAISING: *The Learning Space*

"The Learning Space" is a new dedicated centre for colleagues from across the Foundation to develop their skills, gain specialist qualification and pursue their career goals.

Looking ahead

Further enhancements to our benefits and recognition programmes are planned for 2025/26, as we continue to build a fair, supportive and inclusive environment where colleagues feel valued and appreciated. We will be introducing a new Pay and Performance Framework and accompanying behaviours model.

By continuing to listen, act and build on what we have achieved, we will ensure Chailey Heritage Foundation remains a place where people feel valued, connected and proud to be part of our shared purpose.

Gender Pay Gap

You will find our full report on page 36 and also on our website.

84% of our expenditure is for colleague resource



Number of colleagues (headcount):



Number of colleagues (FTE):







Fundraising

We continue to be humbled by the generosity of our supporters, who help make it possible to deliver the specialist services, facilities and experiences that enable the children, young people and their families to reach their individual goals.

Our specialist services differentiate Chailey Heritage Foundation from other service providers:

- **Hydrotherapy:** Individual physiotherapy sessions in our accessible pool, supporting mobility and leisure for families and the wider community.
- **Hippotherapy:** Specialist riding sessions using the motion of ponies to deliver unique physiotherapy experiences.
- **Farm Therapy:** Inclusive sessions at Patchwork Farm, promoting interaction with animals and nature.
- **Aquamovers:** Combined speech, language, and physiotherapy for pre-school children, fostering early community connections.





In the past year, in addition to supporting the running costs of the specialist services, grants have funded a range of capital projects, which are showcased throughout our report:

- **The Bradbury Den:** Construction underway for an eco-friendly learning and community space on Patchwork Farm. This project was generously funded by many trust supporters as well as community fundraisers.
- **Hazel's Kitchen:** Completed and now providing a vibrant cooking space for young adults to learn new skills. This new facility was generously supported by the Hazel Usher Fund and named in memory of Hazel Usher, a passionate advocate for people with disabilities.
- **The Dervia Sensory Studio:** Nearing completion, offering three bespoke sensory rooms for education and development. The funds for this amazing new facility were kindly donated by The Dervia Foundation.
- **The Learning Space:** A dedicated centre for staff training and career development.



The Bradbury Den under construction

Registered with FUNDRAISING REGULATOR



Hazel's Kitchen

Friends of Chailey Heritage

During the year, the Friends of Chailey Heritage, long-standing supporters, decided to wind down the charity. The final balance of their funds was donated to Chailey Heritage Foundation to continue to support our family services' offering. We are very grateful to everyone who was involved with the Friends of Chailey Heritage over so many years.

Our commitment to donors

We are committed to best practice in fundraising, and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising. We have a Fundraising Policy, which is updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in our Fundraising Policy and our Complaints Procedure, which can be found on our website.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants/ professionals/third parties who are not part of the Charity must be agreed by the Trustees' Development Committee and have the written agreement of the Director of Specialist Services and Income and Chief Executive prior to use by the Charity. As a matter of Policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We use a third-party organisation – Unity – to run our lottery. In all cases, we have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity's fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

We take our responsibility towards supporters who may be considered vulnerable very seriously and our fundraising team have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. All fundraising staff undertake relevant training, such as safeguarding, and our Fundraising Policy and procedures are reviewed regularly. All fundraising activity for the Foundation is supervised, coordinated, and directed by the Director of Specialist Services and Income under the guidance of the Chief Executive and Trustees' Development Committee. The Trustees' Development Committee regularly reviews all fundraising activity of the Foundation, and the Director of Specialist Services and Income reports to the full Board of Trustees three times a year.

We welcome third party initiatives in organising events on behalf of the Foundation and will, wherever we are aware, ensure that these third parties adhere to the Fundraising Policy and the Charity's Principles for Fundraising.

No complaints were received by the Charity or by a person on behalf of the Charity.

Registered with FUNDRAISING REGULATOR

Trustees' Report on Financial & Other Statutory Matters

Achievements and performance

The report and accompanying financial statements have been prepared under the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued.

Our strategy and performance against our strategic goals are discussed in detail on pages 10 to 29 of this annual report.

Financial Review

The main pressures felt by the Foundation during the year, as with previous years, were those of availability of colleagues and inflation.

However, Local Authorities and Commissioners continue to face funding challenges, particularly around their High Needs Funding. This continues to severely impact our ability to increase our fees to fully reflect the true cost of providing our services. Overall, total Net Operating Income (before investment gains/ losses) was a surplus of £401k (2024: £866k) this year due to unanticipated legacy income of £400k. Our investment portfolio showed an unrealised gain at year end of £79k (2024: £318k), resulting in an overall Net Income of £480k (2024: £1,184k) for the year for the Foundation.

In line with our Charity ethos, all the surplus funds are reinvested in the Foundation for the benefit of the children and young people.

Financial Activities and Results

In the year to 31 August 2025, our total income was £18.4m (2024: £18m). The increase was mainly due to inflation and the increasing needs, and therefore cost, of the children and young people we support. Pupil numbers fell by 2 to 77, sadly due to a higher number of bereavements (5) than anticipated during the year.

In the same period, total expenditure has risen to £18m (2024: £17.1m). This increase was mainly due to increased staffing based on the needs of our young people.

The Foundation always strives for a positive return in all of its services. The Unrestricted General Fund made an overall deficit of £17k for the current year (2024: surplus of £315k) before the net gain on investments.

The overall surplus generated by the Foundation of £480k is due in large part due to legacies income of £756k.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. The investment portfolio showed a net unrealised gain at the year-end of £79k (2024: gain £318k) which is encouraging given market volatility.

The balance sheet continues to show the significant investment the Charity has made in leasehold buildings and equipment, with £12.7m invested in fixed assets or 65% of the Charity's total funds. For example, we invested in several new solar panels and the replacement of St Martin's school roof. Fundraising also provided £70k for a new kitchen skills area and £90k for sensory rooms in the school.

Debtors increased by £2m due to VAT charged on fees of £0.5m, a delay in raising invoices in previous financial year of £0.5m, an increase in accrued income of £0.3m relating to legacies recognised but not yet received as well as a general increase in accrued income due to the increase in 52-week boarders. Creditors also increased by £1.8m due mainly to an increase in deferred income of £0.9m relating to timing of tuition and social care fees and VAT due to HMRC of £0.6m. Cash balances have increased by £0.1m to £1.9m (2024: £1.8m) due in part to the surplus generated in the financial year.

Funds

At year end, the Charity had total accumulated funds of £19.4m (2024: £19m); of this £12.7m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued. The Trustees are in the process of purchasing the freehold.

The remaining accumulated funds of £6.7m are split between unrestricted funds, which have increased to £6.3m (2024: £5.7m), and restricted funds of £0.4m (2024: £0.5m).

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. Designated funds amounted to £0.86m at year end (see Note 20 on page 58), whilst £5.5m (2024: £5.1m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls.

Free Reserves Position

Over the year, the Trustees undertook a full review of the Foundation's Reserves Policy to ensure it continues to support the long-term financial sustainability of our services for children and young people with complex disabilities. The updated policy reaffirms the classification of reserves into Restricted, Unrestricted – Designated, and Unrestricted – General (free reserves), and sets out a strengthened framework for assessing financial risks and ensuring appropriate resilience. In doing so, the Trustees considered the organisation's income profile, our reliance on local authority funding, operating cost pressures, and the need for flexibility in responding to unexpected events.

Following this review, the Trustees agreed a revised free reserves target range of £4m to £5m, informed by a structured assessment of financial risks, including potential disruption to income from major commissioners, working-capital requirements equivalent to two months of expenditure, and the need to retain financial capacity for emergency capital investment. This level is broadly comparable with similar organisations in our sector and reflects the Trustees' desire to balance prudent risk management with the effective use of funds for current beneficiaries. Designated reserves continue to be used to support planned strategic initiatives, including investment in capital assets and technology improvements.

The Trustees have decided to designate reserves totalling £0.86m. This mainly relates to the purchase of the freehold of the site and a replacement roof on the hydrotherapy pool.

At 31 August 2025, the Foundation's unrestricted free reserves totalled £5.5m, a position above the upper end of the Trustees' agreed target range. This temporary increase was driven by the receipt of a substantial unrestricted legacy of £0.4m late in the financial year. The Trustees consider this timing-related variance to be appropriate and consistent with the overall intent of the policy, and they remain satisfied that reserves are being managed prudently. Based on the Foundation's planned capital investments, it is expected that free reserves will return to within the target range within the next two financial years.

Investment Policy and Performance

Funds expected to be required in the short term are typically placed with banks in the money markets through prime financial institutions.

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustees' Finance, Audit & Risk Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Finance, Audit and Risk Committee. The investment portfolio valuation increased by £79k (net) this year (2024: Gain of £318k).

Principal risks and uncertainties

Risk management processes

The Board of Trustees has oversight of the risks faced by the Charity and is responsible for ensuring that effective and adequate risk management and internal control systems are in place.

A robust risk management process focuses on risks that could impact on current service delivery and the Charity's future development. There is an active risk management process at both Trustee Board and Governing Board with risk management as a standing item on the agenda for all Board and sub-committee meetings. The level of risk and changes in likelihood and impact are tracked closely together with the effectiveness of risk mitigation measures.

The register is updated termly to reflect any new or changing risks. Trustees review the summary of top risks at each main Board meeting.

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes, with escalation to the Executive Leadership Team and Governors as necessary.

Risk Profile

Chailey Heritage Foundation manages a high level of operational risk every day because of the complexity and high health needs of the children and young people we support. We operate in a highly regulated sector, and dedicate considerable governance, leadership and management time to monitor risk and the effectiveness of our controls framework. The main risk areas in 2024-25 have been:

Risk	Key Controls & Mitigation
A failure to adequately safeguard results in harm to a child or young person in our care.	• Robust internal processes for reporting, recording and learning from safeguarding events. • Good relationships and open communication with East Sussex officers in Children's and Adult services. • Strong governance oversight of safeguarding including a dedicated committee. • A strong emphasis on core training, systems and reporting mechanism to ensure safeguarding concerns are quickly and consistently identified and escalated to a team of safeguarding leads.
Regulatory compliance and performance falls below 'Good' leading to a withdrawal of children and young people.	• Currently all CQC and Ofsted regulated services are rated as 'Good' or 'Outstanding'. • Strong governance oversight of the regulated school and social care services within a dedicated committee structure. • Quality function to develop, embed and ensure quality standards. • Robust leadership and management systems and processes focussing on a learning culture, quality and service improvement.
A data protection or cyber security incident interrupts service and results in fines or reputational damage.	• Digital investment programme including upgraded firewall, systems renewal and adoption of cloud-based systems. • Cyber-attack scenario testing. • Training and awareness raising for colleagues and volunteers and adoption of NHS Data Security Protection Toolkit (NHS DSPT).
Economic conditions remain difficult impacting income and operating costs.	• Prudent, risk-based prioritisation of expenditure. • Maintaining a suite of effective financial controls and monitoring including in-year reforecasting, spend analysis and reserves position. • Strong fundraising offer and increasing focus on income diversification.
Relationships with Local Authorities coupled with increasing competition results in falling pupil numbers and an unviable school.	• Chailey Heritage School continues to be 'Outstanding' and capable of meeting the complex health needs of pupils. • Multi-disciplinary NHS, education and care teams operate a nationally recognised centre of excellence that freely shares professional practice across the sector. • A continuing focus on accepting referrals for children whose needs cannot be met in other settings. • Plans to increase residential capacity to enable national catchment, reducing the reliance on local demand.
Failure to maintain a safe, compliant, and accessible environment could harm service delivery, risk falling below a 'Good' rating, and result in reputational, organisational, and financial impacts.	• Governance structure in place to provide robust oversight. • Statutory compliance is overseen by the Finance, Audit and Risk Committee. • Regular external scrutiny, audits and inspections provide assurances around compliance, for example Fire Safety. • Planned preventative maintenance schedules are in place to ensure compliance.
Colleague or volunteer conduct, attitude and/or behaviour results in reputational damage.	• Rigorous recruitment, screening and background checks, including DBS clearances. • Use of structured interviews to ensure candidates alignment with organisational values. • Comprehensive training and induction programmes.
Local authority insolvency result in the commissioning of statutory services only, or the justification for fee reductions (reported £5bn deficit across all LAs).	• Fair Pricing Charter Introduced Plan to review fee structure and strengthen ties with key commissioners. • Focus on income diversification e.g. moving to national catchment.
Failure to improve employee engagement and grow our workforce hampers organisational effectiveness.	• Development of a new workforce strategy and implementation plan covering the employee journey. Phase 1 to focus on recruitment, pay, reward and recognition. • Strong governance oversight from a dedicated People & Culture Committee.

Outlook

Despite the ongoing challenging economic conditions, constrained labour market, and continuing pressures on local authority budgets, Chailey Heritage Foundation's performance in 2024-25 was robust. We achieved an operating surplus, enabling essential future investments in our site infrastructure and services. However, this was in large part due to significant legacies in year without which the Foundation would have been in a deficit position. Demand for our services continues to be strong, complemented by steady fundraising performance and income from other sources.

Our capacity to expand our reach and maximise impact is closely tied to growing our frontline workforce. Addressing this critical need, we have prioritised investment in a new workforce strategy designed to attract, retain, and support the skilled colleagues required to deliver exceptional care and education.

Despite ongoing workforce challenges, the Foundation continues to provide a safe, high-quality, and impactful service to the children and young people who rely on our support. This reflects our commitment to maintaining the highest standards while adapting to an ever-changing environment.

Environment, social and governance

Chailey Heritage Foundation is a registered Charity (number 1075837) and also registered in England as a Company limited by Guarantee (number 3769775).

Our Charitable Objects

The objects of the Charity are, for the public benefit, the education and care of people who have physical disabilities and other complex health needs, particularly but not exclusively children and young persons (the beneficiaries) including the conduct and maintenance of a special school (the School) within the meaning of the Education Acts and of a transition service for beneficiaries.

The Trustees do not expect services for those over 25 years of age to make up more than 10% of our charitable income.

Demonstrating Public Benefit

In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity (PB2)'. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay.

We believe we comply fully with this requirement; our Report on Operations and Strategy includes examples of the public benefits Chailey Heritage Foundation offers and areas in which we believe we are providing innovative leadership to the sector.

The Trustees are committed through their strategic plan to increasingly share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded specialist services such as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local community. The Dream Centre has also enabled more people living locally to benefit from the Charity's very specialist facilities.

Another aspect of the Charity's public benefit is our work in partnership with other charities, helping the most disabled children and their families.

Governing documents

The company, established in 1999, is governed by its Memorandum and Articles of Association. With the consent of the Charity Commission, the Charity changed its name from Chailey Heritage School to Chailey Heritage Foundation with effect from September 2012 to reflect the wider range of provision now offered.

The Scheme of Delegation was superseded by the Schedule of Authority in December 2024. It establishes a comprehensive and transparent framework for decision-making, delegation, and accountability across Chailey Heritage Foundation, clearly defining roles, responsibilities, and approval thresholds for key operational, financial, legal, and strategic activities. Its purpose is to standardise and strengthen governance, ensure compliance with organisational and regulatory requirements, and support effective and efficient management by setting out who can make which decisions and at what level.

The wholly owned trading subsidiary of the Charity, Chailey Heritage Trading Company Limited, was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). It has been inactive since incorporation.

Boards

Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible for securing the effective and efficient operation and management of all services including the School, Chailey Heritage Residential and Chailey Heritage Futures.

Those who served as Trustees during the year are shown on page 59.

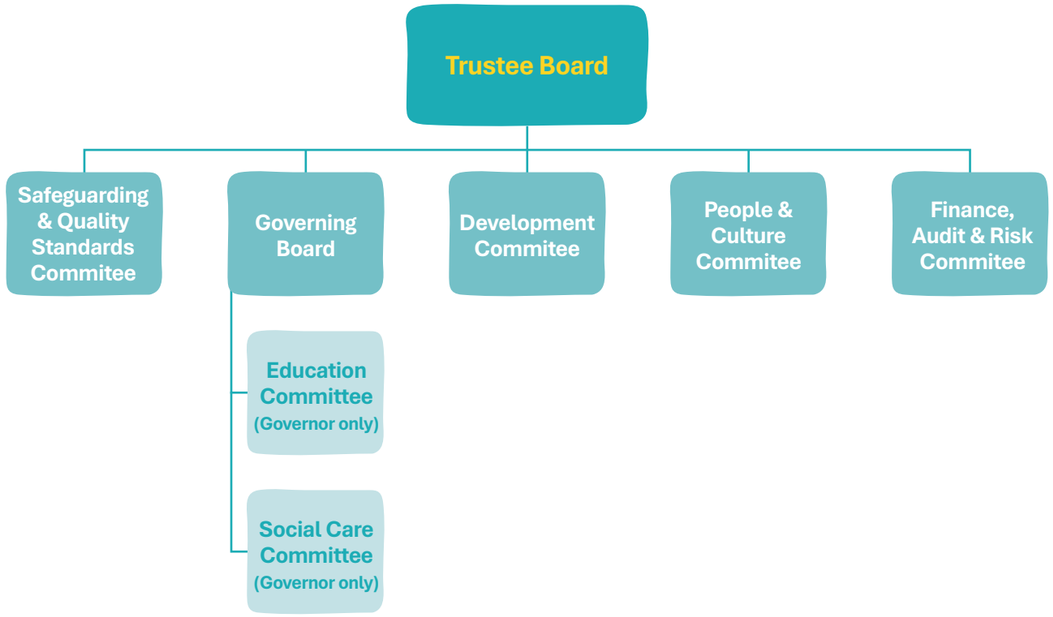
The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. Trustees are appointed for an initial term of four years, with a second term of four years after that. The current Board includes depth of skills in finance, property, health, investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation and they recognise the importance of the Charity Governance Code. Several Trustees completed their terms or chose to retire during the year. Following a successful recruitment campaign, we were delighted to welcome six new Trustees to the Board in October 2025.

Following a review of its governance model in 2024, the Trustees implemented a more streamlined committee structure. The Trustees meet as a full Board at least three times a year. In the new governance structure, the principal joint Trustee and Governors sub-committees are Safeguarding & Quality Standards, Finance Audit & Risk, Development and People & Culture.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and colleagues. The full Board meets termly and also fulfils its role though its two very active sub-Committees and termly focus visits to services.

The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. The Governing Board has two principal sub-committees which all meet termly before the main Board meeting to deal with Education and Social Care business.

In addition to the Boards of Governors and Trustees, the Executive Leadership Team comprising the Chief Executive, Headteacher, and Directors of Care, People & Culture, Resources, Specialist Services & Income Generation and the Company Secretary meets weekly and monthly.



Trustee induction and training

New Trustees are briefed on their legal obligations under Charity and company law, the content of the governing documents, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

During the induction, they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

As part of their ongoing training, Trustees are also given briefings on current 'hot topics' during the year.

Funds held as custodian

There are no arrangements where the Charity or Trustees are acting as financial custodians.

GDPR

Compliance with the General Data Protection Regulation remains a high priority here. We are continually taking steps to improve our handling of personal data and to ensure compliance. All colleagues are provided with training on the subject alongside general cyber security. The Charity has also received accreditation from the NHS Data Security and Protection Toolkit.

Report to Charity Commission

During the year, the Trustees submitted two Serious Incident Reports to Charity Commission in total. One concerned a current employee and the other incident involving fraud against one of our donors.

Safeguarding

The children and young people we care for are especially vulnerable due to their complex needs. Disabled children are more than three times likely to be abused than non-disabled. All our colleagues and volunteers are DBS checked and they are all committed to safeguarding and undergo extensive safeguarding training with specifics regarding disability.

Safeguarding policies are reviewed and updated annually and there is annual safeguarding update training, to ensure that all colleagues are up to date with changes in national guidance for adults as well as children and in Foundation policies and procedures. Governors and Trustees also receive annual updates.

Everyone in the organisation who is involved with the recruitment of colleagues follows safer recruitment guidelines and senior colleagues have attended Safer Recruitment Training. The Safeguarding Governor scrutinises the single central register at least three times a year and conducts spot check recruitment processes and training for newly appointed colleagues.

The Headteacher is the Foundation lead for Safeguarding and works with a team of trained Designated Safeguarding Officers (DSLs) who are the first point of contact with for any safeguarding issues. Progress on current safeguarding incidents is reviewed weekly by the Chief Executive (also a trained DSL), Headteacher and Director of Care.

Governors and Trustees take their safeguarding responsibilities very seriously and ensure that they are up to date with latest development through training and detailed reports. Governors check colleagues understanding of safeguarding processes on their focus visits to services.

Oversight is detailed and rigorous and both Governor and Trustee Boards have members with safeguarding experience at senior level. The joint Trustees' and Governors' Safeguarding & Quality Standards Committee meets three times a year. It is chaired by the Lead Safeguarding Governor who reports to Governors and Trustees three times a year.

The Safeguarding Governor is informed of serious safeguarding incidents and meets at least once a term with the Foundation Safeguarding Lead and DSLs to review the management of incidents identify trends or matters of concern and discuss any recommendations from lessons learned.

The outcomes of the Annual East Sussex Safeguarding Self-Assessment are reported to Governors and Trustees each year. Trustees have an opportunity to question the Safeguarding Governor and Foundation Safeguarding lead when they present their annual report in the autumn.

Remuneration policy

The Foundation is committed to ensuring that we pay our colleagues fairly and competitively to attract the skills needed to deliver and support our services. The People & Culture Committee considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

- **the nature of the role and responsibilities based on the job evaluation.**
- **salaries in the relevant sector.**
- **benchmarking against regional competitors.**
- **public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body.**
- **the Living Wage.**

For 2025-26, our colleagues were awarded a 3% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and colleagues. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits reviews at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure.

Gender pay gap

We're committed to promoting equality and inclusion in all aspects of our work. As of April 2025, our mean gender pay gap stands at 17%, a decrease from the previous year, reflecting progress in addressing pay disparities.

Chailey Heritage Foundation is confident that our gender pay gap does not arise from unequal pay for men and women performing the same or equivalent work. We ensure that pay awards, salary benchmarking, and other compensation-related practices are conducted fairly and without bias, regardless of gender. The gender pay gap is more reflective of the distribution of roles within our organisation, alongside the salaries and working patterns linked to these roles.

While the sector's structural dynamics pose ongoing challenges in closing the gender pay gap, we are fully committed to addressing this issue. Our focus remains on implementing robust attraction strategies and creating an inclusive, equitable, and empowering workplace for all.

The full report can be found here.

The following chart shows our Mean and Median data over the past three reporting years:

	05-Apr-23			05-Apr-24			05-Apr-25		
Gross Hourly rate of pay	Male	Female	Difference	Male	Female	Difference	Male	Female	Difference
Mean	£16.64	£13.58	**22.5%**	£17.75	£14.61	**17.7%**	£18.65	£15.48	**17.0%**
Median	£12.47	£12.47	**0%**	£13.86	£13.12	**5.3%**	£14.43	£13.33	**7.7%**

Trustees' duty to promote the success of the charity (Section 172 statement)

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- **the likely consequences of any decision in the long term.**
- **the interests of the Company's employees.**
- **the need to foster the Company's business. relationships with suppliers, customers, and others.**
- **the impact of the Company's operations on the community and the environment.**
- **the desirability of the Company maintaining a reputation for high standards of business conduct.**
- **the need to act fairly as between members of the Company, (the "s.172(1) Matters").**

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging, 'Commitment', 'Ambition' and 'Celebration' (as set out on page 6) underpin decision making at all levels and engagement with all our stakeholders.

The children and young people in our care are at the heart of all the Charity does, and their interests are fundamental to Trustees' decisions.

Decision making for the long term

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, colleagues, and volunteers. Our five-year strategy was launched in January 2025.

Further information on our strategic priorities and how these have been delivered together with our plans for the future can be found on pages 10 to 29.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's colleagues and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. The well-being of colleagues continues to be a high priority and a number of new employee benefits are being introduced in September 2025, including a basic level healthcare cash plan.

Trustees continue to promote our employee assistance programme.

Trustees aim for the charity to be a fully inclusive community where everyone can be their authentic selves and there is equity for everyone to pursue their potential. They recognise that there is some way to go but have made it a strategic priority and part of our People Plan.

Further information on how we promote the interests of our colleagues can be found in "A great place to work" on page 24.

Impact on the community and the environment

Community

The Charity has been part of Chailey community for over 120 years, and it is now one of the largest employers in the area. It also has strong links to local companies and philanthropists who support the Charity in many ways.

We continue to run our popular Aquamovers provision which started in 2015 and benefits pre-school children and their parents/guardians.

Our hydrotherapy pool is still used by outside clubs and groups e.g. Puddleducks and Waterbabies.

The indoor learning space extension at Patchwork Farm, known as The Bradbury Den, commenced construction in September 2025 and is scheduled to be completed and operational by April 2026.

One of our new strategic priorities is to involve the community in helping us to grow by increasing their support through fundraising, volunteering and growing our commercial income by letting out our specialist facilities.

Environment

In developing its long-term strategic plan, the Trustees reaffirmed their commitment to embedding environmental sustainability across all aspects of the Charity's operations, recognising that achieving net-zero will require sustained, realistic progress over the coming decades. As set out in our Site Development Plan, environmental sustainability is one of our three core Site Development Priorities, and during 2024/25 we initiated work on a comprehensive Sustainability Strategy that will include a clear pathway to reach net-zero by 2050. While some clinical requirements, such as the essential use of medical consumables, mean that a zero-carbon position is not immediately attainable, the Trustees remain committed to reducing the Charity's carbon footprint wherever possible and to offsetting where appropriate.

This year's estate developments have continued to incorporate sustainability measures, including the integration of Solar PV panels into major roof projects, such as the forthcoming Aquatics Centre roof repair, alongside the design of new facilities such as *The Bradbury Den*, which embeds energy-efficient and low-carbon principles. As we move forward, environmental considerations will increasingly shape our operational plans, capital investments, and selection of suppliers, ensuring that sustainability becomes a golden thread running through the Charity's decision-making for many years to come.

Our Streamlined Energy and Carbon Report can be found below.

Maintaining high standards of business conduct

Compliance and Good Practice

Chailey Heritage is committed to maintaining high standards both in the delivery of its services and its governance. Trustees ensure they are familiar with regulators' guidance and regulatory frameworks and take on board relevant recommendations from new guidance. Policies are reviewed on a three-year cycle and updated as required to reflect changes in guidance.

The Charity supports children and adults who are particularly vulnerable because of their physical and learning disabilities and therefore safeguarding is a priority; it is the responsibility of everyone, and Trustees and Governors monitor safeguarding compliance and case management closely and expect the highest standards.

Trustees follow best practice and guidance of the Charity Commission and Fundraising Regulator when establishing policies and making decisions affecting the charity. Our commitment to donors demonstrates the high standards the Trustees expect of the Fundraising Team and the Fundraising Policy includes the right to refuse a donation where it may be considered unethical.

Governance and Management

The Charity's operation is subject to a number of different regulators including CQC, Ofsted, the HSE, Fundraising Regulator, Information Commissioners, and the Charity Commission. The Charity aspires to the highest standards. Senior managers are responsible for ensuring regulatory compliance, that the organisation's policies followed, and the Foundation's values are embodied in service delivery and the conduct of its colleagues and volunteers. The Trustee Board monitors this directly and holds management to account through its sub committees, particularly the Governing Board.

We can confirm that no fundraising complaints were received during the reporting period covered by this annual report.

Further information on Structure, Governance and Management can be found on page 34.

In setting its policies and strategic direction, due consideration is given to the issues identified in Section 172. We also expect high standards from our suppliers and contractors including strict compliance with DBS requirements and sound business practice.

We operate policies to ensure the Charity secures best value and aim to build long term relationships with key suppliers. We are very grateful to those suppliers who have supported our Fundraising projects.

SECR Carbon Reporting

It is a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

Our SECR carbon emissions for the financial reporting year 2024-25 amounted to **382 tCO2e**, with 68% arising from gas consumption.

Absolute emissions have fallen by 9% since last year and relative emissions (compared to turnover) are down by 20%. With no green electricity purchased this reporting year, market-based emissions have fallen by 1% and 13% respectively.

Energy Efficiency Projects

Following investment in further solar panels, these came fully online this year. Thus, the electricity we produce ourselves has jumped from 0.3% of the total used to 12%. This has helped reduce our carbon emissions significantly.

Heating the water for the hydrotherapy pool uses a lot of gas; this year a project examined the backwash process which uses unheated water. By adjusting this process, it keeps the pool water a more constant temperature so requiring less top-up heating.

Additionally, we have examined room heating controls, including turning down thermostats, adjusting heating when closed and the temperature of air conditioning units.

We have run a campaign to raise awareness amongst colleagues to switch off equipment overnight and at weekends.

We have decided again to purchase green electricity again, starting the new contract from September 2025.

SECR Emissions Calculations - Methodology

We have reported on all the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2025.

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Location-based emissions are calculated as the average emissions intensity of the electricity grid, while market-based emissions take into account green energy purchasing.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO2e)

	Unit	2024-25	2023-24	% change
Energy consumption	kWh	**2,155,080**	**2,175,356**	
Scope 1 - Direct Emissions	tCO_2e	281.5	279.7	
Scope 2 - Energy Indirect Emissions - location-based	tCO_2e	98.0	138.1	
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e	98.0	103.0	
Scope 3 - Other Indirect Emissions	tCO_2e	2.8	1.6	
Total SECR Emissions - location-based	**tCO_2e**	**382.3**	**419.4**	**-9%**
Relative SECR Emissions - location-based	**tCO_2e/£m**	**20.0**	**25.1**	**-20%**
Taking into account green energy purchased				
Total SECR Emissions - market-based	**tCO_2e**	**382.3**	**384.3**	**-1%**
Relative SECR Emissions - market-based	**tCO_2e/£m**	**20.0**	**23.0**	**-13%**

Auditors

Our attached financial statements have been audited by Crowe U.K. LLP who were appointed in 2025 following an audit tender process (carried out in 2024). Their report thereon and on other matters they have to consider, that follows on pages 42 to 44 in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

Statement of Trustees' responsibilities

Statement of Trustees' responsibilities

The Trustees (who are also directors of Chailey Heritage Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- **select suitable accounting policies and then apply them consistently.**
- **observe the methods and principles in the Charities SORP.**
- **make judgements and estimates that are reasonable and prudent.**
- **state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- **prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors of the Charity under company law and is signed on its behalf by:



Mark Creamer
Trustee



Denise Garland
Trustee

Date: 18 December 2025

Independent Auditor's Report to the Members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- **give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its income and expenditure, for the 31 August 2025 then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been prepared in accordance with the requirements of the Companies Act 2006.**

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- **the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **the strategic report and the 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 light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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 and proper accounting records have not been kept; or**
- **the financial statements 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 trustees' responsibilities statement set out on page 41, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charity SORP (FRS 102), and local tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the charitable company's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the charitable company for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy and grant income, capital projects and management override of controls. Our audit procedures to respond

to these risks included enquiries of management and the Finance, Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Jayne Rowe

Jayne Rowe
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP
Statutory Auditor
London

Date: 19th December 2025

Statement of Financial Activities
For the Year Ended 31st August 2025
(Including income and expenditure account)

	Notes	Unrestricted Funds General £'000s	Unrestricted Funds Designated £'000s	Restricted Funds £'000s	2025 Total £'000s	2024 Total £'000s
INCOME FROM:						
Donations, legacies and grants	**3**	1,005	-	756	1,761	1,721
Charitable activities:						
Fees	**4**	16,232	-	-	16,232	15,842
Ancillary income		144	-	-	144	183
Investments	**5**	144	-	-	144	173
Other		92	-	-	92	42
Total income		17,617	-	756	18,373	17,961
EXPENDITURE ON:						
Raising funds:						
Financing costs	**6**	18	-	-	18	16
Fundraising costs	**6**	184	-	-	184	196
		202	-	-	202	212
Charitable activities:						
Operating costs	**7**	17,378	36	-	17,414	16,470
Use of Donations and Appeal		54	-	302	356	413
		17,432	36	302	17,770	16,883
Total expenditure		17,634	36	302	17,972	17,095
Net (expenditure) / income before investment gains	**8**	(17)	(36)	454	401	866
Net gains on investments	**13**	79	-	-	79	318
Net Income/(Expenditure)		62	(36)	454	480	1,184
Gross transfers between funds	**19**	268	273	(541)	-	-
Net movement in funds		330	237	(87)	480	1,184
Total funds brought forward		17,824	622	512	18,958	17,774
Total funds carried forward		18,154	859	425	19,438	18,958

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The notes on pages 48 to 58 form part of these accounts.

Balance Sheet
As at 31st August 2025

	Notes	2025 £'000s	2024 £'000s
FIXED ASSETS			
Tangible assets	**12**	12,697	12,753
Investments	**13**	4,605	4,427
		17,302	17,180
CURRENT ASSETS			
Debtors	**14**	5,075	3,116
Cash at bank and in hand	**15**	1,941	1,777
Total Current Assets		7,016	4,893
LIABILITIES			
Creditors : Amounts falling due within one year	**16**	(4,880)	(3,115)
NET CURRENT ASSETS		2,136	1,778
Creditors : Amounts falling due after one year		-	-
TOTAL NET ASSETS		19,438	18,958
ACCUMULATED FUNDS	**18,19**		
Restricted funds			
Invested in tangible fixed assets		-	-
Other		425	512
		425	512
Unrestricted funds			
Designated funds		859	622
General fund : invested in tangible fixed assets		12,697	12,753
General fund : free reserves		5,457	5,071
		19,013	18,446
TOTAL FUNDS		19,438	18,958

The financial statements on pages 45 to 47 were approved by the Board of Trustees and issue on **18 December 2025** and signed on their behalf by

M. Creamer
Trustee

D. Garland
Trustee

Company No: 3769775

Statement of Cash Flows
For the Year Ended 31st August 2025

	2025 £'000s	2024 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	995	1,188
Cash flows from investing activities		
Dividends, interest and rents from investments	144	173
Purchase of property, plant and equipment	(876)	(494)
Proceeds from sale of investments	10	13
Purchase of investments	(109)	(147)
Net cash used in investing activities	(831)	(455)
Change in cash and cash equivalents in the reporting period	164	733
Cash and cash equivalents at the beginning of the reporting period	1,777	1,044
Cash and cash equivalents at the end of the reporting period	1,941	1,777

Reconciliation of net income to net cash flow from operating activities

	2025 £'000s	2024 £'000s
Net income	480	1,184
Adjustments for		
Depreciation charges	857	1,064
Loss on disposal of fixed assets	75	116
Net (gains) on investments	(79)	(318)
Investment income	(144)	(173)
(Increase)/Decrease in debtors	(1,959)	41
Increase/(Decrease) in creditors	1,765	(726)
Net cash provided by operating activities	995	1,188

Accounting Policies and Notes to the financial statements For the Year Ended 31st August 2025

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 59. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS102 and has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and the current economic climate on the ability of the charitable company to continue as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the current economic climate continuing throughout 2025/26 in some form or other and the subsequent pressures on fee income and costs.

After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2025, as in the previous year.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Donations are accounted for when the amounts are received or are measurable and certain at the date of the accounts. Donations in kind are accounted for when the benefit is measurable and supported by third party verification.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Grants receivable are accounted for over the period to which they relate. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Such deferred income relating to grants is included in deferred income in creditors.

Tax recoverable under Gift Aid is accounted for when it is received.

Donations, legacies and grants are only treated as Restricted if they are subject to specific wishes of the donors.

Investment income is accounted for on an accruals basis.

e) Expenditure

Liabilities are 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. All expenditure is accounted for on an accruals basis.

Irrecoverable Vat is included with the item of expense to which it relates.

f) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less appropriate depreciation. Items costing less than £2,500 are not capitalised unless they form part of a larger capital project costing more than £2,500.

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives:

Leasehold property and improvements	2-4%, 10% or 25% depending on the asset life
Motor vehicles, furniture and equipment	25% per annum on cost
Computer equipment and software	25% per annum on cost
Hoists / longer life equipment	10% per annum on cost

Depreciation starts in the month of purchase or month first used whichever is the later.

Fixed assets acquired with restricted funds are treated as Restricted Fixed Assets in the accounting year in which they are purchased or brought into use, if later. When fully operational these assets are reclassified as Unrestricted, unless the donor specifically requests they remain as Restricted or the Appeal Fund which funded them remains open.

g) Investments

Investments are initially recorded at cost and subsequently measured at fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

h) Pension costs and other post-retirement benefits

The Foundation operates with two different pension schemes as described in note 10.

(1) Teachers are members of the Teachers Pension Scheme.

(2) A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

Contributions to all schemes are charged in the Statement of Financial Activities as they fall due.

i) Fund Accounting

Restricted funds are funds for specific purposes imposed by the donor or by the terms or nature of the appeal under which the funds were raised. The restrictions are binding upon the Trustees of the Charity.

Unrestricted Funds are analysed between (a) General funds available to the Charity for its general purposes, including past funds deployed in tangible fixed assets; and (b) Designated funds, formally earmarked by the trustees at their discretion for specific spending.

j) Operating leases

Rentals paid under operating leases are charged to expenditure as incurred.

k) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and on surpluses of any trading activities carried on in furtherance of the Charity's primary objects. The Charity's non-primary trading activities are also tax exempt as below the current taxable threshold.

The Charity became VAT registered from 1 January 2025.

l) Other financial instruments

i) Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of 95 days or less.

ii) Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their present value, which due to the short term nature of the balances is the transaction price.

m) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees, no judgements were required that have a significant effect on amounts recognised in the financial statements, nor do any estimates or assumptions made carry significant risk of material adjustment in the next financial year.

3. Donations, legacies and grants

Year to 31 August 2025

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2025 Total £'000s
Donations	249	-	388	637
Legacies	756	-	-	756
Grants	-	-	368	368
	1,005	-	756	1,761

Year to 31 August 2024

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2024 Total £'000s
Donations	152	-	707	859
Legacies	653	-	-	653
Grants	-	-	209	209
	805	-	916	1,721

Government grants received relate to teachers pay and maintenance of the School grants.

4. Income from Charitable activities

	2025 £'000s	2024 £'000s
Education fees	5,686	5,430
Social Care fees	10,546	10,412
	16,232	15,842
Ancillary income	144	183

A very high proportion of our fees come from Local Authorities and Clinical Commissioning Groups.

Ancillary income is mainly from the provision of riding and swimming outside school hours and Café income.

Acting as agent:

During the year the Charity acted as agent in relation to income received from Local Authorities and Clinical Commissioning Groups. The charity has no discretion over the use of these funds, and they are excluded from the Statement of Financial Activities.

The Charity received £825K (2024: £729K) and paid £733k (2024: £772K) in respect of funds held as agent. At the year end, £245K (2024: £153K) was held on behalf of third parties and is included in Note 16 Creditors - Due within one year.

5. Investment income

All income in the current and comparative year relates to unrestricted funds.

6. Cost of raising funds and financing costs

All costs of raising funds and financing costs in the current and comparative year are charges to unrestricted funds.

7. Analysis of charitable expenditure

Year to 31 August 2025

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2025 £'000s
School	4,326	145	1,600	214	6,285
Social Care	6,698	471	2,721	374	10,264
Other charitable activities	385	145	66	269	865
	11,409	761	4,387	857	17,414

Year to 31 August 2024

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2024 £'000s
School	3,816	123	1,407	274	5,620
Social Care	6,688	570	2,390	506	10,154
Other charitable activities	239	115	58	284	696
	10,743	808	3,855	1,064	16,470

Year to 31 August 2025

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2025 £'000s
Staff costs	689	1,172	28	1,889
IT costs	198	337	8	543
Maintenance	127	216	5	348
Insurance	38	65	2	105
HR costs	48	82	2	132
Utilities	245	415	10	670
Professional fees	21	36	1	58
Other	234	398	10	642
	1,600	2,721	66	4,387

Year to 31 August 2024

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2024 £'000s
Staff costs	552	935	22	1,509
IT costs	192	326	8	526
Maintenance	148	250	6	404
Insurance	34	58	1	93
HR costs	74	126	3	203
Utilities	230	392	9	631
Professional fees	12	21	1	34
Other	166	282	7	455
	1,408	2,390	57	3,855

Support costs have been allocated to Operating areas on the following bases:
Staff costs - time spent
Depreciation - usage of related assets.
Other expenses - floor area or headcount.

Support costs include governance costs of £33k (2024: £28k).

8. Net operating income/(expenditure)

	2025 £'000s	2024 £'000s
Auditors' remuneration	33	28
Depreciation of tangible fixed assets	857	1,064

9. Employment costs

	2025 £'000s	2024 £'000s
Wages and salaries	11,840	11,044
Social security costs	1,080	891
Pension contributions (see note 10)	778	655
	13,698	12,590

Agency costs of £440K (2024: £596k) are included in the above.

The average number of employees in the year was 442 (328 full time equivalent) (2024: 417 (312 full-time equivalent)).

9. Employment costs (cont.)

Average number of full-time equivalent employees by area:	2025	2024
School	118	114
Social Care	151	148
Support	50	40
Fundraising	5	6
Other	4	4
	328	312

Emoluments of Highest Paid Employees	Number of Employees 2025	2024
£60k-70k	5	4
£70k-80k	1	1
£80k-90k	0	2
£90k-100k	3	0
£100k-110k	0	0
£110k-120k	0	0
£120k-£130k	1	1

Pension contributions for highest paid employees were £105k (2024: £55k).

As at the end of the financial year we had 71 (2024: 57) active volunteers available to help across our services.

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) (the TPS) for its teaching staff. The pension charge for the year included contributions payable to TPS of £282,057 (2024: £163,086) and at the year-end £36,665 (2024: £28,310) was accrued in respect of contributions to this scheme.

The TPS is a multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended), the Teachers Pension Scheme Regulations 2014 (as amended) and The Teachers Pension Scheme (Amendment) Regulations 2025. Members contribute on a "pay as you go basis" with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the valuation report was published in October 2023.

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

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

The average number of employees in the scheme is 19 (2024 : 19).

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Foundation's responsibility is to pay the agreed level of contributions for eligible staff who decide to join.

All new staff, except teachers (unless they have opted out of TPS), are auto-enrolled into this scheme after completion of three month's service and having attained the age of 18 years. For the period from 1 September 2024 to 31 August 2025, the employer contribution rate was 4% (2024: 4%) for the main scheme. Employees can opt in to an enhanced scheme after six months of service, where the employer rate is 7.5% and employee contribution is 5%.

The average number of employees in the scheme is 379 (2024: 361).

The pension charge for the year was £482,512 (2024: £491,564).

At the year end there were accrued contributions due of £80,136 (2024: £87,231).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2024: £nil). Donations totalling £3k (2024: £2.8k) were received from related parties (Trustees and employees) during the year without conditions. No expenses were reimbursed to the Trustees or Governors during the year (2024: £nil). A transaction in the prior year which constitutes a Related Party Transaction with a Trustee is disclosed in note 24.

Key management comprises the Chief Executive and other members of the Executive Leadership team. The total employee emoluments of the charity's key management personnel were £605k (2024: £494k). The increase is due to the restructured Executive Leadership team being in post for a full year.

12. Tangible Fixed Assets

	Freehold Land	Leasehold Property, Buildings and improvements	Computers, Furniture, Equipment and Motor Vehicles	Total
	£'000s	£'000s	£'000s	£'000s
Cost or valuation				
1 September 2024	18	21,839	2,951	24,808
Recategorisation of assets	-	47	(48)	(1)
Additions	-	666	210	876
Disposals	-	(145)	(80)	(225)
31 August 2025	18	22,407	3,033	25,458
Depreciation				
1 September 2024	-	9,968	2,087	12,055
Recategorisation of assets	-	204	(244)	(40)
Charge for year	-	661	196	857
Disposals	-	(59)	(52)	(111)
31 August 2025	-	10,774	1,987	12,761
Net book values				
31 August 2025	18	11,633	1,046	12,697
31 August 2024	18	11,871	864	12,753

The leasehold property represents the buildings on the site at Chailey which is leased fromSussex Community NHS Foundation Trust. The lease was extended in 2021 until 29th June 2143 and, under its terms, £1 per annum is paid but the Charity is responsible for all maintenance of the site and buildings.

In the unlikely event that the Charity was to discontinue its activities, the property (including all investment in the site by the Charity) would revert to Sussex Community NHS Foundation Trust as lessor for no consideration.

13. Investments

	2025 £'000s	2024 £'000s
Investments held at 1 September	4,427	3,975
Funds withdrawn	(10)	(13)
Net income reinvested	109	147
Net unrealised and realised gains in the year	79	318
Market value at 31 August	4,605	4,427
Historical cost at 31 August	4,329	4,228
Investments at market value consist of :		
Listed Investments registered in UK	4,605	4,427
Cash held as part of investment portfolio	0	1

All investments are listed apart from the £1 unlisted investment held in Chailey Heritage Trading Company Limited, a subsidiary company (note 2c).

The investment portfolio is held primarily for the long term sustainability of the Charity, having regard to the financial risks inherent in operating the Charity - for example those arising from undue fluctuations in income, pupil numbers and costs - and to provide additional income to the Charity.

14. Debtors

	2025 £'000s	2024 £'000s
Fees	4,007	2,500
Sundry debtors	1	0
Prepayments	464	340
Accrued income	603	276
	5,075	3,116

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

£2,827k of 2025 debtors (2024: £1,942k) relates to invoices raised in August in respect of the next financial year and the amount can fluctuate due to the timing of the raising of invoices. These invoices are treated as deferred income (note 17).

15. Cash at bank

Cash and deposits represent (1) working capital balances on current accounts held primarily for the day-to-day operations of the Charity and (2) amounts invested on the money market with prime institutions which are required in the short and medium term for capital projects and to maintain an adequate level of general liquidity.

16. Creditors - Due within one year

	2025	2024
	£'000s	£'000s
Taxation and social security	815	193
Trade creditors	513	425
Other creditors	249	118
Accruals	479	437
Deferred income	2,824	1,942
	4,880	3,115

Included within 'Other Creditors' are accrued pension contributions of £117k (2024: £116k).

Included within 'Deferred Income' is Department of Education funding for Autumn Term received in August £63k (2024: £64k).

Deferred income brought forward was all utilised during the current year.

All creditors are financial instruments and are measured at present value.

17. Deferred income

Deferred income comprises	2025	2024
	£'000s	£'000s
Balance at 1 September	1,942	2,758
Amount released to incoming resources	(1,942)	(2,758)
Amount deferred in the year (note 16)	2,824	1,942
Balance at 31 August	2,824	1,942

18. Analysis of Net Assets by Fund

Year to 31 August 2025	Tangible Fixed Assets	Investments	Net Current Assets	2025 Total
	£'000s	£'000s	£'000s	£'000s
Restricted funds	-	-	425	425
Unrestricted funds:				
Designated funds	-	-	859	859
Fixed assets fund	12,697	-	-	12,697
General funds : free reserves	-	4,605	852	5,457
	12,697	4,605	2,136	19,438

18. Analysis of Net Assets by Fund (cont.)

Year to 31 August 2024	Tangible Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	2024 Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Restricted funds	-	-	512	-	512
Unrestricted funds:					
Designated funds	-	-	622	-	622
Fixed assets fund	12,753	-	-	-	12,753
General funds : free reserves	-	4,427	644	-	5,071
	12,753	4,427	1,778	-	18,958

19. Analysis of Charitable Funds

	Restricted Funds	Balance 1 September 2024	Incoming resources	Resources expended	Transfers	Balance 31 August 2025
		£'000s	£'000s	£'000s	£'000s	£'000s
a)	Grants	-	368	-	(328)	40
b)	Donations towards major projects and equipment	512	388	(302)	(213)	385
		512	756	(302)	(541)	425
	Total Restricted funds	512	756	(302)	(541)	425

a. The Department of Education grants received of £328k have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.

b. Comprises donations received towards specific capital projects/expenditure eg Patchwork Farm, Riding, Hydrotherapy pool and transferred out to reflect those amounts spent to date.

	Unrestricted funds	Balance 1 September 2024	Incoming resources	Resources expended	Transfers	Balance 31 August 2025
		£'000s	£'000s	£'000s	£'000s	£'000s
	Designated fund	622	-	(36)	273	859
	Fixed asset fund	12,753	-	(932)	876	12,697
	General funds : free reserves	5,071	17,617	(16,623)	(608)	5,457
	Total Unrestricted funds	18,446	17,617	(17,591)	541	19,013

19. Analysis of Charitable Funds (cont.)

Incoming resources above include the net unrealised and realised gains/losses on investments.

Designated Fund:
The £859K represents amounts designated in 2023 for the purchase of the freehold, and in 2025 for work on the swimming pool roof and contribution to The Bradbury Den build.

Fixed Asset Fund:
This represents the net book value of the Charity's land, buildings and equipment.
Total tangible assets of £12,696k are shown in the Charity's balance sheet.
They are analysed in note 12 on page 54.
The transfer of £876k to fixed asset funds is unrestricted additions in the financial year of £699k, restricted additions of £71k and additions from designated funds of £106K.

General Fund:
The unrestricted general fund of £5,457k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance.
The transfer out of £(608k) is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

20. Financial Commitments

The charity has 5 non-cancellable operating leases at year end 2025 (2024: 3)

	2025 £'000s	2024 £'000s
< 1 year	45	22
2-5 years	114	86
> 5 years	0	2
	159	110

21. Capital Commitments

At the balance sheet date the Charity had capital commitments totalling £nil (2024: £25k).

22. Legacies

As at 31 August 2025, the Charity had been notified of 4 new legacies (2024: 2) for which payment had not been received. In accordance with the Charities SORP (FRS 102), these amounts have been recognised as receivables in the financial statements, as entitlement had been established and the amounts could be measured reliably. The legacies were substantially settled during the final quarter of 2025.

23. Control

The charitable company is under the control of its members who are its Trustees. No one member has sufficient voting rights to control the charitable company.

24. Related Party Transactions

During the year, the Charity received a donation of £nil (2024 : £17k) from Jewell Bequest in relation to the employment of a family liaison officer. A charity in which one of the Trustees is also a trustee.

25. Post Balance Sheet Event

The Trustees have entered into a contract to purchase the freehold of the charity's principal site. At the balance sheet date, completion of the transaction had not occurred.

Completion is expected to take place shortly after the date of approval of these financial statements. The transaction represents a non-adjusting event after the reporting period.

Trustees, Executive & Professional Advisors



Royal Patron HRH The Duchess of Gloucester GCVO

President Verena Hanbury MBE DL

Trustees and Governors

The Trustees of Chailey Heritage Foundation (who are also the directors of the company for the purposes of company law) and the Governors who served throughout the year unless otherwise stated were:

Trustees

Mark Creamer **(Chair)**
Michael Atkinson (retired December 2024)
Lucinda Baker LVO (retired September 2025)
Neil Bennett
Neil Blanchard (appointed October 2025)
Helen Britton (retired July 2025)
Christopher Brown (appointed October 2025)
Darren Chilcott
Jenny Clark
Denise Garland
Alison Grover
Christina Hart (appointed October 2025)
Andrew Hodson (retired September 2025)
Charles Kimmins (retired September 2025)
Jon Ota (appointed October 2025)
Deirdre Prower (appointed October 2025)
Joanne Taylor (appointed October 2025)

Co-opted Committee Members

Andrew Hodson
Julia James

Governors

Jo Bell (appointed September 2025)
Darren Chilcott
Chris Corion (appointed September 2025)
Jenny Clark **(Chair)**
Susan Duke (retired December 2025)
Alison Grover
Lawrence Mudford
Kelly Platt (appointed June 2025)
Deirdre Prower (retired October 2025)
Christine Russell-Vick (appointed March 2025)
Julie Tilbury
Jenny Turner

Executive Leadership Team

Chief Executive: Gareth Germer
Headteacher: Richard Green
Director of Social Care: Eirian Levell
Director of Resources: Mike Wilson
Director of People & Culture: Joanne Peppard
Director of Specialist Services & Income: Will Folkes
Company Secretary: Fiona Duff

Auditors

Crowe UK LLP, 55 Ludgate Hill, London, EC4M 7JW

Bankers

National Westminster Bank, 1 Muster Green, Haywards Heath, West Sussex, RH16 4AP

Solicitors

Bates Wells, 10 Queen Street Place, London, EC4R 1BE

Investment Managers

Rathbones Investment Management Limited, 8 Finsbury Circus, London, EC2M 7AZ

Registration Information

The Registered Office and principal address of the Company is at Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF



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ChaileyHeritageFoundation

ChaileyHeritageFoundation

ChaileyHeritageFdn

Registered Charity No. 1075837 and Company limited by Guarantee No. 3769775 (England)

Chailey Heritage Foundation

CHAILEY HERITAGE FOUNDATION

England & Wales - Charity number 1075837

Accounts



Annual report and accounts

2023-2024

Chailey Heritage Foundation



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About Chailey Heritage Foundation

Chailey Heritage Foundation is a specialist disability charity for children and young people. We are a thriving community of support for children and young people living with complex disabilities, as well as their families.

Our Ofsted Outstanding school, welcoming residential homes and bustling centre combining gym and art therapy, a farm and café create a thriving community of support. Our expert teams dedicate time, patience and curiosity to nurturing the potential of every child and young person who comes to us.

Founded in 1903 by Grace Kimmins, we still embrace her ethos today. We believe that each child and young person should have every opportunity to fulfil their potential, no matter what the challenges.

We have developed a world-class range of specialist services that are necessary to meet the needs of these disabled young people. We work in close partnership with Chailey Clinical Services, a nationally recognised specialist NHS tertiary service for children and young adults with complex neurological and physical disabilities. Being on the same site enables us to deliver uniquely, integrated multi-agency services for the benefit of the young people and their families.

Our Promise

"We will never, ever give up working with children, young people and their families to empower them to make their own choice at every stage in life."

Our values

The Foundation aims for a values-based culture, and we expect all colleagues and volunteers to embody those values every day.



Belonging
We are a community with a shared purpose. Everyone is accepted, everyone matters.



Commitment
Every day we strive to make a positive difference for the children, young people and their families.



Ambition
We have high expectations; 'OK' is never good enough.



Celebration
We celebrate what we achieve together.

What we do

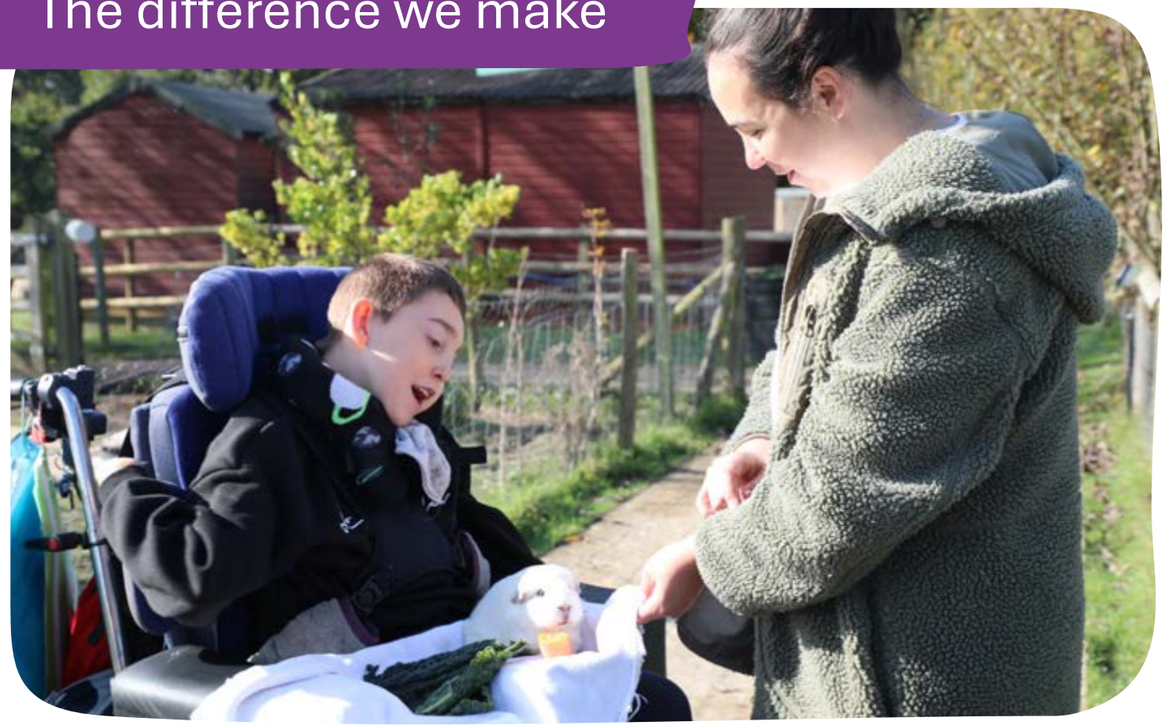
Under the Chailey Heritage Foundation umbrella, the Charity delivers services in three main areas:

Education
An Ofsted 'Outstanding' non-maintained special school for 3-19 year olds.

Residential
A range of home-from-home options for pupils of the school and a transition service for young adults up to the age of 25.

Community Services
A range of on-site services offering the skills of our staff to families living in the community.

The difference we make



The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to their lives and that of their families. You will learn more about this impact as you read the case studies of the young people using our services throughout this report.

NUMBER OF PUPILS IN THE SCHOOL: 79

BED NIGHTS FOR CHILDREN: 5,307

NUMBER OF YOUNG ADULTS IN CHAILEY HERITAGE FUTURES: 20

BED NIGHTS FOR YOUNG ADULTS: 5,561

INDIVIDUAL BOOKINGS IN THE LSC, OUR LEISURE AND SKILLS CENTRE 16,549

INDIVIDUAL BOOKINGS PROVIDED IN THE HUB, OUR VIBRANT DAY SERVICE 7,550

HOURS DELIVERED BY AQUAMOVERS, OUR PARENT/TODDLER GROUP: 93

SESSIONS DELIVERED BY HOLIDAY CLUB 162

Statement from Chief Executive

Welcome

Despite the challenges faced by many charities in today's uncertain economic climate, I'm pleased to report that Chailey Heritage Foundation remains in a strong and stable position with a dedicated team of hardworking colleagues who continue to provide outstanding support to the children, young people, and families in our care. As we look ahead, we are united, motivated, and optimistic about the difference we can make - not only for those here at Chailey Heritage but also for the wider disability community.

As we launch our new strategy for the next five years, we have exciting plans to expand our reach and impact to help even more young people with disabilities.

- First, we aim to increase access to our services over the coming years. While we'll continue delivering exceptional care to families we already support, we're also committed to sustainably expanding these services to reach even more children, young people, and families in need.

- Next, we will continue to collaborate with other organisations to share our knowledge and expertise. We're already seeing the benefits of this, working alongside our NHS clinical services partner and the Dame Vera Lynne Children's Charity, who recently moved to our premises. This partnership is enabling even more children to access life-changing services, and by sharing excellence, we hope to create a positive ripple effect across the wider disability community.

- Finally, we aim to become a stronger 'voice for change'. We are dedicated to raising awareness of the challenges and experiences faced by children, young people, and their families, advocating for them so that policymakers and key decision-makers better consider their needs when allocating funds and services.

None of this represents a departure from the great work we are already doing. Rather, it is a steady, thoughtful expansion of our services and influence, all designed to benefit more families living with disability. At the heart of Chailey is a spirit of generosity, and we believe no one should be left behind or left in the dark. In the years ahead, we're excited to create a positive impact not only for our own community but also for those beyond our doors.



Gareth

Gareth Germer
Chief Executive

Meet Malachi

At Chailey Heritage Foundation, we continually explore innovative ways to help children and young people pursue their potential. Malachi amazed his support team and family by taking his first steps with the help of a walker in the immersive space in our Dream Centre, surrounded by an immersive experience designed just for him.



Malachi was born with several complex health challenges: a condition that affects communication between his brain and eyes, a hearing impairment, and hypotonia which impacts his muscle tone. Doctors initially told Malachi's parents that he wouldn't be able to walk, talk, or eat independently. However, thanks to specialist teachers and a groundbreaking approach at Chailey Heritage Foundation, Malachi is now on the move.

'Patterning' is a technique that helps the brain associate through repetition. Malachi's support team have been helping Malachi to repetitively use his legs in his walker so that his brain learns the pattern of stepping. But for this process to succeed, one crucial element was missing - motivation.

Thanks to the sensory-rich experiences created especially for Malachi in the immersive space, such as vibrant fireworks displays paired with exciting sounds, Malachi was motivated to take his first steps to touch the bright projections on the wall. The positive associations Malachi associates with stepping forward to interact with his surroundings in the immersive space means he is transferring his newfound skill to everyday activities, such as walking from his classroom to the bathroom.

"Malachi can do so many things if you just give him the chance. To have Chailey Heritage Foundation as a partner, seeing the potential in your child and constantly searching for new ways that motivate and work specifically for him, is invaluable."
Parent



Trustees' Strategic Report
Achievements and performance

Increasing experiences and opportunities for school pupils

We were delighted to retain our Outstanding status after Ofsted's inspection of the school in Autumn 2024. Its report stated that "**Pupils thrive at this life-changing school.**"



NUMBER OF PUPILS: 79

The Ofsted report talked about our innovative curriculum designed specifically for each pupil: "Every pupil, from primary to post-16, benefits from the highly ambitious and bespoke 'Chailey Heritage Individual Learner Driven' (CHILD) Curriculum." This innovative Curriculum is followed by all teachers and therapists, it starts and ends with the child; essentially the child is the curriculum. The CHILD Curriculum aims to take each pupil as far as they can with their individual progress. The report also praised colleagues' knowledge and expertise and the impact they have on pupils saying, "Staff are experts in what they do. They have superb knowledge about profound and multiple learning difficulties. This means that the support for pupils is exemplary."

This endorsement from Ofsted that Chailey Heritage's CHILD centred approach works and "Pupils achieve exceptionally well because of this precise and ambitious approach" is incredibly encouraging.

Our new Technology Suite was opened during the year and is used to offer educational sessions for the exploration of technology and experiences of movement, sound and interactive play. The aim is to give young people the opportunity to show us what their preferences are and what they are capable of, helping us to develop and improve the technology that supports them. The Ofsted report endorses our innovative approach "...the school maintains the highest ambition for what all pupils will achieve. Therefore, every day, pupils take part in a wide range of ambitious and valuable experiences. This is supported by the use of bespoke technology and devices provided to pupils, designed by specialist on-site engineers."

The school received four local authority monitoring visits, including a Children's Cross Regional Arrangement Group (CCRAG) visit headed up by West Sussex, and two safeguarding focus visits, one from an independent consultant and one lead by East Sussex. The reports from each visit were very positive. They showed that the changes being implemented were having a positive impact on the pupils. Whilst being very specialist in everything that is delivered, we never lose sight of the fact that we are a school, and the pupils are still children and young people on their educational journey
who need to enjoy that journey and have fun while learning.

Over the course of the year, the school welcomed numerous visitors from the sector including international visitors, hospitals, schools and universities alongside weekly visits from doctors in training and 18 work experience pupils. The school continues to receive requests to visit and remains a recognised leader in our field.

> *"Staff are experts in what they do. They have superb knowledge about profound and multiple learning difficulties. This means that the support for pupils is exemplary."*
> **Ofsted**

> *"Pupils are known and cared for deeply. The relationships they have with staff are very strong. Adults here know exactly what will work best for each pupil. This is because staff take the time to understand the needs and wishes of the pupils they support."*
> **Ofsted**



Meet Henry

Chailey Heritage Foundation recently received a ‘Good’ Ofsted rating for its on-site residential bungalows, reinforcing its commitment to delivering exceptional care for young people like Henry. Henry, 12, has attended school at Chailey Heritage Foundation for nine years and has lived full-time in our Brambles bungalow for the past two years. According to his mum, Caroline, and his support worker, Hannah, he has adapted very well to living away from home.



Henry’s radiant smile can sometimes mask the complexity of his needs which include Multicystic Hydrocephalus, Cerebral Palsy, Epilepsy, Autism, and a visual impairment. Despite these challenges, his family have witnessed an improvement in his wellbeing since he began living full-time here. With structured days and everything accessible on one site, Henry is less anxious and irritable. The familiar surroundings and consistent routine have had a profoundly calming effect on him.

Henry’s favourite activities include swimming in the hydrotherapy pool, hippotherapy horse riding classes, and driving his powered wheelchair around the site. His vocalisations have improved significantly; he can now speak two-syllable words and articulate the names of his support team. This progress allows his family to focus on enjoying quality time with him, free from the daily emotional and physical challenges they previously faced.

Promoting independence and choice is a cornerstone of Chailey Heritage Foundation’s philosophy. Each day, Henry can choose what he wears, eats for breakfast, and the activities he wants to engage in.

“Now we are living life again, whereas before we were just existing. We have time to breathe, have a social life, and even go on holiday! Seeing Henry so settled and happy is extremely reassuring. The staff at Chailey Heritage are amazing and we feel so blessed that he’s able to live his life to the full there.”

Parent

Caroline is particularly pleased with the variety in his diet and has noticed a marked increase in his appetite since moving here full-time.

Henry’s confidence has flourished with encouragement from his support team. He loves visiting Patchwork Farm, located on-site, where he navigates the accessible pathways in his wheelchair and enjoys interacting with the pigs. His active nature and love for the outdoors make the farm a perfect setting to connect with animals and nature.
Hannah, Henry’s support worker, feels that Henry’s team have won the family’s trust, knowing that Henry is in safe hands and receiving the best support and care.

Increasing experiences and opportunities for young people in our residences and community services



Our residential and day services are a thriving community of support in great demand and rated ‘Good’ by Ofsted. Our commitment to maintaining high standards of residential care ensures that young people can thrive, while providing their families with peace of mind and renewed freedom.

Increasing experiences and opportunities for the young people who live with us is a key part of our provision. Dedicated Activity Coordinators plan weekly timetables of activities for both our young adults and children. For pupils, learning continues in their bungalows with their residential team working with the school link worker to continue their development, all whilst having fun.

BED NIGHTS FOR CHILDREN: 5,307

BED NIGHTS FOR YOUNG ADULTS: 5,561

INDIVIDUAL BOOKINGS IN THE LSC: 16,549

During the year, a whole new range of sessions were offered in our on-site Leisure and Skills Centre to young adults both from the community and those living in our Futures service to provide a wider range of enjoyable and engaging leisure experiences. These include singalong, dance and drumming sessions. The new tech sessions have proved very popular where young adults can explore everything from gaming and eye gaze to switches and nerf guns!

Recruiting support workers to specialist roles remains a challenge and is still a national issue but, by the end of the year, our recruitment and retention rates both improved.

"My daughter did lots of activities in the Easter Holidays, she went to Legoland and Wakehurst. She was out all the time in the holidays and it's lovely to see how well she is doing. We are really lucky she is at Chailey and we are hoping she will be moving to the adult services soon."
Parent

"It's lovely here. We visit every two weeks as we travel quite a distance, we tend to stay for a few hours. The staff are very accommodating and welcoming."
Grandparent

INDIVIDUAL BOOKINGS IN THE HUB: 7,550

HOURS DELIVERED BY AQUAMOVERS: 93

SESSIONS DELIVERED BY HOLIDAY CLUB: 162

"Children's independence is fully promoted, and staff are committed to helping children to live as independently as possible. Teaching practical skills to children is embedded into practice. Staff understand that life skills such as making choices and managing social situations are just as important as practical skills. Staff speak with pride when they describe the progress that the children have made."
Ofsted

Meet Dom



Dom, a lively and outgoing 22-year-old, joined Futures last summer after attending Treloar's College.

Dom lives with several complex health conditions, including Myofascial Pain Syndrome, Cerebral Palsy, Global Development Delay, a visual impairment, seizure disorder, and Sleep Apnoea. Yet, he approaches life with enthusiasm, always finding joy and connection in every experience.

His journey at Futures began with a sunny welcome party attended by family, friends and support staff in the garden of Nightingale Bungalow, where he now lives. Dom has quickly immersed himself in the wide range of activities available at Futures and the Leisure & Skills Centre (LSC) including gym sessions, swimming, cooking, art, music, yoga, sensory activities, and rebound therapy.

In December, Dom enjoyed a residential trip to London, visiting a Winter Wonderland, the zoo, and an immersive art experience. These trips help young people connect with peers and staff while sharing fun moments, like takeaway evenings.

Dom has made many friends and recently attended the Futures Winter Ball at the Dream Centre, enjoying the disco and looking sharp in his party attire. Amy, his activities coordinator, says, ***"He's a real social butterfly who brings humour and joy to every moment."***

His family say knowing Dom is happy has given them peace of mind. ***"We are so confident in his care that we even holidayed abroad, which wouldn't have been possible without the Futures team."***

"When Dom left Treloar's, there wasn't anything suitable nearby. Then I learned about Futures at Chailey Heritage, and I knew it would be the perfect stepping stone into the wider world for him."
Parent



Meet Francesca



Francesca (Frankie), 25, was a student at Chailey Heritage School, and has been attending the Leisure and Skills Centre (LSC) for three years. During this time, she's engaged in a wide range of activities, from gym sessions and art to cooking, drama, and drumming. The LSC team has witnessed remarkable progress in Frankie's strength, movement, and confidence.

When Frankie first started at the LSC, simple tasks like gripping the gym bike handles were a challenge. She needed a supportive hand glove to maintain her grip. However, after consistent effort and training, Frankie can now hold the bike handles for a full 15 minutes without gloves - a major personal achievement. She's also made significant gains in muscle strength, balance, and movement. Using a walking sling, Frankie has gained the ability to move more independently, freeing her from her wheelchair and improving circulation in a safe, supported environment.

At the LSC, the focus is not only on achieving goals but also on having fun. Whether it's kicking footballs into goals or navigating obstacles on the treadmill, Frankie embraces these challenges with enthusiasm and a sense of humour. These activities have boosted her confidence and helped her enjoy socialising in a lively, supportive environment.

In addition to her gym sessions, Frankie has found new passions in drumming, cooking, and art. Drumming, in particular, has become a firm favourite. Thanks to her improved grip strength from her gym sessions, she can now confidently hold a drumstick and participate fully in sessions, an achievement she's especially proud of.

"I love going to the LSC and meeting my targets, having fun and socialising with my friends. I'm proud of my achievements as they have helped me take more control of my body."
Frankie

"Frankie has been making great progress, and her competitive and happy nature always brings a smile to everyone's faces. It's fantastic to see her doing so well."
LSC Fitness Apprentice

Frankie's journey at the LSC is a powerful example of how a supportive, fun environment can lead to personal growth. With continued encouragement from the LSC team, Frankie is well on her way to achieving more milestones, continuing her path toward increased independence and confidence.

Sharing excellence and leading innovation

Our aim is to continue to share our skills and expertise within and beyond our sector so that more children and young people can benefit from our approaches. We have a leading team of engineers and have one of the best Research & Development electronic engineers, Dr Martin Langner. They have developed innovative technologies and equipment to enable the young people to interact with their environment, provide them with new control opportunities and the ability to move around as independently as possible.



We continue to collaborate with university partnerships on the use of AI to analyse and enhance response and feedback mechanisms for switch users, analysing voice control systems and improve guidance systems on our wheelchair platforms.

We have offered sessions for our Leisure and Skills Centre users and these are proving very popular. During these sessions, we have assisted our young adults to explore adapted gaming consoles and worked with parents to help them replicate these at home. This has opened new opportunities for parents to interact with their children and to form even closer bonds through shared experiences.

During the year ahead, we are looking at creating additional Technology Suites within other departments in the school. As sessions have been so popular, there is a demand for more capacity. We aim to be a user-led service and are exploring more ways to apply technology to support communication, movement and learning.



In our Information and Technology services, we continue to improve our services through the innovative use of mobile technologies to encourage colleagues to work collaboratively. We aim for each colleague to have access to update digital records and features at the point of need without interference or delay. These applications provide us with high quality data sets that are transformed into informative alerts, notifications and alerts to inform decision making processes and operational delivery.

Meet Max



15-year-old Max loves trying out new experiences in school. When supported by his team he feels confident to explore new possibilities and discover ways he can work on his independence. Keen to try out the new Tech Suite, Max was assessed by the in-house assistive technology team. With support from an occupational therapist, Max had his chair fitted with two adaptive head switches to allow him to further develop his skills of using the switches to access more independent activities and choice-making.

Our assistive technologists work closely with the teaching team, to ensure the work in the Tech Suite is in line with each young person's personalised education plan. This focus allows for the young people to continue working on their goals in a personalised and engaging way.

Max has a keen passion for cars and fast-paced action. Once familiar with the Tech Suite and having developed his head switch control skills, Max expressed interest in trying out a racing game. Building on a young person's interest is always a great way to motivate them and encourage them to learn new skills. Our Assistive Technologist connected an adaptive Xbox controller to Max's head switches, allowing Max to use these to play the car racing game. He uses one switch for accelerating the vehicle and the other for breaking, giving him total control on his gaming experience.

Wanting to put his new driving skills to the test, Max invited his Dad to one of his Tech Suite sessions. In a game of Mario Kart, Max and his Dad sat side by side and battled it out to see who could be crowned the ultimate driver! To Dad's delight, Max swept across the finish line with Dad following closely behind in second place. The Tech Suite was full of joy and celebrations!

"It was magical and unforgettable! We played a car racing game together – and the happiness I felt sharing this moment with my son... it goes way beyond anything I ever thought possible."
Max's Dad



It was a very proud moment for Max to showcase his switch work skills, but most importantly, share a very special father and son moment.

In order to meet our strategic priorities, we will have three enablers: **community connections**, **ways of working** and **a great place to work**.

Community Connections



We believe that being at the heart of the local community and growing our community relationships is essential to delivering our strategy of growing our reach and impact. We will provide more opportunities for volunteering and for local schools, charities and community groups to share our specialist facilities. Our aim is to reach out to local businesses to build partnerships and collaborate with a wide range of like-minded organisations.

We are concentrating on our volunteering offer to recruit more volunteers to help with our essential services e.g. Patchwork Farm, Hippotherapy and outings for the young people. We are immensely grateful to all our volunteers, including our Trustees and Governors, who give their valuable time and expertise in so many ways. Our therapeutic horse riding could not operate without the volunteers who support our colleagues and specialist hippotherapists. This specialist horse riding requires four people to support each young person taking part in a riding session; two of these people are usually volunteers. We also have people who kindly volunteer their time in our offices, to maintain our beautiful gardens and to assist our Farm Manager on Patchwork Farm.

We have an exciting project to expand the offer of sessions on Patchwork Farm by building a sustainable all-weather learning and community space, The Den, which will provide other ways for the community to engage with our services.



Ways of Working

We remain committed to modernising and streamlining our operations. By making the best use of our resources, mitigating risks, and focusing on sustainable growth, we strive to create a secure, efficient, and future-ready environment for our residents, students, and colleagues.

This year, we have implemented several key improvements to our systems and infrastructure, ensuring that we continue to deliver high-quality services while enhancing safety, efficiency, and user experience.

New Sage Intacct Finance System

In the past year, we introduced a new Sage Intacct finance system to manage the charity's financial operations. This upgrade was essential to support the charity's evolving needs and to future-proof our processes. The new system provides improved functionality, allowing for greater accuracy and efficiency in financial reporting, budgeting, and payroll management. By streamlining these critical functions, we have not only reduced administrative burdens but also strengthened our ability to make informed financial decisions. This modernisation underscores our commitment to robust financial stewardship and operational transparency.



New CCTV Monitoring in Residential Bungalows

The safety and well-being of our residents are at the heart of everything we do. As part of this commitment, we installed new CCTV monitoring systems in our residential bungalows. This initiative was driven by the need to enhance security and provide an additional layer of protection for the vulnerable children and young people in our care. The new system features state-of-the-art technology, offering clearer visuals and better coverage to ensure that any potential risks or incidents can be swiftly identified and addressed. This investment not only provides peace of mind for families and colleagues but also reinforces our dedication to maintaining a safe and nurturing environment.





New IT Helpdesk Provider

Recognising the need for reliable and efficient IT support, we transitioned to a new outsourced IT helpdesk provider during the year. This change was made to address gaps in our previous support structure and to ensure that our colleagues have access to expert assistance whenever needed. The new provider offers extended coverage, faster response times, and specialist knowledge, which are crucial for supporting the complex and varied needs of our organisation. This move has significantly improved our ability to resolve technical issues promptly, minimising disruptions and enabling our teams to focus on delivering exceptional care and education.

Building a Great Place to Work



We are committed to creating a workplace where colleagues feel valued, supported, engaged and inspired to do their best. Guided by our dedicated People Plan, our goal is to ensure that this is not just a place of work but a community where colleagues thrive, grow, and feel connected to our mission and purpose.

The People Plan has been central to our journey toward becoming a great place to work. Over the past year, significant progress has been made in shaping a workplace culture rooted in recognition, engagement, and opportunity.

"Everyone is so helpful and it really feels like being part of a team. All the Teaching Assistants are amazing and I love working with the children here. It's a really fulfilling job and I want to learn more and do more."

Teaching Assistant



Key achievements during the year:

Recognition and Rewards: Launch of a new rewards and benefits package, introduction of carer's leave, and accreditation as a Living Wage Employer.

Strengthening Communication and Engagement: Introduced a new Colleague Forum and Social Committee, enhanced communication through platforms like the CEO Blog, introduced a new annual all-colleague event (Foundation Festival) celebrating colleague success and contribution, and implemented regular colleague engagement surveys.

Enhanced Learning and Development (L&D): Creation of a dedicated L&D team, launch of our People Manager Essentials framework, implementation of a new Learning Management System and redesign of our induction programme to create a warm welcome and cohesive onboarding experience for all new colleagues.

Improving Wellbeing: Introduced dedicated wellbeing resources and campaigns to address colleagues' needs and foster a supportive workplace environment.

Recruitment and Retention: Delivered improved recruitment strategies, leading to a reduction in turnover and vacancy rates. 155 new colleagues have joined us since September 2023.

Policy and Structure Updates: Completed the first phase of our People Policies review, ensuring consistency and fairness, and reshaped the People Team to better align with organisational goals.

These initiatives have made a tangible impact, strengthening our culture, improving engagement, and enhancing the overall colleague experience.

Our efforts to attract, develop, and retain talent have resulted in a significant reduction in turnover, from 24.7% to 15.5%, while our workforce has grown from 380 to 417 colleagues, reflecting our success in making us an employer of choice in the area.

Through an enhanced benefits package, an effective Colleague Forum and Social Committee, and an increase in communication and visibility, we have fostered stronger connections, ensuring every colleague has a voice and access to important updates. This has led to a greater understanding of different teams, increased collaboration, and better recognition of synergies in our work.

Our focus on praise and recognition has created a culture where achievements are celebrated, while the expansion of wellbeing support has ensured colleagues feel cared for, both personally and professionally.

As a result, our Net Promoter Score (Recommend) stands at 6.8%, and our Engagement Index reflects a positive result at 6.7%, demonstrating 'good overall engagement' and an increasing sense of belonging.

This progress is not just seen in numbers– it's felt in the way we work together, support one another, and build a stronger future. By continuously investing in our people, we are making not just a place to work, but a place to thrive.

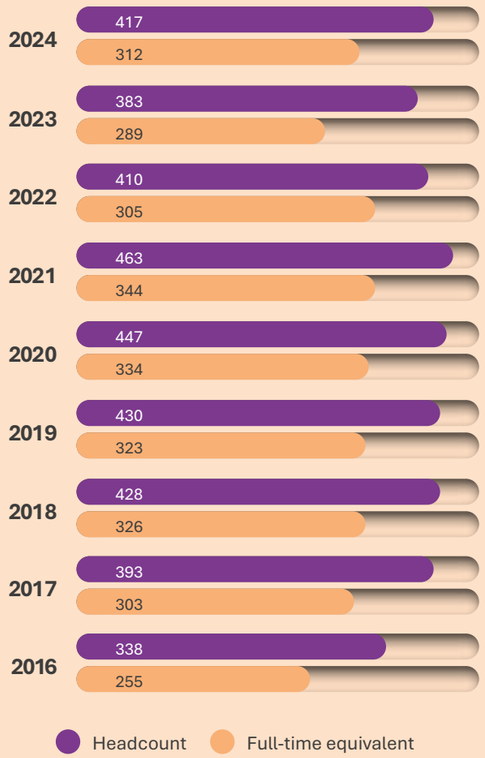
74% of our expenditure is for employee costs



Number of colleagues (headcount):



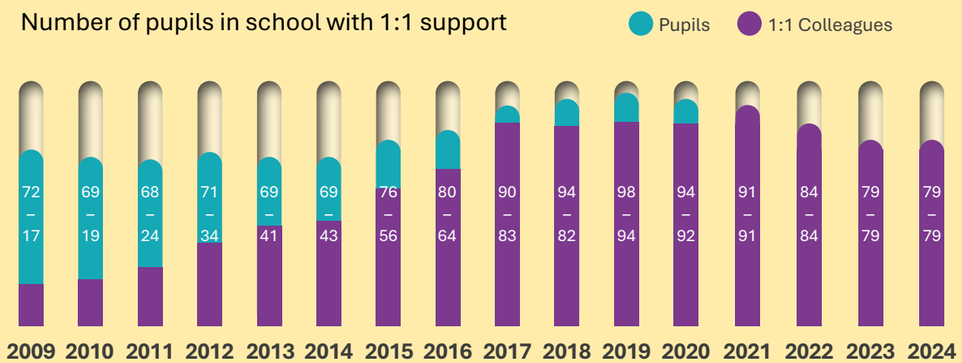
Colleague Numbers:



"It's not like having to work, it's like coming to spend time with people you like – it's like a big family."

Home Manager

Number of pupils in school with 1:1 support





Looking Ahead: Continuing the Journey

As we build on these strong foundations, the focus for the coming year and beyond includes:

Advancing Policies and Practices: Finalising the People Policy review, developing a Colleague Handbook, standardising employment contracts, enhancing system support, capability and ways of working.

Expanding Development Opportunities: Enhancing our Learning Management System functionality and resources, piloting apprenticeship programmes, and launching additional L&D initiatives/resources to support career growth.

Wellbeing and Recognition: Continuing to promote the rewards package, wellbeing campaigns, and innovative ways to recognise colleagues' contributions.

Pay and Performance: Reviewing our pay and performance management approaches to ensure equitable, motivating, and meaningful recognition for colleagues.

Deepening Engagement: Strengthening the volunteer and work experience programmes and embedding Diversity, Equity, and Inclusion (DEI) initiatives across the organisation.

The strides we have made this year reflect our unwavering commitment to making Chailey Heritage Foundation a great place to work. With the ongoing dedication of our colleagues and the momentum of the People Plan, we are poised to deliver even greater impact for our colleagues in the year ahead. Together, we are building a workplace where every colleague feels valued, supported, and empowered to thrive.

Gender Pay Gap

You will find our full report on page 38 and also on our website:
https://www.chf.org.uk/Gender_Pay_Gap_Report_2024_.pdf

Our partners



The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables them to receive wraparound care from a team of doctors, therapists, and other clinicians 24 hours a day.

"Meaningful joint working between the care, health and education teams provides an effective wraparound service and ensures that there is a shared understanding of the goals that are important to the children."
Ofsted



Parents

We work in partnership with parents and families at every step of their Chailey Heritage journey, providing support at difficult times and celebrating achievements together.

Celebration Day is a whole week of celebration held at the end of the summer term each year. Our pupils look forward to celebrating their achievements with family and friends at special prize-giving events, followed by an afternoon of fun, food and entertainment. It is a great opportunity for families to meet and enjoy accessible activities together in a relaxed environment.



Funded through a separate linked charity, our Family Liaison Workers assist families throughout the year, on arriving at the School, in the annual review, during times of transition and by arranging social coffee mornings during term time.

"The holistic support and humanity at Chailey, where the complete wellbeing of the disabled person is cared for through a joined-up approach including school, medical and residential provision all in one place, is a lifeline for families like ours."
Parent

"Chailey is amazing because they allowed us to be parents again."
Parent

"The Family Liaison Worker has helped and supported me when filling out complicated forms which are so important for our child's future."
Parent





Fundraising

Our supporters continue to make a massive impact on the lives of the young people at Chailey Heritage Foundation and their families. We would like to thank everyone who gives their money, time and support so generously in such challenging times.

VOLUNTARY INCOME DURING THIS FINANCIAL YEAR TOTALLED £859K (INCLUDING LEGACIES).

EVERY PENNY RAISED GOES TO SUPPORT THE CHILDREN AND YOUNG PEOPLE.





We are hugely grateful for all the individuals, companies, trusts and foundations, who funded an incredible range of facilities, equipment, services and experiences that make the charity a thriving community of support for those living with complex disabilities.

Family and community will be at the heart of the Foundation's new strategy to 'increase our reach and impact'. We will be engaging our community to support and change the lives of families in their community who live with the daily challenges faced by a young person with complex disabilities.

Donations during 2023/24 have helped to fund specific capital projects like The Den, a new learning and community space on Patchwork Farm, which will create more opportunities for the young people at Chailey Heritage and the wider community to access the learning, therapy and wellbeing benefits of this wonderful facility.

Our supporters have also funded a new adapted gym at the Leisure and Skills Centre. The additional capacity gives many more people living with disabilities the opportunity to stay active with bespoke sessions created by the specialist fitness team.

Donors have helped the children and young people with their communication, movement and exploration of their world by funding the unique range of Specialist Services that provide the tools needed by our educators, therapists and support colleagues. Specialist Services help the young people to achieve their individual goals in a way that simply would not be possible in a classroom environment alone.

Hippotherapy and Therapeutic Riding, Hydrotherapy, The Dream Centre Immersive Space and Patchwork Farm are all Specialist Services and rely on fundraised income. By delivering these essential services, at zero cost to the public purse, supporters of Chailey Heritage Foundation are ensuring the young people can reach for the ambitious individual 'Next Steps' in their bespoke curriculums. Funders help us deliver on our ethos that "OK" is never good enough for the amazing children or their inspirational families.

In 2024/25, raising awareness and growing our supporter base, in the local community and beyond, will offer more opportunities for individuals, community groups, schools and companies to engage with the charity, helping us to support more disabled young people and their families.

Chailey Heritage Foundation would like to acknowledge the generous support of:

Garfield Weston Foundation
Beatrice Laing Trust
Peter Stormonth Darling Charitable Trust
Peter Harrison Foundation
Boshier Hinton Foundation
Best of British Events
Vistry South East
South East Vintage Agricultural Club
National Lottery Community Fund

Friends of Chailey Heritage

This committed groups of supporters continue to provide funding for vital projects and to be some of the strongest advocates for the charity. We are very grateful to everyone who is involved with the Friends.

Our commitment to donors

We are committed to best practice in fundraising, and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising.

We have a Fundraising Policy, updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in "Our Commitment to Donors": https://www.chf.org.uk/donors-commitment.html along with a link to our Fundraising Policy and our Complaints Procedure.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants/professionals/third parties who are not part of the Charity must be agreed by the Trustees' Development Committee and have the written agreement of the Director of Specialist Services and Chief Executive prior to use by the Charity. As a matter of Policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We use a third-party organisation – Unity – to run our lottery. In all cases, we have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity's fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

We take our responsibility towards supporters who may be considered vulnerable very seriously and our fundraising team have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. All fundraising staff undertake relevant training, such as safeguarding, and our Fundraising Policy and procedures are reviewed regularly. All fundraising activity for the Foundation is supervised, coordinated, and directed by the Director of Specialist Services under the guidance of the Chief Executive and Trustees' Development Committee. The Trustees' Development Committee regularly reviews all fundraising activity of the Foundation, and the Director of Specialist Services reports to the full Board of Trustees three times a year.

We welcome third party initiatives in organising events on behalf of the Foundation and will, wherever we are aware, ensure that these third parties adhere to the Fundraising Policy and the Charity's Principles for Fundraising.

No complaints were received by the Charity or by a person on behalf of the Charity.

Environmentally sustainable

The Streamlined Energy and Carbon Report (SECR) can be found on page 40.

The Chailey Carbon Challenge (CCC) is the charity's plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and waste.

Overall, our emissions have fallen by 4% in the year to 31 August 2024, largely driven by:
- Switching to efficient LED lighting across the site
- Installing double-glazed windows in the hydrotherapy pool
- Installing a new cover for the hydrotherapy pool.

At the time of writing, the project to install 520 solar panels all around the site has begun and will be operational early in 2025. The system will have 520 solar panels, each capable of generating up to 440 Watts of renewable electricity. On typical sunny days, the system will likely generate more than 200kW of electricity. Over the course of a year, we expect it to generate around 220,000 kWh of electricity, this is roughly equivalent to the electricity consumed by 82 UK households. The solar system should reduce CO2 emissions associated with the site's electricity supply by 43 tonnes each year.

Colleagues are also encouraged to commit to turning off lights, devices and turning down heating to actively reduce emissions in our **"Switch it off"** campaign.



Our future plans

As we look to the year ahead and begin to implement our new strategy, we will coordinate the new strategy through a programme approach, consisting of six workstreams. We will match each of these workstreams to a governance champion and committee, providing lead oversight on behalf of Trustees and Governors. Each workstream will have a delivery plan and we will track progress through a set of key performance indicators (KPIs).

Trustees' Report on Financial and other Statutory Matters

Achievements and performance

The report and accompanying financial statements have been prepared under the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued.

Our strategy and performance against our strategic goals is discussed in detail on pages 10 to 31 of this annual report.

Financial Review

The main pressures felt by the Foundation during the year, as with previous years, were those of staffing and the cost of living.

However, Local Authorities and Commissioners continue to face funding challenges, particularly around their High Needs Funding. This severely impacts our ability to increase our fees to fully reflect the true cost of providing our services. Overall, total Net Operating Income (before investment gains/losses) was a surplus of £866k this year due to additional unanticipated legacy income. Our investment portfolio showed an unrealised gain at year end of £318k, resulting in an overall Net Income of £1,184k for the year for the Foundation.

In line with our Charity ethos, all the surplus funds are reinvested in the Foundation for the benefit of the children and young people.

Financial Activities and Results

In the year to 31 August 2024, our total income was £18m (2023: £15.6m). The increase was mainly due to increased packages. Pupil numbers remained static at 79.

In the same period, total expenditure has risen to £17.1m (2023: £15.4m). This increase was mainly due to increased staffing based on the needs of our young people.

The Foundation always strives for a positive return in all of its services. The Unrestricted Fund made an overall surplus of £300k for the current year (2023: deficit of £14k) before the net gain on investments. The overall surplus generated by the Foundation of £1,184k is due to an increase in Restricted Reserves of £210k and net gain on investment of £318k.

The Charity's services are also supported by other income e.g. income derived from unrestricted legacies, donations, and investment income. Legacy income of £653K was recognised in the year. The investment portfolio showed a net unrealised gain at the year-end of £318k (2023: net loss £112k) which is encouraging given the losses in recent years.

As a Charity, regrettably, we continue to incur non-recoverable VAT of around £0.5m. However, changes which came into effect from 1st January 2025, require the Foundation to become VAT registered and charge VAT on all school fees and residential fees closely related to the schooling of young people at Chailey Heritage School. The Foundation is VAT registered from 1 January 2025 and will gain the ability to reclaim input VAT (subject to the relevant partial exemption criteria).

The balance sheet continues to show the significant investment the Charity has made in leasehold buildings and equipment, with £12.8m invested in fixed assets or 68% of the Charity's total funds. For example, we invested in several new energy efficient boilers, window replacements and digital infrastructure. Fundraising also funded significant improvements to bathrooms in Futures' bungalows, the Leisure & Skills Centre gym and classroom technology.

Debtors reduced by £41k. Creditors also reduced by £726k due to a decrease in deferred income. This was caused by a delay in raising sales invoices for the autumn term. Cash balances have increased to £1.78m due to the surplus generated in the financial year (2023: £1.04m).

Funds

At year end, the Charity had total accumulated funds of £18.9m (2023: £17.8m); of this £12.8m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued. The Trustees are in discussion with the Landlord to purchase the freehold.

The remaining accumulated funds of £6.1m are split between unrestricted funds, which have increased to £5.7m (2023: £4.1m), and restricted funds of £0.5m (2023: £0.3m).

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity.

To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. These designated funds amounted to £0.6m at year end (see note 19 on page 61). The remaining unrestricted general funds stood at £17.8m of which £12.8m are invested in tangible fixed assets, whilst £5.1m (2023: £3.3m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls.

Free Reserves Position

In 2020, Trustees established a target of maintaining £4m in Free Reserves by August 2024. This target was strategically set to safeguard against both operational and capital risks anticipated over the strategic plan period, equating to approximately four months of operating costs. Achieving this goal was contingent upon sustained growth in investment returns and legacies, alongside the attainment of projected operating surpluses.

We are pleased to report that the absolute target of £4m has been successfully met, with current Free Reserves standing at £5.1m (2023: £3.3m). However, operating costs have risen from around £1m per month in 2020 to approximately £1.4m per month for the financial year ending August 2024. Consequently, maintaining a reserve equivalent to four months of operating costs now requires approximately £5.6m in Free Reserves. This is felt prudent due to the ongoing difficult economic climate, including inflationary pressures and significant pressure on Local Authorities' (LAs) budgets, with many authorities on Safety Valve arrangements with the Department of Education.

In response to these evolving circumstances, Trustees are undertaking a comprehensive review of the Free Reserves policy, including target adjustments, scheduled for March 2025. The revised targets will be articulated as a range to better reflect the uncertainties within the economic environment and the financial pressures faced by LAs.

Investment Policy and Performance

Funds expected to be required in the short term are typically placed with banks in the money markets through prime financial institutions.

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustee Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Finance, Audit and Risk Committee. Following two consecutive years of losses on the funds due to global issues negatively impacting global stock markets, the investment portfolio valuation increased by £318k (net) this year (2023: Loss of £112k).

Principal risks and uncertainties

Risk management processes

The Board of Trustees has oversight of the risks faced by the Charity and is responsible for ensuring that effective and adequate risk management and internal control systems are in place.

A robust risk management process focuses on risks that could impact on current service delivery and the Charity's future development. There is an active risk management process at both Trustee Board and Governing Board with risk management as a standing item on the agenda for all Board and sub-committee meetings. The level of risk and changes in likelihood and impact are tracked closely together with the effectiveness of risk mitigation measures.

The register is updated three times a year to reflect any new or changing risks. Trustees have access to the full risk register as well as the summary of top risks at each main Board meeting.

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes with escalation of the Executive Team and Governors as necessary. During the pandemic, service specific risk assessments were developed and updated as government guidance changed. Services have adopted a cautious approach to risk given the health vulnerabilities of the children and young people.

Risk Profile

Chailey Heritage Foundation manages a high level of operational risk every day because of the complexity and high health needs of the children and young people we support. We operate in a highly regulated sector, and dedicate considerable governance, leadership and management time to monitor risk and the effectiveness of our controls framework. The main risk areas in 2023-24 have been:

Risk	Key Controls & Mitigation
A failure to adequately safeguard results in harm to a child or young person in our care.	• Robust internal processes for reporting, recording and learning from safeguarding events. • Good relationships and open communication with East Sussex officers in Children's and Adult services. • Strong governance oversight of safeguarding including a dedicated committee. • A strong emphasis on core training, systems and reporting mechanism to ensure safeguarding concerns are quickly and consistently identified and escalated to a team of safeguarding leads.
Regulatory compliance and performance falls below 'Good' leading to a withdrawal of children and young people.	• Currently all CQC and Ofsted regulated services are rated as 'Good' or 'Outstanding'. • Strong governance oversight of the regulated school and social care services within a dedicated committee structure. • Establishment of a new Quality function to develop and embed quality standards. • Robust leadership and management systems and processes focussing on a learning culture, quality and service improvement.
A data protection or cyber security incident interrupts service and results in fines or reputational damage.	• Digital investment programme including upgraded firewall, systems renewal and adoption of cloud-based systems. • Cyber-attack scenario testing. • Training and awareness raising for colleagues and volunteers and adoption of NHS Data Security Protection Toolkit (NHS DSPT).
Economic conditions remain difficult impacting income and operating costs.	• Prudent, risk-based prioritisation of expenditure. • Maintaining a suite of effective financial controls and monitoring including in-year reforecasting, spend analysis and reserves position. • Strong fundraising offer and increasing focus on income diversification.
Relationships with Local Authorities coupled with increasing competition results in falling pupil numbers and an unviable school.	• Chailey Heritage School continues to be 'Outstanding' and capable of meeting the complex health needs of pupils. • Multi-disciplinary NHS, education and care teams operate a nationally recognised centre of excellence that freely shares professional practice across the sector. • A continuing focus on accepting referrals for children whose needs cannot be met in other settings.
Failure to maintain a safe, compliant, and accessible environment could harm service delivery, risk falling below a 'Good' rating, and result in reputational, organisational, and financial impacts.	• New governance structure in place to provide robust oversight. • Statutory compliance is overseen by the Finance, Audit and Risk Committee. • Regular external scrutiny, audits and inspections provide assurances around compliance, for example Fire Safety. • Planned preventative maintenance schedules are in place to ensure compliance.
Colleague or volunteer conduct, attitude and/ or behaviour results in reputational damage	• Rigorous recruitment, screening and background checks, including DBS clearances. • Use of structured interviews to ensure candidates alignment with organisational values. • Comprehensive training and induction programmes.
Failure to improve employee engagement and grow our workforce hampers organisational effectiveness.	• Development of a new workforce strategy and implementation plan covering the employee journey. Phase 1 to focus on recruitment, pay, reward and recognition. • Strong governance oversight from a dedicated People & Culture Committee.

Outlook

Despite the ongoing challenging economic conditions, constrained labour market, and continuing pressures on Local Authority budgets, Chailey Heritage Foundation's performance in 2023-24 was again, robust. We achieved an operating surplus, enabling essential future investments in our site infrastructure and services. Demand for our services continues to be strong, complemented by steady fundraising performance and income from other sources.

However, our capacity to expand our reach and maximise impact is closely tied to growing our frontline workforce. Addressing this critical need, we have prioritised investment in a new workforce strategy designed to attract, retain, and support the skilled staff required to deliver exceptional care and education.

Despite ongoing workforce challenges, the Foundation continues to provide a safe, high-quality, and impactful service to the children and young people who rely on our support. This reflects our commitment to maintaining the highest standards while adapting to an ever-changing environment.

Environmental, social and governance

Chailey Heritage Foundation is a registered Charity (number 1075837) and also registered in England as a Company limited by Guarantee (number 3769775).

Our Charitable Objects

"The objects of the Charity are, for the public benefit, the education and care of people who have physical disabilities and other complex health needs, particularly but not exclusively children and young persons (the beneficiaries) including the conduct and maintenance of a special school (the School) within the meaning of the Education Acts and of a transition service for beneficiaries."

The Trustees do not expect services for those over 25 years of age to make up more than 10% of our charitable income.

Demonstrating Public Benefit

In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity (PB2)'. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay.

We believe we comply fully with this requirement; our Report on Operations and Strategy includes examples of the public benefits Chailey Heritage Foundation offers and areas in which we believe we are providing innovative leadership to the sector.

The Trustees are committed through their strategic plan to increasingly share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded specialist services such as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local community. The Dream Centre will also enable more people living locally to benefit from the Charity's very specialist facilities.

Another aspect of the Charity's public benefit is our work in partnership with other charities, helping the most disabled children and their families.

Governing documents

The company, established in 1999, is governed by its Memorandum and Articles of Association. With the consent of the Charity Commission, the Charity changed its name from Chailey Heritage School to Chailey Heritage Foundation with effect from September 2012 to reflect the wider range of provision now offered.

The Scheme of Delegation sets out formally the powers delegated to the Governing Board, and the terms on which they are delegated, including reporting requirements, and this document was also reviewed and updated during the year.

The wholly owned trading subsidiary of the Charity, Chailey Heritage Trading Company Limited, was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). It has been inactive since incorporation.

Boards

Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible

for securing the effective and efficient operation and management of all services including the School, Chailey Heritage Residential and Chailey Heritage Futures. To ensure effective communication between the two Boards, yet maintain the separateness of them, the Chair of the Governing Board is a Trustee and at least three individuals served on both Boards.

Those who served as Trustees during the year are shown on page 63.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. Trustees are appointed for an initial term of four years, with a second term of four years after that. The current Board includes depth of skills in finance, property, health, investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation and they recognise the importance of the Charity Governance Code.

During the summer term of 2024, the Trustees and Governors carried out a review of its governance model. Key strengths consistently identified include strong levels of commitment, broad skillsets, lived experience and increasingly positive dynamic between the Executive Leadership Team and members of the governing board. However, Trustees and Governors also identified some duplication within the committee structure. With the future in mind, they made the decision to streamline the committees to more effectively triangulate strategic priorities, leadership portfolios and committee terms of reference.

The Trustees meet as a full Board at least three times a year. In the new governance structure, the principal joint Trustee and Governors sub-committees are Safeguarding & Quality Standards, Finance, Audit & Risk (including audit, financial risk, and control), Development and People & Culture. These sub-committees meet more frequently than the full Board. Trustees meet annually with the Governors to review their strategy and plans for the future. Trustees also meet jointly with Governors to agree any new appointments of the Executive Leadership Team.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role though its two very active sub-Committees and termly focus visits to services.

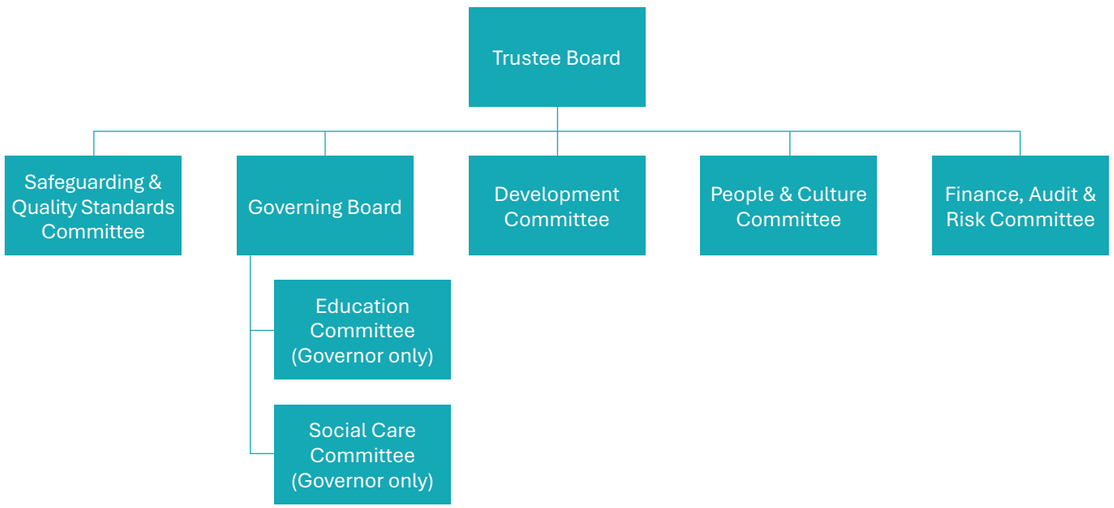
The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. In the new governance structure, the Governing Board has two principal sub-committees which all meet termly before the main Board meeting to deal with Education and Social Care business.

In addition to the Boards of Governors and Trustees, the Executive Leadership Team comprising the Chief Executive, Headteacher, Director of Social, Director of People & Culture, Director of Resources, Director of Specialist Services & Income and the Company Secretary, meets weekly and monthly.

Trustee induction and training

New Trustees are briefed on their legal obligations under Charity and company law, the content of the governing documents, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

During the induction, they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.



As part of their ongoing training, Trustees are also given briefings on current 'hot topics' during the year.

Funds held as custodian

There are no arrangements where the Charity or Trustees are acting as financial custodians.

GDPR

Compliance with the General Data Protection Regulation remains a high priority here. We are continually taking steps to improve our handling of personal data and to ensure compliance. All staff are provided with training on the subject alongside general cyber security. The Charity has also received accreditation from the NHS Data Security and Protection Toolkit.

Report to Charity Commission

During the year, the Trustees submitted three Serious Incident Reports to Charity Commission in total. Two concerned a current and former employee and the other incident involving a beneficiary.

Safeguarding

The children and young people we care for are especially vulnerable due to their complex needs. Disabled children are more than three times likely to be abused than non-disabled. All our staff and volunteers are DBS checked and they are all committed to safeguarding and undergo extensive safeguarding training with specifics regarding disability.

Safeguarding policies are reviewed and updated annually and there is annual safeguarding update training, to ensure that all staff are up to date with changes in national guidance for adults as well as children and in Foundation policies and procedures. Governors and Trustees also receive annual updates.

Everyone in the organisation who is involved with the recruitment of staff follows safer recruitment guidelines and senior staff have attended Safer Recruitment Training. The Safeguarding Governor scrutinises the single central register at least three times a year and conducts spot check recruitment processes and training for newly appointed staff.

The Headteacher is the Foundation lead for Safeguarding and works with a team of trained Designated Safeguarding Officers (DSLs) who are the first point of contact with for any safeguarding issues. Progress on current safeguarding incidents is reviewed weekly by the Chief Executive (also a trained DSL), Headteacher and Director of Social Care.

Governors and Trustees take their safeguarding responsibilities very seriously and ensure that they are up to date with latest development through training and detailed reports. Governors check staff understanding of safeguarding processes on their focus visits to services.

Oversight is detailed and rigorous and both Governor and Trustee Boards have members with safeguarding experience at senior level. The joint Trustees' and Governors' Safeguarding & Quality Standards Committee meets three times a year. It is chaired by the Lead Safeguarding Governor who reports to Governors and Trustees three times a year.

The Safeguarding Governor is informed of serious safeguarding incidents and meets at least once a term with the Foundation Safeguarding Lead and DSLs to review the management of incidents identify trends or matters of concern and discuss any recommendations from lessons learned.

The outcomes of the Annual East Sussex Safeguarding Self-Assessment are reported to Governors and Trustees each year. Trustees have an opportunity to question the Safeguarding Governor and Foundation Safeguarding lead when the present their annual report in the autumn.

Remuneration policy

The Foundation is committed to ensuring that we pay our staff fairly and competitively to attract the skills needed to deliver and support our services. The People & Culture Committee considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

- the nature of the role and responsibilities based on the job evaluation.
- salaries in the relevant sector
- benchmarking against regional competitors
- public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body
- the Living Wage.

For 2023-24, our colleagues were awarded a 4.5% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and staff. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits reviews at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure.

The following chart shows our Mean and Median data over the past three reporting years:

	5 April 2022			5 April 2023			5 April 2024		
Gross Hourly rate of pay	Male	Female	Difference	Male	Female	Difference	Male	Female	Difference
Mean	£15.12	£12.83	17%	£16.64	£13.58	22.5%	£17.75	£14.61	17.7%
Median	£11.94	£11.85	1%	£12.47	£12.47	0%	£13.86	£13.12	5.3%

Gender pay gap

We're committed to promoting equality and inclusion in all aspects of our work. As of April 2024, our mean gender pay gap stands at 17.7%, a decrease from the previous year, reflecting progress in addressing pay disparities.

Chailey Heritage Foundation is confident that our gender pay gap does not arise from unequal pay for men and women performing the same or equivalent work. We ensure that pay awards, salary benchmarking, and other compensation-related practices are conducted fairly and without bias, regardless of gender. The gender pay gap is more reflective of the distribution of roles within our organisation, alongside the salaries and working patterns linked to these roles.

While the sector's structural dynamics pose ongoing challenges in closing the gender pay gap, we are fully committed to addressing this issue. Our focus remains on implementing robust attraction strategies and creating an inclusive, equitable, and empowering workplace for all.

The full report can be found here: https://www.chf.org.uk/Gender_Pay_Gap_Report_2024_.pdf

Trustees' duty to promote the success of the charity (Section 172 statement)

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term.
- the interests of the Company's employees.
- the need to foster the Company's business relationships with suppliers, customers, and others.
- the impact of the Company's operations on the community and the environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct.
- the need to act fairly as between members of the Company, (the "s.172(1) Matters").

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging, 'Commitment', 'Ambition' and 'Celebration' (as set out on page 5) underpin decision making at all levels and engagement with all our stakeholders.

The children and young people in our care are at the heart of all the Charity does, and their interests are fundamental to Trustees' decisions.

Decision making for the long term

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in the Spring and progress is reviewed three times a year at Board meetings. Our new five-year strategy was launched in January 2025.

Further information on our strategic priorities and how these have been delivered together with our plans for the future can be found on pages 10 to 31.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's staff and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. The well-being of staff continues to be a high priority and as the after-effects of the Pandemic were felt. The charity has supported employees by extending sick pay, enabling very gradual returns to work and, where possible, flexible working for colleagues recovering from long Covid.

Trustees continue to promote our employee assistance programme.

Trustees aim for the charity to be a fully inclusive community where everyone can be their authentic selves and there is equity for everyone to pursue their potential, they recognise that there is some way to go but have made it a strategic priority and part of our People Plan.

Further information on how we promote the interests of our employees and staff can be found in "A great place to work" on page 22.

Impact on the community and the environment

Community
The Charity has been part of Chailey community for over 120 years and it is now one of the largest employers in the area. It also has strong links to local companies and philanthropists who support the Charity in many ways.

We continue to run our popular Aquamovers provision which started in 2015 and benefits pre-school children and their parents/guardians.

Our hydrotherapy pool is still used by outside clubs and groups e.g. Puddleducks and Waterbabies.

During 2023/24, we begun a new fundraising appeal to extend Patchwork Farm with an indoor learning space. At the time of writing, this appeal was successful, and we are now in the process of planning how to involve the community in the build.

One of our new strategic priorities is to involve the community in helping us to grow by increasing their support through fundraising, volunteering and growing our commercial income by letting out our specialist facilities.

Environment
In developing its strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present because the medical needs of the young people require large volumes of clinical consumables such as syringes. To compensate, we are committed to offsetting where we can, and during 2023/24, we replaced most of the remaining fluorescent light fittings around the site to LED lighting. New double-glazed windows have been installed at the hydrotherapy pool as well as a new swimming pool cover, which will reduce gas for water heating. The installation of Solar PV panels is complete and this will significantly reduce carbon emissions.

The Environmentally Sustainable part of our strategy will address environmental issues and the Trustees are committed to environmental sustainability and reducing our carbon footprint will be a golden thread through our operational and strategic plans and increasingly will determine our choice of suppliers and partners.

Our Streamlined Energy and Carbon Report can be found on page 40.

Maintaining high standards of business conduct

Compliance and Good Practice
Chailey Heritage is committed to maintaining high standards both in the delivery of its services and its governance. Trustees ensure they are familiar with regulators' guidance and regulatory frameworks and take on board relevant recommendations from new guidance. Policies are reviewed on a three-year cycle and updated as required to reflect changes in guidance.

The Charity supports children and adults who are particularly vulnerable because of their physical and learning disabilities and therefore safeguarding is a priority; it is the responsibility of everyone, and Trustees and Governors monitor safeguarding compliance and case management closely and expect the highest standards.

Trustees follow best practice and guidance of the Charity Commission and Fundraising Regulator when establishing policies and making decisions affecting the charity. "Our Commitment to Donors" demonstrates the high standards the Trustees expect of the Fundraising Team and the Fundraising Policy includes the right to refuse a donation where it may be considered unethical.

Governance and Management
The Charity's operation is subject to a number of different regulators including CQC, Ofsted, the HSE, Fundraising Regulator, Information Commissioners, and the Charity Commission. The Charity aspires to the highest standards. Senior managers are responsible for ensuring regulatory compliance, that the organisation's policies followed, and the Foundation's values are embodied in service delivery and the conduct of its staff and volunteers. The Trustee Board monitors this directly and holds management to account through its sub committees, particularly the Governing Board.

Further information on Structure, Governance and Management can be found on page 35.

In setting its policies and strategic direction, due consideration is given to the issues identified in Section 172. We also expect high standards from our suppliers and contractors including strict compliance with DBS requirements and sound business practice. In the future, will take environmental credentials into consideration when awarding contracts.

We operate policies to ensure the Charity secures best value and aim to build long term relationships with key suppliers. We are very grateful to those suppliers who have supported our Fundraising projects.

SECR Carbon Reporting

It is a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

Our SECR carbon emissions for the financial reporting year 2023-24 amounted to 419 tCO2e, with 61% arising from gas consumption. Since last year, overall emissions have fallen by 4%.

Energy Efficiency Projects

We have replaced most of the remaining fluorescent light fittings around the whole site with much more efficient LED lighting, saving about 3.000 kWh of electricity a year.

New double-glazed windows have been installed at the hydrotherapy pool that, along with the new swimming pool cover, should help reduce gas for water heating.

We no longer purchase green electricity due to the far higher tariffs when our contract was renewed, which has previously considerably reduced our emissions.

However, we already produce our electricity, albeit a small amount, and, late in 2024, we are installing 520 new solar panels all around the site, which may be able to cover around a quarter of our electricity needs.

SECR Emissions Calculations - Methodology

We have reported on all emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2024.

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 42 to 45 in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

In the Summer of 2024, the Foundation went through a tender process for the audit of the annual report and accounts and new auditors are currently in the process of being appointed for financial year end 31 August 2025.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO_2e)

	Unit	2022-23	2021-22	% change
Energy consumption	kWh	**2,174,356**	**2,284,258**	
Scope 1 - Direct Emissions	tCO_2e	279.7	289.1	
Scope 2 - Energy Indirect Emissions	tCO_2e	138.1	146.5	
Scope 3 - Other Indirect Emissions	tCO_2e	1.6	3.1	
Total SECR Emissions	tCO_2e	419.4	438.7	-4%
Relative SECR Emissions	tCO_2e/£m	25.1	29.0	-13%

Statement of Trustees' responsibilities

The Trustees (who are also directors of Chailey Heritage Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

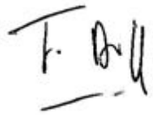
Statement as to disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors of the Charity under company law and is signed on its behalf by:



Mark Creamer – Chair of Trustees



Fiona Duff – Company Secretary

Date: 27 February 2025

Independent Auditor's Report to the Members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2024 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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 financial statements 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 trustees' responsibilities statement set out on page 42, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP.

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

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Date: 4 March 2025

Statement of Financial Activities For the Year Ended 31st August 2024 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Unrestricted Funds Designated £'000s	Restricted Funds £'000s	2024 Total £'000s	2023 Total £'000s
INCOME FROM:						
Donations, legacies and grants	**3**	805	-	916	1,721	862
Charitable activities:						
Fees	**4**	15,842	-	-	15,842	14,487
Ancillary income		183	-	-	183	162
Investments	**5**	173	-	-	173	97
Other		42	-	-	42	5
Total income		17,045	-	916	17,961	15,613
EXPENDITURE ON:						
Raising funds:						
Financing costs	**6**	16	-	-	16	40
Fundraising costs	**6**	196	-	-	196	202
		212	-	-	212	242
Charitable activities:						
Operating costs	**7**	16,455	15	-	16,470	14,773
Use of Donations and Appeal		-	63	350	413	378
		16,455	78	350	16,883	15,151
Total expenditure		16,667	78	350	17,095	15,393
Net income/(expenditure) before investment gains	**8**	378	(78)	566	866	220
Net (losses)/gains on investments	**13**	318	-	-	318	(112)
Net Income/(Expenditure)		696	(78)	566	1,184	108
Gross transfers between funds	**20**	375	(19)	(356)	-	-
Net movement in funds		1,071	(97)	210	1,184	108
Total funds brought forward		16,753	719	302	17,774	17,666
Total funds carried forward		17,824	622	512	18,958	17,774

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

The notes on pages 49 to 62 form part of these accounts.

Balance Sheet As at 31st August 2024

	Notes	2024 £'000s	2023 £'000s
FIXED ASSETS			
Tangible assets	**12**	12,753	13,439
Investments	**13**	4,427	3,975
		17,180	17,414
CURRENT ASSETS			
Debtors	**14**	3,116	3,157
Cash at bank and in hand	**15**	1,777	1,044
Total Current Assets		4,893	4,201
LIABILITIES			
Creditors: Amounts falling due within one year	**16**	(3,115)	(3,841)
NET CURRENT ASSETS/LIABILITIES		1,778	360
Creditors : Amounts falling due after one year		-	-
TOTAL NET ASSETS		18,958	17,774
ACCUMULATED FUNDS	**18,19**		
Restricted funds			
Invested in tangible fixed assets		-	-
Other		512	302
		512	302
Unrestricted funds			
Designated funds		622	719
General fund - invested in tangible fixed assets		12,753	13,439
General fund - free reserves		5,071	3,314
		18,446	17,472
TOTAL FUNDS		18,958	17,774

The financial statements on pages 46 to 48 were approved by the Board of Trustees and authorised for issue on 27 February 2025 and signed on their behalf by



M. Creamer
Trustee



D. Garland
Trustee

Company No: 3769775

Statement of Cash Flows For the Year Ended 31st August 2024

	2024 £'000s	2023 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	1,188	1,018
Cash flows from investing activities		
Dividends, interest and rents from investments	173	97
Purchase of property, plant and equipment	(494)	(240)
Proceeds from sale of investments	13	37
Purchase of investments	(147)	(82)
Net cash used in investing activities	(455)	(188)
Cash Flows from financing activities		
Cash inflows from new borrowing	-	(275)
Net Cash provided by financing activities	-	(275)
Change in cash and cash equivalents in the reporting period	733	555
Cash and cash equivalents at the beginning of the reporting period	1,044	489
Cash and cash equivalents at the end of the reporting period	1,777	1,044

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

	2024 £'000s	2023 £'000s
Net (expenditure)/income	1,184	108
Adjustments for		
Depreciation charges	1,064	927
Profit/loss on disposal of fixed assets	116	9
Net losses/(gains) on investments	(318)	112
Investment income	(173)	(97)
Decrease/(Increase) in debtors	41	118
(Decrease)/Increase in creditors	(726)	(159)
Net cash provided by/(used in) operating activities	1,188	1,018

Statement of Accounting Policies and Notes to the financial statements – For the Year Ended 31st August 2024

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 63. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS102 and has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and the current economic climate on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the current economic climate continuing throughout 2025/26 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2024 as in the previous year.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Donations are accounted for when the amounts are received or are measurable and certain at the date of the accounts. Donations in kind are accounted for when the benefit is measurable and supported by third party verification.

Tax recoverable under Gift Aid is accounted for when it is received.

Donations,legacies and grants are only treated as Restricted if they are subject to specific wishes of the donors. Unrestricted donations that are unspent at the end of the year are treated as Designated by the Trustees.

Grants receivable are accounted for over the period to which they relate. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Such deferred income relating to grants is included in deferred income in creditors.

Investment income is accounted for on an accruals basis.

e) Expenditure

Liabilities are 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. All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is included with the item of expense to which it relates

f) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less appropriate depreciation. Items costing less than £2,500 are not capitalised unless they form part of a larger capital project costing more than £2,500.

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives:

Leasehold property and improvements	2-4%,10% or 25% depending on the asset life.
Motor vehicles, furniture and equipment	25% per annum on cost
Computer equipment and software	25% per annum on cost
Hoists / longer life equipment	10% per annum on cost

Depreciation starts in the month of purchase or month first used whichever is the later.

Fixed assets acquired with restricted funds are treated as Restricted Fixed Assets in the accounting year in which they are purchased or brought into use, if later. When fully operational these assets are reclassified as Unrestricted, unless the donor specifically requests they remain as Restricted or the Appeal Fund which funded them remains open.

g) Investments

Investments are initially recorded at cost and subsequently measured at fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

h) Pension costs and other post-retirement benefits

The Foundation operates with two different pension schemes as described in note 10.

1. Teachers are members of the Teachers Pension Scheme.

2. A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

Contributions to all schemes are charged in the Statement of Financial Activities as they fall due.

i) Fund Accounting

Restricted funds are funds for specific purposes imposed by the donor or by the terms or nature of the appeal under which the funds were raised. The restrictions are binding upon the Trustees of the Charity.

Unrestricted Funds are analysed between (a) General funds available to the Charity for its general purposes, including past funds deployed in tangible fixed assets; and (b) Designated funds, formally earmarked by the trustees at their discretion for specific spending.

j) Operating leases

Rentals paid under operating leases are charged to expenditure as incurred.

k) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and on surpluses of any trading activities carried on in furtherance of the Charity's primary objects. The Charity's non-primary trading activities are also tax exempt as below the current taxable threshold.

The Charity became VAT registered from 1 January 2025.

l) Other financial instruments

i) Cash and cash equivalents
Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of 95 days or less.

ii) Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their present value, which due to the short term nature of the balances is the transaction price

m) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees, no judgements were required that have a significant effect on amounts recognised in the financial statements, nor do any estimates or assumptions made carry significant risk of material adjustment in the next financial year.

3. Donations, legacies and grants

Year at 31 August 2024

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2024 Total £'000s
Donations	152	-	707	859
Legacies	653	-	-	653
Grants	-	-	209	209
	805	-	916	1,721

Year at 31 August 2023

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2023 Total £'000s
Donations	229	-	479	708
Legacies	9	-	-	9
Grants	-	-	145	145
	238	-	624	862

The grants received above relate to furlough grants, covid grants , teachers pay and maintenance of the School grants.

4. Income from Charitable activities

	2024 £'000s	2023 £'000s
Education fees	5,430	4,764
Social Care fees	10,412	9,723
	15,842	14,487
Ancillary income	183	162

A very high proportion of our fees come from Local Authorities and Clinical Commissioning Groups.

Ancillary income is mainly from the provision of riding and swimming outside school hours and Café income.

5. Investment income

All income in the current and comparative year relates to unrestricted funds.

6. Cost of raising funds and financing costs

All costs of raising funds and financing costs in the current and comparative year are charged to unrestricted funds.

7. Analysis of charitable expenditure

Year at 31 August 2024

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2024 £'000s
School	3,816	123	1,407	274	5,620
Social Care	6,688	570	2,390	506	10,154
Other charitable activities	239	115	58	284	696
Total operating costs	10,743	808	3,855	1,064	16,470

Year at 31 August 2023

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2023 £'000s
School	3,239	94	1,196	235	4,764
Social Care	6,170	703	2,032	491	9,396
Other charitable activities	223	140	49	201	613
Total operating costs	9,632	937	3,277	927	14,773

Year at 31 August 2024

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2024 £'000s
Staff costs	552	935	22	1,509
IT costs	192	326	8	526
Maintenance	148	250	6	404
Insurance	34	58	1	93
HR costs	74	126	3	203
Utilities	230	392	9	631
Professional fees	12	21	1	34
Other	166	282	7	455
	1,408	2,390	57	3,855

Year at 31 August 2023

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2023 £'000s
Staff costs	528	897	22	1,447
IT costs	83	141	3	227
Maintenance	116	197	5	318
Insurance	33	56	1	90
HR costs	82	139	3	224
Utilities	249	423	10	682
Professional fees	16	28	1	45
Other	89	152	3	244
	1,196	2,033	48	3,277

Support costs have been allocated to Operating areas on the following bases:
Staff costs - time spent
Depreciation - usage of related assets
Other expenses - floor area or headcount.

Support costs include governance costs of £28k (2023: £22k).

8. Net operating income/(expenditure)

	2024 £'000s	2023 £'000s
This is stated after charging:		
Auditors' remuneration	28	22
Depreciation of tangible fixed assets	1,064	927

9. Employment costs

	2024 £'000s	2023 £'000s
Wages and salaries	11,044	10,017
Social security costs	891	828
Pension contributions (see note 10)	655	589
	12,590	11,434

Agency costs of £596K (2023: £343k) are included in the above. These continue to increase due to staff recruitment issues.

The average number of employees in the year was 417 (312 Full time equivalent) (2023: 383 (289 full-time equivalent)).

Trustees' funds paid for 6 employees in the year (fte 5.32) (2023: 6 heads 5.18 fte) at a total cost of £256K (2023: £251K).

Average number of full-time equivalent employees by area:	2024	2023
School	114	96
Social Care	148	148
Support	40	36
Fundraising	6	5
Other	4	4
	312	289

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2024	2023	2024 £'000s	2023 £'000s
£60k-70k	4	5	16	35
£70k-80k	1	2	2	22
£80k-90k	2	0	28	0
£90k-100k	0	0	0	0
£100k-110k	0	1	0	8
£120k-£130k	1	0	9	0

As at the end of the financial year, we had 57 active volunteers available to help across our services.

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The pension charge for the year included contributions payable to TPS of £163,086 (2023: £183,026) and at the year-end £28,310 (2023: £18,977) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the valuation report was published in October 2023.

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

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

The average number of employees in the scheme is 19 (2023:18).

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Foundation's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. All new staff, except teachers (unless they have opted out of TPS), are auto-enrolled into this scheme after completion of three month's service and having attained the age of 18 years. For the period from 1 September 2023 to 31 August 2024, the employer contribution rate was 4% (2023: 4%) for the main scheme. Employees can opt in to an enhanced scheme after six months of service, where the employer rate is 7.5% and employee contribution is 5%.

The average number of employees in the scheme is 361 (2023: 344).
The pension charge for the year was £491,564 (2023: £406,116).
At the year end, there were accrued contributions due of £87,231(2023: £57,174).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2023: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2023: £nil). A transaction which constitutes a Related Party Transaction with a trustee is disclosed in note 25.

Key management comprises the Chief Executive and other members of the Executive Leadership Team. The total employee emoluments of the charity's key management personnel were £494k (2023: £395k). The increase is due to a restructure of the Executive Leadership team and all directors now being full-time.

12. Tangible Fixed Assets

	Freehold Land	Leasehold Property, Buildings and improvements	Computers, Furniture, Equipment and Motor Vehicles	Total
	£'000s	£'000s	£'000s	£'000s
Cost or valuation				
1 September 2023	18	21,771	2,915	24,704
Additions	-	192	302	494
Disposals	-	(124)	(266)	(390)
31 August 2024	18	21,839	2,951	24,808
Depreciation				
1 September 2023	-	9,260	2,005	11,265
Charge for year	-	733	331	1,064
Disposals	-	(25)	(249)	(274)
31 August 2024	-	9,968	2,087	12,055
Net book values				
31 August 2024	18	11,871	864	12,753
31 August 2023	18	12,511	910	13,439

The leasehold property represents the buildings on the site at Chailey which is leased fromSussex Community NHS Foundation Trust. The lease was extended in 2021 until 29th June 2143 and, under its terms, £1 per annum is paid but the Charity is responsible for all maintenance of the site and buildings.

In the unlikely event that the Charity was to discontinue its activities, the property (including all investment in the site by the Charity) would revert to Sussex Community NHS Foundation Trust as lessor for no consideration.

13. Fixed Asset Investments

	2024 £'000s	2023 £'000s
Investments held at 1 September	3,975	4,042
Funds withdrawn	(13)	(37)
Net income reinvested/(withdrawn)	147	82
Net unrealised and realised (losses)/gains in the year	318	(112)
Market value at 31 August	4,427	3,975
Historical cost at 31 August	4,228	4,122
Investments at market value consist of:		
Listed Investments registered in UK	4,427	3,975
Cash held as part of investment portfolio	1	1

All investments are listed apart from the £1 unlisted investment held in Chailey Heritage Trading Company Limited, a subsidiary company (note 2c).

The investment portfolio is held primarily for the long term sustainability of the Charity, having regard to the financial risks inherent in operating the Charity - for example those arising from undue fluctuations in income, pupil numbers and costs - and to provide additional income to the Charity.

14. Debtors

	2024 £'000s	2023 £'000s
Fees	2,500	2,884
Prepayments	340	258
Accrued income	276	15
	3,116	3,157

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

£1,942k of 2024 debtors (2023: £2,750k) relates to invoices raised in August in respect of the next financial year and the amount can fluctuate due to when the invoices are raised. These invoices are treated as deferred income (note 17).

15. Cash at bank

Cash and deposits represent (1) working capital balances on current accounts held primarily for the day-to-day operations of the Charity and (2) amounts invested on the money market with prime institutions which are required in the short and medium term for capital projects and to maintain an adequate level of general liquidity.

16. Creditors - due within one year

	2024 £'000s	2023 £'000s
Taxation and social security	193	187
Trade creditors	425	397
Other creditors	118	144
Accruals	437	355
Deferred income	1,942	2,758
	3,115	3,841

Included within 'Other Creditors' are accrued pension contributions of £76K (2022: £75k).

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term

received in August £251k (2022: £71k).

Deferred income brought forward was all utilised during the current year.

All creditors are financial instruments and are measured at present value.

17. Deferred income

Deferred income comprises	2024 £'000s	2023 £'000s
Balance at 1 September	2,758	2,604
Amount released to incoming resources	(2,758)	(2,604)
Amount deferred in the year (note 16)	1,942	2,758
Balance at 31 August	1,942	2,758

18. Analysis of Net Assets by Fund

Year to 31 August 2024

	Tangible Fixed Assets	Investments	Net Current Assets	2024 Total
	£'000s	£'000s	£'000s	£'000s
Restricted funds	-	-	512	512
Unrestricted funds:				
Designated fund	-	-	622	622
Fixed assets fund	12,753	-	-	12,753
General funds	-	4,427	644	5,071
	12,753	4,427	1,778	18,958

Year to 31 August 2023

	Tangible Fixed Assets	Investments	Net Current Assets	2023 Total
	£'000s	£'000s	£'000s	£'000s
Restricted funds	-	-	302	302
Unrestricted funds:				
Designated fund	-	-	719	719
Fixed assets fund	13,439	-	-	13,439
General funds	-	3,975	(661)	3,314
	13,439	3,975	360	17,774

19. Analysis of Charitable Funds

	Restricted Funds	Balance 1 September 2023 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2024 £'000s
a)	DfE grants	-	209	-	(209)	-
b)	Donations towards major projects and equipment	302	707	(350)	(147)	512
		302	916	(350)	(356)	512
	Total Restricted funds	302	916	(350)	(356)	512

a. The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.

b. Comprises donations received towards specific capital projects/expenditure e.g. Patchwork Farm, Riding, Hydrotherapy pool and transferred out to reflect those amounts spent to date.

Unrestricted funds	Balance 1 September 2023 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2024 £'000s
Designated fund	719	-	(78)	(19)	622
Fixed asset fund	13,439	-	(1,178)	492	12,753
General fund	3,314	17,045	(15,171)	(117)	5,071
Total Unrestricted funds	17,472	17,045	(16,427)	356	18,446

Incoming resources above include the net unrealised and realised gains/losses on investments.

Designated Fund:
The £622K represents the current balance of unrestricted donations received but not spent as at year end and amounts designated in 2023 for the Estates survey and purchase of the freehold.

Fixed Asset Fund:
This represents the net book value of the Charity's land, buildings and equipment. Total tangible assets of £12,753k are shown in the Charity's balance sheet. They are analysed in note 12 on page 57. The transfer of £492k to fixed asset funds is unrestricted additions in the financial year of £260k, restricted additions of £72K and additions from unrestricted additions (designated fund) of £160K.

General Fund:
The unrestricted general fund of £5,071K is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance. The transfer out of £117k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

20. Financial Commitments

The charity has 3 non-cancellable operating leases at year end 2024 and 1 which has been signed since year end (2023: 3).

	2024 £'000s	2023 £'000s
< 1 year	22	28
2-5 years	86	108
> 5 years	2	23
	110	159

21. Capital Commitments

At the balance sheet date, the Charity had capital commitments totalling £25K (2023: £132k).

22. Legacies

As at 31 August 2024, the Charity had been notified of 2 (2023: two) new legacies where payment was not received by that date. These have been provided for in the accounts, as they were received in the first quarter of 2025.

23. Control

The charitable company is under the control of its members who are its Trustees. No one member has sufficient voting rights to control the charitable company.

24. Related Party Transactions

During the year, the Charity received a donation of £17K from Jewell Bequest Charitable Trust in relation to the employment of the family liaison officers. One of Chailey Heritage Foundation's Trustees is also a Trustee of Jewell Bequest Charitable Trust.

Trustees, Executives and Professional Advisors

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

PATRONS

Mr Chris Goodman
Mr David Hill

TRUSTEES AND GOVERNORS

The Trustees of Chailey Heritage Foundation (who are also the directors of the company for the purposes of company law) and the Governors who served throughout the year unless otherwise stated were:

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson (retired December 2024)
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott
Mrs Jenny Clark
Ms Denise Garland
Mrs Alison Grover
Dr Elizabeth Green (retired January 2024)
Mr Andrew Hodson
Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)
Mr Darren Chilcott
Ms Susan Duke
Mrs Alison Grover
Mr Alan Loader (retired August 2024)
Ms Amanda Mortensen (retired March 2024)
Mr Lawrence Mudford
Ms Carole Oram (retired August 2024)
Mrs Deirdre Prower
Ms Dianne Ryan (retired August 2024)
Frederick Shears (retired February 2025)
Ms Julie Tilbury
Ms Jenny Turner

KEY EXECUTIVES

Chief Executive:	Mr Gareth Germer
Headteacher:	Mr Richard Green
Director of Social Care:	Mr Dee Anand
Director of Resources:	Mr Mike Wilson
Director of People & Culture:	Ms Joanne Peppard
Director of Specialist Services & Income:	Mr Will Folkes
Company Secretary:	Ms Fiona Duff

AUDITORS

Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey RH1 1DL

BANKERS

National Westminster Bank, 1 Muster Green, Haywards Heath, West Sussex, RH16 4AP

SOLICITORS

Bates Wells, 10 Queen Street Place, London, EC4R 1BE

INVESTMENT MANAGERS

Rathbone Investment Management Limited, 8 Finsbury Circus, London, EC2M 7AZ

REGISTRATION INFORMATION

The Registered Office and principal address of the Company is at Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF

Chailey Heritage Foundation

Haywards Heath Road
North Chailey
Lewes
East Sussex
BN8 4EF

ChaileyHeritageFoundation

ChaileyHeritage

ChaileyHeritageFdn

Registered Charity Number 1075837 Registered in England as a Company limited by Guarantee Number 3769775

Chailey Heritage Foundation

CHAILEY HERITAGE FOUNDATION

England & Wales - Charity number 1075837

Accounts

Annual report and accounts

2022-23

Chailey Heritage Foundation
pursuing potential





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Our promise today is that:

> “We will never, ever give up working with children, young people and their families to empower them to make their own choices at every stage in life.”



About Chailey Heritage Foundation



Chailey Heritage Foundation provides education and care services and is one of the UK’s leading centres for children and young people with complex neurodisabilities. Many of our young people have severe cerebral palsy, many have visual and/or other sensory impairments. All our young people are wheelchair users and very few have verbal communication. Our expertise is in maximising independence and choice, developing effective communication and providing powered mobility opportunities.

Founded in 1903 by Grace Kimmins, we still embrace her ethos today. We believe that each child and young person should have every opportunity to fulfil their potential, no matter what the challenges.

We have developed a world-class range of specialist services that are necessary to meet the needs of these disabled young people. We work in close partnership with Chailey Clinical Services, a nationally recognised specialist NHS tertiary service for children and young adults with complex neurological and physical disabilities. Being on the same site enables us to deliver uniquely, integrated multi-agency services for the benefit of the young people and their families.

Our values

The Foundation aims for a values-based culture, and we expect all colleagues to embody those values every day.



we are a community with a shared purpose. Everyone is accepted, everyone matters



every day we strive to make a positive difference for the children, young people, and their families



we have high expectations. 'OK' is never good enough



we celebrate what we achieve together

What we do

Under the Chailey Heritage Foundation umbrella, the Charity delivers services in three main areas:

Education

An Ofsted 'Outstanding' non-maintained special school for 3–19-year-olds

Residential

A range of home-from-home options for pupils of the school and a transition service for young adults up to the age of 25.

Community Services

A range of on-site services offering the skills of our staff to families living in the community.



The difference we make

The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to the lives of our beneficiaries and their families. You will learn more about this impact as you read the case studies of the young people using our services throughout this report.

79

Number of pupils in the School

5,374

Bed nights for children

19

Number of young adults in Chailey Heritage Futures



5,787

Bed nights for young adults

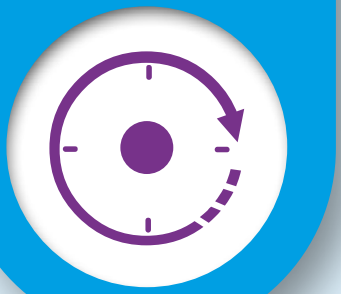


Sessions provided in the LSC, our leisure and skills centre



13,842

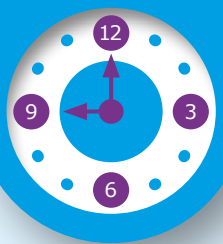
Sessions provided in the Hub, our vibrant day service



3,666

93

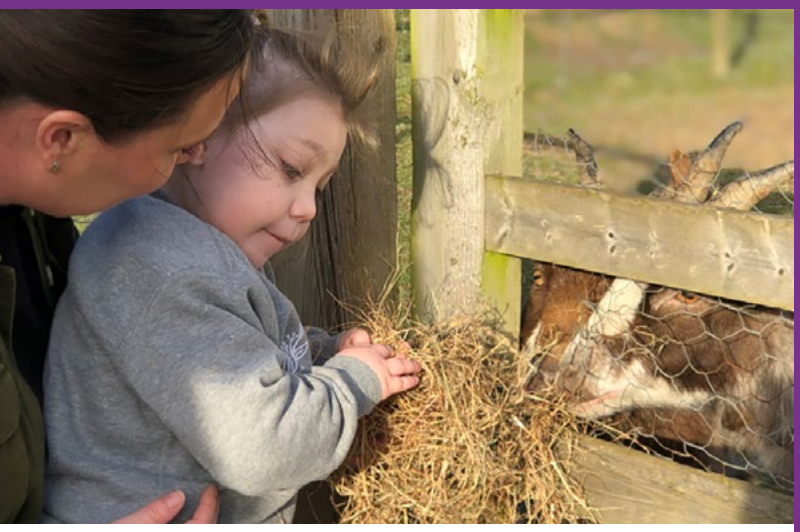
Hours delivered by Aquamovers, our parent/toddler group



80

Sessions delivered by Holiday Club





> “Chailey Heritage is a truly special place… not just in terms of the outstanding services we provide and the privilege we share of working with the most amazing children and young people, but also because of how we make the difference.”

Statement from Chief Executive

Welcome

As I write this, I have been in post for just over a year and, as each day passes, I am reminded that Chailey Heritage Foundation is a truly special place. Special not just in terms of the outstanding services we provide and the privilege we share of working with the most amazing children and young people, but also because of how we make the difference.

We are proud to work in partnership with our Chailey Clinical NHS colleagues to offer truly integrated education, care and support to the young people accessing our services. Multi-disciplinary teams working together day in day out, supporting and learning from each other is fundamental to the outcomes we can achieve.

As well as our school, residential and community offer, you will read about our highly specialist services – aquatics, hippotherapy and Patchwork Farm - on page 18. We see these services as a point of difference and central to unlocking potential. We are so fortunate to have the time and financial support offered by our volunteers, donors and supporters, without whom we could not continue to offer the diversity which we feel is so important. As we look ahead, we are keen to explore how we can increase access to these facilities from the wider community, fellow charities and providers.

We are operating in challenging times – SEND funding, wider economic pressures and growing demand are placing ever greater pressure on the system within which we operate. We see the adverse impact of these pressures on the families we support and the challenges they face in accessing the services they need. As a Chailey community, we continue to be aspirational and do all we can to rise to that challenge.

We have not been immune from the workforce pressures our sector is experiencing. In the last year, we have weathered this storm thanks to the commitment and dedication of our colleagues, volunteers, families, carers and supporters. We have developed and launched a comprehensive workforce strategy focussing on attracting, retaining and developing the expertise we need to meet need now and in the future. We want to ensure that our salaries remain competitive, but also that the experience of working and volunteering at Chailey Heritage is a great one.

Last year, in recognition of the charity’s contribution to the community, we were absolutely thrilled to be one of the charities chosen to receive a ‘Tree of Trees’ from The Queen’s Green Canopy. The tree was planted by the Lord-Lieutenant of East Sussex and stands tall as a message of hope, regeneration and optimism to the nation and the world as part of the Platinum Jubilee weekend celebrations.

We continue to receive visitors from around the world who are keen to learn more about our work and the outcomes we are able to achieve. As we start to look ahead to our next strategic period, we are keen to build on these solid foundations and explore the ways in which we can increase our reach and impact further. As you read our annual report, I hope you will share in our enthusiasm and see the positive difference we make in supporting the young people in our care to live their best lives.



Gareth Germer
Chief Executive



Meet Charlotte

> “At Chailey Heritage Foundation, I get a chance to take a deep breath and just enjoy being Charlotte’s Mum and see her amazing achievements.”
>
> Charlotte’s Mum



Charlotte, who is 13 years old, is a determined, kind, and thoughtful pupil who is absolutely thriving at Chailey Heritage Foundation. At just seven months old, Charlotte was diagnosed with Glutaric Aciduria Type 1 and she lost all physical ability, the only part of her body she could move was her eyes.

With care and support, Charlotte is enjoying an active life at Chailey Heritage Foundation including swimming, using the trike, walker, standing frame, and she can even order her own lunch using her VOCA (voice output communication aid) by selecting symbols and messages on it by using her joystick. She is a whizz with technology and even has WhatsApp on her VOCA so that she can send messages to her family. Her Mum says, “If I get a WhatsApp from Charlotte, I’ll show it to everyone around me because I’m so excited!”

Teacher and PMLD lead, Julie Tilbury, explains that all the young people at Chailey Heritage are treated with dignity and respect and the focus is to enable them to become as independent as possible. She explains that “all my colleagues here have a passion to help young people reach their full potential.”

Her Mum concludes, “At Chailey Heritage Foundation, I get a chance to take a deep breath and just enjoy being Charlotte’s Mum and see her amazing achievements.”



"You have pioneered a curriculum that is bespoke to your school. It builds around each individual pupil by focusing on seven relevant areas of learning. You, your leaders and teaching staff have ensured that this highly personalised, learner-centred approach is at the heart of the school's provision. One parent summed up this approach telling inspectors that, 'because our children don't fit into a box, the school makes the box for the child."

Ofsted

Our School - Everyday Excellence

Children and young people are at the core of Chailey Heritage Foundation and the heart of our mission. We seek excellence, not as a badge but because the children, young people and their families deserve nothing less.

From our foundation in 1903, the charity has been at the forefront of education, health and care of disabled young people. That tradition still drives us today.

We are very proud that our Ofsted 'Outstanding' school is leading the way on how children with profound and multiple needs can and should be educated.

Every pupil at school has their own curriculum built specifically for them, the Chailey Heritage Individual Learner Driven (CHILD) Curriculum, designed by the team here at Chailey Heritage. This innovative Curriculum is followed by all our teachers and therapists, and it starts and ends with the child; essentially the child IS the curriculum. The CHILD Curriculum aims to take each pupil as far as they can with their progress.

In the last year, the reputation of the CHILD Curriculum has been far reaching including Ekisa Academy in Uganda and Vicktress Bower School in California, along with many visitors within the UK looking at what we achieve and how we do it. We have also hosted guests from the Department for Education, as well our Assistant Headteacher, Paula Marten, contributing to the All Party Parliamentary Group discussions on cerebral palsy.

Many of the guests who visit us in school come from beyond the world of education and we frequently support visits from medical students in their fourth year, along with numerous work experience placements for health and social care students from local secondary schools and colleges.

79

Number of pupils in the School

Our highly experienced teachers and staff continue to speak out and advocate for our young people. Richard Green, Headteacher, is an active member of the East Sussex Safeguarding Partnership to ensure that our cohort of young people are not forgotten about when looking at the local and national safeguarding picture.

All our pupils have some level of communication difficulty. We always strive to meet every individual's need and right to communicate and be listened to. A key to successful communication is our 'Total Communication' and 'Responsive Environment' approach, in which we acknowledge, respect, and allow time and space for every form of communicative intent and processing need. You can read about the impact we have had on Charlotte's communication skills on page 9.

Our partnership with Jessie's Fund, a charity that strives to support children with complex needs to communicate through music, continues.

The specialist teachers continue to research, gain knowledge and understanding to support our pupils; currently there are three colleagues engaged with higher education, post graduate studies.

Whilst very specialist in everything we deliver, we never lose sight of the fact that we are a school, and our pupils are still children and young people on their educational journey who need to have fun and enjoy that journey. This is the reason why we strive to acknowledge the key milestones, such as all the year 6 pupils actively taking part in Patina.

Patina, the Year 6 moving on parade, is where all the local primary schools are invited to make large sculptures and walk through the County town of Lewes, marking the end of their primary education and moving on to secondary education. Last year's theme was "All the World's a Stage" and our choice was Joseph and his Amazing Technicolour Dreamcoat. One of our school departments took this as their colourful theme for the Summer Term, producing some wonderful art to embellish wheelchairs to parade through Lewes last July including a chariot of gold complete with horse!

> "It's all about amazing staff supporting amazing young people in the most amazing place – nowhere else like it."
>
> **Parent**



Meet Thomas



Thomas is 20 years old and loves nothing better than lots of noise and the rough and tumble of life! He loves to play the drums in his music sessions and has a good sense of humour, so likes spending time with people who like to have fun!

Life is particularly challenging for Thomas - being non-verbal with an extensive list of conditions including Cerebral Palsy, Epilepsy, Scoliosis and requiring overnight oxygen, means that he needs full-time care. Since leaving school and transitioning to our young adult residential services, Futures, Thomas now lives in Orchard bungalow with other young adults.

Since starting Futures, Thomas loves going swimming, participating in games at the Dream Centre (particularly wheelchair football as he's extremely competitive!). Thomas also really enjoys the immersive space in the Dream Centre, with all its sights, sounds and experiences - from being in a nightclub, to traveling to jungles, tropical islands, and even ancient Egypt! Thomas is very musical so the music therapy sessions are a real favourite too, particularly the drumming workshops where he can make as much noise as he likes!

Thomas's Mum, Gill, says "The transition to Futures has been seamless. We have been helped through the bumpy bits such as the amount of paperwork, and extras such as Thomas having the same night team and one-to-one support have made all the difference." Gill describes how his new home in Orchard bungalow has a 'grown up' atmosphere, with more of a student vibe than his previous home. "They treat him like an adult, he has even got his own bank card! It's no longer Mum choosing for him, he's encouraged to be as independent as possible like any other young adult."

> "Thomas is treated like an adult… it's no longer Mum choosing for him, he's encouraged to be as independent as possible, like any other young adult."
>
> Gill – **Thomas's Mum**

He also enjoys the social trips Futures has to offer. He recently visited Brighton Marina with his friends to go bowling, and he loves to pop to the shops with Kelly to have a coffee and people watch. He also enjoys visiting Sheffield Park, taking in the beautiful gardens and fresh air. Thomas has transitioned seamlessly from school to adult services at Chailey Heritage Foundation, and his support team and family are incredibly proud of all he has achieved.





> “Staff are creative and make sure that children have new activities to expand their interests and learning, while also making sure they have access to activities that they find comforting and enjoyable.”
>
> **Ofsted**

Our Residential & Community Services – making a difference for young people and their families

5,374

Bed nights for children

5,787

Bed nights for young adults

We are very proud that our Children’s Home has been judged “Good” by Ofsted for the last five years and is testament to the dedication of the staff working with the children. Inspectors noted in their most recent inspection in November 2023 that “children are cared for by staff who are attentive and familiar with each child’s personality, needs and method of communication. As a result, children build and maintain strong relationships with staff… staff provide nurturing care to ensure children’s safety and well-being. This is balanced with giving children freedom and choice to take well-considered risks and enjoy their time at the home.”

During this year, our residential bungalows underwent a complete refurbishment with new beds for every bedroom and upgraded bathrooms.

Outside space is also so important to the young people living in our bungalows. We invited Maria Caulfield MP and Community Champions from local Morrisons stores to the official opening of our bungalows quad garden. Our quad needed a makeover for a while and thanks to the generous grant from the Morrisons Foundation, we were able to commission its transformation into a colourful and accessible new space for our bungalow residents to play, relax, socialise and practice their wheelchair driving skills.



Sessions provided in the LSC, our leisure and skills centre

13,842

Sessions provided in the Hub, our vibrant day service

3,666

Trips are back on the agenda and over the summer holidays, the young people enjoyed a fantastic trip to Paulton's Park. They explored Peppa Pig World and braved some of the huge rollercoasters!

Our residential transition service, Futures, for young adults who are transitioning from school, is in great demand. Our experienced staff help these young adults to be as independent as possible as Thomas's mum explains on page 12.

We love a competition and the Dream Centre on site is the ideal space for the young people to take part in a range of activities and each year we host the Chailey Games – a chance for everyone to compete, have fun, and win trophies and medals.

This year, there was a great sense of anticipation and excitement as over 40 participants took part in boxing, weightlifting, new age kurling and skittles events. We then had the challenging task of whittling it down to overall winners! We were incredibly lucky to be joined by Paralympian Wheelchair Racer, Fabienne Andre, who gave an inspiring speech about competing at an international level and answered questions from participants. Fabienne brought along her racing chair and equipment to demonstrate how they worked and showed everyone her medals.

Our community services are a vital part of our offer to people with disabilities who do not live with us on site. It allows them to experience our amazing facilities and have access to our highly trained staff. Sessions in our Leisure and Skills Centre and Hub increased during this year, and you can read about how our Leisure and Skills Centre has helped Lu on page 15.

The High Sheriff of East Sussex, who visited in the summer, was particularly impressed with our services and presented the charity with an award 'in recognition of great and valuable services to the community'.





93

Hours delivered by Aquamovers, our parent/toddler group

80

Sessions delivered by Holiday Club

Meet Lu



Our Leisure and Skills Centre (LSC) is an activity centre open to anybody in the community with a disability, aged 16 and above. A variety of sessions are offered, including a fully accessible gym, art and cookery sessions, and a hydrotherapy pool.

> "With my medical condition, I knew that I couldn't go to a conventional pool as I needed the care and utter professionalism that is the hallmark of the LSC and Chailey Heritage Foundation."
>
> Lu Seymour

Lu Seymour is currently accessing the hydrotherapy pool and has found the sessions to be incredibly beneficial for her recovery. Lu recently spent nine months in intensive care and was in an induced coma and on a ventilator for much of that time. The situation has been life changing and Lu now has extremely limited mobility.

She was advised by her neuro physiotherapist that she would benefit from a warm swimming pool environment, so she contacted the LSC to seek advice.

"I never imagined it would be possible, but the Manager at the LSC told me that I could book sessions directly. I started going every week - and it has been an absolute lifesaver for me."

Lu says that accessing the hydrotherapy pool has made such a difference to how she feels.

The pool operates at around 33 degrees, which is higher than a normal pool temperature and Lu describes it as like being in a hot bath. The higher temperature helps to relax her muscles, which in turn makes it easier for her to exercise, walking up and down the pool which strengthens her muscles and improves circulation. Lu says, "It's tiring but it's absolutely brilliant and so beneficial."

She describes how the staff at the LSC are so kind and encouraging. "With my medical condition, I knew that I couldn't go to a conventional pool as I needed the care and utter professionalism that is the hallmark of the LSC and Chailey Heritage Foundation."

The regular sessions have helped to boost her mood too, as it has been a particularly challenging time emotionally as well as physically. "At times, I feel that I need something to give me a lift. The anticipation of my regular swim is a morale booster and coming to the pool at Chailey gives me just that."





Innovation

Magnetic track boosts independence

Our resident engineer, Dr Martin Langner, and his team have been working on an exciting new project to enhance independence and choice for our young people. Ricci, a pupil in the School's Seymour department, has been trialling out this project; an incredible magnetic track.

The magnetic track can be pieced together on any surface, allowing a young person to drive their wheelchair around the direction of the track using the powered platform and a switch.

This technology is life changing for young people like Ricci as it gives him the independence to choose where he goes. One of the best features of this track is the ability for it to be moved and realigned so staff have the flexibility to set up the technology anywhere on site.

You can read more about how innovation has changed Seth's life on page 17.

Multi-Sensory Provision

The majority of our pupils have visual and/or hearing impairments. Our specialist approaches ensure that sensory skills are maximised, senses are stimulated and sensory 'strengths' are tapped into in order to open up a world of experience and learning for each individual.

Perhaps the most innovative aspect of our on-site Dream Centre is the Immersive Space, in which the young people can experience a simulation of the real world or enjoy immersive experiences with colour-wash walls, and more. It provides a stimulating, engaging and entertaining multi-sensory experience. The creation of bespoke content, designed specifically around the needs and interests of the young people, allows the Immersive Space to deliver a range of positive outcomes for the pupils.

Simulations include being caught in a snowstorm, trekking the desert and swimming under water, which brings brand new experiences to the lives of the young people.

It also forms the backdrop for drama sessions and plays, allowing the pupils to be fully immersed with a chosen topic using interactive sensory cues.

Meet Seth



Seth is 6 years old and has a variety of complex needs including Congenital Myopathy (a muscle disorder), and significant hypotonia (low muscle tone). He also has a permanent tracheostomy for ventilation and all respiratory management, as he is unable to breathe independently. He benefits from our specialist services, activities, and equipment in a variety of ways.

Seth loves riding his bike. It gives him the freedom to be active and make his own decisions about where he goes, just like his sister can. He particularly enjoys riding his bike around the garden centre his family runs.

Seth is a 'pro' at Eye-Gaze, using his eyes to select words and he loves to read stories to the other children. He can also count, share feelings, and talk about the weather.

The hydrotherapy sessions allow Seth to explore movement and build his strength as it is a real work out! He can now kick his legs and move his arms in the water, and despite being connected to a ventilator, Seth can enjoy all the benefits of hydrotherapy safely.

Seth loves power driving and like all 6-year-olds he likes to push boundaries! He is working hard at using his head switches to drive his wheelchair, including stopping too!

> "Eye-Gaze has opened a whole new world for Seth, it gives him independence, a chance to express himself and communicate with those around him."
>
> Seth's Mum

In rebound therapy, Seth benefits from physiotherapy in a fun, active, participatory way and is able to stand supported in a sling. Combined with other exercises like box sitting, Seth is now able to support his own head, and shake and nod to give a yes/no responses, which he was unable to do when he first joined Chailey Heritage Foundation.

Visits to our on-site Patchwork Farm have boosted Seth's self-esteem through caring for the animals and he is known as the "guinea pig whisperer!" This winter, Seth is excited to be in charge of looking after the tortoises when they come to live inside the classroom in the cold months.

"All our specialist services contribute towards giving the young people a sense of individuality and independence, putting them in control rather than always being passive recipients of care. The benefits are cyclical, the more exercise and activities they enjoy, the more cognitively able and receptive they are in the classroom and vice versa." **Julie, Seth's teacher**

> "Seth can decide where he wants to go and when to turn, instead of relying on others to make those decisions for him."
>
> Kim, one of Seth's support team



Spotlight on our Specialist Services

The young people at Chailey Heritage Foundation, their families and carers are rightly ambitious about what they can achieve; our charity shares the belief that "OK" is never good enough.

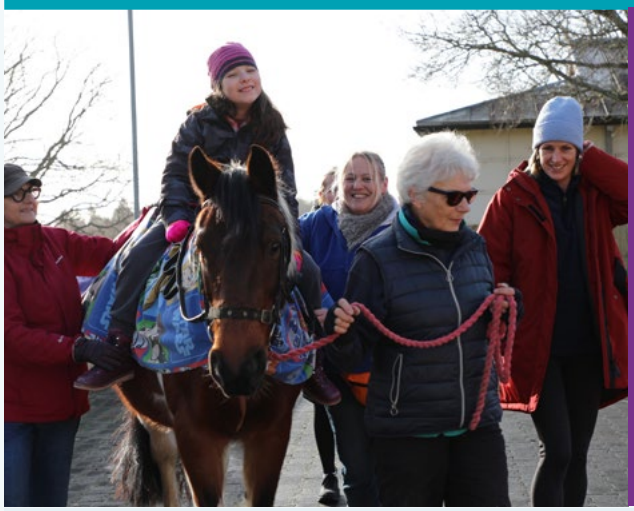
Our Specialist Services, all wholly or largely paid for by fundraised income, include Therapeutic Riding/ Hippotherapy, Patchwork Farm, the Immersive Zone and Aquatics. This key range of services provide a major point of difference for Chailey Heritage Foundation, delivering many more positive outcomes for the children and young people than would be achieved without them.

The budgetary pressures on local authorities and clinical commissioning groups are immense, their fees pay for the basic statutory provision in a young person's Education Health and Care Plan (EHCP). Chailey Heritage Foundation's charitable structure, generous supporters and commercial activities, allow us to independently fund the Specialist Services, which between them help a young person to fulfil their potential.

Communication, mobility, independence and choice are concepts that most able-bodied people take for granted; for our young people none of this is easily achieved. These services are designed to deliver tangible educational and therapeutic benefits, wrapped up in an engaging, fun activity – whether a child is feeding goats, exercising in the pool or enjoying the swaying motion of a pony, free from their wheelchair.

Behind the fun are substantial benefits designed to achieve the pupil's "Next Steps" on their Chailey Heritage Individual Learner Driven (CHILD) curriculum. These include therapeutic, educational, physical, emotional, behavioural and communication-related benefits. They also offer different options for a young person to explore – where one activity may not be the right fit, another can work wonders, even providing a "lightbulb" moment in their development and understanding. Below is a description of three of these specialist services:

Hippotherapy / therapeutic riding



> “Anastasia’s confidence has grown immensely since she started hippotherapy. She is so happy when she’s riding the pony and she has now gained enough core muscle strength to ride independently, which she is very proud of, and so are we!”
>
> **Anastasia’s Mum**

Our young people’s disabilities preclude them from most physical activities, especially outdoor ones. Hippotherapy enables the young people to take sustained outdoor exercise, with the movement of the pony replicating human walking gait.

Hippotherapy is a form of occupational, physical and speech therapy which uses the movement of the horse to provide motor and sensory input. The combination of physical fun and therapeutic input brings a range of benefits to our young riders, including improvements in:

- ability to sit upright
- postural and head control
- co-ordination
- awareness/ concentration
- comfort
- respiratory rate, improving respiratory health
- mental health/mood
- proactive management of seizures.

From the rider’s perspective, they enjoy the activity and do not realise they are doing physiotherapy or a serious workout. They love telling the pony to walk or stop because they are influencing what happens next – an important win when they are so heavily dependent on others in all aspects of their daily lives.

We have a riding arena in the centre of our site, with a rubber surface, two ponies and a horse, and the expertise of four qualified hippotherapists, supported by riding assistants and volunteers. We timetable over 1,400 individual riding sessions every year and riding is available weekly to all our young people who have been assessed as suitable for hippotherapy. The arena has a stage and hoist to safely transfer the rider from their wheelchair direct to the horse. Riders can be placed in a variety of positions according to the needs of each child – e.g. sitting up with support, lying on their back or front, facing forwards, backwards or sideways, supported by cushioned wedges.

Patchwork Farm



> “By having regular weekly sessions on the farm with his peers, Louis has grown in confidence and we’ve noticed that not only is he less anxious on the farm but he’s less anxious about unpredictable events happening during school hours too.”
>
> **Amy, Louis’s teacher**

The young people are faced with many obstacles to accessing outdoor experiences that able-bodied people take for granted. Logistical issues, complex personal care needs and lack of access for heavy powered wheelchairs all present daunting challenges. Our therapeutic care farm, located in our grounds within easy reach of our other facilities, removes these challenges.

Patchwork Farm is home to goats, sheep, pigs, donkeys, chickens, ducks, geese, guinea pigs and tortoises. Raised beds provide opportunities to grow vegetables and flowers. The farm has wheelchair-accessible paths and switch-operated feeders.

Interaction with the animals and plants provides multi-sensory learning opportunities to meet the needs of each young person’s individualised curriculum. Behind the obvious fun of the farm is a range of “stealth” benefits:

- increased confidence in exploring new outdoor environments
- exposure to new sights, sounds, smells and textures (particularly beneficial to those with sensory impairment)
- improvements in communication – whether they are signing animal names or hearing and mimicking animal noises, our young people are highly motivated to develop communication by close contact with the animals
- improved concept of choice by choosing which animals to visit. For young people whose lives are highly reliant on and controlled by others, they need the opportunity to improve their understanding and exercise of choice.
- Reduced frustration and improved wellbeing.

We currently timetable some 4,500 farm session places per annum to our young people, and 59 work experience days to pupils from local schools and colleges.

The Aquatics Centre



> “Due to Seth’s medical needs, he swims with an experienced member of the nursing team. His ventilator goes on the side of the pool and we have a small trolley that it goes round on to allow Seth to get that freedom of movement.”
>
> **Laura, Aquatics Manager**

Aquatics are an essential part of an individual’s development at CHF. Our aquatics programmes, supported by specialist physiotherapists, offer a fun, physical activity that stimulates independent movements, relaxation and sensory experiences. Benefits include:

- Improved core stability and head control
- Improved co-ordination, spatial awareness and range of movement
- Functional skills – standing, walking, reaching, gripping and holding
- Multisensory experiences
- Learning to swim

The centre offers a large hydrotherapy pool (15m x 9m) heated to 33ºC, with eight hoists. Changing rooms are fully equipped with shower trolleys and hoists. Additional sensory experiences are provided by blackout blinds on the windows, colour-changing pool lighting, music and a bubble area.

For our school pupils, the aquatics curriculum is linked to each child’s individual curriculum. An awards scheme celebrates success in both developing skills and in maintaining movement in the face of degenerative conditions.

The pool is also used by young adults through the Leisure and Skills Centre and for our pre-school “Aquamovers” group, offering professional therapeutic and emotional support to families adapting to life with a disabled child. During the school holidays the pool is opened up to the young people’s families. We also let the pool out to swimming groups such as Water Babies and Puddleducks.

The Centre timetables over 6,700 aquatics session places every year, as well as 26 family swim sessions during school holidays, each catering for up to 6 families.



Digitally stronger

Our plan to make the organisation digitally stronger is led by our Head of Technology and falls under three separate categories: to consolidate, strengthen and streamline our systems.

Consolidate

The transformation programme took some time to embed and establish this year. With several new systems, processes and people, it was necessary to take a step back, review what we have achieved and where some refinement and adjustments are needed.

We have improved processes to ensure that all colleagues are comfortable using the new systems and can do what they need to. We have completed a learning system on Dynamics to track colleagues' learning, ascertain what they need and schedule learning so as not to disrupt service delivery. During the next stage, we will be implementing a new online learning platform that will enable colleagues to complete theoretical learning online and make training sessions more focussed on practical elements.

A significant review of our emergency call systems was carried out and we have agreed the installation of a more modern call system that will enable staff to request assistance, log instances of care and call for emergency assistance, from all residential and school settings. The new system will also improve the speed of response and allow managers to access the data to support the response.

Strengthen

We have continued our compliance with the NHS Data Security and Protection Toolkit (DSPT) that allows us to interact with NHS Digital services and will build on this service in the coming year to enter a trust relationship with NHS mail for data sharing.

Teams worked through Cyber Attack scenarios provided by the National Cyber Security Centre, and these proved to be insightful and engaging. These sessions informed improved practice within these departments and helped us to improve our overall Cyber Security awareness.

We engaged with Trident Group as a Managed IT Services Provider, to improve our IT Helpdesk and services. Trident is a well-respected and experienced services provider and has seamlessly integrated with Chailey Heritage and are currently providing most of our helpdesk and IT Services. Support for specialist systems, engineering, assistive technology, and business systems support and maintenance are still provided by our dedicated in-house team.

Streamline

This year has been all about streamlining, in the process of upgrading and improving, we often overlook smaller details, and during this year, we tried to identify and resolve these. Several new processes were changed and enhanced using new technologies and improvements to the user experience and how technology is used within the organisation, was made.

We have introduced managed mobile device policies to ensure those accessing information from a mobile device are secure and the applications they use are up to date. This will allow us to manage remotely our own mobile devices to ensure they are always performing as required. We have reduced login times, improved user account maintenance and performance, and streamlined our knowledge management systems to ensure colleagues have easy access to files and folders when required.

Overall, many of these changes are in the core infrastructure of how our users interact with our systems, often only delivering subtle changes for the user, but improving the efficiencies, resilience and security of our information systems.



Environmentally sustainable

The Streamlined Energy and Carbon Report (SECR) can be found on page 43.

The Chailey Carbon Challenge (CCC) is the charity's plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and waste. The Trustees' Capital Projects Sub Committee oversees the charity's environmental programme.

Overall, our emissions have fallen by 27% (with green energy) in the year to 31 August 2023, largely driven by:

- Switching to renewable electricity (accounted for biggest reduction in emissions)
- Replacing main boilers with more energy efficient models to cut gas usage
- Replacing aging heating controls
- Replacing roof on Hanbury building to save energy
- Switching to LED lighting across the site
- Planting over 300 trees on site.



Our dedicated colleagues

We are proud of, and grateful for, all the dedicated colleagues we have at the Foundation. Those in School and Social Care are committed to providing the best education and care for the children and young people, and those around them that support their efforts are driven to help them achieve.













This past year, we have been 'recovering' from the impact of Covid and returning to a more normal way of working life, while reflecting on what the past years have taught us and using that to look forward.

We continued to feel the pressures and challenges that the nation has faced in securing great people to join our workforce, with health and social care continuing to be a particular issue. This continues to be an ongoing challenge and one we are putting every effort into improving for our charity and to alleviate the pressures on our loyal colleagues.

Governors and Trustees recognise the challenge to recruit and the need to retain our talent as much as grow it, and so they agreed to finance a further salary award of 3% in September 2022 across all colleagues and roles.

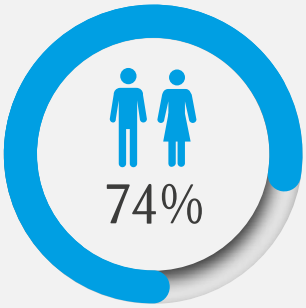
We are, however, pleased to see that recruitment in other areas of the Foundation are improving and we will continue to deploy different recruitment strategies to help us. We have had 104 new colleagues join us over the past year. We also maximise the support of our skilled bank workers, to strengthen our workforce in key care areas. We would like to thank each and every one of our colleagues for their passion, enthusiasm and commitment to the work we do here.

With such a valuable workforce, we are committed not only to the recruitment of new colleagues, but also to the morale, motivation and engagement of our workforce and continuing to make this a great place to work.

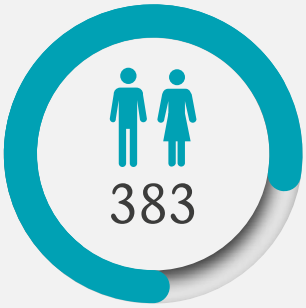
In early 2023, we set about holding focus groups with our colleagues, and seeking feedback, input and ideas that we can take forward. These have been shaped into a People Plan that will be implemented over the next 2 to 3 years, and work has already begun on some early-stage initiatives and improvements.

We are also pleased to see the success of colleagues who have joined us as a starting point to their career, developing skills and knowledge to support them moving into the nursing field. We also have several Apprenticeships in place where we are devoting our time and support to the development of colleague's early careers. Our apprenticeships have been in the field of Digital & Technology, Accountancy and Aquatics/Leisure and we are already building on this for 2023/24.

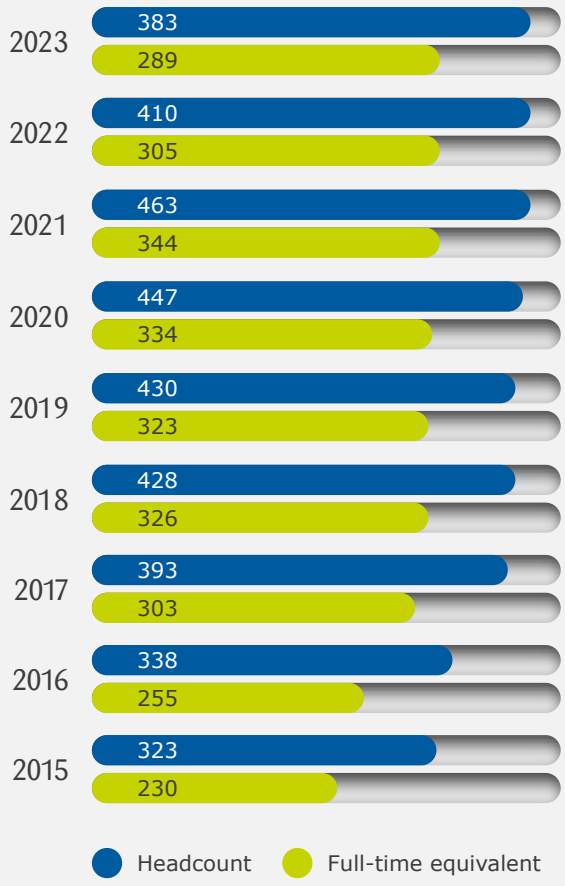
74% of our expenditure is for colleagues



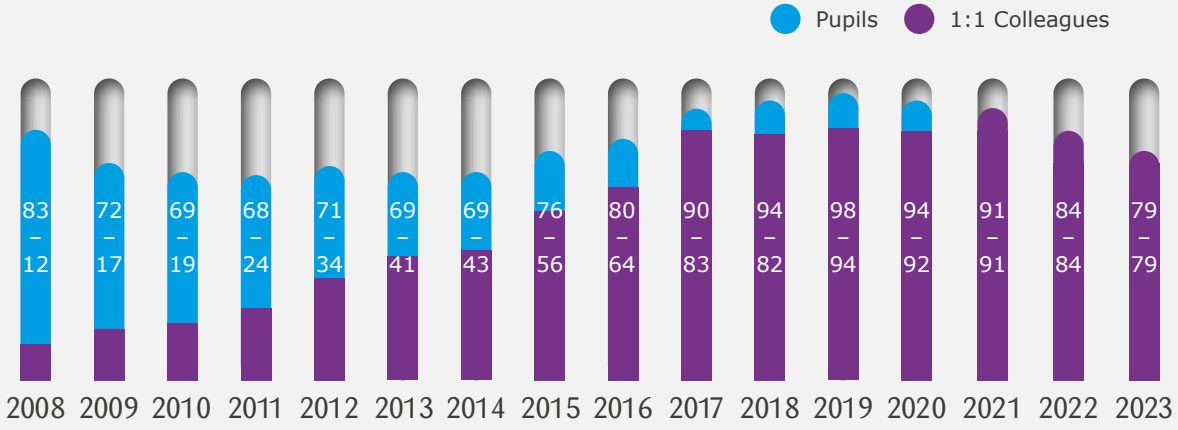
Number of colleagues (headcount):



Colleague numbers



Numbers of pupils with 1:1 support



Due to their complex needs, all our pupils have at least 1:1 support and some have 2:1 support for all or part of the day.

Volunteers

We are immensely grateful to all our volunteers, who give their valuable time and expertise in so many ways. Our Therapeutic horse riding could not operate without the volunteers who support our staff and specialist Hippotherapists. This specialist horse riding requires four people to support each young person taking part in a riding session, two of these people are usually volunteers.

We also have people who kindly volunteer their time to help in our offices, to maintain our beautiful gardens and to assist our Farm Manager on Patchwork Farm. All our Trustees and Governors are also volunteers and we are very grateful for the time they dedicate to the charity.

We have several corporate volunteer partnerships, and we were the chosen charity for BAM Nuttall's volunteering days in 2022/23, of which they have three per year. They visited for a day each in October, April and August with a total of 23 people volunteering a full day. BAM Nuttall provides all the materials and take away any waste as well as leaving any leftovers, such as paint or fencing which may be of use. During the year, they undertook some very useful practical tasks including installing a new tap on our Farm, building compost bins, installing new fencing and painting around site.

Zurich Community Trust invite us to provide volunteer challenges twice a year. Employees choose which challenge they undertake. Each challenge is funded with up to £500 and volunteers can take a day out of the office to help with the challenge. This year, they provided a £500 Amazon voucher for prizes and lucky dips to be used as part of our community fundraising. They also contributed towards the ice cream for Celebration Day and came along to help serve the ice cream and provide support on the day.

Gender Pay Gap

You will find our full report on page 40 and also on our website:
https://www.chf.org.uk/Gender_Pay_Gap_Report_2023.pdf





> Meaningful joint working between the care, health and education teams provides an effective wraparound service and ensures that there is a shared understanding of the goals that are important to the children.
>
> **Ofsted**

Our partners

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables the pupils to receive wraparound care from a team of doctors, therapists, and other clinicians 24 hours a day.



> The Family Liaison Worker has helped and supported me when filling out complicated forms which are so important for our child's future. I am so relieved she is here to think of solutions and ask the questions we can't when we are under pressure.
>
> **Parent**



> Chailey is amazing because they allowed us to be parents again.
>
> **Parent**

Parents

We work in partnership with parents and families at every step of their Chailey Heritage journey, providing support at difficult times and celebrating achievements together.

Celebration Day is a whole week of celebration held at the end of the summer term each year. Our pupils look forward to celebrating their achievements with family and friends at special prize-giving events, followed by an afternoon of fun, food and entertainment. It is a great opportunity for families to meet and enjoy accessible activities together in a relaxed environment.

Funded through a separate linked charity, our Family Liaison Worker assists families throughout the year, on arriving at the School, in the annual review, during times of transition and by arranging social coffee mornings during term time.

> The holistic support and humanity at Chailey, where the complete wellbeing of the disabled person is cared for through a joined-up approach including school, medical and residential provision all in one place, is a lifeline for families like ours.
>
> **Parent**





Fundraising

Throughout another challenging year, the incredible legion of Chailey Heritage Foundation supporters has delivered the funding needed to maintain and improve the services, experiences and facilities enjoyed by the inspirational group of children and young people who we support. From volunteers and individual donors through to corporate partners and grant awarding trusts, the difference made to the young people is immense and we are truly grateful for their continued support.

Fundraising costs are borne entirely from the Trustees' Unrestricted Reserves.

Voluntary income during this financial year totalled £708k (excluding legacies).



Every penny raised goes to support the children and young people.



Achievements

Specialist Services



Fundraising at Chailey Heritage Foundation continues to support the range of Specialist Services and facilities that give our colleagues the range of tools they need to unlock the potential of the amazing young people who attend the school, live in the bungalows and access our services. Details of these specialist services are on page 18.

It is clear from the many years of experience that the charity has with Hydrotherapy, Hippotherapy, Patchwork Farm and the Dream Centre, what a difference these services make to the lives of the young people. The charity is also keenly aware that statutory income will only cover the basic educational and care needs of the young people. This is where the generosity of Chailey Heritage Foundation's supporters comes in, delivering the funding needed to ensure that these vital services can help the young people to thrive rather than just survive.

During 2022/23, the key focus of fundraising activity was on "Specialist Services" as an umbrella term for all of these vital activities that are funded via donations. It was gratifying to see that supporters, new and old, large and small, got behind this appeal to fund the full range of services and ensured that we fully funded all of these core activities for another 12 months.

Community



Getting out and about in the community and spreading the word about the incredible achievements of the young people and the fantastic work done by all of our colleagues is an important element of the work done by the fundraising team. During the year, the team, led by our brilliant volunteers, have given over 20 talks to local groups, including Rotary Clubs, Lions Clubs, WIs, U3As and sports clubs.

We are grateful for the financial support these talks bring, but, just as importantly, the conversations and stories that we always hear, remind everyone how significant Chailey Heritage Foundation has been to the people of Sussex over the past 120 years.

During the next year, we will be taking every opportunity to welcome people from the wider community to visit us at our North Chailey site, with a range of events and volunteering opportunities. There will be a greater emphasis on sharing some of our incredible facilities with other charities, community groups and schools and also an exciting project to transform Patchwork Farm to benefit both the local community and the children and young people at Chailey.

Centre of Excellence



As one of the UK's leading centres for children and young people with complex neurodisabilities and related health conditions, the Foundation leads the way in areas including, pedagogy, assistive technology and integrating care within an education setting.

This year, donors have made it possible to grow the assistive technology team and to create a dedicated space for the team to work with the young people. This will help the young people to learn how to use the technology in a safe space, without distractions and will give the engineers the chance to adjust equipment to their needs in real time and make any further adaptations immediately.

Donations have also helped the engineering team to further develop a magnetic track system that helps the young people at Chailey Heritage Foundation safely learn how to drive powered wheelchairs and, in time, access the funding needed to have their own powered chair.

Transformation



Fundraising income is also vital to the upkeep and modernisation of the site, facilities and equipment to ensure that we continue to meet the needs of an increasingly complex cohort of young people.

Our Big Give Christmas Challenge raised over £20,000 to pay for specialist walkers and trikes which help pupils at the school and young adults living in our Futures bungalows to maximise their potential for independent movement.

The Tim Henman Foundation funded an amazing electric trike which carries a wheelchair and enables young people with the most complex of disabilities to join in with their friends when they go for a ride.

Our generous donors also helped to fund some of the less glamourous but nevertheless essential projects including, replacing all of the beds in the bungalows to ensure they meet the latest safety requirements, replacing the ageing swimming pool boilers with more efficient modern ones and updating the residential bathrooms.

Friends of Chailey Heritage

This committed groups of supporters continue to provide funding for vital projects and to be some of the strongest advocates for the charity. During the year, the Friends funded Celebration Day and the Leavers' Ball, amongst other projects.

Our commitment to donors

We are committed to best practice in fundraising, and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising. We have a Fundraising Policy, which is updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in "Our Commitment to Donors": https://www.chf.org.uk/donors-commitment.html along with a link to our Fundraising Policy and our Complaints Procedure.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants/professionals/third parties who are not part of the Charity must be agreed by the Trustee Fundraising Committee (TFRC) and have the written agreement of the Head of Fundraising and Chief Executive prior to use by the Charity. As a matter of Policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We occasionally use third party commercial participators to help with some of our fundraising activities, such as our annual running event, the Focus 10k. We also use a third-party organisation – Unity – to run our lottery. In all cases, we have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity's fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

We take our responsibility towards supporters who may be considered vulnerable very seriously and our fundraising team have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. All fundraising staff undertake relevant training, such as safeguarding, and our Fundraising Policy and procedures are reviewed regularly. All fundraising activity for the Foundation is supervised, coordinated, and directed by the Head of Fundraising under the guidance of the Chief Executive and TFRC. The TFRC regularly reviews all fundraising activity of the Foundation, and the Development Director reports to the full Board of Trustees three times a year.

We welcome third party initiatives in organising events on behalf of the Foundation and will, wherever we are aware, ensure that these third parties adhere to the Fundraising Policy and the Charity's Principles for Fundraising.

No complaints were received by the Charity or by a person on behalf of the Charity.

Our future plans

As we look forward to the year ahead and transition into our new strategy, we are starting to think about increasing our reach and impact, how we strengthen our community ties and, crucially, continue to innovate. Trustees, Governors and colleagues will work together to form the new strategy which will launch in September 2024.

Achievements and performance

The report and accompanying financial statements have been prepared under the Companies Act 2006 and the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Our strategy and performance against our strategic goals is discussed in detail on pages 10 to 33 of this annual report.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. However, in line with many other organisations, the main pressures felt by the Foundation during the year were those of staffing and the cost of living. Thankfully, Government support for the high utility costs was introduced in October 2022 via the Energy Bills Support Scheme. This led to a welcome reduction in our previously very high utility costs.

However, Local Authorities and Commissioners continue to face funding challenges. This severely impacts our ability to increase our fees to fully reflect the true cost of providing our services. We continue to review our core fees for the main areas of operation to endeavour to cover the costs associated with providing the service, but they still do not recover depreciation costs. Overall, total Net Operating Income (before investment gains/losses) was a surplus of £220k this year reflecting continued efficiency savings. Despite a less turbulent year on the stock market, continued uncertainties regarding inflation and growth in the economy, our investment portfolio still showed an unrealised loss at year end of £112k, resulting in an overall Net Income of £108k for the year for the Foundation. Certain costs, e.g. fundraising, depreciation and the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Charity's reserves i.e. unrestricted funds freely available to spend.

In line with our Charity ethos, all the surplus funds are reinvested in the Foundation for the benefit of the children and young people.

Financial Activities and Results

In the year to 31 August 2023, our total income was £15.6m (2022: £14.2m). The increase was mainly due to increased packages and post-operative provision as Covid-19 restrictions were lifted. Pupil numbers went down as a large cohort finished school life and new starters had to be delayed due to staffing shortages.

In the same period, total expenditure has risen to £15.4m (2022: £14.2m). This increase was mainly due to staffing and salary awards that needed to be made in order to remain competitive with other employers in the area, including the introduction of weekend enhancements.

A tough decision was made to close our community outreach service, Pathways, effective May 2023, mainly due to the staffing challenges surrounding the service. However, all the young people were supported until alternative care was found.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. This was achieved, however, once depreciation is charged, the Unrestricted Fund made an overall deficit of £41k for the current year (2022: deficit of £236k) before the net loss on investments. The overall surplus generated by the Foundation of £108k is due to an increase in Restricted Reserves.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. Legacy income was down by £129k and is very hard to predict due to uncertainty in amount and timing. Once again, the investment portfolio showed a net unrealised loss at the year-end of £112k (2022: net loss £348k) as despite a slight recovery, markets still remained uncertain due to the continued war in Ukraine and inflation.

As a Charity, regrettably, we continue to incur non-recoverable VAT of approximately £435k, as the Government continues to ignore our sector regarding exemptions, despite giving relief to hospices and maintained special schools. Unfortunately, due to other more prominent concerns, the sector's strong lobbying of Government for VAT relief has still not had much impact or profile over recent years.

The balance sheet continues to show the enormous investment the Charity has made in leasehold buildings and equipment, with £13.4m invested

in fixed assets or 76% of the Charity's total funds. Although this is lower than the previous year due to depreciation and lower additions, the Trustees remain committed to investing in the infrastructure of the Foundation and its drive to meet the ever-changing needs of the young people, as well as keeping the site up to a good standard. For example, we invested in several new energy efficient boilers and heating controls, new fire doors and our digital infrastructure. Fundraising also funded significant improvements to our hydrotherapy pool and new wheelchair trikes.

Debtors reduced by £118k as we continued to issue invoices for the Autumn term in August and creditors also reduced by £434k as the short-term loan was fully repaid. Cash balances correspondingly increased to £1.0m (2022: £0.5m).

Funds

At year end, the Charity had total accumulated funds of £17.8m (2022: £17.7m); of this £13.4m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued. The Trustees are in discussion with the Landlord to purchase the freehold.

The remaining accumulated funds of £4.4m are split between unrestricted funds, which have increased to £4.1m (2022: £3.4m), and restricted funds of £0.3m (2022: £0.2m).

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. These designated funds amounted to £0.7m at year end (see Note 20 on page 65). The remaining unrestricted general funds stood at £16.8m of which £13.4m (2022: £14.1m) are invested in tangible fixed assets, whilst £3.3m (2022: £3.2m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls.

Free Reserves Position

In 2020, Trustees set a target of holding £4.0m Free Reserves by August 2024. The target was set at a level designed to cover both operational and capital risks that might arise over the strategic plan period and was equivalent to about 4 months of operating costs. It was noted that achieving this new target would depend on continued growth in investment returns and legacies, as well as delivering budgeted operating surpluses.

Trustees will be reviewing their longer-term strategy during 2023/24, and they will review the Free Reserves target in the light of the risks and opportunities identified. It is their intention to express the revised target as a range.

Free Reserves stood at £3.3m (see Balance Sheet) (2022: £3.2m) on 31 August 2023.

Investment Policy and Performance

Funds expected to be required in the short term are typically placed with banks in the money markets through prime financial institutions.

Longer-term funds are invested and managed on a pooled basis by Rathbones within long term return objectives and clearly defined risk parameters set by the Trustee Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustee Finance Committee. No sooner had global stock markets started to recover from the pandemic, the Russian war with Ukraine began and the pressure on energy supply and prices rose. Ultimately, by year end our portfolio valuation had decreased by £113k (versus a loss of £348k at the previous year end). During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £37k of income was used to pay investment management fees. During the year the outstanding loan balance of £275k was repaid from working capital.

Principal risks and uncertainties

Risk management processes

The Board of Trustees has oversight of the risks faced by the Charity and is responsible for ensuring that effective and adequate risk management and internal control systems are in place.

A robust risk management process focuses on risks that could impact on current service delivery and the Charity's future development. There is an active risk management process at both Trustee Board and Governing Board with risk management as a standing item on the agenda for all Board and sub-committee meetings. The level of risk and changes in likelihood and impact are tracked closely together with the effectiveness of risk mitigation measures.

The register is updated three times a year to reflect any new or changing risks. Trustees have access to the full risk register as well as the summary of top risks at each main Board meeting.

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes with escalation of the Executive Team and Governors as necessary. Services have adopted a cautious approach to risk given the health vulnerabilities of the children and young people.

Risk Profile

Chailey Heritage Foundation manages a high level of operational risk every day because of the complexity and high health needs of the children and young people we support. We operate in a highly regulated sector, and dedicate considerable governance, leadership and management time to monitor risk and the effectiveness of our controls framework. The main risk areas in 2022-23 have been:

Risk	Key Controls & Mitigation
A failure to adequately safeguard results in harm to a child or young person in our care.	• Robust internal processes for reporting, recording and learning from safeguarding events. • Good relationships and open communication with East Sussex officers in Children's and Adult services. • Strong governance oversight of safeguarding including a dedicated committee. • A strong emphasis on core training, systems and reporting mechanism to ensure safeguarding concerns are quickly and consistently identified and escalated to a team of safeguarding leads.
Regulatory compliance and performance falls below 'Good' leading to a loss of confidence in the quality of our services.	• Currently all CQC and Ofsted regulated services are rated as 'Good' or 'Outstanding'. • Strong governance oversight of the regulated school and social care services within a dedicated committee structure. • Establishment of a new Quality function to develop and embed quality standards. • Robust leadership and management systems and processes focussing on a learning culture, quality and service improvement.
A data protection or cyber security incident leads to a loss of data, or inability to operate business critical systems.	• Digital investment programme including upgraded firewall, systems renewal and adoption of cloud-based systems. • Cyber-attack scenario testing. • Training and awareness raising for colleagues and volunteers and adoption of NHS Data Security Protection Toolkit (NHS DSPT).
Economic conditions remain difficult impacting income, operating costs and financial sustainability.	• Prudent, risk-based prioritisation of expenditure. • Maintaining a suite of effective financial controls and monitoring including in-year reforecasting, spend analysis and reserves position. • Strong fundraising offer and increasing focus on income diversification.

Risk	Key Controls & Mitigation
A failure to strengthen relationships with local authority referrers and increasing competition results in falling pupil numbers.	• Chailey Heritage School continues to be 'Outstanding' and capable of meeting the complex health needs of pupils. • Multi-disciplinary NHS, education and care teams operate a nationally recognised centre of excellence that freely shares professional practice across the sector. • A continuing focus on accepting referrals for children whose needs cannot be met in other settings.
Failure to improve employee engagement and grow our workforce hampers our ability to meet current and future need.	• Development of a new workforce strategy and implementation plan covering the employee journey. Phase 1 to focus on recruitment, pay, reward and recognition. • Strong governance oversight from a dedicated Governors' People, Pay and Performance committee. • Appointment of a new Head of People and restructured HR function.

Outlook

In spite of the challenging economic conditions, constrained labour market and pressured local authority budgets, Chailey Heritage Foundation's performance in 2022-23 was solid. We were able to achieve an operating surplus allowing for necessary future investment in site infrastructure. Fundamental demand for our services remains good, as does fundraising performance and income from other sources. However, our ability to increase our reach and impact hinges on an ability to grow frontline staff capacity. This priority is reflected in the investment in a new workforce strategy. In spite of workforce pressures, the Foundation continues to operate a safe and impactful service to the children and young people accessing our support.

Environmental, social and governance

Environmental, social and governance

Chailey Heritage Foundation is a registered Charity (number 1075837) and also registered in England as a Company limited by Guarantee (number 3769775).

Our Charitable Objects

> "The objects of the Charity are, for the public benefit, the education and care of people who have physical disabilities and other complex health needs, particularly but not exclusively children and young persons (the beneficiaries) including the conduct and maintenance of a special school (the School) within the meaning of the Education Acts and of a transition service for beneficiaries."

The Trustees do not expect services for those over 25 years of age to make up more than 10% of our charitable income.

Demonstrating Public Benefit

In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity (PB2)'. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay.

We believe we comply fully with this requirement; our Report on Operations and Strategy includes examples of the public benefits Chailey Heritage Foundation offers and areas in which we believe we are providing innovative leadership to the sector.

The Trustees are committed through their strategic plan to share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded specialist services such as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local

community. Our Leisure & Skills Centre, Hub and Dream Centre also enable people with disabilities living in the community to benefit from the Charity's very specialist services.

Another aspect of the Charity's public benefit is our work in partnership with other charities, helping the most disabled children and their families.

Governing documents

The company, established in 1999, is governed by its Memorandum and Articles of Association. With the consent of the Charity Commission, the Charity changed its name from Chailey Heritage School to Chailey Heritage Foundation with effect from September 2012 to reflect the wider range of provision now offered.

The Scheme of Delegation sets out formally the powers delegated to the Governing Board, and the terms on which they are delegated, including reporting requirements, and this document was also reviewed and updated during the year.

The wholly owned trading subsidiary of the Charity, Chailey Heritage Trading Company Limited, was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). It has been inactive since incorporation.

Boards

Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible for securing the effective and efficient operation and management of all services including the School, Chailey Heritage Residential, Chailey Heritage Futures and the community services. To ensure effective communication between the two Boards, yet maintain the separateness of them, the Chair of the Governing Board is a Trustee and at least three individuals served on both Boards.

Those who served as Trustees during the year are shown on page 67.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. Trustees are appointed for an initial term of four years, with a second term of four years after that. The current Board includes depth of skills in finance, property, health, investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation. They recognise the importance of the Charity Governance Code and will be reviewing their improvement plan in the light of their self-assessment against the Code.

The Trustees meet as a full Board at least three times a year. Its principal committees are Finance (including audit, financial risk, and control), Fundraising, Capital Projects (which has oversight of the Capital Expenditure budget and major capital projects) and Clinical Oversight. These committees meet more frequently than the full Board. Trustees meet annually with the Governors to review their strategy and plans for the future. Trustees also meet jointly with Governors to agree any new appointments of the senior leadership team.

We would like to thank Dr Elizabeth Green for her significant and valued contribution as a Trustee; her depth of knowledge and wise counsel will be greatly missed.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role though very active sub-Committees and termly focus visits to services. We were delighted to welcome a new Governor during the year, Fredrick Shears, who brings his extensive experience in the IT and digital world to the Board.

The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. The Governing Board has five principal committees which all meet termly before the main Board meeting to deal with Finance, Estates & Environmental Safety, Safeguarding, Education, Social Care and Staff related issues. The Trustees and Governors also have a joint committee overseeing clinical issues, which meets termly or more frequently, if required.

In addition to the Boards of Governors and Trustees, the Senior Management Team comprising the Chief Executive, Headteacher and Director of Social Care, meets weekly and there is a monthly meeting with the heads of all the Foundation's direct and support services.

Trustee induction and training

New Trustees are briefed on their legal obligations under Charity and company law, the content of the governing documents, the committee and decision-

making processes, the business plan and recent financial performance of the Charity.

During the induction, they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

As part of their ongoing training, Trustees are also given briefings on current 'hot topics' during the year.

Funds held as custodian

There are no arrangements where the Charity or Trustees are acting as financial custodians.

GDPR

Compliance with the General Data Protection Regulation remains a high priority here. We are continually taking steps to improve our handling of personal data and to ensure compliance. All staff are provided with training on the subject alongside general cyber security. The Charity has also received accreditation from the NHS Data Security and Protection Toolkit.

Report to Charity Commission

During the year, the Trustees submitted a Serious Incident Report to Charity Commission, having been made aware of an allegation against one of our employees.

Safeguarding

The children and young people we care for are especially vulnerable due to their complex needs. Disabled children are more than three times likely to be abused than non-disabled. All our staff and volunteers are DBS checked and they are all committed to safeguarding and undergo extensive safeguarding training with specifics regarding disability.

Safeguarding policies are reviewed and updated annually and there is annual safeguarding update training, to ensure that all staff are up to date with changes in national guidance for adults as well as children and in Foundation policies and procedures. Governors and Trustees also receive annual updates.

Everyone in the organisation who is involved with the recruitment of staff follows safer recruitment guidelines and senior staff have attended Safer Recruitment Training. The Safeguarding Governor scrutinises the single central register at least three times a year and conducts spot check recruitment processes and training for newly appointed staff.

The Headteacher is the Foundation lead for Safeguarding and works with a team of trained Designated Safeguarding Officers (DSLs) who are the first point of contact with for any safeguarding issues. Progress on current safeguarding incidents is reviewed weekly by the Chief Executive, Headteacher and Director of Social Care.

Governors and Trustees take their safeguarding responsibilities very seriously and ensure that they are up to date with latest development through training and detailed reports. Governors check staff understanding of safeguarding processes on their focus visits to services.

Oversight is detailed and rigorous and both Governor and Trustee Boards have members with safeguarding experience at senior level. The Governors' Safeguarding Committee meets three times a year. It is chaired by the Lead Safeguarding Governor who reports to Governors and Trustees three times a year formally and more often if required.

The Safeguarding Governor is informed of serious safeguarding incidents and meets at least once a term with the Foundation Safeguarding Lead and DSLs to review the management of incidents, identify trends or matters of concern and discuss any recommendations from lessons learned.

The outcomes of the Annual East Sussex Safeguarding Self-Assessment are reported to Governors and Trustees each year. Trustees have an opportunity to question the Safeguarding Governor and Foundation Safeguarding Lead when they present their annual report in the autumn.

Remuneration policy

The Foundation is committed to ensuring that we pay our staff fairly and competitively to attract the skills needed to deliver and support our services. The Governors' People, Pay & Performance Committee (PPP Committee) considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

- the nature of the role and responsibilities based on the job evaluation.
- salaries in the relevant sector

- benchmarking against regional competitors
- public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body
- the Living Wage.

For 2022-23, our staff were awarded a 3% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and staff. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits audits at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure.

Gender pay gap

Chailey Heritage Foundation is required by law to publish an annual gender pay gap report. This is our report for the snapshot date of 5 April 2023.

Chailey Heritage Foundation does not pay bonuses, therefore no bonus data is included in this report.

The figures set out in this report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Since calculating our 2022 data, the mean salary figure for males has increased (from £15.12 to £16.64 per hour). The mean figure for females has also increased (from £12.83 to £13.58 per hour). As the mean figure for males has increased by a larger amount, the percentage difference between the two has increased from 17% to 22%.

The male population of the overall workforce has increased to 14.38% from 12.64%, with new hires (excluding 'hands-on' roles) with 71% intake of females and 29% males, and 'hands-on' new hires of 82.5% females and 17.5% males. Of these new hires, 100% of the managerial roles were filled by males during this period.

From an internal promotion perspective, our management promotions were achieved by 66.6% men and 33.3% by women, and the executive team shifted to 75% male, which in itself affects our overall gender pay gap data.

The median figure for men has increased since our 2022 calculation (from £11.94 to £12.47) and also for women (from £11.85 to £12.47). The increase in the median figure for both males and females can be explained by two increases in salary during 2023 - in January 2022, we increased salaries for our lower paid colleagues by an average of 7% and, in September 2022, our annual cost of living review gave all colleagues a 3% uplift. Both increases were applied in the same way to male and female colleagues.

69.06% of our workforce are support workers either in school or in care services. Nationally, roles in these sectors continue to offer lower salaries than some other areas. Our workforce, particularly amongst Specialist Education/Lunchtime Assistants (SW/EA) in the school and Support Workers in our residential bungalows, is predominantly female (89.27% in April 2023). This is not unusual in the education and care sector, which tends to attract female workers; recent statistics show that 76% of teachers are

The figures set out in this report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

	5 April 2021			5 April 2022			5 April 2023		
Gross Hourly rate of pay	Male	Female	Difference	Male	Female	Difference	Male	Female	Difference
Mean	£15.02	£12.19	18.85%	£15.12	£12.83	17.0%	£16.64	£13.58	22%
Median	£10.93	£10.93	0%	£11.94	£11.85	1%	£12.47	£12.47	0%

women (slightly up on last year by 0.5%), and in the charity sector more generally, where an average of 68% is female. We have a higher-than-average proportion of male teachers (31.5%).

Females are attracted to the Specialist Education and Lunchtime Assistants roles, as the working hours and term time only, fits well with caring responsibilities for children.

Conclusion

Chailey Heritage Foundation remains confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work but as a result of the roles in which men and women work within the organisation and the salaries and working patterns that these roles attract. While the structural aspects of the gendered nature of the industry we work in continues to challenge us in narrowing our gender pay gap, we are committed to working towards this goal, whilst continuing to build our organisation as an inclusive, fair and empowering workplace.

The full report can be found here: **https://www.chf.org.uk/Gender_Pay_Gap_Report_2023.pdf**

Trustees' duty to promote the success of the charity (Section 172 statement)

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term.
- the interests of the Company's employees.
- the need to foster the Company's business relationships with suppliers, customers, and others.
- the impact of the Company's operations on the community and the environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct.
- the need to act fairly as between members of the Company, (the "s.172(1) Matters").

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging, 'Commitment', 'Ambition' and 'Celebration' (as set out on page 5) underpin decision making at all levels and engagement with all our stakeholders.

The children and young people in our care are at the heart of all the Charity does, and their interests are fundamental to Trustees' decisions.

Decision making for the long term

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in the Spring and progress is reviewed three times a year at Board meetings. Our new strategy is launching in September 2024 and, in 2023/24, we are holding Strategy Workshops with Trustees, Governors and the executive team to help inform the new strategy.

Further information on our strategy objectives and how these have been delivered together with our plans for the future can be found on pages 10 to 33.

After a robust and collaborative recruitment process, our new Chief Executive, Gareth Germer, joined the organisation in October 2022, following Helen Hewitt's retirement.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's employees and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. This year, focus groups have been held with staff, seeking feedback and ideas about working at Chailey Heritage Foundation. These ideas have been shaped into a People Plan that will be implemented over the next 2 to 3 years, and work has started on implementing some of the initiatives. A Colleague Forum has been formed to seek further feedback and update staff on progress on the People Plan.

Trustees continue to promote our employee assistance programme, Life Works, which is also offered to families.

Trustees aim for the charity to be a fully inclusive community where everyone can be their authentic selves and there is equity for everyone to pursue their potential. They recognise that there is some way to go but have made it a strategic priority and part of our People Plan.

Further information on how we promote the interests of our employees can be found in "Our dedicated colleagues" on page 24.

Impact on the community and the environment

Community
The Charity has been part of Chailey community for over 120 years and it is now one of the largest employers in the area. It also has strong links to local companies and philanthropists who support the Charity in many ways.

We continue to run our popular Aquamovers provision which started in 2015 and benefits pre-school children and their parents/guardians.

Our hydrotherapy pool is still used by outside clubs and groups e.g. Puddleducks and Waterbabies.

In 2023/24, we are undertaking to involve the community in our new fundraising appeal for Patchwork Farm and by letting out our facilities to community groups.

Environment
In developing its strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present because the medical needs of the young people require large volumes of clinical consumables such as syringes. To compensate, we are committed to offsetting where we can, and during 2022/23, we installed new efficient boilers to cut gas usage for heating. Trustees are now concentrating on considering Solar PV panels as the next big project to reduce carbon emissions.

The Environmentally Sustainable part of our strategy will address environmental issues and the Trustees are committed to environmental sustainability and reducing our carbon footprint will be a golden thread through our operational and strategic plans and increasingly will determine our choice of suppliers and partners.

Our Streamlined Energy and Carbon Report can be found on page 43.

Maintaining high standards of business conduct

Compliance and Good Practice
Chailey Heritage is committed to maintaining high standards both in the delivery of its services and its governance. Trustees ensure they are familiar with regulators' guidance and regulatory frameworks and take on board relevant recommendations from new guidance. Policies are reviewed on a three-year cycle and updated as required to reflect changes in guidance.

The Charity supports children and adults who are particularly vulnerable because of their physical and learning disabilities and therefore safeguarding is a priority; it is the responsibility of everyone, and Trustees and Governors monitor safeguarding compliance and case management closely and expect the highest standards.

Trustees follow best practice and guidance of the Charity Commission and Fundraising Regulator when establishing policies and making decisions affecting the charity. "Our Commitment to Donors" demonstrates the high standards the Trustees expect of the Fundraising Team and the Fundraising Policy includes the right to refuse a donation where it may be considered unethical.

Governance and Management
The Charity's operation is subject to a number of different regulators including CQC, Ofsted, the HSE, Fundraising Regulator, Information Commissioners, and the Charity Commission. The Charity aspires to the highest standards. Senior managers are responsible for ensuring regulatory compliance, that the organisation's policies followed, and the Foundation's values are embodied in service delivery and the conduct of its staff and volunteers. The Trustee Board monitors this directly and holds management to account through its sub committees, particularly the Governing Board.

Further information on Structure, Governance and Management can be found on page 37.

In setting its policies and strategic direction, due consideration is given to the issues identified in Section 172. We also expect high standards from our suppliers and contractors including strict compliance with DBS requirements and sound business practice. In the future, we will take environmental credentials into consideration when awarding contracts.

We operate policies to ensure the Charity secures best value and aim to build long term relationships with key suppliers. We are very grateful to those suppliers who have supported our Fundraising projects.

Streamlined Energy and Carbon Reporting

It is now a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

Our SECR carbon emissions for the financial reporting year 2022-23 amounted to **439 tCO2e**, with 62% arising from gas. When green electricity is taken into account, the overall 'market-based' emissions fall to **292 tCO2e**. The table & figures below shows emissions by scope & activity.

Since last year, overall emissions have fallen by 18% or 27% with green energy.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO2e)

	Unit	2022-23	2021-22	% change
Energy consumption	kWh	**2,284,258**	**2,847,346**	
Scope 1 - Direct Emissions	tCO_2e	289.1	367.9	
Scope 2 - Energy Indirect Emissions - location-based	tCO_2e	146.5	161.7	
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e	-	27.1	
Scope 3 - Other Indirect Emissions	tCO_2e	3.1	5.2	
Total SECR Emissions - location-based	tCO_2e	438.7	534.8	-18%
Relative SECR Emissions - location-based	tCO_2e/£m	29.0	37.6	-23%

Taking into account green energy purchased

Total SECR Emissions - market-based	tCO_2e	292.2	400.2	-27%
Relative SECR Emissions - market-based	tCO_2e/£m	19.3	28.1	-31%

Energy Efficiency Projects
After last year's large lighting project installing LEDs in all buildings and streetlights, energy projects this year focused on gas use for heating and hot water.

We have replaced two conventional boilers with more efficient condensing boilers. Additionally, we have extended our Trend Building Management System (BMS) which allows good control of heating temperatures and timings.

SECR Emissions Calculations - Methodology
We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2023.

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Location-based emissions are calculated as the average emissions intensity of the electricity grid, while market-based emissions take into account green energy purchasing.

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 46 to 49 in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

Moore Kingston Smith LLP offer themselves for re-appointment as auditors in accordance with section 485 of the Companies Act 2006.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Chailey Heritage Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors of the Charity under company law and is signed on its behalf by:



Mark Creamer – Chair of Trustees



Fiona Duff – Company Secretary

Date: 6 March 2024

Independent auditor's report to the members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2023 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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 financial statements 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 trustees' responsibilities statement set out on page 45, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP.

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

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Date: 20 March 2024

Statement of Financial Activities For the Year Ended 31st August 2023 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Unrestricted Funds Designated £'000s	Restricted Funds £'000s	2023 Total £'000s	2022 Total £'000s
INCOME FROM:						
Donations, legacies and grants	**3**	238	-	624	862	993
Charitable activities:						
Fees	**4**	14,487	-	-	14,487	13,002
Ancillary income		162	-	-	162	140
Investments	**5**	97	-	-	97	100
Other		5	-	-	5	3
Total income		14,989	-	624	15,613	14,238
EXPENDITURE ON:						
Raising funds:						
Financing costs	**6**	40	-	-	40	46
Fundraising costs	**6**	202	-	-	202	159
		242	-	-	242	205
Charitable activities:						
Operating costs	**7**	14,761	12	-	14,773	13,718
Use of Donations and Appeal		-	65	313	378	321
		14,761	77	313	15,151	14,039
Total expenditure		15,003	77	313	15,393	14,244
Net income/(expenditure) before investment gains	**8**	(14)	(77)	311	220	(6)
Net (losses)/gains on investments	**13**	(112)	-	-	(112)	(348)
Net Income/(Expenditure)		(126)	(77)	311	108	(354)
Gross transfers between funds	**20**	(456)	618	(162)	-	-
Net movement in funds		(582)	541	149	108	(354)
Total funds brought forward		17,335	178	153	17,666	18,020
Total funds carried forward		16,753	719	302	17,774	17,666

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

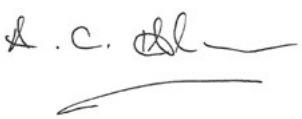
The notes on pages 53 to 66 form part of these accounts.

Balance Sheet As at 31st August 2023

	Notes	2023 £'000s	2022 £'000s
FIXED ASSETS			
Tangible assets	**12**	13,439	14,135
Investments	**13**	3,975	4,042
		17,414	18,177
CURRENT ASSETS			
Debtors	**14**	3,157	3,275
Cash at bank and in hand	**15**	1,044	489
Total Current Assets		4,201	3,764
LIABILITIES			
Creditors: Amounts falling due within one year	**16**	(3,841)	(4,000)
NET CURRENT ASSETS/LIABILITIES		360	(236)
Creditors : Amounts falling due after one year	**18**	-	(275)
TOTAL NET ASSETS		17,774	17,666
ACCUMULATED FUNDS	**19,20**		
Restricted funds			
Invested in tangible fixed assets		-	-
Other		302	153
		302	153
Unrestricted funds			
Designated funds		719	178
General fund - invested in tangible fixed assets		13,439	14,135
General fund - free reserves		3,314	3,200
		17,472	17,513
TOTAL FUNDS		17,774	17,666

The financial statements on pages 50 to 66 were approved by the Board of Trustees and authorised for issue on 6 March 2024 and signed on their behalf by





M. Creamer
Trustee

A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows
For the Year Ended 31st August 2023

	2023 £'000s	2022 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	1,018	1,062
Cash flows from investing activities		
Dividends, interest and rents from investments	97	100
Purchase of property, plant and equipment	(240)	(925)
Proceeds from sale of investments	37	41
Purchase of investments	(82)	(99)
Net cash used in investing activities	(188)	(883)
Cash Flows from financing activities		
Cash inflows from new borrowing	(275)	(125)
Net Cash provided by financing activities	(275)	(125)
Change in cash and cash equivalents in the reporting period	555	54
Cash and cash equivalents at the beginning of the reporting period	489	435
Cash and cash equivalents at the end of the reporting period	1,044	489

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

	2023 £'000s	2022 £'000s
Net (expenditure)/income	108	(354)
Adjustments for		
Depreciation charges	927	875
Profit/loss on disposal of fixed assets	9	-
Net losses/(gains) on investments	112	348
Investment income	(97)	(100)
Decrease/(Increase) in debtors	118	(650)
(Decrease)/Increase in creditors	(159)	943
Net cash provided by/(used in) operating activities	1,018	1,062

Statement of Accounting Policies and Notes to the financial statements – For the Year Ended 31st August 2023

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 67. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS102 and has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and the current economic climate on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the current economic climate continuing throughout 23/24 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2023 as in the previous year.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Donations are accounted for when the amounts are received or are measurable and certain at the date of the accounts. Donations in kind are accounted for when the benefit is measurable and supported by third party verification.

Tax recoverable under Gift Aid is accounted for when it is received.

Donations,legacies and grants are only treated as Restricted if they are subject to specific wishes of the donors. Unrestricted donations that are unspent at the end of the year are treated as Designated by the Trustees.

Grants receivable are accounted for over the period to which they relate. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Such deferred income relating to grants is included in deferred income in creditors.

Investment income is accounted for on an accruals basis.

e) Expenditure

Liabilities are 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. All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is included with the item of expense to which it relates.

f) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less appropriate depreciation. Items costing less than £2,500 are not capitalised unless they form part of a larger capital project costing more than £2,500.

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives:

Leasehold property and improvements	2-4%, 10% or 25% depending on the asset life
Motor vehicles, furniture and equipment	25% per annum on cost
Computer equipment and software	25% per annum on cost
Hoists / longer life equipment	10% per annum on cost

Depreciation starts in the month of purchase or month first used whichever is the later.

Fixed assets acquired with restricted funds are treated as Restricted Fixed Assets in the accounting year in which they are purchased or brought into use, if later. When fully operational, these assets are reclassified as Unrestricted, unless the donor specifically requests they remain as Restricted or the Appeal Fund which funded them remains open.

g) Investments

Investments are initially recorded at cost and subsequently measured at fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

h) Pension costs and other post-retirement benefits

The Foundation operates with two different pension schemes as described in note 10.

(1) Teachers are members of the Teachers Pension Scheme.

(2) A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

Contributions to all schemes are charged in the Statement of Financial Activities as they fall.

i) Fund Accounting

Restricted funds are funds for specific purposes imposed by the donor or by the terms or nature of the appeal under which the funds were raised. The restrictions are binding upon the Trustees of the Charity.

Unrestricted Funds are analysed between (a) General funds available to the Charity for its general purposes, including past funds deployed in tangible fixed assets; and (b) Designated funds, formally earmarked by the trustees at their discretion for specific spending.

j) Operating leases

Rentals paid under operating leases are charged to expenditure as incurred.

k) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and on surpluses of any trading activities carried on in furtherance of the Charity's primary objects. The Charity's non-primary trading activities are also tax exempt as below the current taxable threshold.

The Charity is not registered for VAT.

l) Other financial instruments

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

ii) Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their present value, which due to the short term nature of the balances is the transaction price.

m) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees, no judgements were required that have a significant effect on amounts recognised in the financial statements, nor do any estimates or assumptions made carry significant risk of material adjustment in the next financial year.

3. Donations, legacies and grants

Year at 31 August 2023

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2023 Total £'000s
Donations	229	-	479	708
Legacies	9	-	-	9
Grants	-	-	145	145
	238	-	624	862

Year at 31 August 2022

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2022 Total £'000s
Donations	270	-	378	648
Legacies	138	-	-	138
Grants	-	-	207	207
	408	-	585	993

The grants received above relate to furlough grants, covid grants , teachers pay and maintenance of the School grants.

4. Income from Charitable activities

	2023 £'000s	2022 £'000s
Education fees	4,764	4,405
Social Care fees	9,723	8,597
	14,487	13,002
Ancillary income	162	140

A very high proportion of our fees come from Local Authorities and Clinical Commissioning Groups.

Ancilliary income is mainly from the provision of riding and swimming outside school hours.

5. Investment income

All income in the current and comparative year relates to unrestricted funds.

6. Cost of raising funds and financing costs

All costs of raising funds and financing costs in the current and comparative year are charged to unrestricted funds.

7. Analysis of charitable expenditure

Year at 31 August 2023

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2023 £'000s
School	3,239	94	1,196	235	4,764
Social Care	6,170	703	2,032	491	9,396
Other charitable activities	223	140	49	201	613
Total operating costs	9,632	937	3,277	927	14,773

Year at 31 August 2022

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2022 £'000s
School	3,300	90	1,078	240	4,709
Social Care	5,595	570	1,833	453	8,451
Other charitable activities	297	35	45	182	558
Total operating costs	9,192	695	2,956	875	13,718

Year at 31 August 2023

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2023 £'000s
Staff costs	528	897	22	1,447
IT costs	83	141	3	227
Maintenance	116	197	5	318
Insurance	33	56	1	90
HR costs	82	139	3	224
Utilities	249	423	10	682
Professional fees	16	28	1	45
Other	89	152	3	244
	1,196	2,033	48	3,277

Year at 31 August 2022

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2022 £'000s
Staff costs	472	802	19	1,293
IT costs	86	147	4	237
Maintenance	99	167	4	270
Insurance	28	47	1	76
HR costs	75	128	3	206
Utilities	239	406	10	655
Professional fees	15	25	1	41
Other	64	111	3	178
	1,078	1,833	45	2,956

Support costs have been allocated to Operating areas on the following bases:
Staff costs - time spent
Depreciation - usage of related assets
Other expenses - floor area or headcount.

Support costs include governance costs of £22k (2022: £21k).

8. Net operating income/(expenditure)

	2023 £'000s	2022 £'000s
This is stated after charging:		
Auditors' remuneration	22	21
Depreciation of tangible fixed assets	927	875

9. Employment costs

	2023 £'000s	2022 £'000s
Wages and salaries	10,017	9,433
Social security costs	828	781
Pension contributions (see note 10)	589	549
	11,434	10,763

Agency costs of £343k (2022: £269k) are included in the above. These continue to increase due to staff recruitment issues.The average number of employees in the year was 383 (289 Full time equivalent) (2022: 410 (305 full-time equivalent)).

Trustees' funds paid for 6 employees in the year (fte 5.18) (2022: 7 heads 5.44 fte) at a total cost of £251k (2022: £289k).

Average number of full-time equivalent employees by area:	2023	2022
School	96	110
Social Care	148	151
Support	36	37
Fundraising	5	4
Other	4	3
	289	305

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2023	2022	2023 £'000s	2022 £'000s
£60k-70k	5	4	35	18
£70k-80k	2	1	22	15
£80k-90k	0	0	0	0
£90k-100k	0	1	0	21
£100k-110k	1	0	8	0
£110k-120k	0	1	0	10

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The pension charge for the year included contributions payable to TPS of £183,026 (2022: £176,528) and at the year-end £18,997 (2022: £21,466) was accrued in respect of contributions to this scheme.

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

The employer and employee contribution rates are set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. In March 2019, it was confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1st September 2019. Employers are also required to pay a scheme administration levy of 0.08%, giving a total employer contribution rate of 23.68%.

HM Treasury has confirmed that any changes to the employer contribution rate will take effect in April 2024, resulting from the 2020 valuations. The 2020 valuation was announced in October 2023 and the employer's contribution is to raise by 5% to 28.68%. The assets and liabilities relating to this defined benefit scheme are the responsibility of the UK government and not held on the Charity's balance sheet.

The average number of employees in the scheme is 18 (2022 : 18).

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Foundation's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. All new staff, except teachers (unless they have opted out of TPS), are auto-enroled into this scheme after completion of three month's service and having attained the age of 18 years. For the period from 1 September 2022 to 31 August 2023, the employer contribution rate was 4% (2022: 4%) for the main scheme. Employees can opt in to an enhanced scheme after six months of service, where the employer rate is 7.5% and employee contribution is 5%.

The average number of employees in the scheme is 344 (2022: 368). The pension charge for the year was £406,116 (2022: £387,387). At the year end, there were accrued contributions due of £57,174 (2022: £53,669).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2022: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2022: £nil). A transaction which constitutes a Related Party Transaction with a trustee is disclosed in note 25.

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the charity's key management personnel were £395k (2022: £351k). This increase is due to a change in headteacher during the year and Director of Social Care now full time.

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2022	18	21,610	2,977	24,605
Additions	-	161	79	240
Disposals	-	-	(141)	(141)
31 August 2023	18	21,771	2,915	24,704
Depreciation				
1 September 2022	-	8,506	1,964	10,470
Charge for year	-	754	173	927
Disposals	-	-	(132)	(132)
31 August 2023	-	9,260	2,005	11,265
Net book values				
31 August 2023	18	12,511	910	13,439
31 August 2022	18	13,104	1,013	14,135

The leasehold property represents the buildings on the site at Chailey which is leased from Sussex Community NHS Foundation Trust. The lease was extended in 2021 until 29th June 2143 and, under its terms £1 per annum is paid but the Charity is responsible for all maintenance of the site and buildings.

In the unlikely event that the Charity was to discontinue its activities, the property (including all investment in the site by the Charity) would revert to Sussex Community NHS Foundation Trust as lessor for no consideration.

13. Fixed Asset Investments

	2023 £'000s	2022 £'000s
Investments held at 1 September	4,042	4,332
Funds withdrawn	(37)	(41)
Net income reinvested/(withdrawn)	82	99
Net unrealised and realised (losses)/gains in the year	(112)	(348)
Market value at 31 August	3,975	4,042
Historical cost at 31 August	4,122	3,717
Investments at market value consist of:		
Listed Investments registered in UK	2,345	2,312
Listed Investments registered outside UK	1,630	1,494
Cash held as part of investment portfolio	1	236

All investments are listed apart from the £1 unlisted investment held in Chailey Heritage Trading Company Limited, a subsidiary company (note 2c).

The investment portfolio is held primarily for the long term sustainability of the Charity, having regard to the financial risks inherent in operating the Charity - for example those arising from undue fluctuations in income, pupil numbers and costs - and to provide additional income to the Charity.

14. Debtors

	2023 £'000s	2022 £'000s
Fees	2,884	2,492
Prepayments	258	210
Accrued income	15	573
	3,157	3,275

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

£2,750k of 2023 debtors (2022: £1,730k) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank

Cash and deposits represent (1) working capital balances on current accounts held primarily for the day-to-day operations of the Charity and (2) amounts invested on the money market with prime institutions which are required in the short and medium term for capital projects and to maintain an adequate level of general liquidity.

16. Creditors - due within one year

	2023 £'000s	2022 £'000s
Taxation and social security	187	174
Trade creditors	397	419
Other creditors	144	144
Accruals	355	659
Deferred income	2,758	2,604
	3,841	4,000

Included within 'Other Creditors' are accrued pension contributions of £76K (2022: £75k).

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term received in August £251k (2022: £71k).

Deferred income brought forward was all utilised during the current year.

All creditors are financial instruments and are measured at present value.

17. Deferred income

Deferred income comprises	2023 £'000s	2022 £'000s
Balance at 1 September	2,604	2,058
Amount released to incoming resources	(2,604)	(2,058)
Amount deferred in the year (note 16)	2,758	2,604
Balance at 31 August	2,758	2,604

18. Creditors: amounts falling due after one year

	2023 £'000s	2022 £'000s
Rathbone loan - due between 3-5 years	-	275
	-	275

This relates to a drawdown loan from Rathbones against the value of the portfolio held. This was repaid during the year.

19. Analysis of Net Assets by Fund

Year to 31 August 2023

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	Long Term Liabilities £'000s	2023 Total £'000s
Restricted funds	-	-	302	-	302
Unrestricted funds:					
Designated fund	-	-	719	-	719
Fixed assets fund	13,439	-	-	-	13,439
General funds	-	3,975	(661)	-	3,314
	13,439	3,975	360	-	17,774

Year to 31 August 2022

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	Long Term Liabilities £'000s	2022 Total £'000s
Restricted funds	-	-	153	-	153
Unrestricted funds:					
Designated fund	-	-	178	-	178
Fixed assets fund	14,135	-	-	-	14,135
General funds	-	4,042	(567)	(275)	3,202
	14,135	4,042	(236)	(275)	17,666

20. Analysis of Charitable Funds

	Restricted Funds	Balance 1 September 2022 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2023 £'000s
a)	DfE grants	-	145	-	(145)	-
b)	Donations towards major projects and equipment	153	479	(313)	(17)	302
		153	624	(313)	(162)	302
	Total Restricted funds	153	624	(313)	(162)	302

a) The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.

b) Comprises donations received towards specific capital projects/expenditure e.g. Patchwork Farm, Riding, Hydrotherapy pool and transferred out to reflect those amounts spent to date.

Unrestricted funds	Balance 1 September 2022 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2023 £'000s
Designated fund	178	-	(77)	618	719
Fixed asset fund	14,135	-	(936)	240	13,439
General fund	3,200	14,989	(14,179)	(696)	3,314
Total Unrestricted funds	17513	14,989	(15,192)	162	17,472

Designated Fund :
The £719k represents the current balance of unrestricted donations received but not yet spent as at year end, funds allocated by the Trustees for professional fees on potential strategic capital projects. The transfer in of £618k includes a transfer of £260k from the general fund in relation to statutory compliance costs that have been identified on an Estates survey and £150k relating to the potential purchase of the freehold.

Fixed Asset Fund :
This represents the net book value of the Charity's land, buildings and equipment.
Total tangible assets of £13,439k are shown in the Charity's balance sheet.
They are analysed in note 12 on page 61.
The transfer of £240k to fixed asset funds is unrestricted additions
in the financial year of £229k and restricted additions of £11k.

General fund:
The unrestricted general fund of £3,314k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance. The transfer out of £696k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

21. Financial Commitments

The charity has no non-cancellable operating leases at year end 2023 (2022: none).

22. Capital Commitments

At the balance sheet date, the Charity had capital commitments totalling £132k (2022: nil) in respect of replacement beds ordered for the bungalows and a bathroom refurbishment.

23. Legacies

As at 31 August 2023, the Charity had been notified of two (2022: six) new legacies where payment was not received by that date. No account has been taken of these as the amounts receivable cannot be determined with any reliability.

24. Control

The charitable company is under the control of its members who are its Trustees. No one member has sufficient voting rights to control the charitable company.

25. Related Party Transactions

During the year, the charity rented a property from Mike Atkinson, a Trustee. This was in relation to the rental of accommodation to house new employees from abroad and total rent paid during the year was £9K, which was below market rate.

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

PATRONS

Mr Chris Goodman
Mr David Hill

TRUSTEES AND GOVERNORS

The Trustees of Chailey Heritage Foundation (who are also the directors of the company for the purposes of company law) and the Governors who served throughout the year unless otherwise stated were:

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott
Mrs Jenny Clark
Ms. Denise Garland
Dr Elizabeth Green (retired January 2024)
Mrs Alison Grover
Mr Andrew Hodson
Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)
Ms Susan Duke
Mrs Alison Grover
Mr Alan Loader
Ms Amanda Mortensen (retired February 2024)
Mr Lawrence Mudford
Ms Carole Oram
Mrs Deirdre Prower
Ms Dianne Ryan
Mr Fredrick Shears (appointed July 2023)
Ms Julie Tilbury
Ms Jenny Turner

KEY EXECUTIVES

Chief Executive:	Mr Gareth Germer
Headteacher:	Mr Richard Green (appointed December 2023)
Director of Social Care:	Mr Dee Anand (appointed October 2023)
Finance Director:	Mrs Jane Cope
Head of Fundraising	Mr Will Folkes
Head of People:	Miss Joanne Peppard
Company Secretary:	Ms Fiona Duff

AUDITORS

Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey RH1 1DL

BANKERS

National Westminster Bank, 1 Muster Green, Haywards Heath, West Sussex, RH16 4AP

SOLICITORS

DMH Stallard, 3rd Floor, 1 Jubilee Street, Brighton, West Sussex, BN1 1GE

INVESTMENT MANAGERS

Rathbone Investment Management Limited, 8 Finsbury Circus, London, EC2M 7AZ

REGISTRATION INFORMATION

The Registered Office and principal address of the Company is at Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF

Chailey Heritage Foundation, a pioneering charity providing education, care and transition services for children and young people with complex physical disabilities and health needs.

chaileyheritagefoundation chaileyheritagefoundation chaileyheritagefoundation

Chailey Heritage Foundation
pursuing potential

Chailey Heritage Foundation
Haywards Heath Road
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East Sussex BN8 4EF

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www.chf.org.uk

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Registered Charity No. 1075837 and Company limited by Guarantee No. 3769775 (England)

CHAILEY HERITAGE FOUNDATION

England & Wales - Charity number 1075837

Accounts



Annual report and accounts

2021-22

Chailey Heritage Foundation
pursuing potential



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Our promise today is that:

> “We will never, ever give up working with children, young people and their families to empower them to make their own choices at every stage in life.”



About Chailey Heritage Foundation



Chailey Heritage Foundation provides education and care services and is one of the UK’s leading centres for children and young people with complex neurodisabilities. Many of our young people have severe cerebral palsy, many have visual and/or other sensory impairments. All our young people are wheelchair users and very few have verbal communication. Our expertise is in maximising independence and choice, developing effective communication and providing powered mobility opportunities.

Founded in 1903 by Grace Kimmins, we still embrace her ethos today. We believe that each child and young person should have every opportunity to fulfil their potential, no matter what the challenges.

We have developed a world-class range of specialist services that are necessary to meet the needs of these disabled young people. We work in close partnership with Chailey Clinical Services, a nationally recognised specialist NHS tertiary service for children and young adults with complex neurological and physical disabilities. Being on the same site enables us to deliver uniquely, integrated multi-agency services for the benefit of the young people and their families.

Our impact

The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to their lives and that of their families.

Our values

The Foundation aims for a values-based culture, and we expect all staff and volunteers to embody those values every day.



we are a community with a shared purpose. Everyone is accepted, everyone matters



every day we strive to make a positive difference for the children, young people, and their families



we have high expectations. 'OK' is never good enough



we celebrate what we achieve together

What we do

Under the Chailey Heritage Foundation umbrella, the Charity delivers services in three main areas:

Education

An Ofsted 'Outstanding' non-maintained special school for 3–19-year-olds

Residential

A range of boarding options for pupils of the school and a transition service for young adults up to the age of 25.

Community Services

A range of on-site services as well as an outreach service, offering the skills of our staff to families in their own home and out in the community.



> “Our focus will remain on changing the lives of children, young people and their families through Innovation and Excellence.”

Statement from Chair of Trustees

I have had the privilege to serve as Chair of Trustees for the last four years and have witnessed first-hand the dedication and commitment of our staff and volunteers and the difference they all make to the children and young people and their families. On behalf of our Trustees and Governors, I would like to thank our staff and volunteers who work tirelessly to ensure the young people live their best life possible and pursue their potential.

By 2024, our vision for Chailey Heritage Foundation is to:

Meet the increasingly complex needs of children, young people and adults with disabilities

Be first choice for parents and stakeholders and supporters

Be financially resilient with sufficient resources to offer enhanced opportunities for children and young people we serve

Have the capacity to develop

Be widely recognised, locally, nationally and internationally, as an innovator, renowned for our expertise and knowledge.

These goals have guided our strategy for the last 7 years and, at the beginning of our financial year in 2021, we launched the final phase of an ambitious 10-year journey that started in 2014. Our focus will remain on changing the lives of children, young people and their families through Innovation and Excellence. To achieve our ambitions, the charity needs to have firm foundations and we aim to strengthen the charity by focusing on four key strategic fundamentals:

- investing in our workforce
- ensuring the charity remains financially resilient
- becoming digitally stronger and completing our transformation
- continuing with our plan to be as environmentally sustainable as possible.

Over the following pages, you will meet some of the young people we work with and read about the progress we have made against our strategic goals.

In October 2022, the Trustee Board was very pleased to appoint a new Chief Executive to lead this amazing charity following Helen Hewitt’s retirement after nine years at the helm. The whole Chailey Heritage community are extremely grateful to Helen for her unswerving dedication and leadership during her time as Chief Executive, and especially during the exceptionally difficult years when Covid-19 was hitting us hardest. Gareth Germer joins us from Samaritans, and we are all very much looking forward to working closely with him over the coming years.



Mark Creamer
Chair of Trustees



Meet Faith

> “We as a family never thought that Faith would have the freedom that this specialist equipment trike has given her. Her communication is unique and personal to her because of her disability but what she has achieved is incredible.”
>
> Vicki – **Faith’s mum**

Faith is an amazing three-year-old little girl. She was born with a brain injury and is both visually and hearing impaired. Life can be a real challenge for Faith and her family. Her brain damage has also caused problems with her mobility, balance and coordination.

She was never expected to be mobile in any way because of a lack of strength in her body.

That all changed when she became a pupil at Chailey Heritage School. She is now able to use one of the charity’s specialist trikes and - supported by experienced and caring staff - it has been a real life-changer both for Faith and her family.

Mum, Vicki, said: “We as a family never thought that Faith would have the freedom that this specialist equipment trike has given her. Her communication is unique and personal to her because of her disability but what she has achieved is incredible.

I will never get that picture out of my head of Faith’s face when she sat on the trike for the first time. She was so excited. She reached out to hold onto the handlebars and started ringing the bell!

She can bring the trike home which means we all go out as a family on our bikes - something we never thought would be possible. For us as a family, that is priceless.”



> "…you have pioneered a curriculum that is bespoke to your school. It builds around each individual by focusing on seven relevant areas of learning. You, your leaders and teaching staff have ensured that this highly personalised, learner centre approach is at the heart of the school's provision."
>
> **Ofsted**



Everyday Excellence

Children and young people are at the core of Chailey Heritage Foundation and the heart of our mission. We seek excellence, not as a badge but because the children, young people and their families deserve nothing less.

From our foundation in 1903, the charity has been at the forefront of education, health and care of disabled young people. That tradition still drives us today.

We are very proud that our Ofsted 'Outstanding' School is leading the debate on curriculum and assessment of pupils with profound and multiple needs.

Every pupil at School has their own curriculum built specifically for them, the Chailey Heritage Individual Learner Driven (CHILD) Curriculum, designed by our Headteacher, Simon Yates. This innovative curriculum is followed by all our teachers and therapists and has gained Simon a national reputation. He addressed the Ofsted South East Regional Conference, highlighting the role of special schools and the importance of specific training for inspectors around subject-based deep dives for schools and pupils where the curriculum is not subject or knowledge based.

84

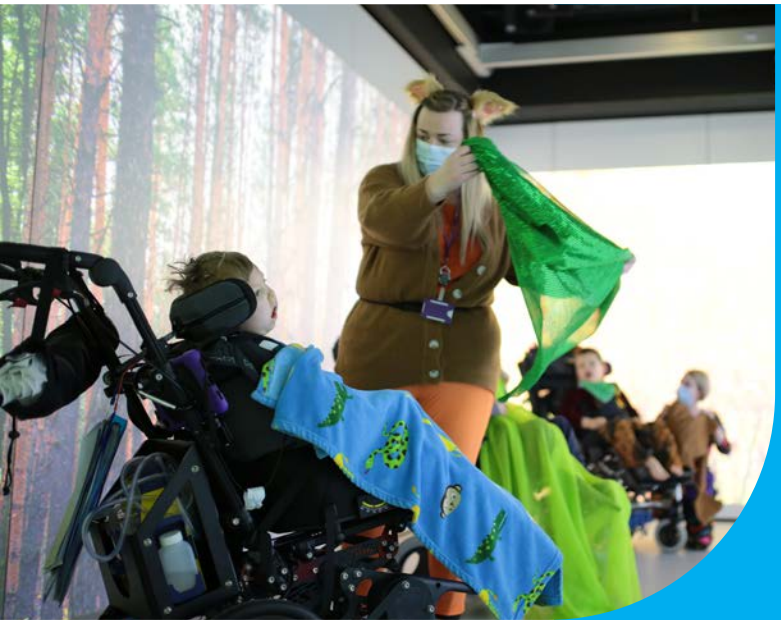
Number of pupils in the School

As Covid-19 restrictions eased in early 2022, the School started to see requests for visits returning and staff welcomed visitors from around the UK and even a representative from the Cerebral Palsy Alliance of Singapore.

One of our specialist lead teachers had a new journal article published entitled "The pedagogy which underpins a personal curriculum for pupils with severe physical disabilities, complex medical difficulties and a diverse range of learning needs". Mark Deacon, the Buckingham Journal of Education's guest editor, introduced the paper saying that the paper had "at its heart, an alternative view of learning and its associated pedagogies – it does not come from external sources but comes instead from the child; the child's needs, aptitudes and interests."

Our links with Chichester University continue to be strong and we were asked to deliver a lecture to their students on "engaging learners with complex needs" and to be involved in their annual conference. You will read all about our collaboration with the University of Portsmouth on page 15 in Bertie's story.

Our specialist teachers are always searching for ways of offering exceptional learning experiences, using the highly innovative immersive space in our Dream Centre. This year, they gained permission from local author, Julia Donaldson, to create our own sensory Gruffalo experience, using everyday materials. Pegs described the Gruffalo's terrible teeth, feathers for the owl and a wet sponge for the fox's nose!



"Chailey Heritage are absolute experts at spotting those tiny changes that make all the difference – a blink of an eye, a movement in the fingers or a quiet sound."

Parent

Meet Holly



Now age 20, Holly has transitioned from life at our School to attending Eastbourne College four days a week, and returning to our Leisure & Skills Centre (LSC) and Hub each Wednesday, and for therapeutic horse riding on a Tuesday, which she absolutely loves. Even though it is a three hour round trip, her Mum, Gabriella, says that it is worth it for all the activities Holly can access on one site, and the enjoyment she gains from her experiences here.

> "We owe a huge amount to Chailey Heritage Foundation for developing Holly into who she is today. She has absolutely blossomed in confidence and personality because of the essence of belonging that CHF has given her."
>
> Gabriella
> **Holly's Mum**

Holly is cognitively able, however she is deaf and non-verbal, so she needs an interpreter and uses her sign book. She has Larson's Type syndrome, musculoskeletal and other related conditions, which means that Holly is in a wheelchair and needs support from those around her, but she is also incredibly independent and likes the freedom to do things for herself.

Three words that describe Holly well are determined, independent and nurturing. Her Mum, Gabriella links these qualities directly to her former experiences as a school pupil here, saying that they have shaped Holly into the young woman she is now. "We owe a huge amount to Chailey Heritage Foundation for developing Holly into who she is today. She has absolutely blossomed in confidence and personality because of the essence of belonging that CHF has given her."

Now that Holly has transitioned to the LSC and Hub, a typical day involves going to the gym, where Holly likes to do boxing and lifting weights, and she has developed incredible upper body strength. As a result, she can self-propel her manual wheelchair, and when she attends rebound therapy on a trampoline, (her favourite activity), she can manoeuvre herself from her wheelchair to the floor unaided, and then over to the trampoline independently. Rosie, who supports Holly at the LSC and Hub, says, "Rebound gives Holly so much independence and freedom, allowing her to get out of her wheelchair, stretch out and be weightless, while receiving the many therapeutic benefits of each session." She is also a huge fan of taking part in the drama sessions on Wednesday mornings with Imogen.

Rosie describes how much Holly loves these experiences, "She just adores coming here, and you can tell because she laughs aloud and is completely immersed and engaged. Holly is a determined young lady who puts her all into everything she does, so much so that she always has a good appetite for lunch at GK's Café afterwards." The kitchen staff have even learnt Makaton signing so that they can assist Holly with the daily menu choices! The disability level counter helps Holly as it is low enough for her to interact with staff as she pays them herself with her own payment card. Ordering her own food and paying herself gives Holly the chance to practice everyday interactions in a safe, trusted environment that will help her out in the wider community.

"Transitioning from school has been made easier by the fact that there is continuity with the community at Chailey Heritage, that Holly knows she can return here and feel that special bond that she built for so many years while at school." Gabriella reflects that while Holly is very adaptable and loves a challenge, she also likes familiarity and routine, so she gets the best of both worlds when she visits the Hub and LSC.



> “The staff know the children extremely well and are committed to meeting their individual complex needs. The staff are familiar with each child’s method of communication and a variety of communication aids are easily accessible to the children. …Trusting relationships are developed with the children, in many cases over several years.”
>
> **Ofsted**

Our Residential & Community Services – making a difference for young people and their families

5,704

Bed nights for children

5,244

Bed nights for young adults

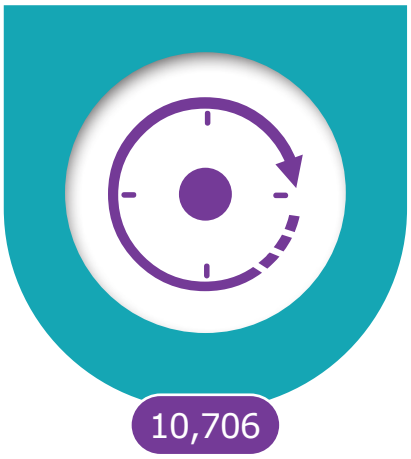
Life began to return to some sort of normality for the young people living on site with us after the exceptionally difficult years of Covid-19. Staff were able to organise trips out again to Brighton, to the beach in Seaford and other exciting venues.

Our community services are a vital part of our offer to families of young people with disabilities who do not live with us on site. It allows them to experience our amazing facilities and have access to our highly trained staff. Sessions in our Learning and Skills Centre and Hub doubled during this year, as young people were keen to resume their activities.

Our second Chailey Games was held in August 2022 attracting over 60 competitors from the community. It is designed to challenge a wide range of physical disabilities and included boxing, weightlifting, skittle and new age kurling. We were honoured to be joined by a Paralympian tennis star and a wheelchair racer, who was part of the Commonwealth Games in 2022, in a virtual Chailey Games appearance to engage and inspire the competitors. The medals were presented by Miss Brighton, who is passionate about playing rugby and with her #TryMe campaign, she aims to end stereotypes in women’s sports.

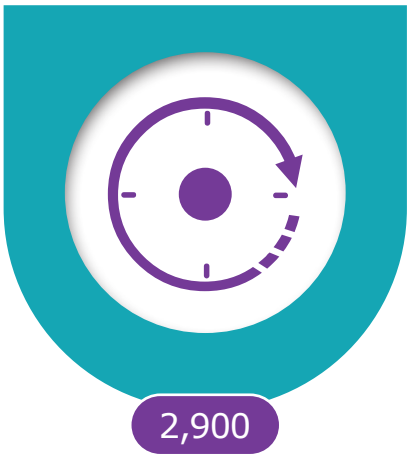
> We started coming to Aquamovers when Jothi turned one. Aquamovers was the first group that we attended and met other families who are in a similar situation to us. It feels like a really lonely journey but when you walk in here, it feels like people care and they're interested in how he is and he gets lots of positive attention, which he really enjoys. Swimming is his favourite activity and we had never been in a pool before we came to Aquamovers. Just to watch him learn those skills… I just didn't expect to see him be able to swim so early on in his life.
>
> **Parent**

Sessions provided in the LSC, our leisure and skills centre



10,706

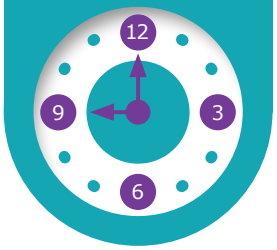
Sessions provided in the Hub, our vibrant day service



2,900

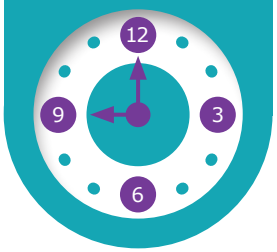
9,205

Hours delivered by Pathways, our community-based specialist support



85

Hours delivered by Aquamovers, our parent/toddler group



38

Sessions delivered by Holiday Club



> Chailey is simply person-centred care at its absolute best. Paul loves his days at the Hub, it's a fantastic friendly community where he feels valued and accepted and importantly, he has a lot of fun! The variety of sessions offered by the LSC is amazing and he enjoys interacting with the staff as much as the many friends he's made. His fitness levels and range of movement have really increased thanks to the wonderful input from Dan, Charles and the gym team. Using the Innowalk has been a game changer for him and has given him the confidence to start walking in a standing sling now too. Relaxing with a spa and massage after working out in the gym or at rebound therapy is definitely one of the highlights of his week! I only wish I could bottle how special they make him feel.
>
> **Parent**

Meet Livvy



When you meet Livvy, you can't help but notice her brightly coloured nails, beautiful, plaited hair and bright, trendy clothes. Like most 21-year olds she loves fashion, which is in part due to having two sisters, Daisy and Grace, who help her keep on top of the latest trends.

> "She's engaged, stimulated and leading such a rich quality of life - Chailey Heritage Foundation has been an absolute lifeline and gone beyond our expectations."
>
> Amanda
> **Livvy's Mum**

Livvy has Phelan McDermid Syndrome (a progressive genetic condition), epilepsy and profound autism. She has frequent seizures, severe scoliosis of the spine and a gastro-jej through which she is fed and receives medication. Her complex needs means that she needs full time care.

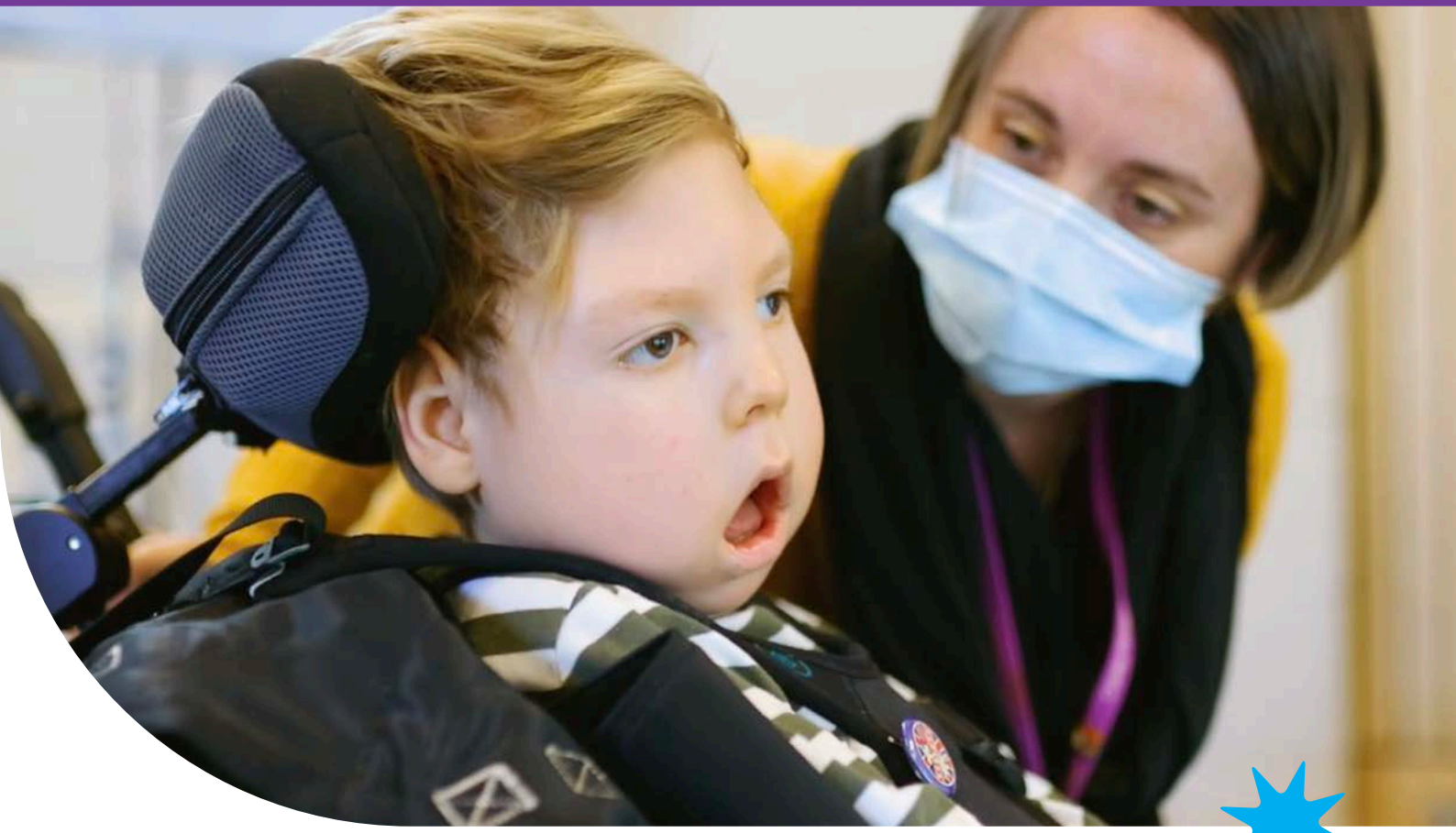
Transitioning here from Downs View School and Link College was a big change for Livvy, as having autism means that she likes structure and routine. Her transition was made as smooth as possible by the team at Chailey Heritage Foundation, introducing her slowly to the LSC (Leisure and Skills Centre), Hub sessions and on-site accommodation, by building sessions and overnight stays up over time.

When the opportunity arose for Livvy to become a full-time resident in Orchard Bungalow in June 2022, the family faced the difficult decision to let her go as, with her complex needs and vulnerability, trust played a huge role in the decision process. Amanda, her Mum, explains, "For us, it was about realising that it was in Livvy's best interests because at Chailey Heritage Foundation she has such a full timetable of activities, accessing everything the Hub and Leisure and Skills Centre have to offer, as well as going for trips off site. She's engaged, stimulated and leading such a rich quality of life - Chailey Heritage Foundation has been an absolute lifeline and gone beyond our expectations."

It has shifted the focus for the family too, allowing them to enjoy family time with Livvy without all the challenges of her full-time care routine. "It allows me to be her Mum instead of her full-time carer, enjoying quality time with her and it's the same for her Dad and siblings too."

Kelly, who has worked with Livvy since she started at Chailey Heritage Foundation says, "Livvy has transitioned so well and absolutely loves all the activities the Hub and LSC have to offer, especially cooking, art, drama and swimming, but her favourite is definitely music!" When Livvy is engaged, her head is up and she tracks people with her eyes, so her team can see how much she enjoys the music sessions.

In her Mum's words, the family have been "blown away" by the care Livvy receives at Chailey Heritage and the progress she is making. "Many people just see a profoundly disabled young person who has no language, can't walk and is fed through a gastrostomy tube. But Livvy is completely defying expectations and making such astonishing progress! She's using a walker, eye gaze technology and can even use the treadmill at the gym!" Amanda says the fact that Chailey Heritage never gives up on young people, supplying specialist input at every stage which is bespoke to Livvy's needs, means that she is thriving. "She just looks so well; it is truly wonderful to see."



Innovation

Our engineers are experts in creating bespoke solutions to give individuals with profound and multiple disabilities access and independence in their communication, learning and daily lives.

Dr Martin Langner, our resident engineer, has undertaken and completed a research post with University of Portsmouth on a new intelligent system used to operate shared powered mobility platforms.

The new intelligent system will identify users of a shared powered mobility platform by taking a snapshot of the facial image of the user, identifying the face in that image and comparing that facial image to a database of facial images of potential users of the mobility platform using One-shot learning algorithm. When a user is identified, the input device associated with that user will be initiated and used to operate the shared powered mobility platform. Testing and trials were conducted at the University of Portsmouth and at Chailey Heritage Foundation. The prototype system successfully identified users and triggered the input devices associated to them and Bertie is making use of this new technology.

We were delighted to welcome an engineering assistant to work with Dr Martin Langner, fully funded by donations. Together, they will continue to drive new developments in powered mobility and applications for switch technology so more children and young people can experience the freedom of learning to drive a wheelchair.

The engineering team are working on a redesign and rebuild of the Wheelchair Track System in two phases to end up with a totally wireless system. They also designed and built bespoke musical equipment for our new Music Studio.

Bertie knows best!

Thanks to the research developed by our resident engineer, Dr Martin Langner, in collaboration with the University of Portsmouth, Bertie has been given a chance to enhance his autonomy through driving using a voice-activated powered mobility platform. Bertie has always wanted to be able to move forward and turn his wheelchair independently but has been restricted due to his physical disabilities. Now he can do that by using vocalisations and his head switch. It takes a lot of effort for Bertie to make these vocalisations, which tells us that he is motivated to keep trying again and again, and his perseverance amazes us every day. Headteacher, Simon Yates, says, "The excitement I saw in Bertie when I saw him driving using his voice is just wonderful, it takes him so much effort to produce that vocalisation, so you know how much he loves it when he's giving it his all!"

The intelligent wheelchair platform not only responds to Bertie's voice, but over time learns his behaviours so that it becomes more intuitive, giving Bertie more independence, choice, and enjoyment. The team working with Bertie saw that it was instantly a big hit when Bertie used his voice to move his wheelchair to try and run over Amy Perkins, his teacher! "I got such a shock, and I could see instantly that Bertie found it really funny!" Amy explains that while inspiring, this is also incredibly important for Bertie's wellbeing. "Learned helplessness happens to people when they switch off from their learning and lives because they become used to having so many things done for them, or to them". Sadly, this can lead to extreme depression and becoming locked in over time. Therefore, it is so important to find that spark within every pupil that can help us to focus on their ability, rather than their disability and unlock their potential and their world. Simon Yates concludes, "This could have a global impact for anyone with disabilities, it's a very exciting time to be a leader in life-changing technology".





Digitally stronger

Our plan to make the organisation digitally stronger is led by our Head of Technology and falls under three separate categories: to transform, strengthen and streamline our systems.

Transform

The Electronic Medication Administration Record system was completed, resulting in improved medication entries, enhanced reporting and ease of identifying any rare medication errors. Further improvements are in the pipeline, including an integrated medication stock management system and care system, allowing care staff to plan, monitor, report and create care plans for our young people. This will include staff rostering.

Use of Microsoft Dynamics for the young people's records so all information is in one place, allowing teachers to view profiles and track progress in an easy-to-use format. We have created modules for Complaints, Accident and Incident management, equipment and staff training records in Dynamics and future plans include Applications, Placements and Assessments.

Strengthen

The IT Team created an attractive and useful intranet for staff with easy access to all on-line applications and information all in one place. This intranet is also accessible to our volunteers, including Trustees and Governors.

Staff moved to SharePoint for document management to improve access, sharing and collaboration on documents.

The Fundraising Team moved to Beacon CRM to include contact management, event management and communications with potential funders, including integrated online payments and donations.

Improved reporting for young people's Annual Reviews and assessments using Microsoft Dynamics, further development will allow parents and funders access to their own Chailey account portal to access account details and information.

Streamline

A modern, integrated HR and payroll system was introduced during the year with online timesheets and improved access to records both on PC and mobile devices. The app is intuitive with added functionality and managers and staff are now reaping the benefits of a streamlined system. The Learning Management System is currently under construction.

A new booking system for facilities, vehicles and apartments is proving popular and has the potential to expand for other uses.

Video conferencing has been installed in most meeting rooms and is invaluable, with the opportunity for 'blended' meetings continuing, allowing people to 'attend' meetings from a distance thereby saving time and fuel.

The charity's IT infrastructure has been improved with a new firewall, telephone system and a programme of replacing PCs with laptops.



Environmentally sustainable

The Streamlined Energy and Carbon Report (SECR) can be found on page 43. The Chailey Carbon Challenge (CCC) is the charity's plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and waste.

The Trustees' Capital Projects Sub Committee oversees the charity's environmental programme. The switch to green electricity was complete during the year and, as a major project in 2023, Trustees will be looking to upgrade the boilers and renew the windows in the hydrotherapy pool, and examining whether the site would be suitable for solar panels. Several other large projects were completed during 2021-22, including replacing the main boilers with more energy efficient models to cut gas usage, replacing aging heating controls and switching to LED lighting across the site. Over 300 trees have also been planted on site during the year.

A car share system has been set up, which is proving useful for those who work the same shift patterns, and the 'cycle to work' scheme is promoted throughout the year.

The CCC 'champions' continued to lead the way in engaging staff in carbon and energy saving campaigns, both at work and at home:

- 'Switch it off' to encourage staff to switch off lights, computers and screens
- Discouraging single-use plastic with a 'Bring your own cup' campaign, both at water coolers and in our Café
- 'Think before you bin it' to encourage staff to re-use and recycle. Reviewing how the charity deals with its food waste is on the agenda for 2023.





Our dedicated workforce

Our dedicated workforce in both School and Social Care continued to provide education and care for the children and young people throughout 2021-22, despite the continuing pandemic and the need to wear PPE. As we write this report, our residential staff continue to wear facemasks as they go about their day-to-day duties, although these are no longer required in School.













Nationwide, staffing pressures continued in many sectors throughout the year, including health and social care, which led to us having increasing difficulties recruiting staff, adding to the pressures on our teams. Securing sufficient, clinically trained staff continues to be a top priority and is a key element in the Charity's strategic plan for the coming years. During the year, recruitment also became more of an issue in School, with potential staff for all areas of the Foundation being able to pick and choose where they work and competitors increasing salaries to entice people to join them.

Governors and Trustees fully understand the risks of not recruiting sufficient staff to our services. They agreed to finance an extra salary increase averaging 7% in January 2022 for lower paid employees in order to retain current staff and make us a more competitive employer to potential recruits. They also agreed to increase the Refer a Friend payment we offer (from £250 to £500) and to establish a Golden Hello payment of £600 for new employees working with the young people.

Our international recruitment programme also commenced during the year, with local accommodation being sourced for occupation by recruits from India, Albania and Zimbabwe. Interviews took place during the summer of 2022 and the first nine recruits arrived in the Autumn of 2022.

As we look to the forthcoming year, we have plans to hold a variety of recruitment events; attend local events such as the South of England show and have a recruitment stand at the Focus 10k; and widen our search net for new recruits, including a further international programme.

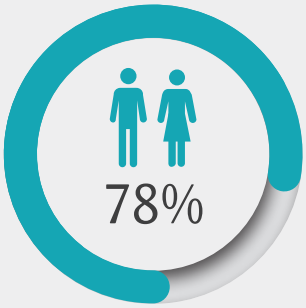
Volunteers

Covid-19 affected our ability to use the wonderful team of volunteers who support so many of our services. Many of them have now decided to retire and we will be looking at a campaign to attract new volunteers to join our workforce.

Gender Pay Gap

You will find our full report on pages 39 and 40 and also on our website:
https://www.chf.org.uk/Gender_pay_gap_report_2022.pdf

78% of our expenditure is for staff

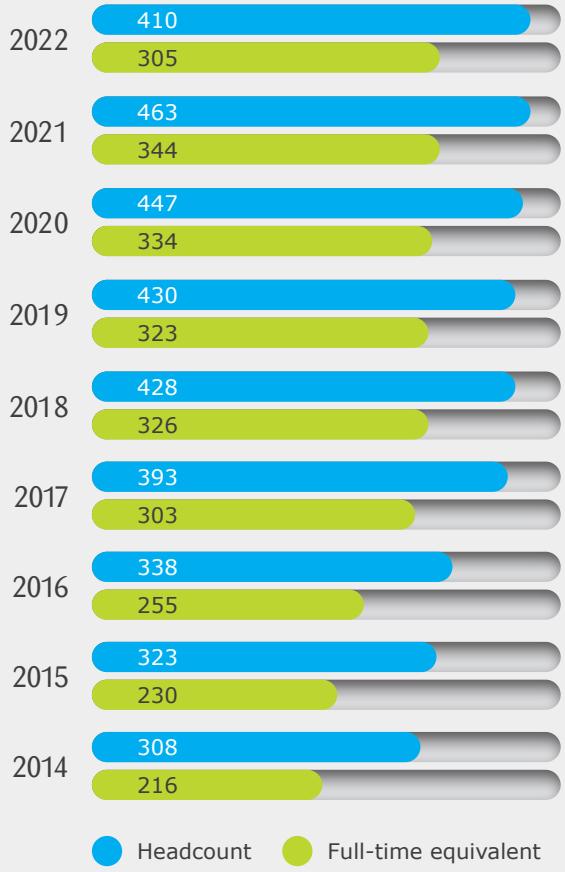


Average numbers of staff during the year

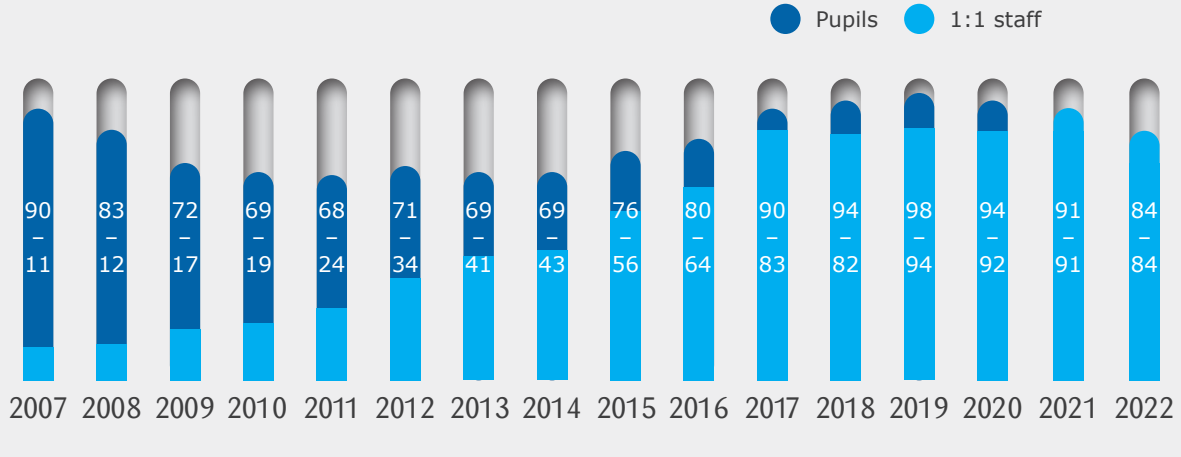


410	62	41
Employees	Bank workers	Volunteers

Staff numbers



Numbers of pupils with 1:1 support



Due to their complex needs, all our pupils have at least 1:1 support and some have 2:1 support for all or part of the day.


Primary
love



> “At the end of the school day, we’ll read Sam’s diary and see photos of what he’s been doing. We are constantly amazed to find out about the new things he has been discovering. He enjoys horse riding, loves Patchwork Farm, and especially likes using the computer. We are just so grateful for his progress at Chailey Heritage and extremely proud of everything he has achieved.”
>
> **Vicki, Sam’s Mum**

Our partners

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables them to receive wraparound care from a team of doctors, therapists, and other clinicians 24 hours a day. During the pandemic, we have worked closely with our partners, initially with a daily call to problem solve and interpret guidance. Chailey Clinical Services is part of Sussex Community NHS Foundation Trust (SCFT) and being able to escalate urgent issues to the Trust has been critical in managing care and minimising infection.

Chailey Clinical™

Good support from SCFT managers and working closely together through the Pandemic, have strengthened, and renewed the partnership.

Greater transparency and mutual understanding, particularly around staffing and clinical training, have also helped. SCFT's pharmacy team and CCS managers have been critical to the successful introduction of the new system for the electronic medicines administration record (EMAR). This project was jointly agreed in 2017/18 and, after numerous management and technical delays, was rolled out in 2019/20 to our residents. The pandemic delayed its adoption in school, but the system is now fully operational in school and residential services, supported by a medicines management technician employed by the Foundation.

Parents are one of our most important and valuable partners and we work in close partnership with them, right from the very first informal visit through to the young people transitioning from Chailey Heritage to their new setting. We stay in close contact with families and work together to achieve the best outcomes for their young person. They are very pleased overall with their young person's placement at the Charity and have told us how being at Chailey Heritage has changed the lives of their young people and the whole family through a film and co-produced case studies - https://www.chf.org.uk/changing-lives.html. Parents have been increasingly involved in fundraising for the Charity and are also 'ambassadors' by recommending our services to other families.





Fundraising

Voluntary income during this financial year totalled £786k (including legacies).



Every penny raised goes to support the children and young people.



The generosity of our supporters has continued to make a huge difference to the lives of the children and young people at Chailey Heritage Foundation, throughout another challenging year.

We would like to take this opportunity to thank all the individuals, companies, trusts, foundations, charities and community groups who chose to support Chailey Heritage Foundation when there is so much need right across the charity sector. Without the funding received from the wide range of donors, many of the specialist services the young people rely on could not be delivered, our unique facilities could not be updated, and vital equipment would not be available.

During 2021/22, fundraising continued to be affected by the issues that impacted all of our lives, including the Covid-19 Pandemic, the war in Ukraine and the cost-of-living crisis. In the face of these headwinds, we are grateful that we have been able to fund a wide range of exciting projects that will help the young people who access services, from all areas of the Foundation, to achieve better outcomes.

Fundraising costs are borne entirely from the Trustees' Unrestricted Reserves.

Three highlights for the fundraising department were:

- Winning the Big Give Christmas Challenge award for best overall charity from over 900 participants while raising over £29,000 for Patchwork Farm
- Holding a successful 5th annual Focus 10k run at our stunning new course at Sutton Hall Estate and raising over £20,000 for Hippotherapy
- Being able to resume community talks at local schools, clubs and societies as Covid-19 restrictions eased.

Achievements

Specialist Services



- **Patchwork Farm**

  The focus of fundraising activity in the autumn was raising funds for our therapeutic care farm. Patchwork Farm was a lifeline as the pandemic continued to limit the opportunities for the young people to get out and about. Campaigns like the Big Give and Woolly Hat Wednesday helped us to cover 100% of the running costs in record time. The Farm also provided lots of opportunities for corporate volunteers to get involved, with special thanks to Zurich Community Trust, BAM Nuttall and Convergint.



- **Hippotherapy and therapeutic riding**

  This service is physically and emotionally central to the Foundation and is entirely funded by our donors. The riding team were resilient in the face of restrictive PPE, ensuring that the pupils were still able to benefit from their timetabled sessions to help them achieve their personal goals. There are currently 37 riding sessions per week delivering therapeutic, educational and wellbeing benefits to the young people taking part.



- **Dream Centre Immersive Space**

  The unique opportunities presented by the Dream Centre Immersive Space can only be realised by creating the bespoke content designed to achieve the personal goals of individual young people. The resources needed to develop experiences as diverse as trips to space and a visit to the barber shop, have been fully funded by our supporters and have opened up new worlds to young people with complex disabilities.

Community Support



- Aquamovers

Aquamovers is a cherished, fundraising-supported service for pre-school children with disabilities and their families to access physiotherapy and speech and language support both in and out of the hydrotherapy pool. The isolation often felt by parents of infants with a disability has been magnified further by the pandemic. This community service gives parents the chance to meet others in a similar situation while their children benefit from a play and therapy session designed specifically for them.



- Leisure and Skills Centre (LSC) - Equipment and Activities

The LSC provides a unique setting where people living with us in our Futures' bungalows and those living in the community can take part in a wide range of meaningful activities in the kitchen, the gym and in the arts and crafts centre. Fundraising helps to fund the kit needed for the activities, including Eye Gaze camera equipment, Magic Easels and a new mixer for the all-important cakes! Fundraising also supports activities including a roller disco, fashion show and the Christmas Party.

Excellence, Innovation, Impact and Sharing



- Mobile Eyegaze

An essential tool for many young people at Chailey Heritage Foundation, Eyegaze enables pupils who do not have control of their hands and in many cases, cannot communicate verbally, to operate a regular computer by eye movement alone and to access specialist educational and communication software. Previously restricted to a classroom location, the 10 mobile units, adapted by the engineering team and paid for by donations, allow them to be used across the site.



- Engineering Team

The attitude at Chailey Heritage Foundation is always "how can we support a young person to do something?" rather than "that is not possible for someone with complex disabilities". It is the highly dedicated engineering team that make this possible. In 2021/22 voluntary income from the Vision Fund funded a brand-new role of "Rehabilitation Engineer Technician" which is already helping to develop and implement new adaptive technology to improve the outcomes for the young people.

Transformation



Quad Garden

The support of the Charity Champions at local Morrisons stores helped us secure a significant grant from the Morrisons Foundation to transform the garden shared by four of our residential bungalows, in time for the young residents to enjoy it throughout the summer. A tired and run-down garden was transformed with new surfacing, sail sunshades and several interactive elements. The new space is perfect for the young people to enjoy outdoor activities, in and out of their wheelchairs, with their friends and families.



Environmental Control

Support from the Vision Fund donors enabled the charity to ensure that our staff and young people could stay cool in the summer and warm in the winter. Having the right thermal controls is particularly important for our young people, many of whom have difficulty regulating their own body temperature. The new air conditioning in the bungalows will help in the summer and the efficient new boilers will not only keep everyone warm in winter but also reduce the CO2 output and make significant savings as energy costs continue to rise.



Upcoming Projects

During 2022/23, fundraising will continue to focus on the four strategic themes of:



- Specialist Services

  The vital elements of the charity that make such a difference to the outcomes for the young people, including riding, Patchwork Farm, Dream Centre Immersive Space and improvements to the Aquatics Centre.

- Community Support

  Sharing the benefits and creating partnerships in developing the facilities and services at the LSC, funding Aquamovers, working with local colleges to develop a Chailey Career Pathway and creating a Classroom and Community Space on Patchwork Farm.



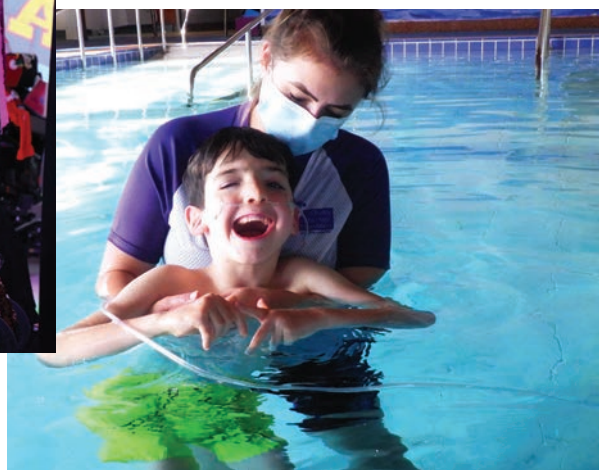
- Excellence, Innovation, Impact and Sharing

  Building the Chailey Heritage Innovation Centre, developing a new interface to make technology accessible to people with complex disabilities and continuing to help fund the engineering team.

- Transformation

  Work to ensure the infrastructure and facilities are effective, efficient and meeting the needs of the young people supported by the charity. Replacing the boilers in the Aquatics Centre with modern and efficient models, new walkers and trikes to help the young people exercise out of their wheelchairs, creating an outdoor activity space for the LSC gym.





Fundraising Volunteers

The fundraising department relies on volunteers to help us with events and activities. In addition to the many volunteers who help on an ad-hoc basis, our two amazing "Fundraising Lead Volunteers" have helped us to deliver 18 talks to community groups, both spreading the word and raising funds for Chailey Heritage right across Sussex.

Friends of Chailey Heritage

This committed group of supporters continues to provide funding for vital projects and to be some of the strongest advocates for the charity. We are very grateful to everyone who is involved with the Friends.

Our commitment to donors

Registered with FUNDRAISING REGULATOR

We are committed to best practice in fundraising, and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising. We have a Fundraising Policy, which is updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in "Our Commitment to Donors": https://www.chf.org.uk/donors-commitment.html along with a link to our Fundraising Policy and our Complaints Procedure.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants/professionals/third parties who are not part of the Charity must be agreed by the Trustee Fundraising Committee (TFRC) and have the written agreement of the Chief Executive prior to use by the Charity. As a matter of Policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We occasionally use third party commercial participators to help with some of our fundraising activities, such as our annual running event, the Focus 10k. We also use a third-party organisation – Unity – to run our lottery. In all cases, we have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity's fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

We take our responsibility towards supporters who may be considered vulnerable very seriously and our fundraising team have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. All fundraising staff undertake relevant training, such as safeguarding, and our Fundraising Policy and procedures are reviewed regularly. All fundraising activity for the Foundation is supervised, coordinated, and directed by the Development Director under the guidance of the Chief Executive and TFRC. The TFRC regularly reviews all fundraising activity of the Foundation, and the Development Director reports to the full Board of Trustees three times a year.

We welcome third party initiatives in organising events on behalf of the Foundation and will, wherever we are aware, ensure that these third parties adhere to the Fundraising Policy and the Charity's Principles for Fundraising.

No complaints were received by the Charity or by a person on behalf of the Charity.



> “I’m delighted to have joined Chailey Heritage Foundation as the new CEO. The history of the Foundation, its reputation for delivering a world-class range of specialist services, and the expertise of the people that make this possible is truly inspiring.”



Our new Chief Executive

Gareth Germer joined Chailey Heritage Foundation in October 2022 as its new Chief Executive from Samaritans, where he was their Chief Operating Officer.

Gareth brings extensive experience in the charity sector, having previously worked for NSPCC, and Rethink (a mental health charity).

Prior to his charity career, Gareth spent 10 years at local authorities in a range of operational, project and leadership roles in children’s and adult social care services.











Our future plans

In this final year of our 10-year strategy, our focus will be on four key areas:

Firm Foundations

We will continue to:

☐ invest in our workforce

☐ ensure the charity remains financially resilient

☐ become digitally stronger and complete our transformation

☐ continue with our plan to be as environmentally sustainable as possible.

Resilience

Ensuring we continue to deliver outstanding services, every day, whilst keeping a close eye on the challenges ahead, with economic uncertainty, workforce pressures and shifting sands in terms of SEND policy and funding.

Engagement

Preparing for our new strategy, we will see the next 12 months as an opportunity to engage with children, young people, parents, our community, professionals and commissioners to inform our future service offer.

Innovation

We will use the next 18 months as an opportunity to test, develop and refine our thinking, by working with Trustees, Governors and staff, ahead of a new strategy launch in September 2024.

Achievements and performance

The report and accompanying financial statements have been prepared under the Companies Act 2006 and the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued.

Our strategy and performance against our strategic goals is discussed in detail on pages pages 8 to 31 of this annual report.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. As we emerged from the global pandemic, normal service resumed as much as possible across all services. However, in line with many other organisations, the main pressures felt by the Foundation during the year were those of staffing and rapidly increasing utility bills. Regretfully, due to staffing supply, some short breaks had to be postponed and pupils' start dates deferred. The unprecedented increase in energy prices also led to our utility costs increasing by over £175k. No government support was in place until October 2022 when the Government introduced the Energy Bills Support Scheme.

Unfortunately, the financial pressures Local Authorities and Commissioners are under continues to restrict our ability to increase our fees to fully reflect the cost of providing our service. We continue to review our core fees for the main areas of operation to endeavour to cover the costs associated with providing the service, but they still do not recover depreciation costs. Overall, total Net Operating Income was a small deficit of £6k. As a result of the turmoil in the global stock markets, our investment portfolio was showing an unrealised loss at year end of £348k, resulting in an overall Net Expenditure of £354k for the year for the Foundation. Certain costs, e.g. fundraising, depreciation and the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Charity's reserves i.e. unrestricted funds freely available to spend.

In line with our Charity ethos, all the surplus funds are reinvested in the Foundation for the benefit of the children and young people.

Financial Activities and Results

In the year to 31 August 2022, our total income was £14.2m (2021: £13.1m). The increase was mainly due to additional nights being provided in residential services and more sessions in our community services, against a reduced provision due to Covid-19 restrictions in the prior year. Pupil numbers continue to be steady but new starters had to be delayed due to staffing shortages.

In the same period, total expenditure has risen to £14.2m (2021: £13.7m). This increase was mainly due to staffing and utility costs. Salary awards needed to be made in order to remain competitive with other employers in the area, alongside the introduction of the Health and Social Care levy by the government. Electricity and gas costs increased considerably as Russia restricted global supplies.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. This was achieved, however, once depreciation is charged, the Unrestricted Fund made a deficit of £236k for the current year (2021: deficit of £868k) before the net loss on the investment portfolio. The overall deficit of £354k was funded by the Foundation's Reserves.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. Legacy income accounted for was marginally up by £14k but overall legacy income itself is still very uncertain in amount and timing. The investment portfolio showed a net unrealised loss at the year-end of £348k (2021: net gain £706k) as volatile stock markets reacted to the pandemic recovery, the war in Ukraine and rising inflation. However, Trustees considered Rathbone's performance satisfactory when benchmarked against the more substantial FTSE and S&P equity indices declines.

As a Charity, regrettably, we continue to incur non-recoverable VAT of approximately £375k, as the Government continues to ignore our sector regarding exemptions, despite giving relief to hospices and maintained special schools. Unfortunately, due to other more prominent concerns, the sector's strong lobbying of government for VAT relief has not had much impact or profile over recent years.

The balance sheet continues to show the enormous investment that the Charity has made in leasehold buildings and equipment, with £14.1m invested in fixed assets or 80% of the Charity's total funds. This reflects the continued investment by the Trustees in the infrastructure of the Foundation and its drive to meet the ever-changing needs of the young people and keep the site up to a good

standard. For example, we invested in: a new fire alarm system; reroofed several buildings; installed air conditioning units in the bungalows; refurbished our St Martin's playground for the youngest pupils and our Music Studio and purchased new boilers and a new wheelchair accessible vehicle. Debtors again increased by £650k as we continued to issue invoices for the Autumn term in August and creditors correspondingly increased to reflect the deferred income. Cash balances increased this year to £0.5m (2021: £0.4m). The Charity was also able to repay £125k of the loan it took out against the investment portfolio with Rathbones at the end of the previous financial year to help fund requirements for working capital.

Funds

At year end, the Charity had total accumulated funds of £17.7m (2021: £18.0m); of this £14.1m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued.

The remaining accumulated funds of £3.6m are split between unrestricted funds, which have increased to £17.5m (2021: £14.6m), and restricted funds of £0.2m (2021: £3.4m).

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given. At year end, there were no longer any restricted fixed assets as, per our accounting policy, they were transferred to unrestricted fixed assets (2021: £3.0m) a year after becoming fully operational.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. These designated funds amounted to £0.2m at year end (see Note 20 on page 65). The remaining unrestricted general funds stood at £17.3m of which £14.1m (2021: £11.1m) are invested in tangible fixed assets, whilst £3.2m (2021: £3.4m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls.

Free Reserves Position

In 2020, Trustees set a target of holding £4.0m Free Reserves by August 2024. The target was set at a level designed to cover both operational and capital risks that might arise over the strategic plan period and was equivalent to about 4 months of operating costs. It was noted that achieving this new target would depend on continued growth in investment returns and legacies, as well as delivering budgeted operating surpluses.

Trustees will be reviewing their longer-term strategy during 2023, and they will review the Free Reserves target in the light of the risks and opportunities identified. It is their intention to express the revised target as a range.

Free Reserves stood at £3.2m (see Balance Sheet) (2021: £3.4m) on 31 August 2022.

Investment Policy and Performance

Funds expected to be required in the short term are typically placed with banks in the money markets through prime financial institutions.

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustees' Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustees' Finance Committee. No sooner had global stock markets started to recover from the pandemic, the Russian war with Ukraine began and the pressure on energy supply and prices rose. Ultimately, by year end, our portfolio valuation had decreased by £348k (versus a gain of £706k at the previous year end). During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £41k of income was used to pay investment management fees. During the year, £125k of the Rathbones' loan, secured by this investment portfolio, was repaid from working capital, leaving an outstanding balance of £275k to be repaid by August 2025.

The impact of Covid-19

The impact of the Covid-19 pandemic on the Foundation reduced significantly during this financial year. However, the outbreak of the new Covid Omicron variant in the winter of 2021 caused disruption to the day to day working of the Foundation. Although staff thankfully were not as poorly with this new variant, they were unable to come to work if they tested positive, so there were high staff absences. The Foundation found ways of coping and the School and our vital residential services continued to remain open, as they did all the way through the pandemic. However, sadly some short breaks had to be cancelled and our day services were reduced due to the staffing challenges.

The restrictions of November 2021 also affected our Christmas fundraising campaigns, with bucket collections cancelled and the annual Brighton Family Panto, of which we are a charity partner, was postponed for another year. However, by summer 2022, live events returned and our main fundraising event, Focus 10k, returned with resounding success at a stunning new venue.

In the summer of 2022, visitors were beginning to return to the Foundation and our much-loved Celebration Day for staff and families (which had been online for 2 years) returned in person.

As service users were confident that the risks of Covid-19 were diminished and the Foundation staff were handling infection control very well, they returned to our community services – the LSC and Hub. By the end of the financial year, sessions had doubled from the previous year and our community services were more in demand than ever as people were keen to find some new normal to their lives. As we write this report, masks are still being worn by staff in our residential and community services.

Principal risks and uncertainties

Risk management processes

The Board of Trustees has oversight of the risks faced by the Charity and is responsible for ensuring that effective and adequate risk management and internal control systems are in place.

A robust risk management process focuses on risks that could impact on current service delivery and the Charity's future development. There is an active risk management process at both Trustee Board and Governing Board, with risk management as a standing item on the agenda for all Board and sub-committee meetings. The level of risk and changes in likelihood and impact are tracked, closely together with the effectiveness of risk mitigation measures.

The register is updated three times a year to reflect any new or changing risks. Trustees have access to the full risk register as well as the summary of top risks at each main Board meeting.

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes, with escalation of the Executive Team and Governors as necessary. During the pandemic, service specific risk assessments were developed and updated as government guidance changed. Services have adopted a cautious approach to risk given the health vulnerabilities of the children and young people.

Risk Profile

Chailey Heritage Foundation manages a high level of risk every day because of the complexity and high health needs of the children and young people using its services. The Joint Clinical Oversight Committee was established to ensure Governor and Trustee oversight of high-risk issues, such as clinical training and competence and medication errors and how effectively these are controlled.

The charity's services are inherently "risky" and, as a result, under more intense scrutiny from regulators. This scrutiny has increased in the last 3 years partly because of the increasing vulnerability of new pupils and partly because of regulatory failures in other similar organisations. As a result, the risk of negative regulatory assessments and measures remains a relative high risk despite rigorous control measures.

For the future, Chailey Heritage Foundation plans to continue as a niche provider of highly specialist services to children with extremely high health

needs and high levels of complexity. While this is an inherently risky part of the market, it is much needed as there are few specialist providers with the level of expertise and facilities Chailey Heritage can offer. Managers, Governors and Trustees live with the risk of serious incident and the consequent reputational and business risk every day. Operationally, it is mitigated by robust systems, strong monitoring and oversight, skilled and well-trained staff, and a careful balance of need within services, classes and residences with slightly less complex individuals, balancing out the demands of the most complex.

The main risks in 2021-22 have been:

Area of Risk	Risk	Mitigation
Workforce sufficiency	Insufficient staff to run services safely or admit new young people (through recruitment / retention but also Covid-19 absence). Insufficient nurses from Chailey Clinical Services to provide clinical training and support for new admissions.	• Management of demand to match staffing capacity e.g. Short breaks and admissions. • Flexible use of social care staff across services. • Joint recruitment events with Chailey Clinical Services. • Reward Strategy (September 2020) to keep salary rates competitive and make it easier for staff to work in both school and social care. • Change of online recruitment partner. • Streamlining application process. • Introduction of online interviews. • Development of online training modules. • Streamlining competency sign off. • Agreement on future training needs and budgeting for increased nursing capacity.
Regulatory compliance	Primarily to social care services regulated by CQC and, particularly Ofsted, rather than compliance with Health and Safety regulations. Adverse regulatory judgement and/or intervention.	• New Head of Social Care post strengthened processes and compliance. • All social care services are judged to be 'good.' • Inspectors were confident in how education and care services had responded to Covid-19.
Significant clinical harm	Regulatory and/or reputational damage because a young person is seriously harmed by a clinical error.	• Very low medication error rate and robust system for logging and reviewing errors. • Rollout of EMAR across all services. This is a more robust system with significantly improved management information systems. • Strong learning culture with lessons learned based on rigorous investigation and reflection. • Robust clinical governance and oversight from Chailey Clinical Services / SCFT. • Support from on-site nursing and medical team to minimise harm following any error. • Extension of Director of Social Care's clinical role across the Foundation. • Consolidation of the role of the Governors' and Trustees' Clinical Oversight Committee.

Area of Risk	Risk	Mitigation
Serious Safeguarding failure	A serious single issue or systemic failure that would damage the reputation of services and may result in regulatory constraints and possibly closure of a service.	• Robust internal processes for reporting and recording and learning from safeguarding events. • Good relationships with the East Sussex officers in Children's and Adult services responsible for safeguarding. • Strong governance oversight of safeguarding issues at Governor and Trustee level.
Business sustainability	Competition from other Non-maintained and independent special schools (NMISS) and Local Authority (LAs) schools could lead to reduction in placements, school numbers reduced. LAs strategic capital investment to create new schools / places to reduce need for placements in non-maintained or independent special schools like Chailey Heritage.	• Chailey Heritage School continues to be Ofsted "Outstanding" and nationally recognised as a centre of expertise. • Compelling case studies to demonstrate impact and how the school changes lives. • Strong website and social media presence and brand recognition with parents and supporters. • Charitable funding secured to support IPSEA in working with parents facing SEND Tribunal. • Careful management of staff to balance demand and supply.
Loss of capacity in residential services	Reduction in bed capacity reduces potential income and efficiency. Unable to meet demand for residential placements.	• Short term – create internal capacity but ensuring Futures' residents transition before they are 25. • Careful assessment of referrals, matching referrals to capacity and managing expectations of parents and commissioners.

Outlook

Local Authority and Health Commissioners recognise that Chailey Heritage Foundation provides highly specialist services to some of the most vulnerable young people who would be hard to place elsewhere. Demand for places in our services remains strong. The underlying business is robust although our ability to meet that demand and to grow has been limited by a national shortage of care staff that is particularly acute in the South East of England.

For 2022-23, the Trustees budgeted for an operating surplus before depreciation of around 2% of income.

Rising inflation rates and particularly higher energy costs are a main concern, together with our ability to recruit and retain staff. Steps are being taken to improve the attractiveness of our pay offer and to recruit staff, particularly care staff, from overseas.

Borrowings as at 31 August 2022 stood at £275k; we expect this will be fully repaid by the end of August 2023/24. The scale and focus of our capital investment programme is being reviewed as part of a wider strategic review of the business.

Environmental, social and governance

Environmental, social and governance

Chailey Heritage Foundation is a registered Charity (number 1075837) and also registered in England as a Company limited by Guarantee (number 3769775).

Our Charitable Objects

> "The objects of the Charity are, for the public benefit, the education and care of people who have physical disabilities and other complex health needs, particularly but not exclusively children and young persons (the beneficiaries) including the conduct and maintenance of a special school (the School) within the meaning of the Education Acts and of a transition service for beneficiaries."

The Trustees do not expect services for those over 25 years of age to make up more than 10% of our charitable income.

Demonstrating Public Benefit

In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity (PB2)'. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay.

We believe we comply fully with this requirement; our Report on Operations and Strategy includes examples of the public benefits Chailey Heritage Foundation offers and areas in which we believe we are providing innovative leadership to the sector.

The Trustees are committed through their strategic plan to increasingly share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded initiatives such as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local community. The Dream Centre will also enable more people living locally to benefit from the Charity's very specialist facilities.

Another aspect of the Charity's public benefit is our work in partnership with other charities, helping the most disabled children and their families.

Governing documents

The company, established in 1999, is governed by its Memorandum and Articles of Association. With the consent of the Charity Commission, the Charity changed its name from Chailey Heritage School to Chailey Heritage Foundation with effect from September 2012 to reflect the wider range of provision now offered.

The Scheme of Delegation sets out formally the powers delegated to the Governing Board, and the terms on which they are delegated, including reporting requirements, and this document is reviewed and updated regularly.

The wholly owned trading subsidiary of the Charity, Chailey Heritage Trading Company Limited, was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). It has been inactive since incorporation.

Boards

Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible for securing the effective and efficient operation and management of all services including the School, residential and community services. To ensure effective communication between the two Boards, yet maintain the separateness of them, the Chair of the Governing Board is a Trustee and at least three individuals served on both Boards.

Those who served as Trustees during the year are shown on page 67.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. The current Board includes depth of skills in finance, property, health,

investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation. They recognise the importance of the Charity Governance Code and will be reviewing their improvement plan in the light of their self-assessment against the Code.

The Trustees meet as a full Board at least three times a year. Its principal committees are Finance (including audit, financial risk, and control), Fundraising, Capital Projects (which has oversight of the Capital Expenditure budget and major capital projects) and Clinical Oversight. These committees meet more frequently than the full Board. Trustees meet annually with the Governors to review their strategy and plans for the future. Trustees also meet jointly with Governors to agree any new appointments of the senior leadership team.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role though very active sub-Committees and focus visits to services. Although the pandemic has restricted visits to the site, meetings have been held remotely and sub-Committee chairs have remained in close contact with their lead senior manager. Governors and Trustees have received updates on Covid-19 in between meetings and been included in information from school and social care services.

The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. During the year, the Governing Board's sub-committees were reviewed to streamline and avoid duplication of reports. The Governing Board has six principal committees which all meet termly before the main Board meeting to deal with Finance, Estates & Environmental Safety, Safeguarding, Education, Social Care and Staff related issues. The Trustees and Governors also have a joint committee overseeing clinical issues, which meets termly or more frequently, if required.

In addition to the Boards of Governors and Trustees, the Senior Management Team comprising the Chief Executive, Headteacher and Director of Social Care, meets weekly and there is a monthly meeting with the heads of all the Foundation's direct and support services.

Trustee induction and training

New Trustees are briefed on their legal obligations under Charity and company law, the content of the governing documents, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

During the induction, they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

As part of their ongoing training, Trustees are also given briefings on current 'hot topics' during the year.

Funds held as custodian

There are no arrangements where the Charity or Trustees are acting as financial custodians.

GDPR

Compliance with the General Data Protection Regulation remains a high priority here. We are continually taking steps to improve our handling of personal data and to ensure compliance. All staff are provided with training on the subject alongside general cyber security. The Charity has also received accreditation from the NHS Data Security and Protection Toolkit.

Report to Charity Commission

During the year, the Trustees submitted a Serious Incident Report to Charity Commission having received two Compliance Notices from Ofsted concerning staffing sufficiency and the handling of medication in our Children's Home. After commissioning an independent pharmacy professional to review medication processes, providing refresher training to staff, reviewing rotas and putting in place contingency plans for covering staff shortages, Ofsted lifted both the Compliance Notices.

Safeguarding

The children and young people we care for are especially vulnerable due to their complex needs. Disabled children are more than three times likely to be abused than non-disabled. All our staff and volunteers are DBS checked and they are all committed to safeguarding and undergo extensive safeguarding training with specifics regarding disability.

Safeguarding policies are reviewed and updated annually and there is annual safeguarding update

training, to ensure that all staff are up to date with changes in national guidance for adults as well as children and in Foundation policies and procedures. Governors and Trustees also receive annual updates.

Everyone in the organisation who is involved with the recruitment of staff follows safer recruitment guidelines and senior staff have attended Safer Recruitment Training. The Safeguarding Governor scrutinises the single central register at least three times a year and reviews the safeguarding training record for newly appointed staff.

The Headteacher is the Foundation lead for Safeguarding and works with a team of trained Designated Safeguarding Officers (DSLs) who are the first point of contact with for any safeguarding issues. Progress on current safeguarding incidents is reviewed weekly by the Chief Executive, Headteacher and Director of Social Care, which are then reported termly to the Safeguarding Governor.

Governors and Trustees take their safeguarding responsibilities very seriously and ensure that they are up to date with latest development through training and detailed reports. Governors check staff understanding of safeguarding processes on their focus visits to services.

Oversight is detailed and rigorous and both Governor and Trustee Boards have members with safeguarding experience at senior level. The Governors' Safeguarding Committee meets three times a year. It is chaired by the Safeguarding Governor who reports to Governors and Trustees three times a year.

The Safeguarding Governor is informed of serious safeguarding incidents and meets at least once a term with the Foundation Safeguarding Lead and DSLs to review the management of incidents identify trends or matters of concern and discuss any recommendations from lessons learned.

The outcomes of the Annual East Sussex Safeguarding Self-Assessment are reported to Governors and Trustees each year. Trustees have an opportunity to question the Safeguarding Governor and Foundation Safeguarding Lead when they present their annual report in the autumn.

Remuneration policy

The Foundation is committed to ensuring that we pay our staff fairly and competitively to attract the skills needed to deliver and support our services. The Governors' People, Pay & Performance Committee (PPP Committee) considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

- the nature of the role and responsibilities based on the job evaluation.
- salaries in the relevant sector
- benchmarking against regional competitors
- public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body
- the Living Wage.

For 2021-22, our staff were awarded a 1.75% across-the-board salary increase. Lower paid frontline staff were given an extra increase averaging 7% in January 2022.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and staff. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits audits at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure. During the summer of 2020, we instigated a new pay scale which is applicable across the Foundation, allowing staff to work in other services for the same pay rate and at the same time affording a significant pay increase for many staff.

Gender pay gap

Chailey Heritage Foundation is required by law to publish an annual gender pay gap report. This is our report for the snapshot date of 5 April 2022.

Chailey Heritage Foundation does not pay bonuses, therefore no bonus data is included in this report.

Since calculating our 2021 data, the mean salary figure for males has increased slightly (from £15.02 to £15.12 per hour). The mean figure for females has also increased (from £12.19 to £12.83 per hour).

The figures set out in this report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

	5 April 2020			5 April 2021			5 April 2022		
Gross Hourly rate of pay	Male	Female	Difference	Male	Female	Difference	Male	Female	Difference
Mean	£13.91	£11.75	18.38%	£15.02	£12.19	18.85%	£15.12	£12.83	17.0%
Median	£10.28	£10.28	0%	£10.93	£10.93	0%	£11.94	£11.85	1%

As the mean figure for females has increased by a larger amount, the percentage difference between the two has decreased from 18.85% to 17%. The male population of the overall workforce has remained at 12.64% which means that even a few male employees, particularly at the senior levels, receiving a significant pay increase, can have an impact on how our gender pay gap data appears. Although the executive team remains at being 55.56% female, any increase in the number of males in comparatively higher earning roles considerably affects our overall gender pay gap. In the period in question, 100% of internal promotions were achieved by females and 50% of external managerial vacancies were achieved by men and women; the role achieved by the male was replacing a female and the female's role was a brand-new position.

The median figures for men has increased since our 2021 calculation (from £10.93 to £11.94) and also for women (from £10.93 to £11.85). The increase in the median figure of 1% for both males and females can be explained by two increases in salary during 2022; in September 2021, our annual cost of living review gave all staff a 1.75% uplift and in January 2022, we increased salaries for lower paid staff by an average of 7%.

We remain confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work but remains the result of the roles in which men and women work within the organisation and the salaries that these roles attract, although our work to recruit male support workers does continue to show increasing success. While the structural aspects of the gendered nature of the industry we work in continues to challenge us in narrowing our gender pay gap, we are committed to working towards this goal, whilst building our organisation as an inclusive, fair and empowering workplace.

We continue to have some success in attracting men to work as residential support workers and special education assistants. We are committed to both increasing the number of male employees in these roles while also supporting care and education support staff to seek career progression to better paid roles within the Charity as we build our inclusive, fair and empowering workplace. We consider that our family friendly policies and commitment to equal opportunities support this initiative and we have been pleased at the increase in recent years in the number of men now working as support workers.

We believe in appointing the best candidates into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits assessment and evaluate job roles and pay grades as necessary to ensure a fair structure. We are committed to ensuring that there is no gender bias when setting salaries.

The full report can be found here: **https://www.chf.org.uk/Gender_pay_gap_report_2022.pdf**

Trustees' duty to promote the success of the charity (Section 172 statement)

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term.
- the interests of the Company's employees.

- the need to foster the Company's business relationships with suppliers, customers, and others.
- the impact of the Company's operations on the community and the environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct.
- the need to act fairly as between members of the Company, (the "s.172(1) Matters").

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging, 'Commitment', 'Ambition' and 'Celebration' (as set out on page 5) underpin decision making at all levels and engagement with all our stakeholders

The children and young people in our care are at the heart of all the Charity does, and their interests are fundamental to Trustees' decisions.

Decision making for the long term

Believing that in planning for the long term, in 2014 the Trustees agreed a 10-year strategy. This has guided strategy and decision making and all initiatives and projects tested must contribute to our 10-year goals.

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in February and progress is reviewed three times a year at Board meetings.

Further information on our strategy objectives and how these have been delivered together with our plans for the future can be found on pages 8 to 31.

During the summer, Trustees began the recruitment of a new Chief Executive on Helen Hewitt's announcement that she would be retiring in the Autumn. A robust and collaborative interview process was held, and Trustees were very pleased to appoint Gareth Germer to lead the charity on Helen's retirement.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's staff and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. The well-being of staff continues to be a high priority and as the after-effects of the Pandemic were felt. The charity has supported employees by extending sick pay, enabling very gradual returns to work and, where possible, flexible working for colleagues recovering from long Covid.

Trustees continue to promote our employee assistance programme, Life Works, which is also offered to families.

Trustees aim for the charity should be a fully inclusive community where there everyone can be their authentic selves and there is equity for everyone to pursue their potential, they recognise that there is some way to go but have made it a strategic priority for the next three years.

Further information on how we promote the interests of our employees and staff can be found in "Our dedicated workforce" on page 18.

Impact on the community and the environment

Community
The Charity has been part of Chailey community for 120 years and it is now the largest employer in the area. It also has strong links to local companies and philanthropists who support the Charity in many ways. We have contributed to the Parish Council's Neighbourhood plan and identified a need for affordable housing for key workers and improved public transport.

We continue to run our Aquamovers provision which started in 2015 and benefits pre-school children and their parents/guardians.

Our hydrotherapy pool is still used by outside clubs and groups e.g. Puddleducks and Waterbabies. With the pandemic behind us, we will begin again to offer our other facilities to the community e.g. our Dream Centre hall.

Environment
In developing the 2020-21 strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present

because the medical needs of the young people, require large volumes of clinical consumables such as syringes and, most recently PPE. To compensate, we are committed to offsetting where we can, initially by planting trees on our own site.

The Environmentally Sustainable part of our strategy will address environmental issues and the Trustees are committed to environmental sustainability and reducing our carbon footprint will be a golden thread through our operational and strategic plans and increasingly will determine our choice of suppliers and partners.

Our Streamlined Energy and Carbon Report can be found on page 43.

Maintaining high standards of business conduct

Compliance and Good Practice

Chailey Heritage is committed to maintaining high standards both in the delivery of its services and its governance. Trustees ensure they are familiar with regulators' guidance and regulatory frameworks and take on board relevant recommendations from new guidance. Policies are reviewed on a three-year cycle and updated as required to reflect changes in guidance.

The Charity supports children and adults who are particularly vulnerable because of their physical and learning disabilities and therefore safeguarding is a priority; it is the responsibility of everyone, and Trustees and Governors monitor safeguarding compliance and case management closely and expect the highest standards.

Trustees follow best practice and guidance of the Charity Commission and Fundraising Regulator when establishing policies and making decisions affecting the charity. "Our Commitment to Donors" demonstrates the high standards the Trustees expect of the Fundraising Team and the Fundraising Policy includes the right to refuse a donation where it may be considered unethical.

Governance and Management

The Charity's operation is subject to a number of different regulators including CQC, Ofsted, the HSE, Fundraising Regulator, Information Commissioners, and the Charity Commission. The Charity aspires to the highest standards. Senior managers are responsible for ensuring regulatory compliance, that the organisation's policies followed, and the Foundation's values are embodied in service delivery and the conduct of its staff and volunteers. The Trustee Board monitors this directly and holds management to account through its sub committees, particularly the Governing Board.

Further information on Structure, Governance and Management can be found on page 37.

In setting its policies and strategic direction, due consideration is given to the issues identified in Section 172. We also expect high standards from our suppliers and contractors including strict compliance with DBS requirements and sound business practice. In the future, will take environmental credentials into consideration when awarding contracts.

We operate policies to ensure the Charity secures best value and aim to build long term relationships with key suppliers. We are very grateful to those suppliers who have supported our Fundraising projects.

Streamlined Energy and Carbon Reporting

It is now a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

Our SECR carbon emissions for the financial reporting year 2021-22 amounted to **535 tCO2e**, with 69% arising from gas consumption. When the purchase of green energy is taken into account, total 'market-based' emissions reduce to **400 tCO2e**.

Since last year, overall emissions have fallen by 4% or 28% with green energy.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO2e)

	Unit	2021-22	2020-21	% change
Energy consumption	kWh	2,847,346	2,895,404	
Scope 1 - Direct Emissions	tCO_2e	367.9	374.1	
Scope 2 - Energy Indirect Emissions - location-based	tCO_2e	161.7	177.4	
Scope 2 - Energy Indirect Emissions - market-based	tCO_2e	27.1	177.4	
Scope 3 - Other Indirect Emissions	tCO_2e	5.2	6.5	
Total SECR Emissions - location-based	tCO_2e	534.8	558.0	-4%
Relative SECR Emissions - location-based	tCO_2e/£m	37.6	42.6	-12%

Taking into account green energy purchased

Total SECR Emissions - market-based	tCO_2e	400.2	558.0	-28%
Relative SECR Emissions - market-based	tCO_2e/£m	28.1	42.6	-34%

Energy Efficiency Projects

A number of energy efficiency initiatives have been undertaken during this financial year.

A large project to replace old fluorescent lighting with much more efficient LED lighting was carried out in the summer of 2022, covering all buildings and external streetlights. It is estimated to save around 76,000 kWh per year, or around 10% of electricity consumption.

To save gas, the boilers have been replaced in the Main Boiler House and Building Management System controls have been installed for the Grace Kimmins Building and the roof has been replaced on Hanbury.

With the purchase of renewable electricity, emissions have fallen significantly.

SECR Emissions Calculations - Methodology

We have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2022.

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Location-based emissions are calculated as the average emissions intensity of the electricity grid, while market-based emissions take into account green energy purchasing.

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 46 to 49. in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

Moore Kingston Smith LLP offer themselves for re-appointment as auditors in accordance with section 485 of the Companies Act 2006.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Chailey Heritage Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors of the Charity under company law and is signed on its behalf by:



Mark Creamer – Chair of Trustees



Fiona Duff – Company Secretary

Date: 4th April 2023

Independent auditor's report to the members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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 financial statements 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 trustees' responsibilities statement set out on page 45, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP.

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

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Date: 12th April 2023

Statement of Financial Activities For the Year Ended 31st August 2022 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Unrestricted Funds Designated £'000s	Restricted Funds £'000s	2022 Total £'000s	2021 Total £'000s
INCOME FROM:						
Donations, legacies and grants	**3**	408	-	585	993	825
Charitable activities:						
Fees	**4**	13,002	-	-	13,002	12,071
Ancillary income		140	-	-	140	119
Investments	**5**	100	-	-	100	87
Other		3	-	-	3	2
Total income		13,653	-	585	14,238	13,104
EXPENDITURE ON:						
Raising funds:						
Financing costs	**6**	46	-	-	46	32
Fundraising costs	**6**	159	-	-	159	140
		205	-	-	205	172
Charitable activities:						
Operating costs	**7**	13,587	19	112	13,718	13,329
Use of Donations and Appeal		5	73	243	321	234
		13,592	92	355	14,039	13,563
Total expenditure		13,797	92	355	14,244	13,735
Net income/(expenditure) before investment gains	**8**	(144)	(92)	230	(6)	(631)
Net (losses)/gains on investments	**13**	(348)	-	-	(348)	706
Net Income/(Expenditure)		(492)	(92)	230	(354)	75
Gross transfers between funds	**19**	3,345	109	(3,454)	-	-
Net movement in funds		2,853	17	(3,224)	(354)	75
Total funds brought forward		14482	161	3,377	18,020	17,945
Total funds carried forward		17,335	178	153	17,666	18,020

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

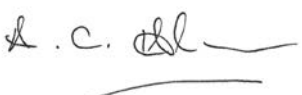
The notes on pages 56 to 66 form part of these accounts.

Balance Sheet As at 31st August 2022

	Notes	2022 £'000s	2021 £'000s
FIXED ASSETS			
Tangible assets	**12**	14,135	14,086
Investments	**13**	4,042	4,332
		18,177	18,418
CURRENT ASSETS			
Debtors	**14**	3,275	2,625
Cash at bank and in hand	**15**	489	435
Total Current Assets		3,764	3,060
LIABILITIES			
Creditors: Amounts falling due within one year	**16,17**	(4,000)	(3,058)
NET CURRENT ASSETS/LIABILITIES		(236)	2
Creditors : Amounts falling due after one year		(275)	(400)
TOTAL NET ASSETS		17,666	18,020
ACCUMULATED FUNDS	**19,20**		
Restricted funds			
Invested in tangible fixed assets		-	3,026
Other		153	351
		153	3,377
Unrestricted funds			
Designated funds		178	161
General fund - invested in tangible fixed assets		14,135	11,057
General fund - free reserves		3,200	3,425
		17,513	14,643
TOTAL FUNDS		17,666	18,020

The financial statements on pages 50 to 66 were approved by the Board of Trustees and authorised for issue on 4th April 2023 and signed on their behalf by





M. Creamer
Trustee

A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows
For the Year Ended 31st August 2022

	2022 £'000s	2021 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	1,062	(120)
Cash flows from investing activities		
Dividends, interest and rents from investments	100	87
Purchase of property, plant and equipment	(925)	(1,072)
Proceeds from sale of investments	41	27
Purchase of investments	(99)	(87)
Net cash used in investing activities	(883)	(1,045)
Cash Flows from financing activities		
Cash inflows from new borrowing	(125)	400
Net Cash provided by financing activities	(125)	400
Change in cash and cash equivalents in the reporting period	54	(765)
Cash and cash equivalents at the beginning of the reporting period	435	1,200
Cash and cash equivalents at the end of the reporting period	489	435

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

	2022 £'000s	2021 £'000s
Net (expenditure)/income	(354)	75
Adjustments for		
Depreciation charges	875	792
Net losses/(gains) on investments	348	(706)
Investment income	(100)	(87)
Decrease/(Increase) in debtors	(650)	(1,928)
(Decrease)/Increase in creditors	943	1,734
Non-cash additions to property, plant and equipment	0	0
Net cash provided by/(used in) operating activities	1,062	(120)

Statement of Accounting Policies and Notes to the financial statements – For the Year Ended 31st August 2021

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 67. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS102 and has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered the continuing impact of Covid-19 pandemic and the current economic climate on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the current economic climate continuing throughout 22/23 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2022 as in the previous year. The Registered Office of the subsidiary is Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Donations are accounted for when the amounts are received or are measurable and certain at the date of the accounts. Donations in kind are accounted for when the benefit is measurable and supported by third party verification.

Tax recoverable under Gift Aid is accounted for when it is received.

Donations, legacies and grants are only treated as Restricted if they are subject to specific wishes of the donors. Unrestricted donations that are unspent at the end of the year are treated as Designated by the Trustees.

Grants receivable are accounted for over the period to which they relate. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Such deferred income relating to grants is included in deferred income in creditors.

Investment income is accounted for on an accruals basis.

e) Expenditure

Liabilities are 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. All expenditure is accounted for on an accruals basis.

Irrecoverable Vat is included with the item of expense to which it relates.

f) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less appropriate depreciation. Items costing less than £2,500 are not capitalised unless they form part of a larger capital project costing more than £2,500.

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives:

Leasehold property and improvements	2-4%, 10% or 25% depending on the asset life
Motor vehicles, furniture and equipment	25% per annum on cost
Computer equipment and software	25% per annum on cost
Hoists / longer life equipment	10% per annum on cost

Depreciation starts in the month of purchase or month first used whichever is the later.

Fixed assets acquired with restricted funds are treated as Restricted Fixed Assets in the accounting year in which they are purchased or brought into use, if later. When fully operational these assets are reclassified as Unrestricted, unless the donor specifically requests they remain as Restricted or the Appeal Fund which funded them remains open.

g) Investments

Investments are initially recorded at cost and subsequently measured at fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

h) Pension costs and other post-retirement benefits

The Foundation operates with two different pension schemes as described in note 10.

(1) Teachers are members of the Teachers Pension Scheme.

(2) A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

Contributions to all schemes are charged in the Statement of Financial Activities as they fall

i) Fund Accounting

Restricted funds are funds for specific purposes imposed by the donor or by the terms or nature of the appeal under which the funds were raised. The restrictions are binding upon the Trustees of the Charity.

Unrestricted Funds are analysed between (a) General funds available to the Charity for its general purposes, including past funds deployed in tangible fixed assets; and (b) Designated funds, formally earmarked by the trustees at their discretion for specific spending.

j) Operating leases

Rentals paid under operating leases are charged to income as incurred.

k) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and on surpluses of any trading activities carried on in furtherance of the Charity's primary objects. The Charity's non-primary trading activities are also tax exempt as below the current taxable threshold.

The Charity is not registered for VAT.

l) Other financial instruments

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

ii) Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their present value,which due to the short term nature of the balances is the transaction price.

m) Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the trustees, no judgements were required that have a significant effect on amounts recognised in the financial statements, nor do any estimates or assumptions made carry significant risk of material adjustment in the next financial year.

3. Donations, legacies and grants

Year at 31 August 2022

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2022 Total £'000s
Donations	270	-	378	648
Legacies	138	-	-	138
DfE grants	-	-	207	207
	408	-	585	993

Year at 31 August 2021

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2021 Total £'000s
Donations	146	-	371	517
Legacies	124	-	-	124
DfE grants	-	-	184	184
	270	-	555	825

The grants received above relate to furlough grants, covid grants , teachers pay and maintenance of the School grants.

4. Income from Charitable activities

	2022 £'000s	2021 £'000s
Education fees	4,405	4,497
Social Care fees	8,597	7,574
	13,002	12,071
Ancillary income	140	119

A very high proportion of our fees come from Local Authorities and Clinical Commissioning Groups.

Ancilliary income is mainly from the provision of riding and swimming outside school hours.

5. Investment income

All income in the current and comparative year relates to unrestricted funds.

6. Cost of raising funds and financing costs

All costs of raising funds and financing costs in the current and comparative year are charged to unrestricted funds.

7. Analysis of charitable expenditure

Year at 31 August 2022

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2022 £'000s
School	3,300	90	1,078	240	4,709
Social Care	5,595	570	1,833	453	8,451
Other charitable activities	297	35	45	182	558
Total operating costs	9,192	695	2,956	875	13,718

Year at 31 August 2021

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2021 £'000s
School	3,477	83	932	243	4,735
Social Care	5,534	510	1,583	419	8,046
Other charitable activities	297	81	40	130	548
Total operating costs	9,308	674	2,555	792	13,329

Year at 31 August 2022

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2022 £'000s
Staff costs	472	802	19	1,293
IT costs	86	147	4	237
Maintenance	99	167	4	270
Insurance	28	47	1	76
HR costs	75	128	3	206
Utilities	239	406	10	655
Professional fees	15	25	1	41
Other	64	111	3	178
	1,078	1,833	45	2,956

Year at 31 August 2021

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2021 £'000s
Staff costs	385	653	16	1,054
IT costs	64	109	3	176
Maintenance	69	117	3	189
Insurance	26	44	1	71
HR costs	50	86	2	138
Utilities	208	354	9	571
Professional fees	10	17	1	28
Other	120	203	5	328
	932	1,583	40	2,555

Support costs have been allocated to Operating areas on the following bases:
Staff costs - time spent
Depreciation - usage of related assets
Other expenses - floor area or headcount.

Support costs include governance costs of £21k (2021: £20k).

8. Net operating income/(expenditure)

	2022 £'000s	2021 £'000s
This is stated after charging:		
Auditors' remuneration	21	20
Auditors' non audit remuneration	0	2
Depreciation of tangible fixed assets	875	792

9. Employment costs

	2022 £'000s	2021 £'000s
Wages and salaries	9,433	9,290
Social security costs	781	683
Pension contributions (see note 10)	549	578
	10,763	10,551

Agency costs of £269k (2021: £87k) are included in the above. These have increased significantly from prior year due to staff recruitment issues. The average number of employees in the year was 410 (305 Full time equivalent) (2021: 458 (344 full-time equivalent)).

Trustees' funds paid for 7 employees in the year (fte 5.44) (2021: 7 heads 4.88 fte) at a total cost of £289,328 (2021: £252,495)

Average number of full-time equivalent employees by area:	2022	2021
School	110	121
Social Care	151	179
Support	37	38
Fundraising	4	4
Other	3	2
	305	344

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2022	2021	2022 £'000s	2021 £'000s
£60k-70k	4	1	18	15
£70k-80k	1	0	15	0
£80k-90k	0	1	0	21
£90k-100k	1	1	21	0
£100k-110k	0	1	0	10
£110k-120k	1	0	10	0

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £176,528 (2021: £195,170) and at the year-end £21,364 (2021: £21,466) was accrued in respect of contributions to this scheme.

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

The employer and employee contribution rates are set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. In March 2019, it was confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08%, giving a total employer contribution rate of 23.68%.

HM Treasury has confirmed that any changes to the employer contribution rate will take effect in April 2024, resulting from the 2020 valuations. Until the valuations are completed, it is not possible to conclude any financial impact or future changes to the contribution rates of the TPS. The assets and liabilities relating to this defined benefit scheme are the responsibility of the UK government and not held on the Charity's balance sheet.

The average number of employees in the scheme is 18 (2021: 21).

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the School's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. The payment of agreed contributions by the School effectively becomes part of the employees' contract of employment. All new staff, except teachers (unless they have opted out of TPS), are eligible to join this scheme after completion of three month's service and having attained the age of 18 years. For the period from 1 September 2021 to 31 August 2022, the employer contribution rate was 7.5% (2021: 7.5%) for the main scheme. The employer auto-enrolment rate remained the same at 4%. There are no guaranteed levels of pension benefits from these schemes.

The average number of employees in the scheme is 368 (2021: 417).
The pension charge for the year was £387,387 (2021: £382,649).
At the year end, there were accrued contributions due of £53,669 (2021: £57,526)

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2021: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2021: £nil).

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the charity's key management personnel were £351k (2021: £353k).

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2021	18	20,861	2,843	23,722
Additions	-	749	175	924
Disposals	-	-	(41)	(41)
31 August 2022	18	21,610	2,977	24,605
Depreciation				
1 September 2021	-	7,767	1,869	9,636
Charge for year	-	739	136	875
Disposals	-	-	(41)	(41)
31 August 2022	-	8,506	1,964	10,470
Net book values				
31 August 2022	18	13,104	1,013	14,135
31 August 2021	18	13,094	974	14,086

The leasehold property represents the buildings on the site at Chailey which is leased from Sussex Community NHS Foundation Trust. The lease was extended in 2021 until 29th June 2143 and, under its terms £1 per annum is paid but the Charity is responsible for all maintenance of the site and buildings.

In the unlikely event that the Charity was to discontinue its activities, the property (including all investment in the site by the Charity) would revert to Sussex Community NHS Foundation Trust as lessor for no consideration.

13. Fixed Asset Investments

	2022 £'000s	2021 £'000s
Investments held at 1 September	4,332	3,566
Funds withdrawn	(41)	(27)
Net income reinvested/(withdrawn)	99	87
Net unrealised and realised (losses)/gains in the year	(348)	706
Market value at 31 August	4,042	4,332
Historical cost at 31 August	3,717	3,535
Investments at market value consist of:		
Listed Investments registered in UK	2,312	2,284
Listed Investments registered outside UK	1,494	1,914
Cash held as part of investment portfolio	236	134

All investments are listed apart from the £1 unlisted investment held in Chailey Heritage Trading Company Limited, a subsidiary company (note 2c).

The investment portfolio is held primarily for the long term sustainability of the Charity, having regard to the financial risks inherent in operating the Charity - for example those arising from undue fluctuations in income, pupil numbers and costs - and to provide additional income to the Charity.

14. Debtors

	2022 £'000s	2021 £'000s
Fees	2,492	1,776
Prepayments	210	370
Accrued income	573	479
	3,275	2,625

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

£1,730k of 2022 debtors (2021: £1,269k) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank

Cash and deposits represent (1) working capital balances on current accounts held primarily for the day-to-day operations of the Charity and (2) amounts invested on the money market with prime institutions which are required in the short and medium term for capital projects and to maintain an adequate level of general liquidity.

16. Creditors - due within one year

	2022 £'000s	2021 £'000s
Taxation and social security	174	158
Trade creditors	419	453
Other creditors	144	81
Accruals	659	308
Deferred income	2,604	2,058
	4,000	3,058

Included within 'Other Creditors' are accrued pension contributions of £75K (2021: £79k).

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term received in August £71k (2021: £76k).

Deferred income brought forward was all utilised during the current year.

All creditors are financial instruments and are measured at present value.

17. Deferred income

Deferred income comprises	2022 £'000s	2021 £'000s
Balance at 1 September	2,058	482
Amount released to incoming resources	(2,058)	(482)
Amount deferred in the year (note 16)	2,604	2,058
Balance at 31 August	2,604	2,058

18. Creditors: amounts falling due after one year

	2022 £'000s	2021 £'000s
Rathbone loan - due between 3-5 years	275	400
	275	400

This relates to a drawdown loan from Rathbones against the value of the portfolio held.

19. Analysis of Net Assets by Fund

Year to 31 August 2022

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	Long Term Liabilites £'000s	2022 Total £'000s
Restricted funds	-	-	153		153
Unrestricted funds:					
Designated fund	-	-	178		178
Fixed assets fund	14,135	-	-		14,135
General funds	-	4,042	(567)	(275)	3,202
	14,135	4,042	(236)	(275)	17,666

Year to 31 August 2021

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	Long Term Liabilites £'000s	2021 Total £'000s
Restricted funds	3,026	-	351		3,377
Unrestricted funds:					
Designated fund	-	-	161		161
Fixed assets fund	11,057	-	-		11,057
General funds	-	4,332	(507)	(400)	3,425
	14,083	4,332	5	(400)	18,020

20. Analysis of Charitable Funds

	Restricted Funds	Balance 1 September 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2022 £'000s
a)	DfE grants	-	206		(206)	-
b)	Donations towards major projects and equipment	351	379	(243)	(334)	153
		351	585	(243)	(540)	153
	Restricted Fixed assets purchased with Restricted monies:					
c)	Dream Centre	3,026	-	(112)	(2,914)	0
		3,026	-	(112)	(2,914)	0
	Total Restricted funds	3,377	585	(355)	(3,454)	153

a) The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.

b) Comprises donations received towards specific capital projects/expenditure e.g. Patchwork Farm, Hippotherapy, a new minibus and transferred out to reflect those amounts spent to date.

c) The Dream Centre build was completed in 2019/20 and the balance has been transferred to unrestricted as per our policy 2(f).

Unrestricted funds	Balance 1 September 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2022 £'000s
Designated fund	161	-	(92)	109	178
Fixed asset fund	11,057	-	(761)	3,839	14,135
General fund	3,425	13,305	(13,036)	(494)	3,200
Total Unrestricted funds	14,643	13,305	(13,889)	3,454	17,513

Incoming resources above include the net unrealised and realised gains/losses on investments.

Designated Fund:
The £178K represents the current balance of the funds allocated by the Trustees for professional fees on potential strategic capital projects, as well as unrestricted donations received but not spent as at year end. Funds received for the Vision Fund are included here. All designated funds are expected to be used within two years.

Fixed Asset Fund :
This represents the net book value of the Charity's land, buildings and equipment.

Total tangible assets of £14,135k are shown in the Charity's balance sheet.

They are analysed in note 12 on page 61. The transfer of £3,839k to fixed asset funds is unrestricted additions in the financial year of £590k and restricted additions of £334k.

Plus a transfer of £2,914k from restricted funds for the Dream Centre as per note 19.

General fund:
The unrestricted general fund of £3,200k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance. The transfer out of £494k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

21. Financial Commitments

The charity has no non-cancellable operating leases at year end 2022 (2021: none).

22. Capital Commitments

At the balance sheet date, the Charity had no further commitments (2021: nil) in respect of capital projects.

23. Legacies

At the balance sheet date, the Charity had no further commitments (2021: nil) in respect of capital projects. As at 31 August 2022, the Charity had been notified of six (2021: seven) new legacies where payment was not received by that date. No account has been taken of these as the amounts receivable cannot be determined with any reliability.

24. Control

The charitable company is under the control of its members who are its Trustees. No one member has sufficient voting rights to control the charitable company.

25. Related Party Transactions

There were no related party transactions in the year.

Trustees, Governors, executives and professional advisors

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

PATRONS

Mr Chris Goodman
Mr David Hill

TRUSTEES AND GOVERNORS

The Trustees of Chailey Heritage Foundation (who are also the directors of the company for the purposes of company law) and the Governors who served throughout the year unless otherwise stated were:

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott
Mrs Jenny Clark
Ms. Denise Garland
Dr Elizabeth Green
Mrs Alison Grover
Mr Andrew Hodson
Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)
Mr Michael Atkinson (retired July 2022)
Ms Amanda Brewis (retired February 2022)
Ms Susan Duke (elected January 2022)
Mrs Alison Grover
Mr Alan Loader (appointed July 2022)
Ms Amanda Mortensen (elected October 2022)
Mr Lawrence Mudford
Mr Paul Myers (retired March 2022)
Ms Sara Niblock (retired May 2022)
Mrs Carole Oram
Mrs Deirdre Prower
Ms Dianne Ryan (nominated September 2021)
Ms Julie Tilbury (elected September 2021)
Ms Jenny Turner (elected October 2022)

KEY EXECUTIVES

Chief Executive:	Ms Helen Hewitt (retired September 2022)
Chief Executive:	Mr Gareth Germer (appointed October 2022)
Headteacher:	Mr Simon Yates
Social Care, Operations & Development Director:	Mr Robert Hambrook
Finance Director:	Mrs Jane Cope
Development Director (Fundraising):	Ms. Sally-Anne Murray (retired December 2022)
Head of Fundraising	Mr Will Folkes (appointed November 2022)
HR Director:	Mr Nick Aziz
Company Secretary:	Mrs Fiona Duff

AUDITORS

Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey RH1 1DL

BANKERS

National Westminster Bank, 1 Muster Green, Haywards Heath, West Sussex, RH16 4AP

SOLICITORS

Griffith Smith LLP, 47 Old Steyne, Brighton, East Sussex, BN1 1NW

INVESTMENT MANAGERS

Rathbones Group Plc, 8 Finsbury Circus, London, EC2M 7AZ

REGISTRATION INFORMATION

The Registered Office and principal address of the Company is at Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF

Chailey Heritage Foundation, a pioneering charity providing education, care and transition services for children and young people with complex physical disabilities and health needs.

chaileyheritagefoundation chaileyheritagefoundation chaileyheritagefoundation

Chailey Heritage Foundation
pursuing potential

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Registered Charity No. 1075837 and Company limited by Guarantee No. 3769775 (England)

CHAILEY HERITAGE FOUNDATION

England & Wales - Charity number 1075837

Accounts

Annual report and accounts

2020-21

Chailey Heritage Foundation
pursuing potential





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Our promise today is that:

> We will never, ever give up working with children, young people and their families to empower them to make their own choices at every stage in life.

About Chailey Heritage Foundation



Chailey Heritage Foundation provides education and care services and is one of the UK's leading centres for children and young people with complex neurodisabilities. Most of our young people have severe cerebral palsy, many have visual and/or other sensory impairments. All our young people are wheelchair users and very few have verbal communication. Our expertise is in maximising independence and choice, developing effective communication and providing powered mobility opportunities.

Founded in 1903 by Grace Kimmins, we still embrace her ethos today. We believe that each child and young person should have every opportunity to fulfil their potential, no matter what the challenges.

We have developed a world-class range of specialist services that are necessary to meet the needs of these disabled young people. We work in close partnership with Chailey Clinical Services, a nationally recognised specialist NHS tertiary service for children and young adults with complex neurological and physical disabilities. Being on the same site enables us to deliver uniquely, integrated multi-agency services for the benefit of the young people and their families.

Our values

The Foundation aims for a values-based culture, and we expect all staff and volunteers to embody those values every day.



We are a community with a shared purpose. Everyone is accepted, everyone matters



Every day we strive to make a positive difference for the children, young people and their families



We have high expectations. 'OK' is never good enough



We celebrate what we achieve together

Our impact

The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to their lives and that of their families.

What we do

Under the Chailey Heritage Foundation umbrella, the Charity delivers services in three main areas:

Education

An Ofsted 'Outstanding' non-maintained special school for 3–19-year-olds.

Residential

A range of boarding options for pupils of the school and a transition service for young adults up to the age of 25.

Community Services

A range of on-site services as well as an outreach service, offering the skills of our staff to families in their own home and out in the community.



Meet Finn

> “Patchwork Farm has given Finn the chance to develop a new interest and his personalised curriculum goals are directly tied into experiences at the farm, so learning is more fun than ever for him. And for those pupils who take a little more time to build confidence to visit the farm, the animals come into the classroom first. It’s not unusual to pass a classroom and hear a goat bleating or chicken clucking!”
>
> Jemma
> **Finn’s teacher**

Many of the young people who come here have sadly spent a lot of time indoors – in hospitals, having treatment, physiotherapy, or being taught in indoor environments. Having been accustomed to being indoors and feeling safe means that for some young people, the idea of going outdoors, visiting new places and experiencing new things is a very daunting step and may be the source of anxiety.



This is why Patchwork Farm is such an incredibly important part of what we offer. For children who have learnt to prefer to stay ‘safe’ indoors, the farm can be a real challenge to step outside their comfort zones, not just building the courage to go outside, but also to touch and interact with the animals.

This was very much the case for 18-year-old Finn, who is a pupil at school. His teacher, Jemma, knew that Finn wasn’t keen on visiting the farm, particularly being around the smaller animals, so she arranged for him to spend time with Nic-Nac, our Shetland pony instead.

The result was transformative. Finn voluntarily reached out to stroke Nic-Nac and even found the confidence to groom and lead him! Finn didn’t want to leave the farm that day – and when his teacher asked him what he’d enjoyed and felt most proud of, Finn used the symbols in his communication book to say FARM and kept repeating the word.

This kind of active learning is absolute magic to witness, whether a young person leans out of a wheelchair to stroke a donkey, work the pig feeder, or to hold a guinea pig. Patchwork Farm offers the young people here the chance to experience and achieve things they never would in more passive, indoor environments including confidence building, interaction, and a natural educational setting that stimulates sight, hearing, smell, and touch.



> We were here for the young people and their families.

Statement from Chair of Trustees and Chief Executive

Chailey Heritage is an amazing place. Our services are often life changing, not only for the young person but also for their families.

In our report, you will meet some of the young people and hear from their families about just what being at Chailey Heritage means to them.

This is only possible because of the determination of the young people, the dedication of our staff, the support and understanding from parents and families and the generosity of our supporters.

We are enormously grateful to our highly trained and dedicated staff who faced the challenges of the Pandemic again in 2020/21 and to our NHS colleagues in Chailey Clinical Services. We are proud of them. The commitment and creativity of both teams shone through so that the experiences and opportunities for the young people were not diminished, just reframed and sometimes, relocated!

In these difficult times, our wonderful site in the Sussex countryside has been a key resource. The Dream Centre and Patchwork Farm, both funded from capital appeals and donations, came into their own, extending opportunities for young people who were unable travel offsite for much of the year. We are immensely thankful for the continued support from volunteers, friends and donors for current and new projects and initiatives.

The Garden of Celebration, funded by donations, designed, and tended by volunteers, began to provide both solace and enjoyment to young people and staff as a difficult year drew to a close. The garden's annual cycle will provide hope and inspiration in the years to come and a special place to remember those connected with the Charity who have passed away.

Our mission to enable young people to have every opportunity to make the most of their skills and pursue their potential has continued to be true throughout the pandemic. We never, ever give up, despite the challenges that confront us. Covid-19 did not deter us and, if anything, we were better prepared and had learned from our experiences the previous year.

However, strategically, 2020-21 was a year of consolidation and recovery. Although less affected than some similar organisations, the Foundation was not immune. We determined to focus on ensuring the Charity was 'Fit for the Future' and prepare for the final phase of our 10-year strategy, looking towards our 2024 goals.

Through the ebb and flow of the Pandemic in 2020-21, we delivered on nearly all we set out to achieve in our 'Fit for the Future' strategy.

Statement from Chair of Trustees and Chief Executive
Continued



On track

We finished the building projects delayed by the Pandemic including the safety and access project to add car parking spaces and make movement around the site safer, with a new one-way system and lighting. We signed a lease for the Parish field and began radical land improvement to provide more grazing for our ponies.

Most importantly, we concluded negotiations with Sussex Community NHS Foundation Trust (SCFT) to extend the lease for the site to 2143.

With the help of SCFT pharmacists and nurses, as well as our dedicated managers, the electronic medicines administration record (EMAR) system was finally successfully extended to all services, while our digital booking system was used for the first time to register entrants for our Focus 10k run.



Organisational resilience

Recruitment and retention became a preoccupation of summer 2021, with national shortages made more challenging by our rural location and poor public transport. Recognising that this was a long term rather than transient issue, the Trustees committed to investing in structural solutions to reduce the Charity's future vulnerability on recruitment. This work quickly moved from the research stage and has accelerated in 2021/22. In the short term, the HR team streamlined its on-line application systems to speed up recruitment, making it easier for applicants to apply.

Streamlined clinical training and competency assessments enabled newly recruited staff to contribute sooner.

Internally, our focus has been to build staff resilience by creating a positive culture in which the stresses of the roles is acknowledged, mental health and well-being is understood and supported by both managers and colleagues.



Remained ambitious

Throughout 2020-21, in a very difficult year, Chailey Heritage staff really lived our values. They demonstrated such commitment. Attendance was never a problem; they were brave in the face of the virus, and they never stopped trying to ensure life was a normal as possible for the young people; "ok" simply was not good enough. They celebrated; school leavers still had their "prom," and a virtual Celebration Day in July was very different with a socially distanced parade and award ceremonies streamed to families. Our virtual Carol Service at Christmas was joined by more people than ever.

All services continued to focus on excellent outcomes despite the changes the Pandemic required us to make to service delivery. The school remained open throughout and, for those pupils who did not attend school, remote learning became the norm, blending individual sessions with group sessions linking pupils in the classroom with their friends at home. Materials and advice for parents from teachers and therapists were sent home to ensure children did not miss out.

Residential staff were determined that young people should not miss out on activities and instituted special treasure trails round the site, light displays and visits to our own on-site farm.

Using tablets for remote learning and Facetime with parents boosted the skills of staff, parents and young people across services and propelled us on our digital journey more swiftly than expected. Our digital ambition extended to new systems for annual reviews and the roll out of electronic medication administration records (EMAR) to all services. EMAR demonstrated the potential of the system for other paper records and led to plans to move towards recording health information digitally and developing electronic care plans in 2022.

All social care services aim to be at least "good" with regulators and have the ambition to be "outstanding". The new Head of Social Care role was designed to accelerate this by injecting further rigor in record, monitoring and follow through. Ofsted inspectors found leadership and management stronger when they visited in September 2021.



Sustainable

Amongst the challenges Covid-19 brought, to reduce the potential for infection, we moved all residents to single bedrooms and have decided to make this permanent. As a result, bed capacity reduced although underlying demand for both 52 week and short break placements remained strong. Plans began to increase capacity to enable the Foundation to meet the demand, particularly from young adults seeking placements in our Futures provision. Consultation with regulators, families, and commissioners took place and architects were asked to develop plans for a new residential building. The Pandemic and the uncertain fundraising environment delayed the completion of this initial phase, but designs have now been agreed and planning permission submitted in 2022, with a view to launching a capital appeal in the summer.

As another measure to minimise infection, from April to June and again December to March, short breaks ceased with the inevitable impact on income while fixed costs remained the same. Reserves were used to maintain quality service delivery in the short term while economies were made where possible. Fees were were rebased to reflect the higher cost of delivering services and ensure long term sustainability.

Reconfiguring the Fundraising Team in 2021 increased capacity and skills. The team demonstrated their strength and resilience by exceeding their targets for the year whilst maintaining support for our specialist services.



Ready to Develop

The Vision Fund was launched in Autumn 2020 to help achieve the ambition of our 10-year plan to have "the capacity to develop". Carefully structured major capital appeals are essential for specific projects, such as replacing the out-dated Memorial Hall with the ultra-modern Dream Centre, but do not meet the Charity's need for unrestricted funds for immediate and urgent investment. The Vision Fund was established to do just that and, in 2020-21, pledges from donors allowed us to "beat the heat" and install quietly efficient air conditioning in each residential lounge in Spring 2021. The fund will also be used in 2022 to fund, amongst other projects, the air conditioning to all the young people's bedrooms too. More details can be found on page 33.

Statement from Chair of Trustees and Chief Executive
Continued



DIGITAL AMBITION

Began our Digital Ambition

With the help of a small group of technology experts, we began our digital journey by appointing out first Head of Technology (see page 24). Eddie Erasmus joined in January 2021 and, within four months, had mapped out and costed a digital transformation programme spanning the next three years. This appointment marked the beginning of a step change. It accelerated the adaption of cloud-based technology and understanding the potential of systems we had already, such as Microsoft 365, and set our ambitions for the future, both for digital improvement and optimisation of existing systems or the development of new bespoke solutions.

We were very proud when the Dream Centre's innovatory immersive environment was recognised. It won the Thea Award for 'Outstanding Achievement – Immersive Design for Special Needs Guests' and the 'Education Project of the Year' from AV Magazine. We are so grateful to Teecom, North Star Engineering and, most of all, to 7th Sense without whose expertise we would never have procured, installed, or had the inspiration for this award-winning digital experience, which we now tailor to the interests of the young people.

The appointment of a new Communications & Marketing Manager and a digital marketing lead in Summer 2021 ensured that the resources needed for the Charity's Christmas fundraising campaign and renewed efforts on recruitment were and continue to be available.

By the end of 2020-21, like most organisations, Chailey Heritage was learning to live with Covid 19 - "hoping for the best but ready for the worst". Our strategic targets were achieved, the Charity was 'Fit for the Future' and ready to look forward to the final stage of its journey towards its 10-year goals.

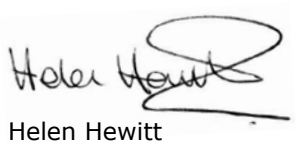
Children and Young People are at the core of our charity so, for 2021-24, our focus will be on **Innovation and Excellence**.

To achieve our ambitious plans for innovation and excellence, the Charity needs to have firm foundations and, for the next three years, we aim to strengthen the charity by addressing strategic fundamentals – investing in our staff, ensuring the Charity remains financially resilient, completing the first and most intensive phase of our digital transformation and continuing to support climate goals through the Chailey Carbon Challenge. Our plans for the future are set out on page 36.

We have an ambitious and exciting programme but are looking forward to the challenge.



Mark Creamer
Chair of Trustees



Helen Hewitt
Chief Executive



Meet Fia

8-year-old Fia has a degenerative condition called Alexander Disease, which affects all aspects of her life, but she is determined to be as independent as possible. Along with communication, mobility is one of the Charity's strengths. For Fia, the engineering expertise to tailor control systems to individual need is critical to enabling her to retain independent mobility as her condition changes.

Fia is cognitively aware and was able to demonstrate to her teachers that she is very capable. She started off her 'driving' journey by using one of our bespoke platform bases with her manual wheelchair positioned on it. Fia learnt to use a joystick to control the platform and attended a 'driving group' at Chailey Heritage led by the Occupational Therapy team. As she progressed, it was obvious she would become an independent driver, but she had to prove it to wheelchair services. Fia soon moved on to using an assessment chair to enable her to demonstrate her skills. After about a year and a half, Fia was finally given her own power chair and uses it confidently around school and whilst out with her family.

"Fia would never have got her own power chair without using the platform for practice and developing confidence thus allowing her to pass her driving test. The power chair has given Fia the freedom and independence that she was so desperate for."

"Fia used to be able to walk to her Grandad's house a few doors down from us, bang on his door and shout 'I need sweets Grandad'!! Having a power chair means she can do this again on her own. When we go to our local park with friends, Fia can join in with games of chase independently and just be a child."

Lian – **Fia's mum**

"Fia is now able to take herself to where she wants to go, within her safe environment, to find what she wants to play with. Research has shown that the complex interplay between the domains of child development mean that self-initiated movement has one of the most powerful effects on their progress. The impact on Fia's self-esteem and emotional well-being are immense."

Amy Perkins
Fia's teacher



"You lead an inspiring school that consistently develops and implements provision to meet pupils' special educational needs. You are well supported by a strong senior leadership team and staff that are dedicated and skilful. Together, you put into practice every day a passionate belief that all pupils should access rich and meaningful opportunities at school, no matter how complex their learning and health needs."

Ofsted May 2019



Education – outward looking – a regional Charity with a national impact

Number of pupils in the School



The young people in our care are at the heart of everything we do. They are the inspiration that drives the world-class specialist support and facilities. We are extremely proud of our Ofsted 'Outstanding' school and the impact our teaching has on the pupils.

Teaching at Chailey Heritage School is based on our Headteacher's Chailey Heritage Individual Learner Driven (CHILD) Curriculum, which has gained him a national reputation. Every pupil has their own curriculum, built specifically for them based on their skills and their planned outcomes. Simon Yates has coined the term 'profound and multiple barriers to learning' (PMBL) and is leading the debate around approaches to reducing these barriers to learning.

Teachers, therapists, and parents work together to devise individual programmes and 'My Next Steps,' which are incorporated into meaningful and fun activities at all times of the school day.

Sharing our expertise with the wider special needs sector is an important part of our work. The Times Education Supplement commissioned articles and provided a national platform to showcase the CHILD Curriculum and share good practice in approaches to learning for pupils with profound and multiple learning disabilities and those with PMBL.



> “Our children don’t fit into a box; the school makes the box for the child.”
>
> **Parent**

What we achieved – sharing our expertise

- ‘Independence by Proxy’ an article published in PMLD Link Journal authored by our PMLD lead, Julie Tilbury, and Headteacher, Simon Yates.
- Julie Tilbury also wrote a book with a university colleague, Andrew Colley, entitled ‘Enhancing Wellbeing and Independence for young people with Profound and Multiple Learning Disabilities’. The virtual book launch was attended by many professionals from all around the world.
- ‘From key word communication to sentences’ Communication Matters published article by our teacher, Iveta Power.
- Iveta Power was also awarded Inclusive Technology’s ‘Access Technology Scholar of the Year.’ Covid-19 meant that instead of attending the conference in Orlando, USA, she took part in the conference virtually.
- Simon Yates made a written submission to, and also appeared before, the All-Party Parliamentary Group on Cerebral Palsy.
- ‘The Sex Factor’ (Relationship Sex Education for young people with complex physical and learning disabilities) was launched as an online service by our award-winning specialist teacher, Helen Dunman.
- Funding to support further study; one teacher completed her Masters in multi-sensory impairment, and another is studying for her EdD (PhD equivalent) in Severe, Profound and Multiple Learning Difficulties.

Ambitions for the future

- To publish research which demonstrates the impact of our practice on pupils from their starting points.
- To develop a bespoke digital recording and reporting system for the CHILD Curriculum.
- To use our engineering, technical and digital expertise to work with partners in NHS, industry, and universities.
- To continue to deliver everyday excellence in the way staff and volunteers support pupils.

Meet Lucy



Lucy is 20 years old and has been coming to Chailey Heritage since 2011 when she started school here. She is a bright, happy young lady with a great sense of humour. She lives in the bungalows on-site where she receives one-to-one support, 24 hours a day, as she has many health needs including spastic cerebral palsy, autism, anxiety and musculoskeletal problems.

> "The holistic support and humanity at Chailey Heritage, where the complete wellbeing of the disabled person is cared for through a joined-up approach including school, medical and residential provision all in one place, is a life-line for families like ours."
>
> Jonathan
> **Lucy's Dad**

Lucy's Dad, Jonathan, describes how securing a place at Chailey Heritage was, "like winning the lottery for Lucy". He explains how hard it is for families of children with disabilities to get the provision they need, often having to drive miles in a variety of directions just to access equipment, medical assistance or classes. "The holistic support and humanity at Chailey Heritage, where the complete wellbeing of the disabled person is cared for through a joined-up approach including school, medical and residential provision all in one place, is a life-line for families like ours".

With the support of a great team at Chailey Heritage including teaching, residential and medical professionals, Lucy has made incredible progress and can now use her electric wheelchair independently and vocalise sentences to express herself. Jonathan says, "The combination of powered mobility and improved communication skills means that Lucy can enjoy independence, expression and cognition, which is so far from what we were told we could ever expect by professionals before we came to Chailey". He also mentions how the on-site medical support has helped Lucy try medication which has significantly reduced her anxiety and transformed her life. "It has allowed her to relax, live in the moment and enjoy herself, instead of constantly experiencing anxiety about what's going to happen next." Jonathan says that the holistic approach of all services working together at Chailey, "have released Lucy's potential".

Through the support of the Pathways service, the residential care team and the LSC on site, Lucy has transitioned very well from school and her favourite activities are swimming, music and art because they allow her to express herself. She also loves structure and routine, so finds the reassurance of living on-site and accessing a full timetable of activities helpful.

Michelle, who supports Lucy, helps her with activities at the LSC and also takes her out for outings and shopping trips. Lucy loves going out for a McDonalds, especially driving through the drive through! "Lucy likes to spend time having hand and foot massages and looking through her books and magazines. She also likes to get fresh air by getting out and about around the beautiful grounds at Chailey." Michelle reflects, "Recently, Lucy has grown up considerably and she has learnt to manage her behaviour and anxiety a lot better. She is very much encouraged to do things for herself and make her own choices. We are very proud of her".

Lucy has come a long way since the days her family were told she would not be able to achieve all that she has. Jonathan says, "Chailey has set the bar really high and we just hope that, in the future, we can find something that matches the opportunities and experiences she has here. At Chailey, everyone is themselves, there's no judgement, just kindness, cooperation and understanding".



Residential – open throughout the pandemic

Bed nights for children

5,697

Bed nights for young adults

5,442

Covid-19 has been particularly difficult for residential care homes and ours were no exception. There were periods of lockdowns and staff worked very hard to keep the days as normal as possible for the young people in our care. We found ways to allow families to visit their sons and daughters, initially outside through open doors and then by finding spaces onsite away from the bungalow to prevent any chance of infection.

Since all trips were cancelled, staff found ingenious ways to keep the young people occupied on site. The Chailey Lights was a highlight when the young people's trip to see the Christmas lights festival at a local National Trust property was cancelled. More than 100 jars were decorated, and a light trail was set up on site. Our Patchwork Farm also played a critical role in promoting the physical and emotional wellbeing of the young people and the staff. It was a destination to visit safely when access to everything else was restricted.



> “Staff provide the children with the opportunity to engage in many on-site recreational activities. There are excellent facilities for children to have fun, learn new skills and enable them to become more mobile. Off-site activities were limited during the COVID-19 restrictions, but creative alternatives, such as inviting children’s entertainers to the site, ensured the children were kept occupied and stimulated.”
>
> **Ofsted, September 2021**

What we achieved

- Restructured our social care team to strengthen operational management for quality improvement and to secure staffing efficiencies
- Increased support to staff and residents by renovating and repurposing the Bradbury building so social care managers and the admin team are located closer to the bungalows. This also provided an additional base for the Chailey Clinical Services’ Residential & School Nursing Team
- Consulted with stakeholders on concept and designs for a new residential building to rebuild residential capacity
- Rebased fees to reflect current cost of delivering the services and negotiated uplifts with commissioners
- Supported families by once again offering them access to our employee assistance programme

Ambitions for the future

- Invest to secure a sufficient, skilled, resilient, and committed workforce
- Continue to move to digital recording systems, building on the success of EMAR and extending to health and care records and a bespoke accident and incident system for the whole Foundation
- Explore the potential for monitoring systems to promote the health and well-being and clinical care for the young people using our services
- Finalise plans for new residential accommodation that sets new standards including digital environmental controls for daily living and independence for young people with highly complex health needs and begin a major capital appeal before the end of 2021-22
- Aspire to external recognition and for our residential services to be recognised as ‘Outstanding’ by Ofsted and CQC

Meet Lucy



Lucy is 19 and comes to the LSC and Hub, where she can socialise with other people her own age. She is a bright, fun young lady who "lights up any room she comes into" said Kerrie, the Hub Manager.

Lucy is a wheelchair user, has a gastrostomy (for feeding and medication) and has a visual impairment. For young people like Lucy, fear of the unknown is very real - living with a degenerative condition means that Lucy and her family try to live for each day and not look too far ahead. This means that new experiences can be daunting for Lucy, however when she started at the Hub, (after having her transition sessions cancelled due to Covid-19 restrictions), Lucy threw herself into everything whole heartedly!

She loves all the sessions on offer including cooking, yoga, the gym, drama, art, the immersive space, music and visiting Patchwork Farm and it's clear that she is prepared to give anything a go! When asked about her favourite activities she indicates that she particularly enjoys cooking and her Mum, Ally, mentions that she recently made Christmas biscuits for her Grandparents. She also really likes to take part in the yoga sessions at the Hub where she can get out of her wheelchair and relax by stretching out on the floor mats, and she loves to visit Patchwork Farm.

Being a drama lover means that Lucy naturally enjoys taking part in the immersive experiences at the Dream Centre. She has enjoyed a nightclub scene there with her friends and even an underwater experience too.

She also loves to workout at the gym, particularly on the Innowalk machine because she can stand upright and be taller than everyone else. Ally says, "She loves to show us photos, the look on her face is priceless, she's so chuffed with herself!" Lucy is even taking part in a virtual London Marathon, logging her distance every time she goes to the gym. Ally said, "It's really nice for Lucy to say she's been to the gym because it makes her feel the same as everyone else."

> "Lucy has already made some good friends here and she has a particularly strong bond with Connor. It's just wonderful to see their beaming smiles when they're together."
>
> Tahlia
> **Community Support Worker**

The family were keen for Lucy to have a broad range of enriching and interesting experiences and Ally explains that the LSC and Hub felt so right from the start – "The staff are just wonderful; our confidence has gone from strength to strength. Knowing Lucy is happy and having a fab time means that we can relax because we know she's safe and in good hands." They were also keen for Lucy to mix with others, so the social side of coming here is just as important as the activities on offer. Tahlia, a Community Support Worker, agrees, "Lucy has already made some good friends here and she has a particularly strong bond with Connor. It's just wonderful to see their beaming smiles when they're together."

For Lucy's family, it's the knowledge that she is in good hands and having a fun time full of rich and varied experiences that has been so positive. Hub Manager, Kerrie, says the fact that Lucy has settled into the Hub and LSC so well is a huge achievement in itself, especially as her transition period was cancelled. "It's services like the Hub and LSC that give young people like Lucy the opportunity to get out, meet people and try new experiences, which is absolutely essential when you are a young person living with a disability".



> “It’s about trying to give Jacob as much variety as possible and opportunities to mix with his own age group. Whether it’s Pathways coming into the home and taking him to school, holiday club or out in the community, doing activities with peers at the LSC and Hub, or staying overnight with his friends at the bungalows.”
>
> **Parent**



Community Services – filling a need – wrap around services

Sessions provided in the LSC, our leisure and skills centre



Sessions provided in the Hub, our vibrant day service



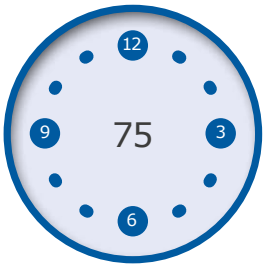
Our community services are a vital part of our offer to people with disabilities and their families. They were set up to fulfill a need expressed by our families and those living in the community. Although Covid-19 affected the number of sessions offered in the LSC and Hub during the height of the pandemic, services were once again open and operating by September 2021, albeit with fewer clients to begin with.

> “Since starting Aquamovers, Faith’s skills have come on leaps and bounds and the support and advice we have received has been invaluable. There is just nothing else quite like it locally. Before Aquamovers, for me as a parent, I didn’t have friends with children with complex needs, so it has given me friends and a group where, although all our situations are different, everyone understands the stresses and strains that come with raising a child with complex needs. For us, we absolutely love coming and it’s given us a little family to be a part of.”
>
> **Parent**

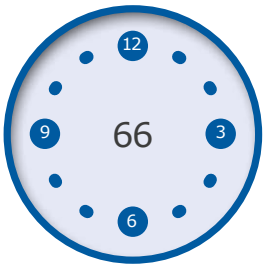
Hours delivered by Pathways, our community-based specialist support



Hours delivered by Aquamovers, our parent/toddler group



Hours delivered by our Holiday Club



Pathways, our outreach service, was able to help parents when their short breaks were cancelled. It has also been an invaluable service for helping young people access evening activities, for example Scouts, allowing the young people to do things they enjoy whilst, at the same time, giving parents some down time. The number of hours delivered by Pathways tripled from 2019/20.

Aquamovers, our pre-school parent and toddler group, was set up in direct response to parents informing us that there was no social group they could attend with their child with disabilities. We keep the group small with a maximum of eight babies/toddlers, so parents receive as much attention as they require from the Physiotherapist and Speech & Language Therapist.

Our **holiday club** gives the pupils from the school a chance to socialise and have fun with their peers in the holidays. There are plenty of activities on offer from swimming, games, arts & crafts, use of the immersive space, a silent disco and much more! The children enjoy the holiday club, and it gives parents the respite they need during the holidays.

What we achieved

- Developed Pathways to provide wrap around support for some families unable to access short breaks
- Tripled the number of hours of community support provided to families through Pathways
- We provided our parents access to our staff's (employee) assistance programme
- Renovated and extended Hub spaces in the Rennie building allowing us to increase capacity by 33%

Ambitions for the future

- Invest to secure a sufficient, skilled, resilient, and committed workforce
- Increase the number of sessions offered to Hub clients
- Increase Hub capacity by 2024 by consolidating and expanding Hub services in the Rennie building
- Repurposing and refurbishing other spaces for a clinical training room and a base for parents
- Achieve and sustain external recognition from commissioners and regulators; for Pathways to be recognised as 'Outstanding' by CQC and to be able to demonstrate similar standards, as well as impact, for the Hub and LSC







Our dedicated workforce

The Charity has continued to increase its staff as the young people using its services require one-to-one support or sometimes more. Each of these young people require a team of staff trained to have the specific clinical skills for the individual they support.















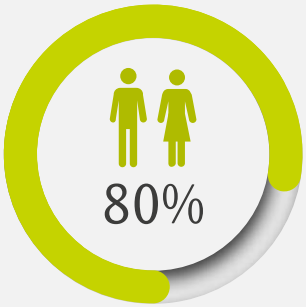
Following a detailed review and benchmarking of salaries for support staff, for 2020-21, the Charity invested over £250,000 and introduced a new salary structure with increases targeted towards social care and school staff working directly with children and young people. This contributed to robust recruitment for the first six months of 2020-21. At the beginning of the year, the school was fully staffed and social care achieving its targets with a strong bank team. However, staffing, especially in residential services, came under intense pressure as 2021 progressed. Our experience mirrored pressures across the health and social care sector with a nationwide recruitment problem largely attributed to difficult working conditions and burn-out, following the second lockdown in early 2021, but also the lack of recognition of the value of work in the social care sector.

Securing sufficient, clinically trained staff has to be a top priority and is a key element in the Charity's strategic plan for strategy for 2021-24. Governors and Trustees understand the risks of not recruiting sufficient staff to our services. The Charity's financial resilience and the particular challenges of our rural location have therefore committed Governors and Trustees to seeking a structural solution. We began in 2021 to explore securing a far wider pool of potential recruits and providing local accommodation and transport to encourage people to take up roles at Chailey Heritage. This initiative continues in 2021-22, with Trustees investing both in a dedicated resource for UK and international recruitment, alongside additional investment in salaries to ensure that they are not only competitive but attractive to new entrants to social care and education services.

Putting the children and young people first always comes as second nature to our staff, who have continued to deal with the challenges of the Covid-19 pandemic in true Chailey-style.

Colleagues working directly with young people wore PPE through 2020/21 and tested weekly with Lateral Flow Tests, with PCRs in residential care, and continue to do so. Almost all took advantage of vaccines when offered; 90% are now fully vaccinated and everyone takes care to limit the potential spread of the virus, with social distancing and good ventilation still the norm.

80% of our expenditure is for staff

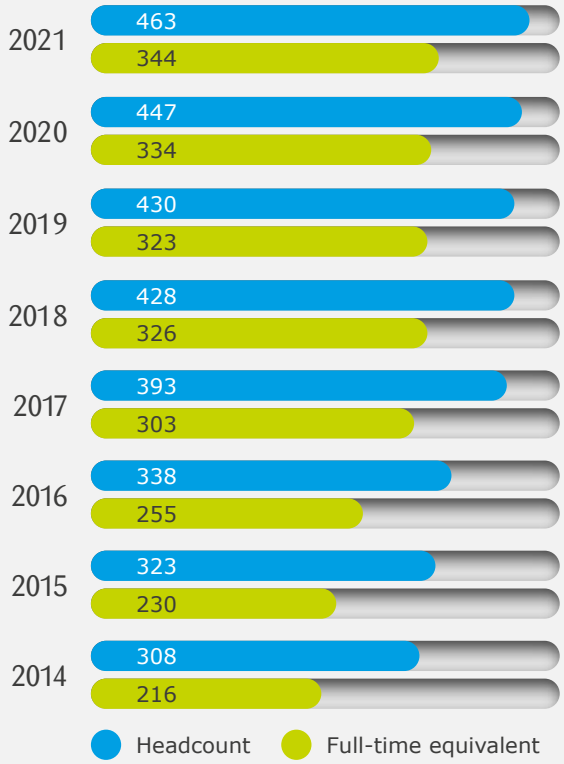


Average numbers of staff during the year

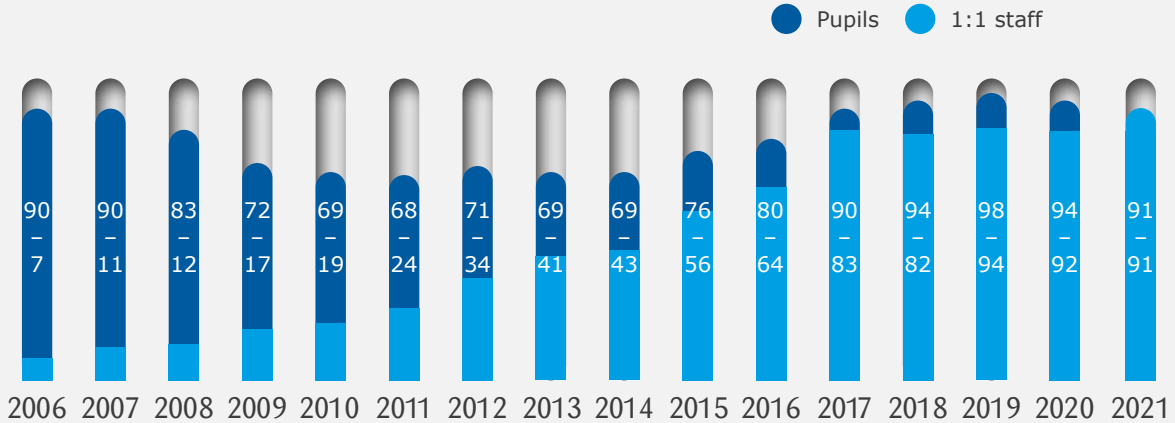


463	68	65
Employees	Bank workers	Volunteers

Staff numbers



Numbers of pupils with 1:1 support







We thank all our staff for their continued dedication, for the tremendous work they are doing to ensure that services can continue safely.

We are very conscious of the toll the pandemic has taken on staff both personally and professionally. For that reason, we focused on developing a new Mental Health and Wellbeing strategy, with a new Wellbeing intranet site providing a wealth of information, signposting to services and organisations and including information about healthy eating, exercise, and mindfulness. Our Employee Assistance Programme was particularly well used in 2020-21 and we trained members of the HR team as Mental Health First Aiders and provided Mental Health in the Workplace training to managers.

The new staff room was also opened during the 2020-21 year, offering our staff a place to relax with their colleagues during their breaks. GK's Café keep the vending machine stocked up with snacks to satisfy those with a sweet or savoury tooth. The Café has remained open throughout the year and, like the staff room, is available not only to our staff but those from Chailey Clinical Services, especially the Residential and School Nursing Team.

Volunteers

Covid-19 affected our ability to use the wonderful team of volunteers who support so many of our services. This is particularly true for the Fundraising volunteers who help with collections and events since these all but ceased due to Covid-19. Managers kept in touch with their volunteers and most of them generally returned towards the end of the 2020-21 year although some decided to retire. We will not recruit more volunteers until our in-person activities return to pre pandemic levels.

Gender Pay Gap

You will find our full report on page 49 and also on our website:
www.chf.org.uk/Gender_Pay_Gap_Report_2021_FINAL_2.pdf



Spotlight on our first Head of Technology

DIGITAL AMBITION

In January 2021, we were very pleased to welcome Eddie Erasmus as our first Head of Technology. The Charity is passionate about giving young people opportunities to use and explore technology, and Eddie brings a wealth of experience to the role and a desire to help us achieve our long-term vision for technology.

Eddie started his career as a teacher in South Africa at a very similar organisation to Chailey Heritage Foundation where he worked as a teacher in IT. He went on to provide IT in education, health, and residential care organisations, where he helped build and realise their technology ambitions. He has also delivered consultancy projects for charities including digital transformation and new building projects.

Technology helps the young people in our care explore and create in ways that allows freedoms most of us take for granted, for example the eye gaze technology which registers eye movements to make selections on screen. Eddie is passionate about this and says, “There are so many opportunities for technology to provide significant support for young people. This is my favourite area of technology as it can be so uplifting to see the impact your work can have on helping others to achieve.”

As part of our strategy to 2024, Eddie is driving forward our digital programme to strengthen and streamline our systems and provide exciting opportunities for the young people.





> “At the end of the school day, we’ll read Sam’s diary and see photos of what he’s been doing. We are constantly amazed to find out about the new things he has been discovering. He enjoys horse riding, loves Patchwork Farm, and especially likes using the computer. We are just so grateful for his progress at Chailey Heritage and extremely proud of everything he has achieved.”
>
> **Parent**

Our partners

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables them to receive wraparound care from a team of doctors, therapists, and other clinicians 24 hours a day. During the pandemic, we have worked closely with our partners, initially with a daily call to problem solve and interpret guidance. Chailey Clinical Services is part of Sussex Community NHS Foundation Trust (SCFT) and being able to escalate urgent issues to the Trust has been critical in managing care and minimising infection.



Changes in management teams, good support from SCFT managers and working closely together through the Pandemic, have strengthened, and renewed the partnership. This improvement facilitated negotiations to extend the lease for the site. This was concluded before the end of the financial year as planned.

Greater transparency and mutual understanding, particularly around staffing and clinical training, have also helped. A review of the Residential and School Nursing Team (RSNT) led to a stronger skill mix, more aligned with the increasing complexity of young people's needs and to much better nurse recruitment and safer staffing levels.

SCFT's pharmacy team and CCS managers have been critical to the successful introduction of the new system for the electronic medicines administration record (EMAR). This project was jointly agreed in 2017/18 and, after numerous management and technical delays, was rolled out in 2019/20 to our residents. The pandemic delayed its adoption in school, but the system is now fully operational in school and residential services, supported by a medicines management technician employed by the Foundation.

Clinical training continued to be a challenge in 2020/21 particularly as Covid-19 constraints limited how training could be delivered. However, streamlining content and delivery, including a move to providing underpinning training online - initially facilitated by CHF's Communications Team - released capacity and competency sign off was accelerated. Agreement on contract for additional nursing capacity ensure that, in 2021/22, nursing capacity is better matched to demand, especially for newly appointed care and school staff.

Parents are one of our most important and valuable partners. They are very pleased overall with their young person's placement at the Charity and have told us how being at Chailey Heritage has changed the lives of their young people and the whole family through a film and co-produced case studies - **www.chf.org.uk/changing-lives**. Parents have been increasingly involved in fundraising for the Charity and are also 'ambassadors' by recommending our services to other families.



How we raise money

Funds raised during this financial year (including legacies).



Every penny raised goes to the children and young people.



2020-21 was an extraordinary year. Covid-19 has not only had an impact on how we raised funds, causing us to rethink our fundraising activities, but also how we prioritised what we could fund.

With the Foundation closed to external visitors for much of the early part of the year as we navigated our way through several lockdowns, we had to find new ways to raise funds. Many of our early fundraising initiatives took place online, including the launch of the Chailey Heritage Lottery, a weekly lottery using the fundraising platform Unity.

Our Christmas Campaign went entirely online. Along with the Big Give Christmas Campaign, we introduced the Big Chailey Auction and Woolly Hat Wednesday, a new text giving initiative asking everyone to wear a Woolly Hat and donate £2.

The Focus 10k took place in July as a live and virtual event. Covid-19 uncertainty had an effect on participant numbers but a sharp rise in donations and fantastic participation in the virtual event by teams of young people from across the Foundation led to an overall increase in income.

The support of trusts, foundations, and other grant funders continues to be central to all of the projects that rely on voluntary income. Grants from long term supporters and new partners, both large and small, enable us to deliver the facilities, equipment and experiences that make such a positive impact on the lives of the young people at Chailey Heritage Foundation.

This report gives us an opportunity to thank our amazing supporters, who helped us in so many ways, enabling us to continue to support the children and young people in our care.

Fundraising costs are borne entirely from the Trustees' Unrestricted Reserves.

Achievements

Voluntary donations funded the following resources, experiences, and activities for the young people in 2020-21:



- **Music Studio and Assessment Room**

  Building work started in the autumn of 2021 with completion set for early Spring 2022. This new space will include a large acoustically designed Music Studio, a separate 1-1 music room for individual therapy sessions, bespoke storage for the specialist equipment, the installation of hoists in both rooms, sound proofing and functional finishes throughout, musical instruments and the latest technical aids for making music. Included in this project will be a dedicated assessment room for families when they first visit Chailey Heritage Foundation for their assessment.



- **St Martin's outdoor play and learning area**

  The "Big Give Christmas Challenge" in November 2020 kick-started the appeal for this project and the target was reached within the year. Although the contract could not commence until October 2021, within a few weeks the youngest children at Chailey Heritage School had a bright, durable interactive outdoor space with raised flower beds, a bridge, sensory boards, and a new sunshade. Pupils are now able to move directly from their classrooms to the play area in their wheelchairs independently without having to rely on assistance from staff.



- **Patchwork Farm**

  We continued to raise funds to cover the cost of running Patchwork Farm, our unique on-site therapy farm. Aside from the running costs, such as the salaries of the Farm Manager and Assistant, vet bills and animal feed, donations also funded a new pathway to the chicken coop and fencing for the animal enclosures. Donations also funded the cost of significant improvements to land newly leased from Chailey Parish Council which will allow the farm animals and hippotherapy ponies more space for exercise and grazing.



- **Hippotherapy (therapeutic horse riding)**

  Through sheer determination and ingenuity, our amazing Hippotherapy team were able to continue to run sessions throughout the pandemic. This proved challenging at times, with multiple changes of clothing and disinfecting of equipment, to ensure that the young people and staff/volunteers were kept safe. Hippotherapy sessions are provided to 42 of our school pupils, as part of their individualised curricula. The cost of this service was completely funded through voluntary donations in 2020-21.

Achievements – continued



- **Garden of Celebration**

  Thanks to design students from Plumpton College and garden designer, Caroline Scaramanga, the Garden of Celebration was completed in May 2021. This was quite a challenge with shortages of material and the supply of plants, but we now have a beautiful, tranquil space where we can remember the lives of those who have been part of the Chailey Heritage community.

- **IPSEA**
  (Independent Provider of Special Education Advice)

  Voluntary donations funded IPSEA, an independent legally based advice, support, and training service to help children and young people with special educational needs have access to the most appropriate education.



- **Aquamovers**

  Our weekly session gives disabled pre-school children and their parents/guardians the chance to participate in physiotherapy, and speech and language support, both in and out of our hydrotherapy pool. It is a relaxed environment in which they can gain specialist advice, as well as build a strong peer-to-peer support network. This service is primarily funded by voluntary income with some parental contributions, which are assessed on a case-by-case basis to remove financial barriers for those on low incomes.



- **Dream Centre and Immersive Space content creation**

  The Immersive Space, based in our Dream Centre, is a key resource at Chailey Heritage and provides a stimulating, engaging and entertaining multi-sensory experience. The creation of bespoke content, supported via voluntary income, designed specifically around the needs and interests of the young people allows the Immersive Space to deliver a range of positive outcomes for the individuals who access it.

- **Specialist equipment and other resources**

  This included a wide range of specialist walkers, a sail shade for an outdoor space for our day service users, and other resources as required by our service delivery teams. Amongst other things, these have included resonance bean bags, sensory toys, and headphones for use in our LSC Multimedia Suite.

Future projects

As well as raising funds for vital specialist equipment, during 2021-22 we will be raising money for:

- **A new minibus**

  As part of our vehicle renewal programme, we are raising funds for a new wheelchair accessible minibus so that the young people can have access to external activities, social engagements and hospital and transition appointments.



- **A new garden for our residential children and young people**

  The last year has shown us how important access to outdoor space is. The space that the young people who live with us is in need of an update, so we are currently raising money to create a new space that will improve the young people's physical and mental wellbeing by providing opportunities to socialise, play, exercise and explore the sensory experiences of being outdoors.



- **Patchwork Farm**

  We get no statutory funding for Patchwork Farm, our on-site therapeutic care farm, so each year we need to raise approximately £50,000 to support the cost of running it. The farm is fully wheelchair accessible and offers the children and young adults in our care, as well as visitors, an interactive, multi-sensory, outdoor learning experience.



- **Therapeutic Riding**

  Riding at Chailey Heritage Foundation is an essential part of our physiotherapy programme. It combines physical fun with therapeutic input which benefits young people with complex physical disabilities. The service relies entirely on voluntary donations to support its running costs, so each year we need to raise in the region of £70,000. The service is primarily suitable for our younger children aged between 4 and 12.



Artist's impression

A Room of My Own

Work will begin in Summer 2022 on the campaign for a major capital appeal to raise money to build a brand new, technology enabled, state-of-the-art, residential facility to support young people with complex disabilities transition into adulthood.

On the ground floor, there will be a 6-bedroom home, providing life changing and enabling accommodation for young people transitioning from school to adulthood. On the first floor, there will be an activity space (The Hub) offering daytime sessions for up to 6 young people at any one time.

The new building will give us back some additional residential capacity lost because of Covid-19, as well as offering additional space for daytime activities through our Hub provision and Leisure and Skills Centre. These activities will be available to the young people living with us, as well as those from the community.

The new facility will offer young adults a home with increased independence opportunities through environmental controls and switch operated devices. The new building will be built on the site of our current Hub provision, a day service open to young adults from the local community.

We expect to officially launch the capital appeal in the Autumn of 2022.

Vision Fund

It is a year since we launched the Vision Fund, a new initiative to secure multi-year funding to support some of our core costs and projects not covered by statutory fees. We have been incredibly encouraged by the support for this initiative and already have a substantial pipeline in place. In our first year, funds raised have supported some very important projects, including:

- Updating the track platforms

  These platforms enable children, who do not yet have access to a power wheelchair, to learn to use powered mobility using our track driving system. The funding has enabled us to carry out the research and development required to update the control systems and the interface between the child and the platform, as well as introducing an anti-camber device to stabilise the wheelchair.

- Environmental temperature controls in the young people's on-site residences

  Due to the difficulty that our young people have in regulating their body temperatures, we have invested in air-conditioning in their residential homes to make them more comfortable during the hot weather.

- Video conferencing technology

  Covid-19 has had a huge impact on the way we communicate, and we have had to adapt. Using online technology has enabled us to teach our pupils remotely and to keep in touch with families who were isolated during the pandemic. This technology has improved the experience of parents and professionals during EHCP annual reviews and care reviews as most of these are now conducted remotely allowing parents, education, social care, and health professionals to attend more easily. This technology continues to be vital for staff working remotely, and for keeping in touch with our Trustees, Governors, and our supporters.

We are extremely grateful to the investors who have already pledged their support and hope to build on this success in 2022.









The following funders have asked us to mention their support to Chailey Heritage Foundation:

- Boshier Hinton Foundation
- Lawson Trust
- Rockinghorse
- SEN Opportunities
- Swire Charitable Trust
- The Hospital Saturday Fund
- Tim Henman Foundation
- Zurich Community Trust

Corporate support

In our last financial year, we were very grateful to receive support from several companies. Our flagship challenge event, the Focus 10k, saw headline sponsors Focus Group generously support us once again. They also supported us through staff fundraising and volunteering.

We are also very grateful for financial support from the following companies:

- ADAVIRTUAL Business Support
- Batcheller Monkhouse
- Buxted Construction
- Candis Magazine
- E3 Events
- Irwin Mitchell
- Jackson-Stops Mid Sussex
- Pan Pacific Hotel
- Personal Travel Agents
- Sunninghill Construction
- Thorne Civil Engineers
- Tiny Box
- UpCountry Garden Centre
- Vistry Homes South East
- Zurich Community Trust

Fundraising Volunteers

In addition to the general foundation volunteers, we have 58 occasional fundraising volunteers, including two 'Fundraising Lead Volunteers'. The volunteers support our fundraising efforts on an ongoing basis by helping at events and giving talks in the community. One of our volunteers knitted novelty hats which were sold online and at Christmas markets, with all proceeds supporting our work.

Friends of Chailey Heritage

We are very grateful to the Friends of Chailey Heritage, who continue to support us financially with donations towards IPSEA, Celebration Day, Therapeutic Riding, and other specialist pieces of equipment such as an Acheever Bed.

Our commitment to donors

We are committed to best practice in fundraising, and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising. We have a Fundraising Policy, which is updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in "Our Commitment to Donors": https://www.chf.org.uk/donors-commitment.html along with a link to our Fundraising Policy and our Complaints Procedure.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants/professionals/third parties who are not part of the Charity must be agreed by the Trustee Fundraising Committee (TFRC) and have the written agreement of the Development Director and Chief Executive prior to use by the Charity. As a matter of Policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We occasionally use third party commercial participators to help with some of our fundraising activities, such as our annual running event, the Focus 10k. We also use a third-party organisation – Unity – to run our lottery. In all cases, we have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity's fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

We take our responsibility towards supporters who may be considered vulnerable very seriously and our fundraising team have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. All fundraising staff undertake relevant training, such as safeguarding, and our Fundraising Policy and procedures are reviewed regularly. All fundraising activity for the Foundation is supervised, coordinated, and directed by the Development Director under the guidance of the Chief Executive and TFRC. The TFRC regularly reviews all fundraising activity of the Foundation, and the Development Director reports to the full Board of Trustees three times a year.

We welcome third party initiatives in organising events on behalf of the Foundation and will, wherever we are aware, ensure that these third parties adhere to the Fundraising Policy and the Charity's Principles for Fundraising.

No complaints were received by the Charity or by a person on behalf of the Charity.

Our Plans For 2021-24

Children and young people are at the core of our charity and the heart of our mission.

As we move into the final phase of our 10 year plan, our focus will be on changing the lives of children, young people and their families through **Innovation and Excellence**.

Innovation

From our foundation in 1903, Chailey Heritage has been at the forefront of education, health and care of disabled young people. That tradition still drives us today. Chailey Heritage School is leading the debate on curriculum and assessment of pupils with profound and multiple needs. Our engineers are experts in creating bespoke solutions to give individuals with profound and multiple disabilities access and independence in their communication, learning and daily lives.

Excellence

We seek excellence, not as a badge but because the children, young people and their families deserve nothing less. Our excellence should be clear in the way staff and volunteers support the children and young people and should happen every day.

We aspire to external recognition and want all our services to be recognised as 'Outstanding' by Ofsted and CQC.







Firm Foundations

Over the next 3 years, we will focus on the strategic fundamentals needed to achieve our ambitions of **Innovation and Excellence**.

Our People	Financially Resilient	Digitally Stronger	Environmentally Sustainable







Achievements and performance

The report and accompanying financial statements have been prepared under the Companies Act 2006 and the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

Our strategy and performance against our strategic goals is discussed in detail on pages 7 to 37 of this annual report.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. The services continued to be impacted by Covid-19 restrictions and lockdowns as new variants arose and made an overall deficit. Once again, we had to cut back our short breaks as well as the Learning & Skills Centre and Hub sessions. The School has continued to remain open throughout and funders are still advised by the Government to continue to honour their contracts and pay our fees. Management accounting, budgeting and accountability systems were tightened, together with controls over cash flow.

The financial pressure our funders are under continues to restrict our ability to increase all our fees to fully reflect the true cost of providing our service. We continue to review our core fees for the main areas of operation to ensure they cover the costs associated with providing the service, but they still do not recover all our depreciation costs. Overall, total Net Income provided a surplus of £75k once the unrealised gain on the investment portfolio of £706k was taken into account. Certain costs, e.g. fundraising, the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Trustees' Reserves.

In line with our Charity ethos, all the surplus funds are reinvested in the Foundation for the benefit of the children and young people.

Financial Activities and Results

In the year to 31 August 2021, our total income was £13.1m (2020: £12.7m). The increase was mainly due to additional nights being provided in residential services and community services. Pupil numbers continue to be steady as they returned to site and relished being back with their peers in person. When circumstances required, School switched to remote teaching for those children isolating at home and 52-week residents continued to be supported in the bungalows on site when in lockdown.

In the same period, total expenditure has risen to £13.7m (2020: £13.3m). This increase primarily arose from the additional staffing costs required to support individuals using our services with the easing of Covid-19 restrictions, as well as the annual cost of living increase awarded of 1.75%. The Foundation also continued to incur a significant amount of extra expenditure relating to working under Covid-19 protocols - this includes extra cleaning, PPE, and equipment for remote working.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. However, with the impact of Covid-19, this was not possible for some of the Social Care services. Once depreciation is charged, the Unrestricted General Fund made a deficit of £847k for the current year (2020: deficit of £758k). This continued deficit reflects the continued impact of Covid-19 and restrictions as well along with the challenges of recovering the actual cost of providing the services from the LA's and CCG's as they too are burdened with deficit budgets coming out of the pandemic. As referred to earlier in the report, this has been funded by the Charity's Unrestricted Reserves and is partially offset by the unrealised gain of £706k (2019: £15k loss) on the investments.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. Legacy income was down by £101k but this income is still very uncertain in amount and timing. The investment portfolio showed a net unrealised gain at the year-end of £706k (2020: net loss £15k) as stock markets recovered after lockdown eased and the world reopened for business.

As a Charity, regrettably, we continue to incur non-recoverable VAT of approximately £375k, as the Government continues to ignore our sector with regard to exemptions, despite giving relief to hospices and maintained special schools. Unfortunately, due to the pandemic, the sector's strong lobbying of government for VAT relief has not had much impact or profile.

The balance sheet continues to show the enormous investment that the Charity has made in leasehold buildings and equipment. At the end of the year,

these buildings and equipment accounted for £14.1m or 78% of the Charity's total funds. This reflects the continued investment by the Trustees in the infrastructure of the Foundation and its drive to meet the ever-changing needs of the young people and keep the site up to a good standard. For example, we invested in reroofing several buildings and external lighting, installed air conditioning units in the bungalows, purchased a new generator and a new wheelchair accessible vehicle. Debtors increased by £1.9m as we were able to issue invoices for the Autumn term in August and creditors correspondingly increased to reflect the deferred income. Cash balances are lower this year at £0.4m (2020: £1.2m) as unrestricted cash is spent on additional Covid-19 precautions and supporting the continuation of services. The Charity also took out a loan £0.4m against the investment portfolio with Rathbones at the end of the financial year to help fund requirements for working capital.

Funds

At year end, the Charity had total accumulated funds of £18.0m (2020: £17.9m); of this £14.1m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued.

The Charity's accumulated funds can also be split between £3.4m (2020: £3.9m) restricted and £14.6m (2020: £14.1m) unrestricted funds.

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given. At year end, £3.0m (2020: £3.1m) of restricted funds reflect the investment in Dream Centre which remains a restricted asset until 2021/22 as per our policy.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. The remaining unrestricted general funds stood at £14.6m of which £11.1m (2020: £10.7m) are invested in tangible fixed assets whilst £3.4m (2020: £3.2m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls, such as those arising from the continued effect of the Covid-19 pandemic.

Free Reserves Position

In July 2020, the Trustees set a target for Free Reserves of £4m by August 2024. This is equivalent to around four months of expected operating costs. It was noted that achieving this new target would depend on continued growth in investment returns and legacies, as well as delivering budgeted operating surpluses. However, the continuation of the Coronavirus pandemic, alongside continued investment in capital and business opportunities, will still have an impact on our services and capacity and hence our progress towards our 2024 Free Reserves target.

Free Reserves (i.e. excluding those Designated by Trustees) stood at £3.4m on 31 August 2021 (2020: £3.2m).

Investment Policy and Performance

Funds expected to be required in the short term are typically placed with banks in the money markets through prime financial institutions.

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustee Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustee Finance Committee. With the recovery starting from the global pandemic and stock markets rising to pre-pandemic levels, the investments increased by £706k. During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £27k of income was used to pay investment management fees. As mentioned in Financial Activities and Results above, a loan of £400k was taken out with Rathbones against the portfolio value with a clause that allows repayment at any time up to and including August 2025.

The impact of Covid-19 - Maintaining ever more vital services

We knew from the first lockdown how vital our services are for young people and their families. True to our promise "we never, ever give up," we determined once again to do our very best to continue to provide services, so long as we could do so safely.

The second wave was only marginally less challenging than the first. 2020-21 has been challenging for the Charity and some difficult decisions had to be made to keep both the young people living on site and the staff safe. While PPE and masks remained standard throughout the year, day to day, the service delivered to the young people remained the same respectful, quality experience. Ambitions for the young people were undiminished just reframed.

School

The school remained open every day of the 2020-21 school year and attendance was high, with only a handful of families shielding children at home and learning remotely. Parents told us they felt their children were safe at school and valued the continued access to therapy sessions and medical oversight their children received at school.

The biggest challenge was maintaining social distancing. Class groups were rearranged to allow this and to create bubbles so residential pupils were not in the same class as day pupils. Space was at a premium; pupils requiring aerosol generating procedures (AGP) were allocated their own spaces. We continued to use the Dream Centre Hall for two classes and rebound therapy occupied the Chapel where the blue and gold starred ceiling delighted pupils. Having the Dream Centre allowed the school to remain open to all pupils every day. Staff made good use of the whole site and Patchwork Farm came into its own, both as a learning resource and an outside classroom with a canopied teaching space.

Covid-19 did not interrupt the school's usual Christmas festivities. The Dream Centre content developer worked closely with school staff and young people to create online innovative Christmas stories and the Hanbury Panto, using the Dream Centre's immersive spaces, special effects, and stage lighting. Streaming ensured that everyone on site and at home could share the events in a way that would not have been possible in person and parents were able to share the video links with wider family and friends.

The annual Carol Service also went on-line and reached a much wider audience of families of pupils, staff, and Chailey Old Scholars. In July, Seymour pupils joined in the annual Patina parade in Lewes socially distanced, but even though restrictions had eased by then, it felt safer to ask parents to watch the Celebration Day 2021 parade at home rather than join their children on site in the usual way.

Social Care

> "The residential staff have responded well to the challenges of COVID-19. They always put the children first, making sure they are safe, protected and well cared for."
>
> **Ofsted, September 2020**

Keeping the young people who live at Chailey Heritage safe all year round remained our top priority. We achieved this. A very small number of residents contracted Covid-19, and the cases were not linked, and thankfully the young people were not seriously unwell. Support from the nurses from Chailey Clinical Services was critical and daily Covid-19 calls between NHS and Foundation managers resumed at the peak of infections.

CQC requirements and guidance were adopted and applied to all services including the children's home. The Director of Social Care remained as flexible as possible on family visiting to achieve the least restrictive situations, while remaining safe.

The commitment of staff and managers throughout the year was outstanding. They ensured the experiences offered to the young people were not diminished, simply different; from an onsite Christmas lights trail around the site rather than the usual visit to Wakehurst Place, a socially distanced Easter Egg hunt and many more. The installation of air conditioning, funded through the Vision Fund, made day to day life in PPE more bearable in the summer months.

Short breaks

A new pattern for short breaks in the residences was introduced from August 2020, whereby young people had to stay for 3 or 4 nights rather than just 1 or 2. Having the same young people taking short breaks reduced the possibility of infections from young people living at home being transmitted to 52-week residents. Unfortunately, it was not always possible to offer the short breaks as planned e.g., if a residence was quarantining because a staff member had tested positive.

As Covid-19 cases increased and the country went into lockdown again in December 2020, short breaks were halted altogether until the spring of 2021. This was to reduce the risk of infection to young people who live at Chailey Heritage all year and were not able to live at home. Inevitably, ceasing short breaks, even for a brief time, puts intense pressure on families. Our domiciliary service, Pathways, was able to offer support in the home to some families as an alternative to short breaks and we worked closely with social workers to prioritise those most in need.

Community Services

Based on experience after the first lockdown, with a second in prospect, it was decided to temporarily close the Leisure & Skills Centre (LSC) and furlough most the staff. It was quite clear that our clients were not going to return before everyone was fully vaccinated. The LSC did not reopen until September 2021.

GK's Café on site remained open to provide a service to Foundation and Chailey Clinical Services staff. The Hub continued to provide vital day services but for fewer young people because of the need to social distance. Pathways grew as a result of the Pandemic, providing support at home to some CHF families who were not able access their short break.

Pathways and Hub staff worked across social care services, to support residential services affected by Covid-19 absence.

Impact on Capacity and Income

The recovery in short breaks in early autumn could not be maintained as a second lockdown loomed and was only cautiously resumed in the summer months. The LSC was closed for two thirds of the year and the Hub's growth was restricted by Covid-19. Although total income has increased from the previous year when lockdown restrictions were tighter and lasted longer, it is still well below the figure that was budgeted.

Most significantly, the residential services' capacity continued at a reduced level, as all residents had to have single bedrooms to reduce the possibility of infection. This affected plans to admit new residents and also limited short break capacity, in both cases limiting income and driving up unit costs. During 2021, plans for new residential accommodation were explored with architects, regulators, commissioners, families, staff, and neighbours with online consultation sessions during summer 2021. The design for a new six bed bungalow has now been agreed and plans to launch a capital appeal in 2022 are advancing.

Staffing

Recruitment improved during the lockdown as companies furloughed or made staff redundant. However, this was not sustained through the summer and vacancies increased again, especially in residential care, limiting our capacity to offer all the short breaks contracts and to admit new residents as planned.

There was remarkably low transmission on site and between staff. The diligence of staff in using PPE and their caution in activities outside work paid off. Covid related illness did rise at times as the virus circulated within the community and affected family members. To support staff, the Charity continued to provide sick pay for all Covid related absence.

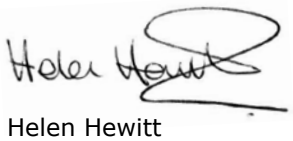
Some staff who contracted Covid-19 took time to fully recover and managers have supported a small number of colleagues who developed long Covid. Those returning from shielding at home sometimes found the return to work difficult and appreciated the support they received from managers and the adjustments made to working patterns.

Colleagues who were able to work from home were provided with all necessary equipment and technology. For 2020-21, this led to an additional £13k being spent on IT equipment directly as a result of Covid. Virtual meetings became the norm and were often easier to arrange and, in many ways, helped teams operate more efficiently. When the lockdown was lifted in 2021, central service teams maintained their blended pattern of working and have welcomed the flexibility it offers.

Learning from the effect the pandemic had on the colleagues, staff mental health and well-being became even more of a strategic priority for 2020/21 and continues to be a key theme in our current strategic plan, Innovation and Excellence. Throughout the pandemic, where colleagues have been struggling, managers have made adjustments to working patterns and workload, signposted them to services providing support. Use of our Employee Assistance Programme remained high in 2021 and we offered the service to families of young people in our services for a second year.



Mark Creamer
Chair of Trustees



Helen Hewitt
Chief Executive

Fundraising

The Fundraising Team pivoted all their efforts towards a digital world, with a wholly on-line Christmas campaign and continued this approach through the spring. Courageously, but cautiously, they returned to in-person events with the Focus 10k run taking place successfully on 4 July rather than at the end of May.

Applications to Trusts and Foundations were unaffected, and the team triumphantly achieved their targets by the end of the financial year.



Principal risks and uncertainties

Risk management processes

The Board of Trustees has oversight of the risks faced by the Charity and is responsible for ensuring that effective and adequate risk management and internal control systems are in place. The Board strengthened its expertise in this area through the appointment of a Trustee recently retired as Global Head of Regulatory Compliance and Risk Assurance for an international bank. He worked with the Chief Executive to review the structure of the Charity's strategic risk register, introducing a control effectiveness measure in determining the residual risk.

A robust risk management process focuses on strategic risks that could impact on current service delivery and the Charity's future development. There is an active risk management process at both Trustee Board and Governing Board with risk management as a standing item on the agenda for all Board and sub-committee meetings. The level of risk and changes in likelihood and impact are tracked closely together with the effectiveness of risk mitigation measures.

The register is updated three times a year to reflect any new or changing risks. Trustees have access to the full risk register as well as the summary of top risks at each main Board meeting.

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes with escalation of the Executive Team and Governors as necessary. During the pandemic, service specific risk assessments were developed and updated as government guidance changed. Services have adopted a cautious approach to risk given the health vulnerabilities of the children and young people.

Risk Profile

Chailey Heritage Foundation manages a high level of risk every day because of the complexity and high health needs of the children and young people using its services. The Joint Clinical Oversight Committee was established to ensure Governor and Trustee oversight of high-risk issues such as clinical training and competence and medication errors and how effectively these are controlled.

The Charity's services are inherently "risky" and, as a result, under more intense scrutiny from regulators. This scrutiny has increased in the last 3 years partly because of the increasing vulnerability of new pupils and partly because of regulatory failures in other similar organisations. As a result, the risk of negative regulatory assessments and measures remains a relative high risk, despite rigorous control measures.

For the future, Chailey Heritage Foundation plans to continue as a niche provider of highly specialist services to children with extremely high health needs and high levels of complexity. While this is an inherently risky part of the market, it is much needed as there are few specialist providers with the level of expertise and facilities Chailey Heritage can offer. Managers, Governors and Trustees live with the risk of serious incident and the consequent reputational and business risk every day. Operationally, it is mitigated by robust systems, strong monitoring and oversight, skilled and well-trained staff, and a careful balance of need within services, classes and residences with slightly less complex individuals, balancing out the demands of the most complex.

Trends and Future Risk Profile

The second Covid-19 wave in winter 2020-21 must be considered as a Significant Event. It impacted on all aspects of the Charity's operation. It was not identified as a separate risk but is a thread running through the major risks of 2020-21. The measures to mitigate and manage Covid-19 risks are set out on page 40. On balance, although the second wave was intense nationally with high numbers of hospital admissions, serious illness and death, the risk management controls including support from Chailey Clinical Services, together with our experience of the first wave earlier in 2020, enabled teams to manage the risk more confidently and minimise risks.

As a result of the re-emergence of the Covid-19 Delta variant, the overall level of strategic risk remained high even though some risks significantly diminished because of steps taken by the Executive Team and supported by the Boards. Governance and environment risks are now consistently low.

The regulatory risk to Chailey Heritage School is considered to be relatively low risk given the experienced leadership team, their understanding of the Ofsted framework and the strong team of teachers and specialist education assistants and their reputation for innovation and specialist expertise. With more day than residential pupils, the risks around pupil's well-being are most often shared with parents. These are strong controls that the school is expected to sustain.

Working together closely with our partners, Chailey Clinical Services and Sussex Community NHS Foundation Trust, to manage the impact of Covid-19 on young people and staff teams and specific

changes in clinical training, means that the strategic risks to the partnership identified pre-Pandemic are significantly diminished and no longer considered significant. We expect these risks to continue to be well managed and have limited strategic impact.

Fundraising income is critical, particularly in times when statutory income and income growth is less certain. Although the team had a difficult autumn term, by the end of the year it "bounced back". Achieving fundraising targets remains a low risk and both the Fundraising and Comms teams were much stronger going into 2021-22.

Significantly, these are risks over which the Charity does have greater control. The highest risks in 2020-21 and looking forward, are driven by external factors, primarily the supply of labour and employees with specialist skills, such as nurses, and also Covid-19 that are out of our control. Our expectation is that these risks, particularly recruitment, will continue to be one of the most significant risks, strategically and operationally.

The main risks in 2020-21 have been:

Area of Risk	Risk	Mitigation
Workforce sufficiency	Insufficient staff to run services safely or admit new young people (through recruitment / retention but also Covid-19 absence). Insufficient nurses from Chailey Clinical Services to provide clinical training and support for new admissions.	• Management of demand to match staffing capacity e.g. Short breaks and admissions • Flexible use of social care staff across services • Joint recruitment events with Chailey Clinical Services • Reward Strategy (September 2020) to keep salary rates competitive and make it easier for staff to work in both school and social care. • Change of online recruitment partner. • Streamlining application process. • Introduction of online interviews. • Development of online training modules. • Streamlining competency sign off • Agreement on future training needs and budgeting for increased nursing capacity for September 2021.
Regulatory compliance	Primarily to social care services regulated by CQC and, particularly Ofsted, rather than compliance with Health and Safety regulations Adverse regulatory judgement and/or intervention	• New Head of Social Care post strengthened processes and compliance. • All social care services are judged to be 'good.' • Inspectors were confident in how education and care services had responded to Covid-19.

Area of Risk	Risk	Mitigation
Significant clinical harm	Regulatory and/or reputational damage because a young person is seriously harmed by a clinical error	• Very low medication error rate and robust system for logging and reviewing errors • Rollout of EMAR across all services. This is a more robust system with significantly improved management information systems • Strong learning culture with lessons learned based on rigorous investigation and reflection. • Robust clinical governance and oversight from Chailey Clinical Services / SCFT. • Support from on-site nursing and medical team to minimise harm following any error. • Extension of Director of Social Care's clinical role across the Foundation. • Consolidation of the role of the Governors' and Trustees' Clinical Oversight Committee.
Serious Safeguarding failure	A serious single issue or systemic failure that would damage the reputation of services and may result in regulatory constraints and possibly closure of a service	• Robust internal processes for reporting and recording and learning from safeguarding events. • Good relationships with the East Sussex officers in Children's and Adult services responsible for safeguarding. • Strong governance oversight of safeguarding issues at Governor and Trustee level.
Business sustainability	Competition from other Non-maintained and independent special schools (NMISS) and Local Authority (LAs) schools could lead to reduction in placements, school numbers reduced. LAs strategic capital investment to create new schools / places to reduce need for placements in non-maintained or independent special schools like Chailey Heritage.	• Chailey Heritage School continues to be Ofsted "Outstanding" and nationally recognised as a centre of expertise. • Compelling case studies to demonstrate impact and how the school changes lives. • Strong website and social media presence and brand recognition with parents and supporters. • Charitable funding secured to support IPSEA in working with parents facing SEND Tribunal. • Careful management of staff to balance demand and supply.
Loss of capacity in residential services	Reduction in bed capacity reduces potential income and efficiency. Unable to meet demand for residential placements.	• "Room of My Own" building project to restore residential capacity by the end of 2025. • Short term – create internal capacity but ensuring Futures' residents transition before they are 25. • Careful assessment of referrals, matching referrals to capacity and managing expectations of parents and commissioners.

Outlook

Local Authority and Health Commissioners recognise that Chailey Heritage Foundation provides highly specialist services to some of the most vulnerable young people who would be hard to place elsewhere. Demand for places in our services remains strong. The underlying business is robust although our ability to meet that demand and to grow has been limited by a national shortage of care staff that is particularly acute in the south east of England.

As the Pandemic continues into 2021-22 and probably beyond, control measures and on-going uncertainties, for example around inflation and investment income, may limit our capacity to meet all our targets in full. The Trustees have invested in new salary rates to recruit and retain staff to enable residential services and the school to meet demand safely but they acknowledge that they may again need to draw on unrestricted reserves to support the Charity and compensate for the impact of Covid-19 on the short to medium term performance of the organisation.

Longer term, the charity has the opportunity to achieve its revenue and reserves targets. We have robust systems and strong governance to understand and manage risks. On-going investment in recruitment and retention and plans to restore residential capacity combined with respect our school has within the sector for its outstanding specialist provision and its pioneering curriculum initiatives, mean that the charity is well placed to thrive. We face the future with confidence, determination and ambition.





Environmental, social and governance

Chailey Heritage Foundation is a registered Charity (number 1075837) and also registered in England as a Company limited by Guarantee (number 3769775).

Our Charitable Objects

> "The objects of the Charity are, for the public benefit, the education and care of people who have physical disabilities and other complex health needs, particularly but not exclusively children and young persons (the beneficiaries) including the conduct and maintenance of a special school (the School) within the meaning of the Education Acts and of a transition service for beneficiaries."

The Trustees do not expect services for those over 25 years of age to make up more than 10% of our charitable income.

Demonstrating Public Benefit

In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity (PB2)'. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay.

We believe we comply fully with this requirement; our Report on Operations and Strategy includes examples of the public benefits Chailey Heritage Foundation offers and areas in which we believe we are providing innovative leadership to the sector.

The Trustees are committed through their strategic plan to increasingly share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded initiatives such as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local community. The Dream Centre will also enable more people living locally to benefit from the Charity's very specialist facilities.

Another aspect of the Charity's public benefit is our work in partnership with other charities, helping the most disabled children and their families.

Governing documents
The company, established in 1999, is governed by its Memorandum and Articles of Association. With the consent of the Charity Commission, the Charity changed its name from Chailey Heritage School to Chailey Heritage Foundation with effect from September 2012 to reflect the wider range of provision now offered.

Trustees carried out a full review of the Articles of Association to take account of the Charity Governance Code, as well as current views on good practice in governance. They were updated and refreshed, and the most significant amendment was around removing the rotational system of retirement and replacing it with a fixed period of office for Trustees.

The Scheme of Delegation sets out formally the powers delegated to the Governing Board, and the terms on which they are delegated, including reporting requirements, and this document was also reviewed and updated during the year.

The wholly owned trading subsidiary of the Charity, Chailey Heritage Trading Company Limited, was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). It has been inactive since incorporation.

Boards
Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible for securing the effective and efficient operation and management of all services including the School, Chailey Heritage Residential, Chailey Heritage Futures and Chailey Heritage Pathways. To ensure effective communication between the two Boards, yet maintain the separateness of them, the Chair of the Governing Board is a Trustee and at least three individuals served on both Boards.

Those who served as Trustees during the year are shown on page 79.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. The current Board includes depth of skills in finance, property, health, investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation. They recognise the importance of the Charity Governance Code and will be reviewing their improvement plan in the light of their self-assessment against the Code.

The Trustees meet as a full Board at least three times a year. Its principal committees are Finance (including audit, financial risk, and control), Fundraising, Capital Projects (which has oversight of the Capital Expenditure budget and major capital projects) and Clinical Oversight. These committees meet more frequently than the full Board. Trustees meet annually with the Governors to review their strategy and plans for the future. Trustees also meet jointly with Governors to agree any new appointments of the senior leadership team.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role though very active sub-Committees and focus visits to services. Although the pandemic has restricted visits to the site, meetings have been held remotely and sub-Committee chairs have remained in close contact with their lead senior manager. Governors and Trustees have received updates on Covid-19 in between meetings and been included in information from school and social care services.

The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. During the year, the Governing Board's sub-committees were reviewed to streamline and avoid duplication of reports. The Governing Board has six principal committees which all meet termly before the main Board meeting to deal with Finance, Estates & Environmental Safety, Safeguarding, Education, Social Care and Staff related issues. The Trustees and Governors also have a joint committee overseeing clinical issues, which meets termly or more frequently, if required.

In addition to the Boards of Governors and Trustees, the Senior Management Team comprising the Chief Executive, Headteacher and Director of Social Care, meets weekly and there is a monthly meeting with the heads of all the Foundation's direct and support services.

Trustee induction and training
New Trustees are briefed on their legal obligations under Charity and company law, the content of the governing documents, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

During the induction, they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

As part of their ongoing training, Trustees are also given briefings on current 'hot topics' during the year.

Funds held as custodian
There are no arrangements where the Charity or Trustees are acting as financial custodians.

GDPR

Compliance with the General Data Protection Regulation remains a high priority here. We are continually taking steps to improve our handling of personal data and to ensure compliance. All staff are provided with training on the subject alongside general cyber security. The Charity also received accreditation from the NHS Data Security and Protection Toolkit during this financial year.

Safeguarding

The children and young people we care for are especially vulnerable due to their complex needs. Disabled children are more than three times likely to be abused than non-disabled. All our staff and volunteers are DBS checked and they are all committed to safeguarding and undergo extensive safeguarding training with specifics regarding disability.

Safeguarding policies are reviewed and updated annually and there is annual safeguarding update training, to ensure that all staff are up to date with changes in national guidance for adults as well as children and in Foundation policies and procedures. Governors and Trustees also receive annual updates.

Everyone in the organisation who is involved with the recruitment of staff follows safer recruitment guidelines and senior staff have attended Safer Recruitment Training. The Safeguarding Governor scrutinises the single central register at least three times a year and conducts spot check recruitment processes and training for newly appointed staff.

The Headteacher is the Foundation lead for Safeguarding and works with a team of trained Designated Safeguarding Officers (DSLs) who are the first point of contact with for any safeguarding issues. Progress on current safeguarding incidents is reviewed weekly by the Chief Executive (also a trained DSL), Headteacher and Director of Social Care.

Governors and Trustees take their safeguarding responsibilities very seriously and ensure that they are up to date with latest development through training and detailed reports. Governors check staff understanding of safeguarding processes on their focus visits to services.

Oversight is detailed and rigorous and both Governor and Trustee Boards have members with safeguarding experience at senior level. The Governors' Safeguarding Committee meets three times a year. It is chaired by the Lead Safeguarding Governor who reports to Governors and Trustees three times a year. The Foundation strengthened it safeguarding oversight in 2021 by appointing an experienced safeguarding professional to the Governing Board.

The Safeguarding Governor is informed of serious safeguarding incidents and meets at least once a term with the Foundation Safeguarding Lead and DSLs to review the management of incidents identify trends or matters of concern and discuss any recommendations from lessons learned.
The outcomes of the Annual East Sussex Safeguarding Self-Assessment are reported to Governors and Trustees each year. Trustees have an opportunity to question the Safeguarding Governor and Foundation Safeguarding lead when they present their annual report in the autumn.

Remuneration policy

The Foundation is committed to ensuring that we pay our staff fairly and competitively to attract the skills needed to deliver and support our services. The Governors' People, Pay & Performance Committee (PPP Committee) considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

- the nature of the role and responsibilities based on the job evaluation.
- salaries in the relevant sector
- benchmarking against regional competitors
- public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body
- the Living Wage.

For 2020-21, our staff were awarded a 1.75% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and staff. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits audits at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure. During the summer of 2020, we instigated a new pay scale which is applicable across the Foundation, allowing staff to work in other services for the same pay rate and at the same time affording a significant pay increase for many staff.

Gender pay gap

The requirement to publish an annual gender pay gap report was temporarily ceased in 2020 due to the Covid-19 pandemic, however we have now published our report for the snapshot date of 5 April 2020.

Gross Hourly Rate of Pay	Male	Female	Difference
Mean	£13.91	£11.75	18.38%
Median	£10.28	£10.28	0%

For the second year running the median pay gap was 0%.

The gap between the mean hourly rate for men and women has not reduced primarily because of the different roles men and women occupy within the organisation and the salaries attached to these roles. There is a structural gender imbalance in the social care and special education sectors with women making up approximately 65% of the workforce.

This presents a significant challenge in narrowing the gender pay gap as 71% of our workforce work directly supporting children and young people in school or social care settings and of these 86.8% were female.

Nevertheless, we continue to have some success in attracting men to work as residential support workers and special education assistants. We are committed to both increasing the number of male employees in these roles while also supporting care and education support staff to seek career progression to better paid roles within the Charity as we build our inclusive, fair and empowering workplace. We consider that our family friendly policies and commitment to equal opportunities support this initiative and we have been pleased at the increase in recent years in the number of men now working as support workers

We believe in appointing the best candidates into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits assessment and evaluate job roles and pay grades as necessary to ensure a fair structure. We are committed to ensuring that there is no gender bias when setting salaries.

As an organisation, Chailey Heritage Foundation is committed to equal opportunities for all. We believe in appointing the best candidates into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits assessment and evaluate job roles and pay grades as necessary to ensure a fair structure. We are committed to ensuring that there is no gender bias when setting salaries.

Trustees' duty to promote the success of the charity (Section 172 statement)

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term.
- the interests of the Company's employees.
- the need to foster the Company's business relationships with suppliers, customers, and others.
- the impact of the Company's operations on the community and the environment.
- the desirability of the Company maintaining a reputation for high standards of business conduct.
- the need to act fairly as between members of the Company, (the "s.172(1) Matters").

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging', 'Commitment', 'Ambition' and 'Celebration' (as set out on page 5) underpin decision making at all levels and engagement with all our stakeholders

The children and young people in our care are at the heart of all the Charity does, and their interests are fundamental to Trustees' decisions.

Decision making for the long term

Believing that in planning for the long term, in 2014 the Trustees agreed a 10-year strategy. This has guided strategy and decision making and all initiatives and projects tested must contribute to our 10-year goals.

By the beginning of 2020-21, Trustees achieved their long-term aim of extending the lease on their site in North Chailey and now have a lease at a peppercorn rent until 2143. Trustees are committed to ultimately owning the site and will pursue this with the landlords, Sussex Community NHS Foundation Trust, who have agreed to explore the issues.

Following the beginning of the Pandemic, Trustees designated 2020-21 as a year of recovery and preparation for the future and began work on the final phase of their 10-year plan.

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in February and progress is reviewed three times a year at Board meetings. Work on the 2021-2024 strategy started in February 2021 and the draft strategy approved for consultation in July.

Further information on our strategy objectives and how these have been delivered together with our plans for the future can be found on pages 7 to 37.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's staff and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. The well-being of staff continues to be a high priority and as the Pandemic continues, the charity has supported employees by extending sick pay, enabling very gradual returns to work and, where possible, flexible working for colleagues recovering from Covid-19 as well as support to those whose families have been affected by Covid-19 or who have found the Covid-19 controls challenging.

Trustees aim for the charity should be a fully inclusive community where there everyone can be their authentic selves and there is equity for everyone to pursue their potential, they recognise that there is some way to go but have made it a strategic priority for the next three years.

Further information on how we promote the interests of our employees and staff can be found in "Our dedicated workforce" on page 20.

Impact on the community and the environment

Community
The Charity has been part of the Chailey community for over 115 years and it is now the largest employer in the area. It also has strong links to local companies and philanthropists who support the Charity in many different ways. We have contributed to the Parish Council's Neighbourhood plan and identified a need for affordable housing for key workers and improved public transport.

We link with the Chailey Common rangers to ensure our staff and visitors respect the livestock grazing on the Common and aim to preserve and promote the Common's habitat and native species including our colony of Great Crested Newts. In summer 2020, with the funding from generous donors, we began an extensive programme to improve the land leased from the Parish Council to create good grazing for our horses and farm animals. We feel very much part of the local farming community and thank them for their advice and for their support for Patchwork Farm.

Environment
In developing the 2020-21 strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present because the medical needs of the young people, require large volumes of clinical consumables such as syringes and, most recently PPE. To compensate, we are committed to offsetting where we can, initially by planting trees on our own site.

Our 2020-21 "Fit for the Future" strategy began that journey and the Trustees are committed to environmental sustainability and reducing our carbon footprint will be a golden thread through our operational and strategic plans and increasingly will determine our choice of suppliers and partners.

Our Streamlined Energy and Carbon Report can be found on page 54.

Maintaining high standards of business conduct

Compliance and Good Practice
Chailey Heritage is committed to maintaining high standards both in the delivery of its services and its governance. Trustees ensure they are familiar with regulators' guidance and regulatory frameworks and take on board relevant recommendations from new guidance. Policies are reviewed on a three-year cycle and updated as required to reflect changes in guidance.

The Charity supports children and adults who are particularly vulnerable because of their physical and learning disabilities and therefore safeguarding is a priority; it is the responsibility of everyone and Trustees and Governors monitor safeguarding compliance and case management closely and expect the highest standards.

Trustees follow best practice and guidance of the Charity Commission and Fundraising Regulator when establishing policies and making decisions affecting the charity. "Our Commitment to Donors" demonstrates the high standards the Trustees expect of the Fundraising Team and the Fundraising Policy includes the right to refuse a donation where it may be considered unethical.

Governance and Management
The Charity's operation is subject to a number of different regulators including CQC, Ofsted, the HSE, Fundraising Regulator, Information Commissioners, and the Charity Commission. The Charity aspires to the highest standards. Senior managers are responsible for ensuring regulatory compliance, that the organisation's policies are followed, and the Foundation's values are embodied in service delivery and the conduct of its staff and volunteers.

The Trustee Board monitors this directly and holds management to account through its sub committees, particularly the Governing Board.

Further information on Structure, Governance and Management can be found on page page 47.

In setting its policies and strategic direction, due consideration is given to the issues identified in Section 172. We also expect high standards from our suppliers and contractors including strict compliance with DBS requirements and sound business practice. In the future, will take environmental credentials into consideration when awarding contracts.

We operate policies to ensure the Charity secures best value and aim to build long term relationships with key suppliers. We are very grateful to those suppliers who have supported our Fundraising projects.

Engagement with key stakeholders

Families
Although Local Authority and Health Commissioners fund placements in the Charity's services, young people using our services and their families are our primary stakeholders.

It is fundamental to our ethos that young people are respected, listened to; staff engage with them, seek out their views and advocate for them, where they cannot speak for themselves.

We promise that:

> "We will never, ever give up working with children, young people and their families to empower them to make their own choices at every stage in life."

> "The managers and staff are strong advocates for children with complex needs. The children are always treated with dignity and respect and a sensitive approach is taken to meeting their needs. For example, great care is taken to prepare treatment and massage rooms so that the children's privacy is maintained, and children's preferences regarding meal-time arrangements are respected."
>
> Ofsted, September 2021

Nearly all young people at Chailey Heritage have significant barriers to communication and need help to express their views or for someone interpret these to others. Communication with parents is critical and daily diaries, phone calls, emails and Facetime sessions all help parents and carers find out how their son or daughter has spent their time, what they have achieved and how they have been feeling. Many parents and families are not able to visit Chailey Heritage, and this has become even more difficult during the Pandemic with restrictions on people coming on site and visits to our bungalows as we tried to minimise opportunities for transmission. Remote learning in school, video sessions for residents and streaming of events has helped families engage with the Foundation. Our website is our showcase for news about young people with photo stories for families and supporters to share.

The Headteacher and Director of Social Care write regularly to keep parents informed of developments and changes, and this intensified during Covid surges. The Chief Executive's briefings for parents continue to be online and provide updates about Foundation wide developments, staff changes and plans for the future. The increased familiarity with video calls has led to video consultations with drop-in sessions for parents on the Room of My Own project including the chance to talk with the architect. The consultation on the draft strategy is also taking place online.

Commissioners
Most young people attending the school or who live on site, have a social worker, or named continuing healthcare lead. Engagement and timely information exchange is critical to the wellbeing of the young and

to ensuring parents well supported and the needs of the whole family met. Although it is more difficult during the Pandemic, visiting Chailey Heritage and seeing the young person is often the best way for professionals to understand what the services offer and what impact they have on the young person and their family

Annual reviews, health reviews and care reviews are now virtually all conducted online and secure much better attendance from Local Authority (LA) SEND team members, social workers, and health commissioners.

It is often hard to develop relationships with commissioners because of staff changes. 2020-21 was no exception, although moving to online video calls online made it easier to secure meetings and engage. However, on a more strategic level, it continues to be difficult secure a place in LA strategic discussions as LAs are seeking to reduce placements in the non-maintained and independent sectors. For this reason, Trustees and Governors are keen to show the way and will consult with commissioners on the Foundation's draft strategy for 2021-22.

Supporters and Donors

The Charity's supporters and donors are key stakeholders. They provide the support the Charity needs to provide the specialist facilities that enhance the experiences of the children and young people, whose lives can be short. Engaging with our donors is very important and we do this by inviting them to visit, Covid-19 permitting, and increasingly through social media and other digital channels.



Streamlined Energy and Carbon Reporting

It is now a requirement of large organisations to include energy and carbon data in their Annual Reports, under the SECR Regulations. We have reviewed the relevant activities, relating to buildings and business travel, and made the calculations, as shown below.

The Charity's SECR carbon emissions for the financial reporting year 2020-21 amounted to 559 tCO2e, with 65% arising from gas. Since last year, overall emissions have risen by 15%. This was mainly due to higher gas use for heating, as the winter months were 12% colder than the previous year. Electricity use also rose as air conditioning units were fitted to the living areas in the bungalows to help during the summer, because many of the children and young people in our care find it so difficult to regulate their body temperature. Air conditioning also reduces the discomfort of staff wearing PPE during the hotter months.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO2e)

	Unit	2020-21	2019-20	% change
Energy consumption	kWh	2,901,380	2,508,262	
Scope 1 - Direct Emissions	tCO2e	375.5	314.6	
Scope 2 - Energy Indirect Emissions	tCO2e	177.4	165.2	
Scope 3 - Other Indirect Emissions	tCO2e	6.5	6.6	
Total Emissions	tCO2e	559.4	486.4	15%
Relative Emissions, normalised by turnover	tCO2e/£m	43.0	38.3	12%

Intensity Metric Ratio:

	2020-21	2019-20
Number of employees (heads)	458	447
Tonnes of CO2e per employee	1.22	1.09





Environmentally Sustainable

Energy Efficiency Projects
The challenges of the ongoing pandemic reduced the number of major energy efficiency projects undertaken this year. Nevertheless, new car park lighting was installed, replacing old fluorescent lamps with LED lights, incorporating PIR motion sensors. This not only saves energy but also makes the area brighter and safer for staff. The roof insulation for the Hanbury and Seymour buildings was nearly doubled as part of a repair programme and will reduce heat loss and energy consumption in 2021-22.

The Trustees and senior leadership team are very conscious of the need to reduce emissions. In 2020-21, they insisted that project criteria should prioritise sustainability and energy efficiency. They have made a long-term commitment to carbon reduction and Environmental Sustainability is a key theme in the Charity's new strategic plan for 2021-2024.

The Chailey Carbon Challenge is the Charity's initial 10-year plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and reduce waste. Specific carbon reduction projects are included in the capital programme and all capital projects and contracts will be scrutinised for sustainability and energy efficiency.

In September 2021, the Charity moved to a green electricity tariff. In 2022, the main boilers and controls will be replaced with much more energy efficient models to cut gas usage. Members of staff have volunteered to become Chailey Carbon Challenge Champions to encourage their colleagues to lead more sustainable lives, both at work and at home.

SECR Emissions Calculations - Methodology
We have reported on all the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of **ISO 14064-1** (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2021. In order to track progress, historic data was recalculated using current emissions factors (hence carbon figures for last year differ slightly from those reported in our previous Annual Report).

For SECR reporting, Scope 1 (Direct) emissions are those arising from natural gas heating and company vehicles. Scope 2 (Energy Indirect) emissions are from electricity. Scope 3 (Other Indirect) emissions come from grey fleet and hire vehicles.

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 58 to 61 in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

Moore Kingston Smith LLP offer themselves for re-appointment as auditors in accordance with section 485 of the Companies Act 2006.



Meet Jacob

> “Jacob likes being with people his own age, like any 18-year-old, so we have similar interests and like to do things together that are fun. I ask him what he wants to do, and he blinks once for yes and twice for no. One day we might be visiting the beach or going to the cinema, the next we could be shopping, trying on sunglasses together and picking out clothes as Jacob loves fashion!”

Jacob is 18 years old and, with just one year of school left, he accesses a wide range of our ‘wrap-around’ services including Pathways, the LSC (Leisure and Skills Centre), and holiday clubs. These services help support people like Jacob to build confidence, socialise and transition into the next phase of their lives.

An outgoing young man, Jacob loves films, singing and music, particularly Little Mix! He has a particularly strong bond with Jasmine, who has been supporting him for the last three years through our Pathways service. “Jacob likes being with people his own age, like any 18-year-old, so we have similar interests and like to do things together that are fun. I ask him what he wants to do, and he blinks once for yes and twice for no. One day we might be visiting the beach or going to the cinema, the next we could be shopping, trying on sunglasses together and picking out clothes as Jacob loves fashion!”

Although each of the services at Chailey Heritage have their own unique offering, the support they offer is so integrated that it creates a sense of continuity and routine which is very reassuring for Jacob. This is also true of professionals available on site too – from consultants to teachers and engineers. Jacob’s parents reflect, “We feel so fortunate that we found Chailey Heritage from the start, from meeting other parents, to having everything in one place – consultants and nurses through to clinical services, physiotherapists, teaching staff at school, and even engineers who can fix mobility issues with Jacob’s wheelchair.”

Pathways is a service that assists people like Jacob in their homes as well as out in the community and transports them between both. The service supports Jacob before and after school, on weekends and in the holidays - including taking him to the holiday clubs that run three times a year - Easter, summer, and Christmas.

Kerrie Scutt explains that services can be tailored to individual needs, as the Charity understands that there is no ‘one size fits all’ approach because each individual and family has very different and unique needs. This flexible approach is beneficial to families like Jacob’s – Karen and Marios mention that they are thinking of trying the residential service at the bungalows on-site at Chailey, to give Jacob more independence and social time. “It’s about trying to give Jacob as much variety as possible and opportunities to mix with his own age group. Whether it’s Pathways coming into the home and taking him to school, holiday club or out in the community, doing activities with peers at the LSC and Hub, or staying overnight with his friends at the bungalows.”

Now that he is commencing his last year at school, the integrated services will continue to support Jacob with opportunities for socialising, confidence building and having fun to help him and the other young people here transition to the next stage of their lives.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Chailey Heritage Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors of the Charity under company law and is signed on its behalf by:



Mark Creamer – **Chair of Trustees**



Fiona Duff – **Company Secretary**

Date: **5th April 2022**

Independent auditor's report to the members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- 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 financial statements 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 trustees' responsibilities statement set out on page 57, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;

- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;

- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;

- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

To address the risk of fraud through management override of controls, we carried out the following work:

- procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;

- journal entries were reviewed to identify unusual transactions;

- judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

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

Use of our report

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

Moore Kingston Smith LLP.

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

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Date: **8th April 2022**

Statement of Financial Activities For the Year Ended 31st August 2021 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Unrestricted Funds Designated £'000s	Restricted Funds £'000s	2021 Total £'000s	2020 Total £'000s
INCOME FROM:						
Donations, legacies and grants	**3**	270	-	555	825	921
Charitable activities:						
Fees	**4**	12,071	-	-	12,071	11,614
Ancillary income		119	-	-	119	107
Investments	**5**	87	-	-	87	77
Other		2	-	-	2	2
Total income		12,549	-	555	13,104	12,721
EXPENDITURE ON:						
Raising funds:						
Financing costs	**6**	32	-	-	32	30
Fundraising costs	**6**	140	-	-	140	196
		172	-	-	172	226
Charitable activities:						
Operating costs	**7**	13,224	-	105	13,329	12,655
Use of Donations and Appeal		-	21	213	234	403
		13,224	21	318	13,563	13,058
Total expenditure		13,396	21	318	13,735	13,284
Net income/(expenditure) before investment gains	**8**	(847)	(21)	237	(631)	(563)
Net (losses)/gains on investments	**13**	706	-	-	706	(15)
Net Income/(Expenditure)		(141)	(21)	237	75	(578)
Gross transfers between funds	**19**	760	(37)	(723)	-	-
Net movement in funds		619	(58)	(486)	75	(578)
Total funds brought forward		13,863	219	3,863	17,945	18,523
Total funds carried forward		14,482	161	3,377	18,020	17,945

The charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities.

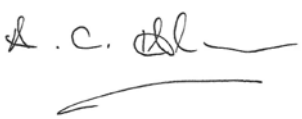
The notes on pages 65 to 78 form part of these accounts.

Balance Sheet As at 31st August 2021

	Notes	2021 £'000s	2020 £'000s
FIXED ASSETS			
Tangible assets	**12**	14,086	13,806
Investments	**13**	4,332	3,566
		18,418	17,372
CURRENT ASSETS			
Debtors	**14**	2,625	697
Cash at bank and in hand	**15**	435	1,200
Total Current Assets		3,060	1,897
LIABILITIES			
Creditors: Amounts falling due within one year	**16,17**	(3,058)	(1,324)
NET CURRENT ASSETS/LIABILITIES		2	573
Creditors : Amounts falling due after one year	**18**	(400)	-
TOTAL NET ASSETS		18,020	17,945
ACCUMULATED FUNDS	**18,19,20**		
Restricted funds			
Invested in tangible fixed assets		3,026	3,131
Other		351	732
		3,377	3,863
Unrestricted funds			
Designated funds		161	219
General fund - invested in tangible fixed assets		11,057	10,675
General fund - free reserves		3,425	3,188
		14,643	14,082
TOTAL FUNDS		18,020	17,945

The financial statements on pages pages 62 to 78 were approved by the Board of Trustees and authorised for issue on 5th April 2022 and signed on their behalf by





M. Creamer
Trustee

A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows
For the Year Ended 31st August 2021

	2021 £'000s	2020 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	(120)	227
Cash flows from investing activities		
Dividends, interest and rents from investments	87	77
Purchase of property, plant and equipment	(1,072)	(432)
Proceeds from sale of investments	27	20
Purchase of investments	(87)	(68)
Net cash used in investing activities	(1,045)	(403)
Cash Flows from financing activities		
Cash inflows from new borrowing	400	-
Net Cash provided by financing activities	400	
Change in cash and cash equivalents in the reporting period	(765)	(176)
Cash and cash equivalents at the beginning of the reporting period	1,200	1,376
Cash and cash equivalents at the end of the reporting period	435	1,200

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

	2021 £'000s	2020 £'000s
Net (expenditure)/income	75	(578)
Adjustments for		
Depreciation charges	792	663
Net losses/(gains) on investments	(706)	15
Investment income	(87)	(77)
Decrease/(Increase) in debtors	(1,928)	1,201
(Decrease)/Increase in creditors	1,734	(997)
Non-cash additions to property, plant and equipment	-	-
Net cash provided by/(used in) operating activities	(120)	227

Statement of Accounting Policies and Notes to the financial statements – For the Year Ended 31st August 2021

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 79. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS102 and has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered the impact of Covid-19 pandemic on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the pandemic continuing throughout 2021/22 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2021 as in the previous year.

d) Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Donations are accounted for when the amounts are received or are measurable and certain at the date of the accounts. Donations in kind are accounted for when the benefit is measurable and supported by third party verification.

Tax recoverable under Gift Aid is accounted for when it is received.

Donations, legacies and grants are only treated as Restricted if they are subject to specific wishes of the donors. Unrestricted donations that are unspent at the end of the year are treated as Designated by the Trustees.

Grants receivable are accounted for over the period to which they relate. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Such deferred income relating to grants is included in deferred income in creditors.

Investment income is accounted for on an accruals basis.

e) Expenditure

Liabilities are 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. All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is included with the item of expense to which it relates.

f) Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less appropriate depreciation. Items costing less than £2,500 are not capitalised unless they form part of a larger capital project costing more than £2,500.

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives:

Leasehold property and improvements	2-4%, 10% or 25% depending on the asset life
Motor vehicles, furniture and equipment	25% per annum on cost
Computer equipment and software	25% per annum on cost
Hoists / longer life equipment	10% per annum on cost

Depreciation starts in the month of purchase or month first used, whichever is the later.

Fixed assets acquired with restricted funds are treated as Restricted Fixed Assets in the accounting year in which they are purchased or brought into use, if later. When fully operational these assets are reclassified as Unrestricted, unless the donor specifically requests they remain as Restricted or the Appeal Fund which funded them remains open.

g) Investments

Investments are initially recorded at cost and subsequently measured at fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

h) Pension costs and other post-retirement benefits

The Foundation operates with two different pension schemes as described in note 10.

(1) Teachers are members of the Teachers' Pension Scheme.

(2) A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

Contributions to all schemes are charged in the Statement of Financial Activities as they fall due.

i) Fund Accounting

Restricted funds are funds for specific purposes imposed by the donor or by the terms or nature of the appeal under which the funds were raised. The restrictions are binding upon the Trustees of the Charity.

Unrestricted Funds are analysed between (a) General funds available to the Charity for its general purposes, including past funds deployed in tangible fixed assets; and (b) Designated funds, formally earmarked by the Trustees at their discretion for specific spending.

j) Operating leases

Rentals paid under operating leases are charged to income as incurred.

k) Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and on surpluses of any trading activities carried on in furtherance of the Charity's primary objects. The Charity's non-primary trading activities are also tax exempt as below the current taxable threshold.

The Charity is not registered for VAT.

l) Other financial instruments

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

ii) Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their present value, which due to the short term nature of the balances, is the transaction price.

m) Critical accounting estimates and areas of judgement

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Trustees, no judgements were required that have a significant effect on amounts recognised in the financial statements, nor do any estimates or assumptions made carry significant risk of material adjustment in the next financial year.

3. Donations, legacies and grants

Year at 31 August 2021

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2021 Total £'000s
Donations	146	-	371	517
Legacies	124	-	-	124
DfE grants	-	-	184	184
	270	-	555	825

Year at 31 August 2020

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2020 Total £'000s
Donations	98	-	480	578
Legacies	225	-	-	225
DfE grants	-	-	118	118
	323	-	598	921

The grants received above relate to furlough grants, Covid grants, teachers' pay and maintenance of the School grants.

4. Income from Charitable activities

	2021 £'000s	2020 £'000s
Education fees	4,497	4,570
Social Care fees	7,574	7,044
	12,071	11,614
Ancillary income	119	107

A very high proportion of our fees come from Local Authorities and Clinical Commissioning Groups. Ancilliary income is mainly from the provision of riding and swimming outside school hours.

5. Investment income

All income in the current and comparative year relates to unrestricted funds.

6. Cost of raising funds and financing costs

All costs of raising funds and financing costs in the current and comparative year are charged to unrestricted funds.

7. Analysis of charitable expenditure

Year at 31 August 2021

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2021 £'000s
School	3,477	83	932	243	4,735
Social Care	5,534	510	1,583	419	8,046
Other charitable activities	297	81	40	130	548
Total operating costs	9,308	674	2,555	792	13,329

Year at 31 August 2020

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2020 £'000s
School	3,351	113	841	365	4,670
Social Care	5,315	580	1,429	239	7,563
Other charitable activities	289	39	35	59	422
Total operating costs	8,955	732	2,305	663	12,655

Year at 31 August 2021

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2021 £'000s
Staff costs	385	653	16	1,054
IT costs	64	109	3	176
Maintenance	69	117	3	189
Insurance	26	44	1	71
HR costs	50	86	2	138
Utilities	208	354	9	571
Professional fees	10	17	1	28
Other	120	203	5	328
	932	1,583	40	2,555

Year at 31 August 2020

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2020 £'000s
Staff costs	377	640	15	1,032
IT costs	41	70	2	113
Maintenance	63	106	3	172
Insurance	26	44	1	71
HR costs	53	90	2	145
Utilities	179	305	7	491
Professional fees	12	21	1	34
Other	90	153	4	247
	841	1,429	35	2,305

Support costs have been allocated to Operating areas on the following bases:
Staff costs - time spent
Depreciation - usage of related assets
Other expenses - floor area or headcount.

Support costs include governance costs of £20k (2020: £24k).

8. Net operating income/(expenditure)

	2021 £'000s	2020 £'000s
This is stated after charging:		
Auditors' remuneration	20	18
Auditors' non audit remuneration	2	6
Depreciation of tangible fixed assets	792	663

9. Employment costs

	2021 £'000s	2020 £'000s
Wages and salaries	9,290	9,012
Social security costs	683	650
Pension contributions (see note 10)	578	559
	10,551	10,221

Agency costs of £87k (2020: £254k) are included in the above. Reduced significantly from prior year due to the Covid-19 pandemic and infection control. The average number of employees in the year was 458 (344 Full time equivalent) (2020: 447 (334 full-time equivalent)).

Trustees' funds paid for 7 employees in the year (fte 4.88) (2020: 9 heads 5.28 fte) at a total cost of £252,495 (2020: £267,819).

Average number of full-time equivalent employees by area:	2021	2020
School	121	122
Social Care	179	169
Support	38	37
Fundraising	4	4
Other	2	2
	344	334

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2021	2020	2021 £'000s	2020 £'000s
£60k-70k	1	1	15	4
£70k-80k	0	0	0	0
£80k-90k	1	1	21	20
£90k-100k	1	1	0	10
£100k-110k	1	0	10	0

As at the end of the financial year, we have 67 active volunteers available to help across our services. However, the Covid-19 pandemic has meant that many of these volunteers have been unable to come on site.

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The TPS is a defined benefit pension scheme run by the Teachers' Pension Agency. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. Accordingly, contributions are accounted for as if the scheme were a defined contribution scheme. The regulations under which TPS operates are the Teachers' Pension Regulations 2010, as amended. Membership is automatic for full time teachers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or change in contract. Teachers are able to opt out of the TPS. Retirement and other pension benefits including annual increases payable under the Pension (Increases) Acts are paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions are on a 'pay-as-you-go' basis and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The latest valuation report in respect of the TPS was prepared at 31 March 2016 and issued in March 2019. A copy of this can be found on the Department for Education website. The employer contribution rate since 1st September 2019 has been 23.68%, including a 0.08% employer administration charge.

The average number of employees in the scheme is 21 (2020: 21). The pension charge for the year includes contributions payable to the TPS of £195,170 (2020: £200,186) and at the year-end £21,466 (2020: £23,427) was accrued in respect of contributions to this scheme.

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Foundation's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. The payment of agreed contributions by the Foundation effectively becomes part of the employees' contract of employment. All new staff, except teachers (unless they have opted out of TPS), are eligible to join this scheme after completion of three months' service and having attained the age of 18 years. For the period from 1 September 2020 to 31 August 2021, the employer contribution rate was 7.5% (2020: 7.5%) for the main scheme. The employer auto-enrolment rate remained the same at 4%. There are no guaranteed levels of pension benefits from these schemes.

The average number of employees in the scheme is 417 (2020: 399). The pension charge for the year was £382,649 (2020: £357,834). At the year end, there were accrued contributions due of £57,526 (2020: £63,103).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2020: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2020: £nil).

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the charity's key management personnel were £353k (2020: £366k).

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2020	18	19,966	2,666	22,650
Additions	-	895	177	1,072
Disposals	-	-	-	-
31 August 2021	18	20,861	2,843	23,722
Depreciation				
1 September 2020	-	6,987	1,857	8,844
Charge for year	-	780	12	792
Disposals	-	-	-	-
31 August 2021	-	7,767	1,869	9,636
Net book values				
31 August 2021	18	13,094	974	14,086
31 August 2020	18	12,978	810	13,806

The leasehold property represents the buildings on the site at Chailey which is leased from Sussex Community NHS Foundation Trust. The lease has been extended to run until 29th June 2143 and, under its terms, £1 per annum is paid but the Charity is responsible for all maintenance of the site and buildings.

In the unlikely event that the Charity was to discontinue its activities, the property (including all investment in the site by the Charity) would revert to Sussex Community NHS Foundation Trust as lessor for no consideration.

13. Fixed Asset Investments

	2021 £'000s	2020 £'000s
Investments held at 1 September	3,566	3,533
Funds withdrawn	(27)	-
Net income reinvested/(withdrawn)	87	48
Net unrealised and realised (losses)/gains in the year	706	(15)
Market value at 31 August	4,332	3,566
Historical cost at 31 August	3,535	3,152
Investments at market value consist of:		
Listed Investments registered in UK	2,284	1,988
Listed Investments registered outside UK	1,914	1,471
Cash held as part of investment portfolio	134	107

All investments are listed apart from the £1 unlisted investment held in Chailey Heritage Trading Company Limited, a subsidiary company (note 2c).

The investment portfolio is held primarily for the long term sustainability of the Charity, having regard to the financial risks inherent in operating the Charity - for example those arising from undue fluctuations in income, pupil numbers and costs - and to provide additional income to the Charity.

14. Debtors

	2021 £'000s	2020 £'000s
Fees	1,776	270
Prepayments	370	129
Accrued income	479	298
	2,625	697

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

£1,269k of 2021 debtors (2020: nil) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank

Cash and deposits represent (1) working capital balances on current accounts held primarily for the day-to-day operations of the Charity and (2) amounts invested on the money market with prime institutions which are required in the short and medium term for capital projects and to maintain an adequate level of general liquidity.

16. Creditors - due within one year

	2021 £'000s	2020 £'000s
Taxation and social security	158	172
Trade creditors	453	233
Other creditors	81	90
Accruals	308	347
Deferred income	2,058	482
	3,058	1,324

Included within 'Other Creditors' are accrued pension contributions of £79K (2020: £68k).

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term received in August £76k (2020: £80k).

Deferred income brought forward was all utilised during the current year.

All creditors are financial instruments and are measured at present value.

17. Deferred income

Deferred income comprises	2021 £'000s	2020 £'000s
Balance at 1 September	482	1,468
Amount released to incoming resources	(482)	(1,468)
Amount deferred in the year (note 16)	2,058	482
Balance at 31 August	2,058	482

18. Creditors: due after one year

	2021 £'000s	2020 £'000s
Rathbone loan - due between 3-5 years	400	-
	400	-

19. Analysis of Net Assets by Fund

Year to 31 August 2021

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	2021 Total £'000s
Restricted funds	3,026	-	351	3,377
Unrestricted funds:				
Designated fund	-	-	161	161
General fund - fixed assets	11,057	-	-	11,057
General fund - free reserves	-	4,332	(907)	3,425
	14,083	4,332	(395)	18,020

Year to 31 August 2020

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	2020 Total £'000s
Restricted funds	3,131	-	732	3,863
Unrestricted funds:				
Designated fund	-	-	219	219
General fund - fixed assets	10,675	-	-	10,675
General fund - free reserves	-	3,566	(378)	3,188
	13,806	3,566	573	17,945

20. Analysis of Charitable Funds

	Restricted Funds	Balance 1 September 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2021 £'000s
a)	DfE grants	-	184	-	(184)	-
b)	Donations towards major projects and equipment	732	371	(213)	(539)	351
		732	555	(213)	(723)	351
	Restricted Fixed assets purchased with Restricted monies:					
c)	Dream Centre	3,131	-	(105)	-	3,026
		3,131	-	(105)	-	3,026
	Total Restricted funds	3,863	555	(318)	(723)	3,377

a) The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.

b) Comprises donations received towards specific capital projects/expenditure e.g. Music Studio, Riding and transferred out to reflect those amounts spent to date.

c) The Dream Centre build is now complete and will remain restricted for this financial year as per our poilicy 2(f).

Unrestricted funds	Balance 1 September 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2021 £'000s
Designated fund	219	-	(21)	(37)	161
General fund - fixed assets	10,675	-	(687)	1,069	11,057
General fund - free reserves	3,188	13,255	(12,709)	(309)	3,425
Total Unrestricted funds	14,082	13,255	(13,417)	723	14,643

Incoming resources above include the net unrealised and realised gains on investments.

Designated Fund:
The £65k represents the current balance of the funds allocated by the Trustees for professional fees on potential strategic capital projects, as well as unrestricted donations received but not spent as at year end. Funds received for the Vision Fund are included here. All designated funds are expected to be used within two years.

Fixed Asset Fund :
This represents the net book value of the Charity's land, buildings and equipment.
Total tangible assets of £14,083k are shown in the Charity's balance sheet and are represented by restricted funds of £3,026K and unrestricted funds of £11,057k.
They are analysed in note 12 on page 73.
The transfer in of £1,069k to unrestricted fixed asset funds is the unrestricted additions in the financial year.

General fund:
The unrestricted general fund of £3,425k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance e.g. to fund the negative impact of Covid-19 on the organisation. The transfer out of £309k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

21. Financial Commitments

The charity has no non-cancellable operating leases at year end 2021 (2020: none).

22. Capital Commitments

At the balance sheet date, the Charity had no further commitments (2020: nil) in respect of capital projects.

23. Legacies

As at 31 August 2021, the Charity had been notified of seven (2020: nine) new legacies where payment was not received by that date. No account has been taken of these, as the amounts receivable cannot be determined with any reliability.

24. Control

The charitable company is under the control of its members who are its Trustees. No one member has sufficient voting rights to control the charitable company.

25. Related Party Transactions

There were no related party transactions in the year.

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

TRUSTEES AND GOVERNORS

The Trustees of Chailey Heritage Foundation (who are also the directors of the company for the purposes of company law) and the Governors who served throughout the year unless otherwise stated were:

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott
Mrs Jenny Clark
Ms. Denise Garland
Mrs Heather Goodhew (retired January 2022)
Dr Elizabeth Green
Mrs Alison Grover
Mr Andrew Hodson
Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)
Mr Michael Atkinson
Ms Amanda Brewis
Ms. Meriel Green (retired March 2021)
Mr Peter Griffiths (retired July 2020)
Mrs Alison Grover
Ms. Sarah Healey (retired March 2021)
Mr Lawrence Mudford
Mr Paul Myers
Ms Sara Niblock (appointed March 2021)
Mrs Carole Oram
Mrs Deirdre Prower
Ms Dianne Ryan (appointed September 2021)
Mr Troy Slife (retired March 2021)
Ms Julie Tilbury (appointed September 2021)
Ms Susan Duke (appointed December 2021)

KEY EXECUTIVES

Chief Executive:	Ms. Helen Hewitt
Headteacher:	Mr Simon Yates
Director of Social Care:	Ms. Jackie Hall
Finance Director:	Mrs Jane Cope
Development Director (Fundraising):	Ms. Sally-Anne Murray
HR Director:	Mr Nick Aziz
Company Secretary:	Mrs Fiona Duff

AUDITORS

Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey RH1 1DL

BANKERS

National Westminster Bank, 1 Muster Green, Haywards Heath, West Sussex, RH16 4AP

SOLICITORS

Griffith Smith LLP, 47 Old Steyne, Brighton, East Sussex, BN1 1NW

INVESTMENT MANAGERS

Rathbone Investment Management Limited, 8 Finsbury Circus, London, EC2M 7AZ

REGISTRATION INFORMATION

The Registered Office and principal address of the Company is at Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF

Chailey Heritage Foundation, a pioneering charity providing education, care and transition services for children and young people with complex physical disabilities and health needs.

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Chailey Heritage Foundation
pursuing potential

Chailey Heritage Foundation
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East Sussex BN8 4EF

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www.chf.org.uk

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Paper from responsible sources
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Registered Charity No. 1075837 and Company limited by Guarantee No. 3769775 (England)

CHAILEY HERITAGE FOUNDATION

England & Wales - Charity number 1075837

Accounts



Chailey Heritage Foundation
pursuing potential

Annual report and accounts 2019-20

“We will never, ever give up working with children, young people and their families to empower them to make their own choices at every stage in life.”

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About Chailey Heritage Foundation

Chailey Heritage Foundation provides education and care services and is one of the UK's leading centres for children and young people with complex neurodisabilities. Most of our young people have severe cerebral palsy, many have visual and/or other sensory impairments. All the young people are wheelchair users and very few have verbal communication. Our expertise is in maximising independence and choice, developing effective communication and providing powered mobility opportunities.

Founded in 1903 by Grace Kimmins, we still embrace her ethos today. We believe that each child and young person should have every opportunity to fulfil their potential, no matter what the challenges. Our promise today is that:

"We will never, ever give up working with children, young people and their families to empower them to make their own choices at every stage in life."

We have developed a world-class range of specialist services that are necessary to meet the needs of these disabled young people. We work in close partnership with Chailey Clinical Services, a nationally recognised specialist NHS tertiary service for children and young adults with complex neurological and physical disabilities. Being on the same site enables us to deliver uniquely, integrated multi-agency services for the benefit of the young people and their families.

The difference we make

The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to their lives and those of their families.

What we do

Under the Chailey Heritage Foundation umbrella, The Charity delivers services in six main areas:

Chailey Heritage School (pursuing potential) — a non-maintained special school for 2-19 year olds

Chailey Heritage Residential (pursuing potential) — a children's home offering a range of boarding options from short breaks, holiday clubs through to 52 week care for pupils from our school and other local special schools

Chailey Heritage Futures (pursuing potential) — a residential transition service for young people aged 16 years and above

Chailey Heritage LSC (pursuing potential) — a pay-as-you-go leisure and skills centre

Chailey Heritage Hub (pursuing potential) — a day service for young adults

Chailey Heritage Pathways (pursuing potential) — a community-based service offering the expertise of our staff to children and young adults in their own home and out in the community

Our Values

BELONGING
We are a community with a shared purpose. Everyone is accepted, everyone matters

COMMITMENT
Every day we strive to make a positive difference for the children, young people and their families

AMBITION
We have high expectations. 'OK' is never good enough

CELEBRATION
We celebrate what we achieve together

Meet Bertie



"We couldn't be happier with the care and education Bertie receives at Chailey. Bertie has a wonderful relationship with all of his Bananas, and they go above and beyond to ensure he gets the best from everything Chailey Heritage has to offer."

Lucy, Bertie's Mum

"Bertie is like a medicine, he always makes you feel better. It's an amazing skill."

Lucy, Teaching assistant

At first glance, you wouldn't think six-year-old Bertie can do very much because of his severe cerebral palsy, which means he can't walk or talk and needs lots of medical interventions throughout the day. However, Bertie has made such incredible progress since starting school here nearly two years ago and his team have learnt so much about him in this time.

One of his big loves is animals, from those at Patchwork Farm and the ponies who take the children riding, to his guinea pig, Simon, who he named after the headteacher! Bertie has an affinity with animals and an incredible empathy for people. So much so that if you are feeling stressed, a cuddle on the sofa with Bertie will make you feel so much better. It's known as the 'Bertie effect'. As Lucy, one of his teaching assistants, describes it, "Bertie is like a medicine, he always makes you feel better. It's an amazing skill."

He also loves nothing better than a bit of role play where he pretends to be a famous character from a book. During summer holiday club, he played Harry Potter in the immersive space in the Dream Centre and had a game of quidditch.

Since Bertie loves monkeys, his team are known as Bananas and the class teacher is the Chief Banana. All Bertie's Bananas spent a great deal of time settling him (and his Dad) into school when he started in 2018. It was important that both Bertie and his family felt they could trust the team that worked with him. They learned about his subtle communication, his medical needs as well as his interests and the things which make the day fun for him.

The other thing Bertie loves to do is drive his wheelchair on the powered platform using his head switch. Bertie does not have a powered chair, so the powered platform allows him to drive independently using our electronic track system, which works a bit like Scalextric. Recently he let us know that he wanted to be able to choose his path when he came to a junction on the track. So, our resident engineer, Martin Langner, will be working hard to make that happen.

Welcome from Chair of Trustees and Chief Executive



I am delighted to present this year's Annual Report alongside our Chief Executive, Helen Hewitt; it describes the activities of Chailey Heritage Foundation, our performance against the three year plan 2017-20, together with the financial statements and the Auditor's report for the year ended 31 August 2020.

Since 2014, Chailey Heritage Foundation has been working towards five strategic goals. These goals were reviewed by senior managers, with some minor adjustments, and agreed by Trustees in summer 2020:

- To help more children with complex neurodisabilities and their families
- To be the first choice for parents/carers, stakeholders and supporters
- To have the capacity to develop
- To be financially resilient
- To be recognised locally, nationally and internationally for our innovative work

The summary of the Charity's performance against these strategic goals and the last year of our 2017-20 strategic plan is set out on pages 7 to 17.

"We would like to thank our staff enormously for their dedication and commitment in this very challenging year. Also, our volunteers and especially our Trustees and Governors who generously give up so much of their time."

We have made good progress but, inevitably, the Coronavirus pandemic had an impact on our services, staff and the families we support. Overall, thanks to the tremendous commitment and courage of our all our staff, volunteers, our NHS partners and funders, the impact on the Charity, whilst significant, has been less than it might otherwise have been.

The challenges that Covid-19 has brought and how we managed them are set out on pages 38-41, using the format recommended by the Charities SORP Committee.

The 'spotlight' this year on page 21 is on our specialist services supported by donations – Aquamovers, Patchwork Farm, Hippotherapy - and their innovative approach to supporting children and young people with complex physical disabilities as well as their families.

Mark Creamer
Chair of Trustees

Helen Hewitt
Chief Executive

Trustees' Report on Strategy and Operations

Achievements and performance

2017-20 Strategic Plan - Exceeding Expectations
2019-20 was the final year of the three year strategic plan (2017-20) based on four key themes – to invest, to grow, to build partnerships and to influence.



Exceeding Expectations - What we achieved against our four key themes



Investing in the children and young people

One of the threads running through the 2017-20 strategic plan was investment - in services, in equipment and facilities for the children and young people, in our staff and in the Estate. The need for investment was driven partly by the changing and increasingly more complex needs of the children and young adults, but also by the demand for our services and the need to accommodate more young people with complex needs.

These drivers underpinned planning for the Dream Centre, new car parks, the new music studio and staff room. They are investments that benefit everyone in the Foundation – children and young people, families and staff. They are also investments for the future. They are a necessary part of positioning the Foundation at the forefront of education and service quality and support our position as influencers and leaders in working with this very complex client group.

School

We are very proud that the School continues to be 'Outstanding' for the fourth time running. The Headteacher's pioneering Chailey Heritage Individual Learner Driven Curriculum has gained a national reputation and Simon Yates has been involved in debating curriculum approaches with leading educational figures and Ofsted.

"As your pupils have increased in numbers and in their complexity of needs, so has your school adapted. As a result, in recent years, you have pioneered a curriculum that is bespoke to your school. It builds around each individual pupil by focusing on seven relevant areas of learning. You, your leaders and teaching staff have ensured that this highly personalised, learner-centred approach is at the heart of the school's provision."

Ofsted, May 2019

The registered **Children's Home** received a 'good' inspection from Ofsted in its recent full inspection.

"Staff provide children with good-quality, well-planned care. They are child-focused, nurturing, respectful and treat children with dignity. Staff know children well and form good relationships and rapport with them. Children are offered choice and their independence is promoted wherever possible. They have access to advocacy services and an independent person. Children appear happy and staff are attentive to their needs."

Ofsted, August 2019



We responded to parents' views on school meals by investing in a production kitchen in the Dream Centre and appointing an experienced cook to ensure that all school meals are made "from scratch" on the premises. From September 2020, the pupils are enjoying high quality freshly cooked food.

The standard of food and nutrition was also improved in our bungalows by appointing a housekeeper for each bungalow. As well as preparing fresh food each day for the young people and the staff, the housekeepers have taken overall responsibility for the efficient running of the bungalow.

Once again, this year, thanks to charitable donations, including the Friends of Chailey Heritage, we have been able to offer current and prospective parent support from IPSEA (Independent Provider of Special Education Advice) to prepare and present cases at Tribunal. Parents were very pleased not to have to take responsibility for Tribunals alone. They said that knowledge of the law and legal precedents provided through IPSEA helped make a stronger case for their child. Parents also found that Local Authorities took far more notice of the IPSEA lawyers; as a result, several cases were settled in the parent's favour before the hearing.

This year, following a thorough investigation of several available solutions, we implemented an **Electronic Medication Administration Records** system for pupils and all residential young people. The medical regime of each young person in our care is often complicated and currently 254 medications are administered in school on an average day, 403 on average every 24 hours in our residences for children and a further 331 on average in our homes for young adults. The new system means that staff no longer have to use a paper chart but can read the medicines each child requires from a tablet and then enter the medicines administered electronically.

Staff were involved in designing the new staff room; as requested, it has work and social areas and a vending machine for evening and weekend workers.

Investing in staff and volunteers

The new **Staff Room**, funded by voluntary donations, opened in the Autumn term 2020 and has created a relaxing environment for staff with many attractive facilities. Phase II of the project is to work on the outside space by providing tables, seating, and plants to brighten up the space, ready for the summer.



Since 2017, our HR team has embraced digital recruitment and transformed its practice. As a result, our vacancies are more widely advertised and online. The mobile friendly application process makes it easier for people to apply and has speeded up recruitment. In 2019-20, the HR team increased the amount of induction training new employees could undertake before starting work. This was part of a wider move to online induction training to make learning more flexible for our employees and to encourage consolidation and review.

The online training offer was accelerated in 2020 by the reduction in face-to-face learning necessitated by Covid-19. Clinical training for new staff is critical to service delivery and our Communications team was able to use its in-house digital production facilities to quickly fill the gap, working with Chailey Clinical Services' staff to produce online training. Since lockdown, the Chief Executive has kept staff and volunteers up to date with on-line briefings and the same approach has begun for parents too.

Our retention rates are good and above industry standards. However, because most young people and adults joining our services are more complex than those leaving us and need a team of trained staff, we are constantly recruiting support staff. Demand for care staff in our area is high and therefore it is critical that our salaries remain competitive. We are very aware that working in our services requires the ability to learn complex clinical skills and take responsibility for using these to support individuals with very complex health needs. We want our staff to be well rewarded for this.

The Trustees' annual salary review resulted in cost of living increases in September 2019 for all staff. However, to boost salaries for our lower paid support staff and encourage recruitment, in 2019-20 we developed the Reward Strategy, an initiative to support recruitment of support staff in social care and education by ensuring that our salaries are competitive and supported by a valuable benefits package. Although Trustees and Governors agreed a 1.5% cost of living increase for all staff in September 2019, the Reward Strategy aimed to boost the hourly rate for support staff to increase recruitment and retention. Simplifying the salary scale to create a single scale for everyone made it easier for school staff to take shifts in social care, both meeting service needs and boosting their annual salary. The single scale was introduced for new staff in Summer 2020 and from September 2020 for existing staff.

A strong digital recruitment presence, the impact of the Reward Strategy, and the easing of lockdown meant that by August 2020, we started to see results and vacancies reduced substantially in Autumn 2020.

We continue to have an active apprenticeship programme giving people the opportunity to develop their skills 'on the job'. We currently have five people in a range of apprenticeship roles including our Communications and Marketing Manager, who is following a Marketing Manager higher level apprenticeship course.

Staff wellbeing is a high priority for us. Working in any of our services can be intense and, with the Covid-19 pandemic hitting halfway through the 2019-20 year, it has become more demanding than ever. We recognise that it is important to help staff take care of themselves and others and are consistently looking at ways to help our staff cope with the pressures of life, whether at work or at home. Our Employee Assistance Scheme is an important part of this and we are building on our support for staff mental health and wellbeing.

Investing in our Estate



Since its grand opening by HRH The Duchess of Cornwall in October 2019, **the Dream Centre** has widened the opportunities for the young people with its cutting-edge immersive space, huge stage for drama productions, a sports hall and built-in trampoline for rebound therapy. It is an extremely well-used resource with a timetable of sessions which are fully booked, allowing all the young people on site to make use of its facilities. We have featured the Dream Centre on page 25 in the spotlight on our specialist services.

Thanks to the support of many donors, the Dream Centre has been an invaluable resource during lockdown, providing much needed additional space for socially distanced lessons and activities for residents outside the school day.

Lockdown during the Spring of 2020 temporarily halted new construction projects such as the staff room and additional car parks, but they were back on track as soon as lockdown eased.

The Trustees accepted that building additional **car parks** on site is essential for the safety of the pupils, young people, parents/carers and staff. This large one-off expenditure will impact on the Charity's reserves and capacity to pursue other capital projects in the short term. However, new car parks are also an important investment for the future, enabling the charity to grow its current services and develop new ones. Both car parks were completed and ready for use by December 2020.

Tender prices for the new **music studio** were higher than expected and so the project had to be delayed until sufficient funds have been raised. Our aim is to provide a state-of-the art studio, fully accessible for the needs of young people with complex physical

needs. Excellent acoustics, comprehensive hoisting and adapted musical instruments and other technical aids will remove barriers to music creation for them.

2019-20 saw the achievement of a longstanding ambition to **extend the lease** on the site. The property of the Charity, founded in 1903, passed to the newly founded NHS in 1948 and in 1993, part of the site containing the school was leased back to the Charity. In August 2020, negotiations were finally completed with our landlords, Sussex Community NHS Foundation Trust (SCFT), to extend our lease. This new lease gives the Charity the security to remain on site until 2143. The Charity has ambitions to own its part of the site and has secured agreement from SCFT to explore this.

In August 2020, negotiations were finally completed with our landlords, Sussex Community NHS Foundation Trust (SCFT), to extend our lease. This new lease gives the Charity the security to remain on site until 2143.

The new lease allowed a change in use for the **Bradbury** building. This building, generously donated by the Bradbury Foundation in the 1990s, was no longer suitable for direct service delivery. To ensure this valuable resource was well used, it has now been repurposed. Its location close to the residential bungalows makes it perfect as a base for the Social Care Managers and their admin team, as well as for the nurses from Clinical Services' Residential & School Nursing Team.



The office space occupied by the admin team has been refurbished and used by **Hub** clients from January 2021, providing much needed space. Together, the investment in the estates has been a creative and cost-effective solution that will both improve quality and keep up with rising demand for adult services.

Due to Covid-19, our Director of Social Care was forced to move all the young people into single rooms, which has sadly resulted in a reduced capacity for families requiring our residential services, including short breaks. It is important to reinstate residential capacity to keep pace with demand and Trustees have agreed, in principle, to begin work on planning a **new state-of-the-art residential home** via a capital appeal, which will be launched in Autumn 2021.

The summer of 2020 saw **the garden for Orchard and Willows**, our residential bungalows for young adults, complete with accessible paths, skittle alley and swing. This was all made possible by a generous donation. The planting was expertly carried out by our team of gardening volunteers.

"The new garden has made such a difference to the lives of the young adults living here. It is now safe for wheelchairs as it is on one level and the swing and bowling alley were a great success during the fine weather in the summer."

Tracey Turner, House Manager

Patchwork Farm continues to be a fabulous resource for the young people, and it has proved to be even more valuable during the pandemic, allowing the young people to spend time outside, exploring this constantly changing environment. For 2020, the Farm Manager has expanded these new opportunities with raised beds for growing vegetables and herbs. The facilities for animals were also improved with new hardstanding and shared grazing.

More grazing land is necessary to accommodate new animals for the farm and for our ponies. The Trustees have secured a lease with Chailey Parish Council for the paddock adjoining Patchwork Farm and the Fundraising team has committed to funding the land improvements to ensure the new field provides good and safe grazing.



Chailey Heritage is increasingly seen as a preferred residential provision for families needing 52-week provision by Clinical Commissioners, as well as Education SEND teams. As most 52-week placements are direct referrals, there are fewer tribunals. Demand for placements in Futures, our post-19 residential transition service, is also high.

Unfortunately, growth has been severely hampered in 2019-20 by the Covid-19 pandemic. Although the pandemic increased demand for respite and 52-week placements, our ability to offer places has been restricted by the immediate need to accommodate all residents in single rooms to reduce potential Covid-19 transmission. This reduced residential capacity overall by around 20% has meant that we were unable to accept new residential referrals in 2020 and to continue the same short break offer. Fortunately, by working collaboratively with Chailey Clinical Services, it was possible to meet the most urgent needs for residential placements for existing residents.

The Charity already had a plan to move to single rooms by 2024 and are moving forward with plans for an exciting new residential development. However, for the next 3-4 years, capacity for new residential pupils and Futures' residents is likely to be limited and dependent on current residents moving on.

Unfortunately, this change in residential capacity also impacts on the school and this, together with the multiple effects of Covid-19, meant that admissions were lower than planned. Demand continues to be strong, but placements are taking longer to complete.

The closure of our short breaks service because of lockdown had a serious impact on families. Fortunately, our domiciliary service, **Pathways**, was able to offer some of these families much needed respite through homecare packages.

CQC rated Pathways as 'good' at its inspection March 2020.

"People were treated with kindness and care. People were supported to make decisions about their day to day care and support. People's independence was promoted. People's privacy and dignity was respected. People were supported by staff who knew them well and had shared interests. Care plans were regularly reviewed to ensure they received the right support. People were supported to follow their interests and their communication needs were assessed and understood by staff. The service had a positive and person-centred culture. Staff were proud to work there. Staff felt well supported by the nominated individual and their colleagues. A quality assurance framework supported the continuous improvement of the service."

CQC, March 2020

A larger, more flexible workforce and a new registered manager means Pathways is poised to grow and develop further in 2020-21.



The **Holiday Club**, fully funded by donations, is now part of our social care services and forms part of the respite offer for families and young people. The holiday club in the summer holidays of 2020 was able to expand to meet demand from families and especially those who had been shielding from March to August due to Covid-19.

The Hub, our day service for young adults, was growing steadily at the beginning of 2019-20 with a good pipeline of referrals. Unfortunately, it was necessary to close the Hub at the beginning of the Spring 2020 lockdown and, when it reopened in the summer, numbers had to be limited to allow social distancing. In response to the urgent need for more spaces to meet demand while remaining Covid secure, plans for new Hub accommodation were developed in summer 2020 and implemented in the autumn. The service now has capacity to develop further and meet local demand for meaningful day activities for individuals over 18 with complex disabilities and health needs. How far the Hub is able to offer services to new clients in 2020-21 will depend on how the pandemic develops but, longer term, the Hub is well set up to grow.

Until Covid-19 hit in March 2020, both **the Life Skills Centre (LSC)** and **Hub** were in great demand as part of a package of care and support by young adults living in residential settings, supported living or with their families. The LSC offered an increasingly extensive range of activities during the week with rebound therapy included in the gym offer and swimming, drama and music therapy sessions developed, which have been very popular.

94

Number of pupils in the School

4602

Number of hours delivered by Chailey Heritage Pathways

6174

Number of children in Chailey Heritage Residential – bed nights

6919

Number of sessions provided in the LSC

1940

Number of sessions provided in the Hub

5730

Number of young adults in Chailey Heritage Futures – bed nights

Meet Rosie



"The LSC helps Rosie to maintain her physical and mental wellbeing and socialise with other people her own age. Activities like art are adapted for Rosie so that she can participate, and being physically active through activities like swimming, rebound therapy and the gym increases her circulation and stops her seizing up."

Becky, Rosie's Mum

Rosie is 25 years old and is a sociable, happy and engaging young lady with a wicked sense of humour! Rosie enjoys coming to the LSC to access activities she loves such as swimming and rebound therapy.

Rosie was born with Rett Syndrome, a rare neurological disorder affecting mainly females and very few males. For Rosie, this means that she needs 24/7 one to one care and is completely reliant on those who look after her and know her well enough to understand her needs.

Rosie understands a lot of what is happening around her and is incredibly good at communicating her needs in her own unique way through vocalisations, facial expressions and eye movements such as blinking to say yes and no. According to her Mum, Becky, those who spend any amount of time with Rosie quickly get to know her cheeky personality and find time in her company really rewarding, saying that they get so much back from being with her.

Rosie has been attending the LSC for six years. Her Mum, Becky explains that it is the variety of activities that Rosie has access to at the LSC that makes such a difference, as she gets to access things she can't access anywhere else under one roof including the gym, spa, swimming, sauna, rebound therapy, cookery, art and the sensory room. It is the mixture of physical and mentally stimulating activities that is so unique at the LSC and what makes it really special according to Becky. "There are no other day services that have the facilities that the LSC offers all in one building and it just doesn't have that clinical feel like other places, instead it feels vibrant and fun."

For Becky, knowing her daughter is enjoying herself at the LSC, with dedicated staff who adapt activities to engage and entertain her, is so valuable.

In terms of Becky's hopes for her daughter's future, her priority is that Rosie continues to access a range of activities and experiences. "It's about providing variety, flexibility and understanding that not everybody is the same, so experiences adapted and tailored to individuals and their specific needs. This is what the LSC does so well and why it is such a lifeline for young people like Rosie."



Chailey Clinical Services

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables them to receive wraparound care from a team of doctors, therapists and other clinicians 24 hours a day. During the pandemic, we have worked closely with our partners, initially with a daily call to problem solve and interpret guidance. Chailey Clinical Services is part of Sussex Community NHS Foundation Trust (SCFT) and they were instrumental in helping the Charity source PPE at the beginning of the pandemic in Spring 2020. Being able to escalate urgent issues to the Trust has been critical in managing Covid-19 safely on site.

Changes in management teams, good support from SCFT managers and working closely together through the Pandemic, have strengthened, and renewed the partnership. This improvement facilitated negotiations to extend the lease for the site.

Greater transparency and mutual understanding, particularly around staffing and clinical training, have also helped. A review of the residential and school nursing team (RSNT) led to a stronger skill mix, more aligned with the increasing complexity of young people's needs, and to much better nurse recruitment and safer staffing levels.

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people.

SCFT's pharmacy team and CCS managers have been critical to the successful introduction of the new system for the electronic medicines administration record (EMAR). This project was jointly agreed in 2017/18 and, after numerous management and technical delays, was rolled out in 2019-20 to our residents. The pandemic delayed its adoption in school, but the system is now fully operational in school and residential services, supported by a medicines management technician employed by the Foundation.

Clinical training continues to be a challenge, particularly as changing Covid-19 constraints affect how training can be delivered. However, a better understanding of demand and changes in delivery are beginning to make a difference.

Parents are one of our most important and valuable partners. They are very pleased overall with their child's placement at the Charity and have told us how being at Chailey Heritage has changed the lives of their child and the whole family through a film and co-produced case studies - **www.chf.org.uk/changing-lives**. Parents have been increasingly involved in fundraising for the Charity and are also 'ambassadors' by recommending our services to other families.

"At the end of the school day, we'll read Sam's diary and see photos of what he's been doing. We are constantly amazed to find out about the new things he has been discovering. He enjoys horse riding, loves Patchwork Farm, and especially likes using the computer. We are just so grateful for his progress at Chailey Heritage and extremely proud of everything he has achieved."

Vicki, Sam's Mum

Sharing our facilities is important to the Charity and is part of our public benefit. Our fabulously equipped hydrotherapy pool is hired out to two swimming groups for children at the weekends. Covid-19 restrictions have affected our ability to offer pool use on occasions and, sadly, plans for the community to use the Dream Centre have been halted due to Covid-19. We hope to resume and develop community use in 2021.

Corporate partnerships

We have a number of corporate partnerships which provide support to our fundraising activities; these are mentioned on page 36.



The School continues to be at the forefront of SEND pedagogy and is seen as a centre of expertise and a leading practitioner in the field of children with neurological disabilities, communication, mobility and managing complex health needs. Three of our specialist teachers attended the 'Best of British' special school conference in London to showcase and demonstrate how the pupils at Chailey Heritage make progress. The response from the audience and on social media demonstrated the impact of their presentation.

Until lockdown in Spring 2020, the school had weekly visits for SEND professionals from the UK and abroad, as well as contact with Ofsted's leads for SEND. The pandemic curtailed these, as well as an advisory trip to Ireland and in-person support to two special schools, where our Headteacher has a school improvement role.

Our School is a pioneer in **Relationship & Sex Education (RSE) training** for pupils with complex physical disabilities. To increase our ability to share this with other schools, we took part in the National Association of Non-Maintained and Independent Special Schools' (NASS) Incubator project. This year's programme, developed in partnership with the Young Foundation, is intended to support NASS schools to develop and share their specialist expertise with the sector. Combining the learning from the project with the Foundation's marketing and business development skills, we now have a range of courses and materials for SEND practitioners working with young people with complex needs. The training packages have been adapted because of the pandemic and can now be delivered online. This is particularly relevant to special schools needing to deliver on the new RSE requirements from September 2021.

As a supporter of the **Disabled Children's Partnership (DCP)** **https://disabledchildrenspartnership.org.uk/**, the Charity was involved in their campaign #leftinlockdown, when 4,000 families of disabled children were asked how they had been impacted by the lockdown. In 76% of cases, the vital care and support they relied on had stopped altogether, leaving parents and young siblings taking on all care responsibilities around the clock. These views were shared with Government.

Senior members of staff are well connected. The Headteacher continues as an Ofsted Inspector for Special Schools. Senior team members sit in a personal capacity on SEND, Mental Health and PIPs tribunals and are active members of national special interest groups. The Chief Executive was re-elected onto NASS Council and, for 2021, will be the Vice Chair.

The team from Portsmouth University and Dr Martin Langner were named winners of the IET Award for Excellence in Creating a Smarter World and the Digital Health and Social Care International Innovation Award during a virtual ceremony held on 19 November 2020.





Our resident engineer and research fellow, Dr Martin Langner, has been collaborating with fellow engineers and scientists at the University of Portsmouth to develop digital systems that allow young people with the most complex physical disabilities to navigate their environment as independently as possible. The team from Portsmouth University and Dr Martin Langner were named winners of the **IET Award for Excellence in Creating a Smarter World and the Digital Health and Social Care International Innovation Award** during a virtual ceremony held on 19 November 2020.

The autumn awards' season continued for our Charity with the Dream Centre winning both international and local awards. It received international recognition from the Themed Entertainment Association (Thea) in its highly prestigious annual Thea awards. The Dream Centre will receive the **Thea Award for 'Outstanding Achievement – Immersive Design for Special Needs Guests'** as part of a virtual ceremony to be held in 2021. It finds itself amongst some of the highest profile brand names in the world; previous winners have included Universal and Disney World.

Matt Barton, CEO of 7th Sense, who designed the installation in the Dream Centre, said:

"The Dream Centre is unlike any project we've worked on before. From the very beginning, it's been an incredible process to be part of a team that has worked so hard to bring a vision to life! We set out to provide Chailey Heritage with a creative toolbox and the young people and staff at the Charity have embraced this, continuing to find new and inventive ways to use the technology and the space, which is what this is all really about. It's a wonderful achievement to see how the Dream Centre is creating incredible and memorable experiences. The awards are truly well deserved, and a reflection of the dedication of everyone involved."



The project was also named **'Education Project of the Year' by AV Magazine** in their 2020 AV Awards put forward by Teecom and 7th Sense who collaborated and supported the Dream Centre installation.

These awards not only illustrate the innovative qualities of the specialist facilities our young people use every day but also illustrate to other schools how technology, combined with a deep understanding of how to modify the barriers faced by young people with complex needs, can have a really significant impact on their learning and experiences of the world.

We are very fortunate in the generosity of our supporters and donors, as well as the specialist skills and knowledge of our staff, that puts us at the forefront of specialist provision and with the capacity to share that with other practitioners.

Summary

This is the final year of the current strategic plan (2017-20) and we are now planning for the final four years of the 10-year plan, taking the Charity to 2024. 2020-21 will be focused on resetting services, accommodating and adjusting to the new world that Covid-19 has created and ensuring that the Charity is ready for the future. The detail around this recovery is set out on page 43.

2019-20 highlights & achievements timeline



Official opening of the Dream Centre by HRH The Duchess of Cornwall



Futures take to the water for a powerboat ride with Wet Wheels Solent



Table Cricket League launches – joint project CHF & Sussex Cricket Foundation



Peter Pan and Delores from Brighton Panto make an appearance at our panto

Pupils take part in the annual County Boccia competition at Angmering School





Pupils enjoy 'We're going on a bear hunt' in the Dream Centre in a totally immersive environment

September 2019

October 2019

November 2019

December 2019

January 2020

February 2020

Rhys from Focus Group shaves his head and raises over £13k





Business Women Excellence Awards evening raises £1,600 and provides some new corporate partners

The Big Give Christmas Challenge raises £18k for Innowalks





More Radio and listeners donate Christmas presents to young people

Young adults are given a private tour of Brighton & Hove Albion's stadium



Ashley completes his marathon walk in the Life Skills Centre



14 take part in Brighton Marathon including 6 members of staff





Chailey Heritage Pathways rated 'Good' by CQC



Chestnut bungalow raise £750 in a 2.5k powerwalk wearing full PPE

Chailey Fest





Pupils in Seymour Department travel a combined 31.7 miles in Sport Relief Week



Focus 10k takes place virtually and becomes Focus 10 Stay

Celebration Day Parade on site



March 2020

April 2020

May 2020

June 2020

July 2020

August 2020

Futures take part in 'It's a Special Knockout' hosted by local Lions Club





The Tupper and Turner families raise over £10k taking part in Focus 10 Stay



Pupils shielding join in Celebration Day from home





New Innowalk arrives in Life Skills Centre



Chailey Heritage Futures visit London Zoo virtually because of Covid-19



Sussex Community Foundation donates £2,500 to fund activity kits during Covid crisis

Meet Anastasia





Six-year-old Anastasia started at Chailey Heritage School in September 2018. When she joined, she had minimal controlled movement and very little speech. Less than two years on and with appropriate medication, she is making huge progress. Hippotherapy has been a great motivator for Anastasia.

Initially, very nervous about the horses, Anastasia's teaching assistant simply took her to meet them. At that time, she wouldn't even put her hand out to stroke them. But over time and with the staff's patience, she developed sufficient confidence to stroke their fur.

After several weeks, Anastasia took part in her first riding session, with the hippotherapist sitting behind her for support. At moments she seemed to enjoy the session, but during a subsequent four sessions, she cried as soon as she mounted the horse. Staff had noticed however that she always seemed excited when she knew she was about to head to her riding sessions, so were sure that she was still keen to give it a try. In the fifth session, the hippotherapist gave Anastasia the chance to ride Millie, our smaller pony, with support from the ground, rather than on horseback. Unfortunately, once hoisted onto the pony, she cried again almost immediately. The hippotherapist and her teaching assistant remained resolute, convinced that she wanted to ride and, in her final session before the end of term, the team tried once more. On this occasion, Anastasia finally completed a session with Millie without any tears, even managing to carry out activities such as taking bean bags to cones.

A year on, horse riding is one of Anastasia's favourite weekly classes and she even recently started trotting. Not only has her confidence significantly developed, but her physical ability and use of her voice have also vastly improved. She sits well with her head up, her arm control has improved, and she will often collect hoops and bean bags from the staff during her sessions without falling forwards. She also kicks her feet and says "walk on" clearly to the pony.

"The pleasure and excitement of riding is wonderful to see. With limited options for exercise due to her physical disability, it is a wonderful sensory experience, so important to her wellbeing. She loves horse riding and gives one of her wonderful smiles when we talk about it after school."

Cristina & Valentin, Anastasia's Mum & Dad

Spotlight on our specialist services





Our specialist services are so important to the young people as they provide opportunities and experiences not available to them elsewhere. The children and young people we care for have life-limiting conditions and we believe they should have every opportunity to make the most of their short lives. We receive fees from Local Authorities and Clinical Commissioning Group for the core costs of the young person's placement with us and therefore our specialist services are funded by voluntary donations.

Hippotherapy

Hippotherapy or therapeutic horse riding, is a form of physiotherapy. It uses the movement of a horse to support each child's physical development whilst out of their wheelchair. It has been an integral and growing part of our services for over 30 years. The benefits can be invaluable, hugely assisting with development of muscle strength, head and trunk control, balance, and coordination. The opportunity to feel and smell the fur of a horse provides a unique sensory experience for many of the children who have visual or hearing impairments, connecting them to the world around them. The children are encouraged to give a command to instruct a horse to move using different methods, which may include their voice, thereby not only encouraging understanding of cause and effect but also helping those with limited verbal communication to develop their vocal abilities. Our riding programme was one of the first in the UK to enable a child on long-term ventilation to benefit from this form of therapy, an achievement of which we are extremely proud.

42 pupils have been able to participate in hippotherapy this year.

It costs £75k to run hippotherapy each year, funded entirely from voluntary donations.





Weekly sessions are led by a qualified Hippotherapist, who is a Chartered Physiotherapist and has additional qualifications in the use of the horse within the treatment. The demand for this type of specialist therapy has increased and we now have three Hippotherapists. None of our riding sessions would be possible without our many volunteers who provide essential support to the Hippotherapist, both with the ponies and whilst the session is taking place.

Patchwork Farm

Patchwork Farm is our fully wheelchair accessible, on-site, therapeutic farm, offering the children and young adults an interactive, multi-sensory, outdoor learning experience. Currently, the farm is home to pigs, sheep, hens, ducks, goats, donkeys together with smaller animals, such as guinea pigs and tortoises. Given our rural location, and the complex health needs and disabilities of the young people, any day trips into the community can be limited so having a farm on site, gives the young people opportunities to interact with animals on a regular basis.

Opened in June 2017, every element of the farm has been specifically designed to meet the needs of the young people we support. All of the animal paddocks are fitted with four-foot gates for wheelchair access directly into the animal enclosures. Concrete paths and the outdoor learning centre allow visits all year round.

Patchwork Farm costs around £45k each year to run and relies on voluntary donations.

All pupils who attend the School have a lesson on the farm included in their weekly timetable. They are able to get close to the animals, to touch and feel them, while encountering new smells, sights, textures and sounds. They may spend time feeding them or even collecting eggs, often using specially developed switch-activated mechanisms suitable for those complex physical disabilities. When pupils cannot make it to the farm, our Farm Manager takes the animals to the classroom. It is not just the guinea pigs and tortoises that are popular visitors but hens, the pigmy goats and Shetland pony.

Meet Henry





"A recent trip to a garden centre was a huge success for the whole family and Henry was actually able to stay calm enough to drive his own powered chair around the centre, rather than relying on an adult to drive him around constantly in order to keep him calm."

Caroline, Henry's Mum

Eight-year-old Henry really struggled with being in any environment that was new to him, especially outside of the classroom which he regarded as a safe zone. This affected his family, as the activities that they could enjoy together were limited. Visits to the farm were difficult for him as he became extremely distressed each time they were attempted.

When Henry met the Farm Manager, he would cry – this happened even when he bumped into her away from the farm, as he associated her with the farm itself. Over the next few months, the animals were brought into the classroom for Henry to meet in a more familiar environment. The breakthrough happened on a visit to the farm months later when Henry's team tried pausing for him to look at the pigs – and for the first time he laughed. Since then, Henry has begun to pause and look at various other animals and can now look at them happily for short periods, even touching and holding them.

Visits have become a routine, which is incredibly important for him and has made them easier for him to accept. One of the goals in Henry's learning plan was 'to regulate emotions with fading adult support in new situations and environments'. Now that he is able to cope with the farm environment itself, he has been able to further develop his skills and has a new goal 'to follow one adult-led instruction in an outside location'. His progress in this area has been of great help to his family too as he is now able to enjoy a wider range of environments outside of home and school.

Farm sessions are tailored to each pupil to support their learning targets within the CHILD curriculum. They also provide opportunities for personal development, such as helping to look after animals that 'move and grow', an aspect of personal development that is not easily available to these young people and yet is an essential feature of growing up.

The tortoises have been a huge hit, providing a very different sensory experience which has encouraged individuals who haven't previously engaged with the farm easily to enjoy farm sessions, and have a huge impact on their confidence, how they engage with outside spaces, and the other animals.

The farm is not only important in terms of learning for the pupils of the school, it is equally valued by young adults using our Futures' provisions. The activities for these sessions include handling and feeding animals, cleaning out enclosures, grooming and caring for the animals.

All farm classes and sessions are led by the Farm Manager who is also responsible for the care and wellbeing of the animals. With their need for 365-day attention, the Manager is now supported by a new Farm Assistant, as well as a Weekend Assistant, and a team of volunteers to ensure the animals are well looked after.

The farm has proved a lifeline during the pandemic when the young people who are resident full-time with us were unable to leave the site, without any of the usual summer day trips. It allowed them to have a safe outdoor space, to interact with the animals and enjoy watching the plants grow over the summer. They tended to the sweetcorn, strawberries, courgettes and tomatoes and collected eggs, which they took home to their bungalows.

Aquamovers

Established in 2015, because of a need expressed by parents, Aquamovers is a weekly resource for disabled pre-school children and their parents or carers. Although parents/carers make a small financial contribution each week, most of the funding comes from voluntary donations.

Aquamovers costs around £15k each year to run.

£2k comes from contributions by parents/carers.







It is run by a Specialist Paediatric and Aquatic Physiotherapist as well as a Speech and Language Therapist and gives this group of children a chance to participate in physiotherapy and speech and language support, both in and out of our hydrotherapy pool. Given that children's swimming sessions can be less accessible to those with disabilities, this provides a rare opportunity for the children to experience exercise in a swimming pool environment. The sessions are also vital for parents and carers. It is a relaxed environment in which they can gain specialist advice, as well as build a strong peer-to-peer support network.

"I would like to thank the group and therapists for their support and input. As well as making new friends and meeting parents in similar circumstances, the group is a fantastic opportunity to learn more about supporting our children. This is the only opportunity we have to have specialist input in the water and the children really benefit from it!"

Joey's Mum

Dream Centre

The Dream Centre was officially opened in October 2019 by HRH The Duchess of Cornwall, after a three-year appeal to raise £3.3m. The project involved converting and extending our dilapidated 1950's Assembly Hall into the cutting-edge, multi-purpose sports, drama and activity centre we have today. This project would not have been possible without the incredible support of many trusts, foundations, livery companies, local businesses and members of the local community.

We hosted the inaugural 'Chailey Games' in the new sports hall, with 48 competitors taking part across five disability sports. All the department's Christmas plays in 2019, including the Hanbury Panto, benefitted from the enormous stage, enabling the young people to perform in front of an audience for the first time. The immersive space has proved an invaluable resource for our teachers and their pupils.



Meet Mark



The Dream Centre won two prestigious awards at the Themed Entertainment Association Awards and was named 'Education Project of the Year' by AV Magazine.

Mark Elms is the Content & Programme Developer for the immersive space in the Dream Centre. Since his appointment in 2019, he has expertly created incredible audio-visual content, enabling young people to have unique access to environments through life-size videoscapes with sound, intensified by touch and smell.

Stories are brought to life for the young people. 'We're Going On A Bear Hunt' has become a huge favourite, as the young people get to feel like they are actually participating in the story. In addition, bespoke content is created for individuals specific to their learning needs, capabilities and goals, or to simply connect them to something that they have shown an interest in e.g. being at a football stadium with the crowd, noise and smell of hot dogs! Bertie's love of Harry Potter saw Mark create a game of Quidditch in the clouds played on a hoist. Although Bertie's vision comes and goes and his movement is extremely limited, he clearly loved this experience which was part of his holiday club activities.

The immersive space is timetabled to offer a minimum of ten slots of 30 minutes per day for the young people across the Foundation throughout the year. In addition, music and entire stage backdrops are created for regular drama sessions, where castles, enchanted forests and dramatic weather scenes allow the actors to see and feel their surroundings truly come to life.

Mark's salary is fully funded by a major trust and, without Mark's expertise, the young people would not be able to take part in the experiences which Mark creates for them, so we are truly grateful for this trust's support.

"Physical changes are attributed to use of the immersive space. One of our pupils was able to improve and stabilise his eye tracking movements by regular use of content specifically created to encourage this. We have found that pupils are also able to understand topics we are teaching much faster in this space and, above all, we are all having fun with it!" Teacher







"Mark has demonstrated his outstanding capabilities in developing creative and engaging scenarios, with the benefits this provides to the young people and teachers. The demand for this work from across the Foundation is now on average at least two pieces per week, demonstrating the enormity of the value placed on the Immersive Space." Helen, Chief Executive

Our people













The Charity continues to increase its dedicated workforce to achieve our aim of providing a stimulating and inclusive environment where all young people are given every opportunity to pursue their potential. Staff numbers on average during the 2019-20 year, amounted to 447 employees, 75 bank workers and 64 volunteers.

Our staff have generally dealt with the Covid-19 pandemic in true Chailey-style, recognising the need for the children and young people to be cared for and educated and rolling up their PPE-clad sleeves to do so.

Over 34% of our staff have been with us for more than 5 years.

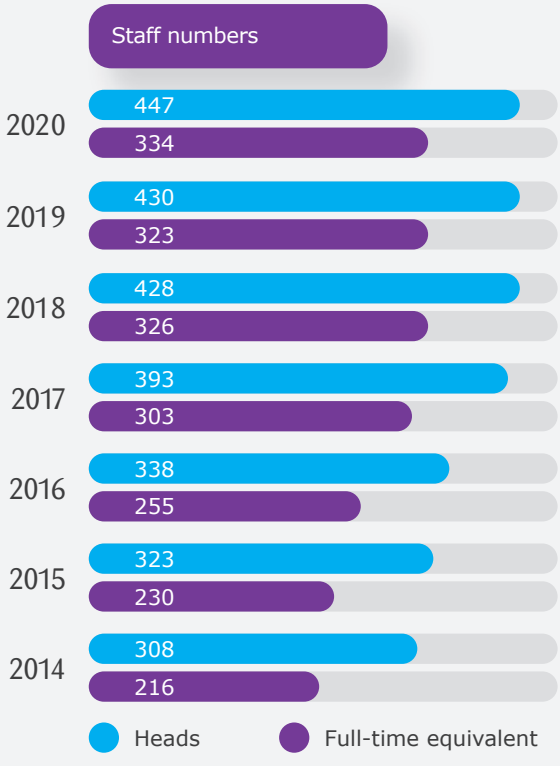
We thank all our staff for their continued dedication, for the tremendous work they are doing to ensure that services can continue wherever possible and for always putting the children and young people first. The strength and commitment of the residential staff and school staff (and our 'bank' team), who took shifts in the residences, enabled us to maintain services to our 52 week residents throughout lockdown and, in particular, to minimise agency use and hence limit potential sources of infection.

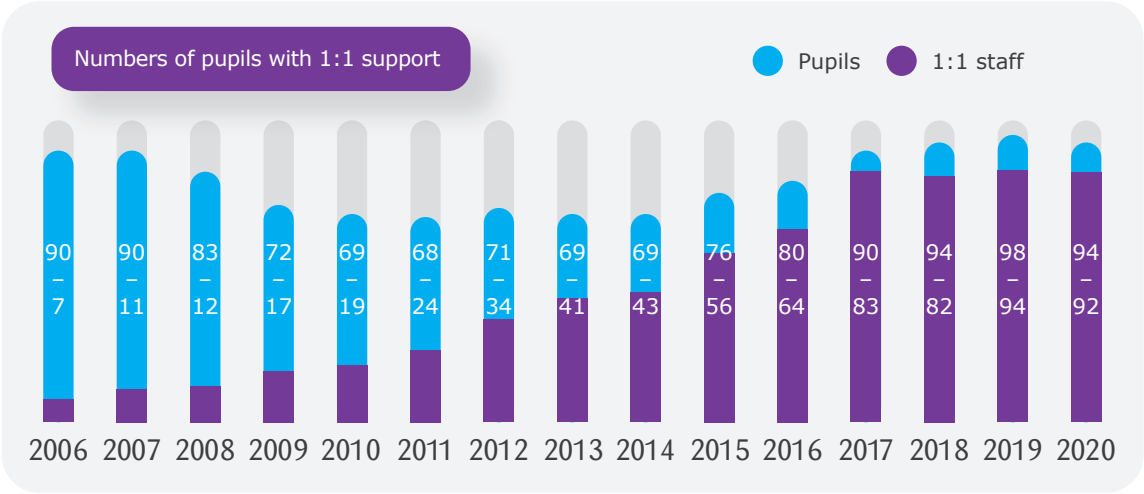
Since the 10 year goals were set in 2014, our headcount has increased year on year as a result of an increasing number of children and young people using our services and the ever increasing complexity of their needs; most now need one to one support.

Staff turnover continued to be low in 2019-20 with many areas lower than the industry average. Over 34% of our staff have been with us for more than 5 years and have received their Appreciation Award which recognises the dedication of those employees who reach five yearly milestones throughout their careers with us.



80% of our expenditure is for staff





Focus on… Martin Langner – who celebrated 30 years' service in 2020

30 years ago, just to put it in perspective, people were still writing letters. If you wanted to make a call when you were out, you had to use a public phone box and photographs had to be sent off to be developed!

It is under the auspices of those glory days, that we congratulate Dr Martin Langner on commemorating 30 years working at Chailey Heritage Foundation. This is an incredible achievement and Martin has been an integral part of changing the lives of so many children and young people over that time. But Martin has not stood still; he is now on a part-time two-year secondment as a Research Fellow in Rehabilitation and Electro-Mechanical Technology for Powered Wheelchairs, at Portsmouth University. We have no doubt that Martin will continue to contribute an enormous amount to the success of the Foundation going forward and we would like to thank him for the 30 years he has dedicated so far.









Volunteers

Numbers of regular volunteers remained stable during 2019-20 and there were 64 regular volunteers across the Foundation. Covid-19 has affected our ability to use the wonderful team of volunteers who support so many of our services. This is particularly true for the Fundraising volunteers who help with collections and events since these all but ceased in 2020 due to Covid-19. We are very much looking forward to welcoming all our volunteers back as soon as we can.

Governors and Trustees have adapted extremely well to the new online way of carrying out meetings and Governors' focus visits to services will also be conducted virtually. The flexibility that online meetings offer to Governors and Trustees, especially those living some way from North Chailey, suggests that in the future, Board meetings and training will include online options, alongside face to face.

Disability Confident

We moved up the scale from being 'Disability Confident' to being a 'Disability Confident Employer', ensuring that disabled people and those with long-term health conditions have the opportunities to fulfil their potential and realise their aspirations. During 2021, we will work to reach the top tier of the scheme, 'Disability Confident Leader'.

Fundraising





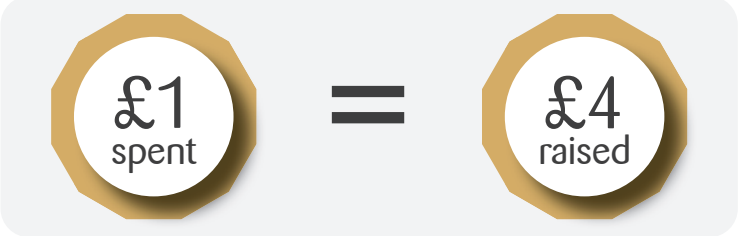
Thanks to the generosity of our amazing donors and supporters, we were able to complete the £3.3m Dream Centre Appeal in time for the Royal Opening by HRH The Duchess of Cornwall in October 2019. The new multi-purpose space provides the young people with an indoor sports arena, a stage for drama and musical performances, rebound therapy using a trampoline sunk into the stage, and a state-of-the-art immersive experience zone.

The Dream Centre hosted its first Christmas pantomime, Peter Pan, in 2019 and the young people were treated to a visit by Peter Pan and Delores, the Mermaid, from the cast of the Brighton Family Panto.

Since the Coronavirus pandemic, when we had to close the Foundation to external visitors, the centre has come into its own. With social distancing, space is at a premium, and we have been able to create two additional classrooms using the sports hall, as well as being able to continue with other activities on the stage and in the immersive zone using the semi-automatic acoustic partitioning.

Excitingly, the cutting-edge technology in the Dream Centre won two prestigious awards at the Themed Entertainment Association awards. The project was also named 'Education Project of the Year' by AV Magazine in their awards. It was also Highly Commended by the Sussex Heritage Award in the 'Public and Community Award' category.

We are incredibly grateful to everyone who supported this appeal.



Following successful completion of the Dream Centre appeal in the previous year, we continued to raise funds totalling £578k for other purposes (see Note 3 of the Accounts). For every pound spent, we raised £4. Fundraising costs are borne entirely from the Trustees' Unrestricted Reserves.

Voluntary donations

In 2019-20, voluntary donations funded the following resources, experiences and activities for the young people:

Innowalks

Fundraising for three Innowalks was completed during the year. These ground-breaking motion therapy devices enable people with physical disabilities the chance to move their legs and arms, and to exercise out of their wheelchairs. They can be used in both seated and standing positions and offer a range of benefits from strengthening muscles to improved digestion. We now have two Innowalks available for use in our school (one small, one large, to suit a range of heights) and one in our LSC gym.

Patchwork Farm

We continued to raise funds to contribute to the running costs of Patchwork Farm. Aside from the running costs associated with the farm, such as vet bills and animal feed, donations also funded a switch-operated wheel that enables the children to feed the pigs in a fun way, new chicken coops, raised flower beds and compost, and hard standing for our donkeys and a muck trailer.

Hippotherapy (therapeutic horse riding)

Our Hippotherapy sessions are provided to 42 of our school pupils, as part of their individualised curricula. The cost of this service was completely funded through voluntary donations in 2019-20. We also provided private riding sessions for eight disabled young people from the community. The cost of a new stable for an additional pony, training for our Hippotherapists, new lighting and new equipment used for the sessions was also provided by donations.

Renovations to garden for residential young adults

We completed the fundraising needed for renovations to the garden for Willows and Orchard – the bungalows for our residential young adults. This spacious outdoor space with its raised flower beds, wide paths a skittle alley and a wheelchair accessible swing has been extremely beneficial during lockdown and the hot summer of 2020.









IPSEA (Independent Provider of Special Education Advice)

Voluntary donations, combined with support from the Friends of Chailey Heritage, also funded IPSEA, an independent legally based advice, support and training service, which helped families access independent legal advice to ensure their child's Education Health and Care Plans included the support and facilities they need to make progress at school.

Specialist equipment and other resources

This included a loan pool for trikes, a new wheelchair-accessible minibus used for excursions for our school pupils and residential young people, a sail shade for an outdoor space for our day service users, and other resources as required by our service delivery teams. Amongst other things, these have included resonance bean bags, sensory toys and headphones for use in our LSC Multimedia Suite.

Experiences in the holidays

Our holiday clubs, which provide fun activities for the children and respite for families, are supported by donations as well as many special weekend activities arranged for residents by our two activity co-ordinators.

Projects in progress

Music Studio and Staff Room

Thanks to voluntary donations, we were able to refurbish a new space for our staff and we have raised funds to improve our music studio. Fundraising for the new music studio is ongoing and we aim to complete the work in 2021.

Garden of Celebration

We completed the fundraising for our new Garden of Celebration and construction is to begin in Spring 2021. This onsite tranquil area will provide a space where we can remember all those who have enriched our community and sadly passed away – whether that be a pupil, a young adult, a volunteer or staff member, or a supporter who generously left a gift in their Will.

Vision Fund

In 2019, Trustees agreed that the Charity needed to develop a new income stream to raise more unrestricted income to support and invest in the work we do.

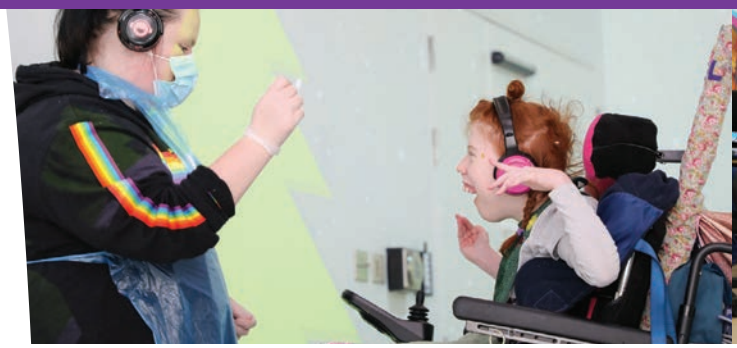
In 2020, we set up the Vision Fund with the aim of increasing unrestricted income over the next five years to a level where we not only have the capacity to continue what we do now, but are able to develop new opportunities for the future, as well as to share our expertise and new innovations with a wider community.

Some examples of how the Vision Fund will support our strategic aims are:

- Innovation – seed funding for semi-commercial opportunities to benefit the wider community, such as table cricket.









- Research and Development – our engineering team, which has partnered with University of Portsmouth, won two awards for excellence and innovation in 2020 (see page 17).

- Digital Ambition – moving our digital infrastructure and systems forward with a new booking system and an Electronic Medicine Administration Record system (EMAR).

- CSR/Social Value/Public benefit – such as Aquamovers (swimming and therapy for 0-3 year olds) and IPSEA (legal support for parents of disabled children facing tribunals).

- Upkeep of Buildings/Repairs & Maintenance – preservation of historic and listed buildings on site.

- New Business Development – possible off-site accommodation development for young adults. Environmental Initiatives – electric car charging in the car parks, renewable energy solutions for hydrotherapy pool (lighting and heating) and bio-diversity on our farm and estate.

We are now looking for partners who share our vision of the future and who can help to provide the investment needed, so that the Charity can continue to innovate and support young people with complex disabilities well into the future.

In spite of the Pandemic, which initially impacted on our ability to develop this new initiative, we are extremely grateful to the investors who have already come forward to pledge their support and hope to build on this success in the years ahead.

The Impact of Covid-19

Covid-19 not only impacted on how we raised funds, causing us to rethink our fundraising activities, but also how we prioritised what we could fund. Below are some examples of the resources that were funded by our donors to ease the impact of Covid-19:

- additional slings used in our hippotherapy sessions, in order to minimise sharing of equipment and reduce risk of infection spreading;

- pamper gifts for staff and visors were received from Weleda, PVL Group and Ricardo;

- funds to support with running costs of Patchwork Farm from Zurich Community Trust

- silent disco headphone sets, enabling residential young people to enjoy a nightclub-style experience whilst unable to go on excursions offsite.

With many of our events cancelled, including those organised by our supporters, we had to adapt our fundraising activities. In place of the live Focus 10k running event, we hosted a virtual alternative, which raised more than £30,000, thanks to our sponsor, Focus Group, who matched funded donations raised. We also maximised opportunities for people to show their support in distanced ways, including setting up a text donate mechanism, registering with 'Give A Car' and 'Ebay for Charity'. Through event partners, we also developed a range of virtual challenge events that were available to our supporters.





The following funders have asked us to mention their support to Chailey Heritage Foundation:

Rockinghorse

Sussex Community Foundation's Sussex Crisis Fund

Sport England Community Asset Fund

The Band Trust

Tim Henman Foundation

Corporate support

In the 2019-20 financial year, we were very grateful to receive support from several companies. Our flagship challenge event, the Focus 10k, saw headline sponsors Focus Group generously support us once again. They also supported us through staff fundraising and volunteering.

We are also very grateful for financial support from the following companies:

ADAVIRTUAL Business Support

Buxted Construction

Candis Magazine

Jackson-Stops Mid Sussex

PGL Brickwork & Scaffolding Contractors Ltd

Sunninghill Construction

Thorne Civil Engineers

Vistry Homes South East

Zurich Community Trust

Five regional solicitors also gave their support for 'Make a Will Fortnight'.

Fundraising Volunteers

In addition to all the other volunteers, we have 60 occasional fundraising volunteers, including three 'Fundraising Lead Volunteers' – all of whom support our fundraising efforts by helping at events and giving talks in the community. Whilst we had to cancel many events due to the pandemic, we reached out to our fundraising volunteers through emails and phone calls. One of our volunteers made face coverings that were sold at independent outlets in Sussex, with all proceeds supporting our work.

Friends of Chailey Heritage

We are very grateful to the Friends of Chailey Heritage, who continue to support us financially with donations towards IPSEA, Celebration Day, Therapeutic Riding and other specialist equipment.

Our commitment to donors

We are committed to best practice in fundraising and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising. We have a Fundraising Policy, which is updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in "Our Commitment to Donors": www.chf.org.uk/donors-commitment.html and our Fundraising Policy and Complaints Procedure.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants /professionals/third parties who are not part of the Charity must be agreed by the Trustees' Fundraising Committee (TFRC) and have the written agreement of the Development Director and Chief Executive prior to use by the Charity. As a matter of policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We occasionally use third party commercial partners to help with some of our fundraising activities, such as our annual running event, the Focus 10k. We have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity's fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

Registered with FUNDRAISING REGULATOR

We take our responsibility towards supporters who may be considered vulnerable very seriously and our fundraising team have been trained to respond sensitively and appropriately to any individual whom they might consider to be in a vulnerable circumstance. All fundraising staff undertake relevant training, such as safeguarding, and our Fundraising Policy and procedures are reviewed regularly. All fundraising activity for the Foundation is supervised, coordinated and directed by the Development Director under the guidance of the Chief Executive and TFRC. The TFRC regularly reviews all fundraising activity of the Foundation, and the Development Director reports to the full Board of Trustees three times a year.

We welcome third party initiatives in organising events on behalf of the Foundation and will, wherever we are aware, ensure that these third parties adhere to the Fundraising Policy and the Charity's Principles for Fundraising.

No complaints were received by the Charity or by a person on behalf of the Charity.

Trustees' report on financial and other statutory matters

The Trustees of Chailey Heritage Foundation are pleased to present their annual report and financial statements for the year ended 31 August 2020.

The report and accompanying financial statements have been prepared under the Companies Act 2006 and the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

Chailey Heritage Foundation is a registered Charity (number 1075837) and also registered in England as a Company limited by Guarantee (number 3769775).

Our Charitable Objects

"The objects of the Charity are, for the public benefit, the education and care of people who have physical disabilities and other complex health needs, particularly but not exclusively children and young persons (the beneficiaries) including the conduct and maintenance of a special school (the School) within the meaning of the Education Acts and of a transition service for beneficiaries."

The Trustees do not expect services for those over 25 years of age to make up more than 10% of our charitable income.

Demonstrating Public Benefit
In shaping our objectives and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. In particular, charities which charge fees for services must demonstrate that those services are accessible to the general public and not restricted by geography or the ability of individuals to pay.

We believe we comply fully with this requirement; our Report on Operations and Strategy includes examples of the public benefits Chailey Heritage Foundation offers and areas in which we believe we are providing innovative leadership to the sector.
The Trustees are committed through their strategic plan to increasingly share our specialist facilities with young people who have complex disabilities and live locally. We are very proud of being able to offer our charitably funded initiatives such as Aquamovers and Hippotherapy to disabled children from the local community. The Dream Centre will also enable more people living locally to benefit from the Charity's very specialist facilities.

Another aspect of the Charity's public benefit is our work in partnership with other charities, helping the most disabled children and their families.

Achievements and performance

Our strategy and performance against our strategic goals is discussed in detail on pages 7 to 17 of this annual report.

Charity's Response to Covid-19

The following response to Covid-19 by Trustees follows guidance issued by the Charities SORP Committee.

1. Impact of Covid-19
The impact of Covid-19 and infection control measures and their impact on the Charity's activities, beneficiaries, staff, volunteers, and fundraising has been explained in the Trustees' report. Overall, although the impact of the pandemic has been significant, particularly for social care services, the Charity has been successful in continuing to deliver most of its services (albeit sometimes in a more limited form). Inspectors from regulatory bodies – CQC, Ofsted and the HSE – reviewed and endorsed our arrangements for keeping beneficiaries, staff, and volunteers safe.

2. Financial uncertainties
The Trustees consider that the Charity continues to be sustainable. There remains a strong demand for its services that has not diminished because of the pandemic. The underlying business is robust.

Most of the Charity's income is from Local Authority (LA) or Clinical Commissioning Groups (CCG) for placements in its services, rather than from fundraising. Although initially there was some uncertainty over funding, Government required LAs and the NHS to continue to contract services even if these could not be fully delivered or had to be delivered differently. This gave Trustees confidence about the sustainability of most of its income from the beginning of the first lockdown through to the end of the financial year 31 August 2020.

However, overall, income was lower than budget because Covid-19 control measures nationally and within the Charity, meant that short breaks, new admissions and some adult services could not be delivered and therefore had to cease. It was not possible to restart these services fully and even into 2020-21, national Covid-19 control measures have limited our capacity to reopen these services.

There was no parallel reduction in staff costs since, to manage staffing pressures from staff self-isolating or those who contracted the virus, all staff, particularly in residential settings, were needed to maintain the service. Absence rates averaged around 20%, more than twice as high as our usual rate. Staff have been deployed flexibly to meet needs and, although it was seriously considered, it was not necessary/possible to furlough any groups of staff. We also ceased using agency staff to reduce the risk of infection being brought onto site.

Infection control measures – especially moving to individual from shared rooms in residential services - compounded the reduction in income since residential capacity was reduced by approximately 20%. This impacted income for 2019-20 and will affect income for the next 4 years until the Charity's plan for additional residential accommodation can be realised. Plans are well advanced, and it is anticipated that outline planning permission will be achieved in the first half of 2021 with the capital appeal beginning in Autumn 2021.

To reflect changes in the cost of placements, residential fees were rebased and LAs and CCGs informed of new fees for 2020-21. A review to streamline social care management structures began in summer 2020 and concluded early in 2021, together with new efficiency measures.

3. Impact on fundraising

There were no major capital appeals during 2019-20 and fundraising for minor capital projects was well advanced by the time the pandemic began. Applications to Trusts and Foundations to complete these were successful, while funding for other projects slowed as donors focused on alleviating the impact of the pandemic and events had to be cancelled. The Fundraising team switched from face to face events to online; thanks to the generosity of our corporate partner and donors, the virtual replacement for the Focus 10k was a success.

The pandemic initially slowed the Charity's initiative to generate unrestricted reserves via its new Vision Fund. In spite of this, we raised £62,000 towards this new fund. An alternative way to engage with potential donors and showcase the Charity's services was also developed. A 'virtual tour' has now been created to be able to show potential supporters around the Charity's services whilst they are unable to come on site.

4. Effect on staff, volunteers, beneficiaries, and implications for Charity's operations

The impact on services, staff and volunteers has been outlined in the Trustees' Report on Strategy and Operations.

The implications of the pandemic for 2020-21 have been hard to predict and Trustees, Governors and senior managers have been very cautious in predicting a return to business as usual during 2020-21. Strategically, 2020-21 was identified as a year for restoring and resetting services, adjusting to the new realities, and ensuring the Charity was ready for the future. Governors and Trustees endorsed the themes for 2020-21:



Keep on track - finishing initiatives we started in 2019-20



Building resilience – within staff teams and families



Continuing our ambition to improve and develop in all areas but especially around quality service and outcomes for young people



Pursuing our digital ambitions



Sustainability – ensuring we prioritise our resources achieve greater cost recovery and effect further cost effectiveness



Be ready to develop – securing new sources of funding and planning for the restoration of lost residential capacity by 2024-25.

The strength and extent of the second wave has been much more significant that anyone predicted, in part because of the new strain of Covid-19 that spreads more rapidly. A further intensification of Covid-19 control measures will clearly have a significant impact on service delivery and income. Short break income will be particularly hard hit and it is likely that, with the exceptions of a few sessional offers, the LSC will need to close, and staff redeployed or furloughed.

Nevertheless, other initiatives have moved ahead. Capital projects were completed in the autumn on schedule and planning for remaining capital programmes can continue even if implementation may be delayed until later in the year. We have agreed on the plans for the new residential accommodation and hope to secure outline planning permission by May 2021 as the basis for launching the capital appeal later in the year.

Adapting quickly to the constraints of the pandemic, the Vision Fund has launched and secured substantial unrestricted donations.

We have also taken the first step in pursuing our digital ambition by establishing an expert reference group, who assisted in the appointment of our first Head of Technology who started in January 2021.

Overall, although we are unlikely to achieve expected income targets for 2020-21 as a result of Covid controls and restrictions, we believe we have adapted and will be well positioned to fully recover and thrive in 2021-22 and future years.

5. Impact on principal risks

The implications of Covid-19 on the Charity's operations has affected the principal risks facing the Charity. For example, securing sufficient staff to run services safely has been one of the most significant risks to the Charity's operation. While recruitment remained difficult during first lockdown, our major concern was that the number of staff infected with the virus, shielding or self-isolating would make it impossible to continue to run some of our services. With careful management, prioritisation, strong infection control measures and, most of all, the dedication and sacrifice of our staff, we were able to maintain most of our services. Through the Reward Strategy, further engagement with digital recruitment and more people seeking employment, the risk in 2020-21 is diminishing. However, it remains a risk in 2020-21 as Covid-19 infection rates continue to fluctuate.

As a result of the virus and the impact on control measures on the Charity's operations and on the economy, interest rates and financial markets, the risk to the Charity's reserves has increased. The capital value of our investments fluctuated throughout the year due to stock market turbulence but our investments have since recovered their value at year end, however they are not generating the income we would usually expect. This factor, together with a much-reduced outturn for 2019-20 and the outlook for 2020-21 being affected significantly by Covid-19 high infection levels during the winter and into Spring 2021, means that target reserve levels will likely not be met. However, the risk is mitigated as the Charity's medium to long term prospects and potential for income generation are good and have been less affected by Covid-19 than some other charities.

On the positive side, it has reduced the risks arising from our partnership with Chailey Clinical Services (CCS) since the pandemic has brought the organisations closer together. Despite the pandemic, some of the outstanding issues have either been addressed or are well on the way to resolution. These closer links have enabled the risks associated with the lease for the site to be reduced as an extension was finally agreed and signed with Sussex Community NHS Foundation Trust.

6. Implications for defined benefit pension liability and investments

The Charity does not operate a defined benefit pension scheme.

As at year end, the valuation of the investment portfolio had recovered to £33k above the starting value. Regular discussions were and continue to be held with Rathbones, our investment managers, to ensure we are within the mandate set by Trustees.

7. Impact on Charity's Reserves

The Charity's reserves policy remains the same. However, in light of the continued lockdown and impact of the pandemic, the Trustees have now amended the timeframe to reach the target of £4m for free reserves to the end of 2024.

No further funds were designated by the Trustees as they concentrated on keeping general reserves as high as possible to assist the charity throughout the pandemic.

8. Impact of Covid-19 control measures on future aims and activities.
The pandemic has put the young people who use the Charity's services and their families under extreme pressure and this is a reminder to Trustees and Governors as well as funders, of how important it is to continue to deliver these services as fully as possible through the pandemic and into the future. There is a moral imperative to ensure the Charity is sustainable, as well as a business one.

The school has been least affected; it has remained open and attendance has been higher than many other special schools, reflecting the confidence of parents in our Covid-19 precaution and the value they place on what the school offers and the impact on their child and their family's lives. The pandemic has not affected what the school does and achieves, just how it does it. There is no reason to think that the school's activities in the future will be affected by Covid-19.

There is no doubt that the pandemic has reduced the capacity of the Charity to offer as many short breaks as possible and admit new residents. As more staff and children are vaccinated, some of the pressures around admission and transitions will ease and short breaks will resume. However, the loss of residential capacity will remain for the next 3 years at least. How quickly it takes to make good this loss depends on the success of the capital appeal.

The Pandemic has accelerated the growth of Pathways, which has been able to fill the gap in short break services not only from Chailey Heritage but other providers too. Its success in delivering a service will support its growth in the future.

The Hub has continued to offer services through the pandemic increasing its space to accommodate social distancing. With improved facilities, now concentrated in one area, the service is well placed to respond to demand. Placement requests have continued through the pandemic and although Covid-19 precautions have made assessments difficult, the Hub has a good placement pipeline.

It has been necessary to close the LSC to external clients for long periods during the pandemic to reduce transmission of the virus and focus staff skills elsewhere. While it will take some time to rebuild the external client base, the LSC has specialist facilities not available elsewhere in the area. The pandemic closure is an opportunity to review and reconfigure services and to exploit the potential of its technology facilities.

Overall, although the capacity to deliver its services has been limited by the pandemic, we see this as a short-term interruption rather than a change of direction and the Charity's future aims and activities remain unchanged.

9. Impact on Charity's wider network
Chailey Heritage Foundation is part of a range of national organisations. Some, such as the National Association of Non-Maintained and Independent Special Schools (NASS) and Voluntary Organisations Disability Group (VODG), have been consulted by DFE and DHSC, on behalf of members, and provided interpretation and advice on the implementation of Covid-19 control measures to us and similar schools and social care service providers. Their support has been invaluable to the Charity and underlines the need for such organisations in the future. Chailey Heritage Foundation is also part of Disabled Children's Partnership (DCP) and has supported the DCP research and campaigns on the impact of the Covid-19 control measures on families with children with disabilities. The pandemic – especially during the lockdowns - has put families of children with disabilities, including those supported by Chailey Heritage Foundation, under extreme pressure. The DCP has provided evidence to the DFE and DHSC of how Covid-19 control measures has affected families and lobbied for all disabled children, especially those with aerosol generating procedures (AGP), to be allowed to attend school and for more access to respite care.

By keeping Chailey Heritage School open throughout the pandemic and to offer remote sessions and share celebrations, the Foundation has been able to support families and make sure that pupil's education, health and wellbeing is as little affected as possible. Unlike some other special schools, Chailey Heritage School enabled all children needing AGP to attend school every day. However, balancing the needs of our residents and their families has been challenging. We are very conscious that prioritising infection control to support residents who live at Chailey Heritage all year round has made us less able to support families requiring respite through short breaks.

Section 172

The Board of Trustees are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers, and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct;
- the need to act fairly as between members of the Company, (the "s.172(1) Matters").

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging', 'Commitment', 'Ambition' and 'Celebration' (as set out on page 4) underpin decision making at all levels and engagement with all our stakeholders.

The children and young people in our care are at the heart of all the Charity does, and their interests are fundamental to Trustees' decisions.

Property/Infrastructure

An extension to the Headlease was signed in August 2020 with professional support from Gerald Eve and the Charity's solicitors. Trustees considered the cost of the extension vital to the long-term future of the Charity, securing its operational basis and heritage as well as giving security and confidence to donors. Trustees also took the opportunity to make minor changes that will benefit current operations including repurposing the Bradbury building, relocating the social care management team closer to the residences to provide better support and provide a more efficient base for NHS nurses at night.

Repurposing the Bradbury building and the development of the Rennie building allows for the growth of the Hub to meet demand from stakeholders and pursue our 10-year goal of helping more individuals with physical disabilities.

Trustees also decided to take out a **7-year lease on grazing land** owned by the Parish Council. This land will increase the grazing available to the horses used in hippotherapy and the Patchwork farm animals. The young people benefit from both these services and the lease is a cost-effective way of securing the welfare of the animals. Fundraising have committed to raise funds for the improvement and refencing of the land so there is no additional call on Trustees' resources.

The two new car parks were completed in December 2020. This project required Trustees to make a significant investment. They considered it essential to secure safe access and passage round the site for young people and staff, as well as providing sufficient safe parking for staff, most of who cannot use public transport to travel to work. The new car parks also provide capacity on site to expand the numbers of service users - all of whom need adapted large vehicles to travel.

The Board's decision to start a major capital appeal for a new sports and drama centre has been vindicated. Not only did the capital appeal achieve its target, under the guidance of the Chair of Trustees, the project was completed on budget. Since its opening in October 2019 by HRH The Duchess of Cornwall, the **Dream Centre** has provided wonderful opportunities for young people across all the Foundation's services. Its award-winning immersive space has provided a great motivator for young people.

Unfortunately, because of Covid-19 restrictions, plans for income generation and sharing this unique resource with other disability groups and local people, had to be put on hold to protect pupils, residents, and employees. Although there is considerable interest in using the Dream Centre, it seems unlikely that external use will recommence until 2021/22 at the earliest. Fortunately, until then, the Dream Centre continues to be a fabulous resource for the young people and has been an essential resource during the pandemic, morphing during the school week into two classrooms so pupils across the school can maintain social distance.

The Trustees decided to allow **use of St Martin's Chapel for Sunday worship by St Peter's Chailey** while their church underwent critical repairs. This was only possible because it coincided with lower community transmission rates in summer 2020 and was subject to detailed risk assessments and very strict Covid-19 precautions. The Trustees felt the minimal risks were balanced by community benefit for the congregation and as a thank you to the Vicar, organist and choir for the support they give the Charity.

Staff

Trustees recognise the commitment and dedication of the Foundation's staff. At the beginning of the pandemic, they promptly decided to extend sick pay arrangements to ensure that all staff who had to self-isolate continued to receive full pay. This was

important for employees and their families and also helped keep colleagues and service users safe by reducing the chances of on-site transmission. Dependent relative leave was increased up to 5 days to allow staff to make childcare and other arrangements.

Around 80% of employees work directly in front-facing services and have been unable to work from home. For teams working in social care and in school, strict Covid-19 precautions were put in place with support and guidance from NHS colleagues, who also assisted with access to PPE to cover short term supply problems.

Trustees and Governors requested and received detailed information on Covid-19 arrangements in all services and about the health and well-being of young people and staff. Trustees had earlier established a Clinical Oversight Group with Governors. With their clinical and care backgrounds, this group was able to offer support, advice and challenge to senior managers on Covid-19 precautions and endorsed the decision of the school to follow the lead of residential care to use full PPE. Without specific guidance for special schools from the DFE or Government at that stage, this step appeared safest for pupils and staff. It undoubtedly helped ensure there was no reportable transmission across the site in 2020. The Foundation's Covid-19 arrangements were scrutinised and endorsed by regulators:

- CQC conducted regular welfare checks and an extended phone discussion;
- the Health & Safety Executive randomly chose the Foundation for an inspection;
- the school volunteered for an Ofsted school inspection pilot;
- Ofsted social care inspectors carried out a visit within usual annual cycle.

Trustees have taken steps in 2020 to ensure the recruitment and retention of sufficient staff to ensure services are run safely and that new service users can be admitted promptly. In 2020, the Board committed to the **Rewards Strategy** (see page 10). The Trustees decided to make this significant investment since they recognised the commitment and expertise of support staff and the critical importance of recruiting sufficient staff to ensure services are run safely and that new service users can be admitted promptly.

The Trustees are committed to ensuring all staff are remunerated fairly and that salaries are competitive. All staff received a cost of living increase in September 2020. The Foundation does not have any rates below the compulsory national living wage (the statutory national minimum wage) and aspires to align its lower scales with the living wage (as calculated by the Living Wage Foundation). Over 96% of our staff are paid a higher hourly rate than the living wage.

Strategy – 'Fit for the Future'

In February 2020, Governors, Trustees and Foundation Leadership Team took part in an externally facilitated session **to plan their strategy** for the next four years to achieve their 10-year goals in 2024. There was strong support for new focuses - digital ambition, staff health & well-being, equity, inclusion and diversity and environmental initiatives. The 2020-24 Strategy had to be reviewed and redirected in response to Covid-19 and its impact on the Charity's operations and finances. 2020-21 is seen as period for recovery, consolidation, and preparation for the future in a post Covid-19 world.

As part of becoming 'Fit for the Future', Trustees committed to support the Digital Ambition initiative with investment over the next four years, starting with the appointment of a Head of Technology. With the help of Chief Technology Officers with multi-national and turnaround experience, a Head of Technology has been appointed and is now in post. The priority for 2020-21 is to agree an affordable investment programme so that, by 2024, the Foundation will be amongst the top quartile within its sector. That will also confirm its place as an innovator and leader in the application of engineering technology to young people's independence, particularly in assistive technology and powered mobility.

Key stakeholders

Trustees also are very conscious of the interests of stakeholders such as **parents and commissioners**.

It has been with great regret that the Charity had to cease short breaks and respite care at the beginning of the pandemic and only reintroduce them from August 2020, and then only partially. Trustees were very aware of the pressures that this placed on families but endorsed the decision since it mitigated the risk to the residents, for whom Chailey is their home, and to staff. They supported the expansion of the Pathways service to provide support for families in their own homes since, in this way, the Charity was able to help some of the families who had temporarily lost respite care.

The aspiration to restore all short break services in 2020-21 has been thwarted by Covid-19 control from November 2020 onwards. The Trustees are

aware of the impact this decision will have on the Charity's finances and on families but consider it is a necessary precaution to maintain their duty of care to residents and staff.

Local Authority (LA) and Clinical Commissioning Groups (CCG) are key stakeholders. In addition to decisions on placements and fees, Commissioners are required to ensure sufficiency.

Chailey Heritage Foundation, together with its NHS partner, provides highly specialised services to young people with profound and multiple disabilities and life-limiting conditions. The children and young people who attend Chailey Heritage are some of the most vulnerable in our society and although this group represent only a small proportion of those Commissioners' need to place, they need specialist care, often at high cost. Chailey Heritage Foundation is one of only a few providers in the region.

Trustees are very conscious of the need both to secure the long-term viability of the Charity's services but also to respond to identified demand from Commissioners. For this reason, Trustees agreed, in principle, to fund, through a capital appeal, new residential buildings to replace (by 2024-25) the residential capacity lost to Covid-19 and regulatory requirements.

Strategically, Trustees will continue to explore ways of providing more short breaks – an area of where there is a shortfall in provision especially for young adults with high medical needs. Meeting local demand for adult day services also underpinned their decision to repurpose accommodation in Rennie to increase the number of Hub places available.

Trustees are reluctant to raise fees because they are very aware of the pressures on education social care and health budgets. Although, as a charity, the Trustees do not seek to achieve large surpluses or have to pay dividends to shareholders, as some independent special schools and care providers do, Trustees are required to set a balanced budget and need LA or CCGs to pay a fee that at least covers costs. In 2020, Trustees required that residential fees should be rebased to reflect changes in the cost of placements. They considered this essential to the long-term future of the Charity and especially its residential provision.

Environment

The Charity has focused its environmental agenda in the last three years on its estate. An energy audit led to both a planned programme to reduce energy consumption though LED replacement and a major investment in modernising the hydrotherapy pool filtration, heating / ventilation systems and the installation of an energy saving pool cover. Improvements in insultation and boiler efficiency have been included in all renovation projects. The Dream Centre replaced a 1950s building with poor insulation and inefficient heating and incorporated solar panels and modern heating and ventilation systems.

Our site is in the middle of Chailey Common and close to a site of special scientific interest (SSI) so the discovery of a Great Crested Newt colony was no surprise and provided an opportunity to contribute to the conservation of this rare habitat that surrounds us. A determination to use less paper and reprographic usage and cost was a significant factor in awarding the new printer contract in 2019. The online portal, The Trust Governor, is now used for all Governor and Trustee meetings, reducing both copying and postal costs, and saving 90 trees per year.

In planning their strategy for 2020-24, Trustees agreed that the Foundation should step up its environmental strategy and be proactive in engaging staff in environmental initiatives and ensuring the Foundation meets environmental standards and follows best practice. The Trustees aspire that the new planned residential accommodation will meet the BREEAM Rating "very good" or "excellent" standard.

Suppliers

Trustees keep their contracts for professional services under review and retender according to an agreed cycle. No contracts were due for tendering in 2019-20 although the insurance contract will be reviewed in 2020-21.

The Estates Manager operates a preferred suppliers list for the smaller construction projects and repairs, but major projects are tendered formally. Sunninghill Construction completed the contract for the Dream Centre at the beginning of 2019-20. The working relationship was excellent and the company has a good understanding of the challenges of construction while the school continues to operate close by. When Sunninghill won the contract for car park construction in 2020, the Trustees were confident that the company would complete the work with minimal disruption to services; they were not disappointed.

A number of suppliers are also corporate partners. We are very grateful to them for the support they provide to the Charity.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. We were on target financially for the first six months but due to Covid-19, we have had to cut back our short breaks significantly as well as other services used by non-residents. The school has remained open throughout and funders advised by the Government to continue to honour their contracts and pay our fees. Management accounting, budgeting and accountability systems were tightened, together with controls over cash flow.

The financial pressure our funders are under continues to restrict our ability to increase all our fees to fully reflect the true cost of providing our service. We continue to review our core fees for the main areas of operation to ensure they cover the costs associated with providing the service, but they still do not recover all our depreciation costs. Due to the impact of the pandemic, our Unrestricted General funds made a deficit this year. Overall, total Net Income was also a deficit reflecting reduced fundraising as well as operating income. Certain costs, e.g. fundraising, the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Trustees' Reserves.

In line with our Charity ethos, all the surplus funds are reinvested in the Foundation for the benefit of the children and young people.

Financial Activities and Results

In the year to 31 August 2020, our total income was £12.7m (2019: £13.6m). The reduction was mainly due to lower Restricted Funds raised as the capital appeal for the Dream Centre had closed and then the global pandemic struck, leading to the cancellation of all external fundraising events. Fees from charitable activities were also lower this year as the impact of the Covid-19 virus and subsequent lockdown was felt, with significantly reduced income from short breaks and some community services. Pupil numbers were steady as the School switched to remote teaching for those children isolating at home and 52-week residents continued to be supported in the bungalows on site.

In the same period, total expenditure has risen to £13.3m (2019: £12.6m). This increase primarily arose from the additional staffing costs required to support individuals joining our services with more complex needs. Additional staffing costs also include the appointment of a Head of Fundraising to allow the Director of Development to focus on creating a new unrestricted income stream through the Vision Fund. The Foundation also incurred a significant amount of extra expenditure relating to the pandemic – this includes extra cleaning, PPE and equipment for remote working.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. However, with the impact of Covid-19, this was not possible for the Social Care services. Once depreciation is charged, the Unrestricted Fund made a deficit of £758k for the current year (2019: surplus £15k). As referred to earlier, this has been funded by the Charity's Unrestricted Reserves.

The Charity's services are also supported by other income e.g. income derived from unrestricted legacies, donations and investment income. Legacy income was up this year by £49k but this income is still very uncertain in amount and timing. The investment portfolio showed a net unrealised loss at the year end of £15k (2019: net loss £29k).

As a charity, regrettably, we continue to incur non-recoverable VAT of approximately £350k, as the Government continues to ignore our sector with regard to exemptions, despite giving relief to hospices and maintained special schools. Accordingly, we continue to support the sector's strong lobbying of government for VAT relief.

The balance sheet continues to show the enormous investment that the Charity has made in leasehold buildings and equipment. At the end of the year, these buildings and equipment accounted for £13.8m or 77% of the Charity's total funds. This reflects the continued investment by the Trustees in the infrastructure of the Charity and its drive to meet the ever-changing needs of the young people. During the year, the Trustees made additional investments in the leasehold buildings and equipment, including negotiating an increase in the lease term to 2143. Cash balances are lower this year at £1.2m (2019: £1.4m) as unrestricted cash is spent on additional Covid-19 precautions and supporting the continuation of services.

Funds

At year end, the Charity had total accumulated funds of £17.9m (2019: £18.5m); of this £13.8m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable

because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued.

The Charity's accumulated funds can also be split between £3.9m (2019: £3.8m) restricted and £14.1m (2019: £14.8m) unrestricted funds.

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given. At year end, £3.1m (2019: £2.9m) of restricted funds reflect the construction of the Dream Centre.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. As such, at year end, the Trustees support £0.2m (2019: £0.5m) of projects through designated funds. The remaining unrestricted general funds are mainly invested in tangible fixed assets of £10.7m (2019: £11.1m), whilst £3.2m (2019: £3.0m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls, such as those from the Covid-19 pandemic.

Free Reserves Position

Trustees had previously set a target for Free Reserves of £4m by August 2020 (the end of the current three-year strategic period). This is equivalent to around four months of expected operating costs. It was also noted that achieving this new target would depend on continued growth in investment returns and legacies, as well as delivering budgeted operating surpluses. However, the arrival of the Coronavirus pandemic has materially impacted our services, resulting in a significant reduction in our fee income, alongside additional expenditure to keep the staff and young people safe. This has meant Free Reserves have had to be used and hence the target of £4.0m has not been met. The Trustees recognise that this has happened and have amended the timeframe to the end of 2024 to reach the £4m level.

Free Reserves (excluding those Designated by Trustees) stood at £3.2m on 31 August 2020.

Investment Policy and Performance

Funds expected to be required in the short term are typically placed with banks in the money markets through prime financial institutions.

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustee Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustee Finance Committee. Despite the global pandemic and downturn of the financial markets, by the end of our financial year, our portfolio had recovered to previous year's level. During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £20k of income was used to pay investment management fees.

Principal risks and uncertainties

Risk management process
The Board of Trustees has oversight of the risks faced by the Charity.

A robust risk management process focuses on strategic risks that could impact on current service delivery and the Charity's future development.

There is an active risk management process at both Trustee Board and Governing Board with risk management as a standing item on the agenda for all Board and sub-committee meetings. The level of risk and changes in likelihood and impact are tracked closely and risk mitigation measures are considered and implemented. The register is updated three times a year to reflect any new or changing risks.

Overall, the number of significant risks facing the Charity continued to fall in 2019-20. Issues such as senior management capacity and Trustee and Governor recruitment continued to fall. The whole Foundation benefited from the experience and expertise of the newly appointed Director of Social Care, a governor with Education experience joined the Board and succession planning for the

Trustee board resulted in the appointment of new Trustees with extensive business experience. Risks associated with the estate also reduced with the completion of the Dream Centre on schedule and, although initially disrupted by the lockdown, the car park construction began in August 2020 and was completed by the end of December.

The risk associated with the relationship with our NHS partners also diminished, partly because of closer working during the pandemic and emergency planning, improved capacity, particularly in nursing, and also the resolution of long-standing estates issues.

Significantly these are risks over which the Charity does have greater control. The highest risks in 2019-20 and looking forward, are ones where external factors, including the labour market, Local Authority/NHS funding for placements, are, in many respects, outside the Charity's control.

The main risks in 2019-20 have been:

Income: Securing fees that are sufficient to meet the full costs of a school or residential placement
Costs are increasing as a result of changes in the complexity of the needs of the children and young people as well as shifts in NHS funding, rising employment costs and downward pressure on costs from Commissioners.

We manage this by being transparent with Commissioners about changes in our cost base especially when we need to periodically rebase, demonstrating value for money through outcomes and impact, and fundraising and the Charity's own resources to fund major capital, maintenance projects and innovative equipment. This risk has been rising partly because of greater pressures on Local Authorities' High Needs funding and because of our need to increase residential fees significantly to reflect reduced capacity as a result of Covid-19.

Staff Recruitment: Inability to recruit enough additional staff to meet the increasing demand for placements especially in social care
New pupils or residents are now more complex, and each requires at least one-to-one support to keep them safe and therefore the total number of staff needed is increasing year on year. Our rural location, low unemployment and the high cost of housing make recruitment particularly challenging.

We manage this by good retention, encouraging staff to join our bank team (and reducing agency costs), offering high levels of training, supporting professional development and a competitive benefits package. During the first wave of Covid-19, staff levels were challenged but not critical, partly because numbers of residents and pupils reduced to minimise transmission with consequent reduction in staff needed.

However, given the high demand for carers in the area, concerns across the region about staff sufficiency leading up to Brexit and beyond, we reviewed our remuneration package for support staff in social care and school services and consulted with staff. The pay scale was introduced for new staff in August 2020 and for existing staff from September 2020. The Charity is better placed in a competitive labour market and the reduction in risk that we had begun to see in early Spring 2020, resumed in August with the result that by December 2020, vacancies were much lower.

Clinical Training: Insufficient Foundation staff signed off as clinically competent
Clinical training and assessment are provided by nurses employed by our NHS partners, Chailey Clinical Services. In the context of a severe shortage of paediatric nurses, they have had difficulties in recruiting sufficient nursing staff to train school and residential staff.

We manage this risk by working closely with Clinical Services, jointly identifying, and quantifying the risk, reviewing and streamlining training processes, supporting their recruitment. The appointment of Nurse Practice Educators by Chailey Clinical Services has led to significant improvement. Actions initiated in 2018-19 are being accelerated in 2019-20 through the support of new NHS managers. The risk has reduced but is still significant and has a real impact on future admissions and our ability to accept emergency placements.

Nevertheless, the trend on both staff recruitment and clinical training is downward, in spite of the pandemic. This is in contrast to a risk around accommodation that accelerated because of controls the Foundation has to impose to mitigate the risk of transmission within residential accommodation.

Insufficient Accommodation to meet service needs
The Charity operates on a single site and there is limited space for further development. Pupils and residents have multiple pieces of large equipment

requiring space to manoeuvre in classrooms, bedrooms and social areas as well as space to store them. Each bungalow has some shared rooms and Regulators are increasingly insistent that each resident has their own room.

We manage this risk by using and adapting/ reconfiguring existing resources. In 2018-19 the Dream Centre build was completed, doubling the space previously available and creating new spaces for drama, rebound, sport and sensory including award winning immersive facilities accessible to all service users. In 2019, we began developing plans for new residential accommodation on site to that all residents could have their own room by the end of 2024. The new car parks completed in 2020 will make the site safer as well as providing better facilities for staff and visitors.

The need to move all residents to single rooms to reduce the possible transmission of Covid-19 between residents, reduced our capacity by 20% "overnight" with a significant impact both on the support and respite we could provide for young people and their families and our income. Our Pathways service stepped up to assist some families with care at home to replace short breaks that could no longer be offered. However, it has not been possible to mitigate the significant financial impact in 2019-20. The risk from reduced capacity and hence income, will continue until the new accommodation in place. Mitigation plans are in place and an outline planning application will be made in the early spring with a major capital appeal to be launched later in 2021.

Risk of a major clinical or safeguarding failure
Our reputation is critical to our position as a trusted provider of choice for parents and Commissioners, and hence to the sustainability and viability of the Charity as well as our capacity to raise funds to support the work of the Charity.

The life-limiting conditions of the young people, complexity of the clinical procedures and the number of medicines prescribed for them means there is always a risk of an error or major safeguarding failure that could affect the Charity's reputation very seriously. This risk cannot be eliminated, only mitigated through effective management and robust governance.

We maintain a strong focus on safeguarding, working jointly with our partners in Chailey Clinical Services and liaising with Local Authority Children's Safeguarding Boards. The risk is also managed through robust record keeping, case management and annual audit and overseen by a named Governor.

Risk of an adverse regulatory report
The young people in our services are highly vulnerable, the framework is rightly demanding but regulators recognise the higher risk and are particularly rigorous in applying the standards. We manage the risk through effective leadership and robust quality systems and with the support of governors who hold senior managers to account. The risk has reduced further as the new Director of Social Care used her experience of the regulatory frameworks and inspections to strengthen social care compliance and management focus. All social care services are judged to be 'good'. Inspectors were confident in how education and care services had responded to Covid-19.

GDPR

Compliance with the General Data Protection Regulation remains a high priority here. We are continually taking steps to improve our handling of personal data and to ensure compliance. All staff are provided with training on the subject alongside general cyber security.

Safeguarding

The children and young people we care for are especially vulnerable due to their complex needs. Disabled children are more than three times likely to be abused than non-disabled. All our staff and volunteers are DBS checked and they are all committed to safeguarding and undergo extensive safeguarding training with specifics regarding disability. Everyone in the organisation who is involved with the recruitment of staff follows safer recruitment guidelines.

We have seven named safeguarding officers including a Designated Safeguarding Lead and a Lead Safeguarding Governor. The following key committees are responsible for safeguarding:

- Governors' Safeguarding Committee, meeting termly.
- Joint Safeguarding Steering Group, meeting termly. This includes Clinical Services' leads and the Designated Officer from East Sussex County Council.

- Safeguarding Leads monthly peer group including the lead nurse from Chailey Clinical Services, reviewing all casework.

Our safeguarding policies are reviewed and updated annually.

Remuneration policy

The Foundation is committed to ensuring that we pay our staff fairly and competitively to attract the skills needed to deliver and support our services. The Governors' People, Pay & Performance Committee (PPP Committee) considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

- the nature of the role and responsibilities based on the job evaluation
- salaries in the relevant sector
- benchmarking against regional competitors
- public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body
- the Living Wage.

As noted under 'Our people', for 2019-20 staff were awarded a 1.5% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and staff. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits audits at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure. During the summer of 2020, we instigated a new pay scale which is applicable across the Foundation, allowing staff to work in other services for the same pay rate.

Gender pay gap

We are usually required by law to publish an annual gender pay gap report, based on a snapshot date of 5 April each year. Due to Coronavirus, the Government took the decision to suspend enforcement of the gender pay gap deadlines for the reporting year 2019-20, meaning that there was no expectation on employers to report their data. We did, however, calculate our figures as at April 2019 in order to remain aware of any changes or trends.

For the first time, the median pay for both genders increased to £10.28. This increase is explained for males by our annual cost of living salary review and for females due to the increase in women recruited to higher paying roles.

However, the figures showed that the mean salary figure for males had increased since the 2018 report, increasing by nearly 20% compared to 4.5% for females, percentage difference from 2.66% in 2018-19 to 15.92% in 2019-20.

As men comprised only 13% of the workforce, even a few male employees at the senior levels can have a significant impact on how our gender pay gap data appears. Although the majority (56%) of the executive team is female, any increase in the number of men in comparatively higher earning roles affects our figures significantly. In the period in question, 20% of internal promotions and 33% of external managerial vacancies were filled by men.

We also continue to try to recruit more male workers to take up support roles and have seen an over 50% increase in the period to 1 April 2020.

Many of the vacancies are in support roles and we recognise that historically these roles may be less attractive to men seeking employment. From September 2020, we changed our pay scales resulting in all hourly rates increasing for lower paid staff.

We continue to promote our family-friendly policies on our website and are proud that most of them are above industry standard.

The results of some of these will not be seen in our gender pay gap reporting for some time but we believe they will make a positive impact and reduce the gender pay gap in mean salaries.

Outlook

Government and funders recognise the importance of maintaining the sustainability of providers such as Chailey Heritage Foundation, who deliver a highly specialist quality service to some of the most vulnerable young people who would be hard to place elsewhere. Funders have continued to pay for places even though sometimes these have had to be delivered differently or remotely. There remains a strong demand for the Charity's services that has not diminished during the pandemic.

The underlying business is robust. However, the Trustees have acknowledged that there will be a need to draw on unrestricted reserves to support the charity and compensate for the impact of Covid-19 on the short term to medium performance of the business.

Longer term, with plans to replace residential capacity within the next five years, an increasing demand for adult services, the Charity has the opportunity to achieve its revenue targets and replace reserves expended for short term support.

On balance, even though there are risks, Trustees believe that the Foundation is as well placed as any other organisation in our specialised sector to tackle them and to continue to thrive. The 'Outstanding' rating of our School activity, our reputation as a provider of highly specialist services, the professionalism of our executive team, carers, and volunteers and our strong culture and values, all underpin our determination to achieve excellence in everything we do. We aim to make a positive impact, not only on the lives of our young people and their parents, but on the public good which we serve. We face the future with resolve, commitment, and ambition.

Structure, Governance and Management

Governing documents
The company, established in 1999, is governed by its Memorandum and Articles of Association. With the consent of the Charity Commission, the Charity changed its name from Chailey Heritage School to Chailey Heritage Foundation with effect from September 2012 to reflect the wider range of provision now offered.

In the Autumn of 2019, Trustees carried out a full review of the Articles of Association to take account of the Charity Governance Code, as well as current views on good practice in governance. They were updated and refreshed and the most significant amendment was around removing the rotational system of retirement and replacing it with a fixed period of office for Trustees.

The Scheme of Delegation sets out formally the powers delegated to the Governing Board, and the terms on which they are delegated, including reporting requirements, and this document was also reviewed and updated during the year.

The wholly owned trading subsidiary of the Charity, Chailey Heritage Trading Company Limited, was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). It has been inactive since incorporation.

Boards
Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible for securing the effective and efficient operation and management of all services including the School, Chailey Heritage Residential, Chailey Heritage Futures and Chailey Heritage Pathways. To ensure good communication between the two Boards, yet maintain the separateness of them, the Chair of the Governing Board is a Trustee and at least three individuals served on both Boards.

Those who served as Trustees during the year are shown on page 75.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. The current Board includes depth of skills in finance, property, health, investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation. They recognise the importance of the Charity Governance Code and will be reviewing their improvement plan in the light of their self-assessment against the Code.

The Trustees meet as a full Board at least three times a year. Its principal committees are Finance (including audit, financial risk, and control), Fundraising, and Capital Projects (which has oversight of the Capital Expenditure budget and major capital projects). These committees meet more frequently than the full Board. Trustees meet annually with the Governors to review their strategy

and plans for the future. Trustees also meet jointly with Governors to agree any new appointments of the senior leadership team.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers and staff. The full Board meets termly and also fulfils its role though very active sub-Committees and focus visits to services. Although the pandemic has restricted visits to the site, meetings have been held remotely and sub-Committee chairs have remained in close contact with their lead senior manager. Governors and Trustees have received updates on Covid-19 in between meetings and been included in information from school and social care services.

We were delighted to welcome two new Trustees to the Board during the year. Darren Chilcott, who has recently retired from his role as Global Head of Regulatory Compliance Risk Assurance for HSBC. He joins the Fundraising and Capital Projects sub-committees. Denise Garland is a Chartered Accountant and Chartered Financial Analyst, who has recently retired from full-time executive life, after operating as a Director and Board Chief Operating Officer for a boutique specialist (re)insurance broker in the City. Denise joins the Trustees' Finance sub-committee.

The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. During the year, the Governing Board's sub-committees were reviewed to streamline and avoid duplication of reports. The Governing Board has five principal committees which all meet termly before the main Board meeting to deal with Finance, Estates & Environmental Safety, Safeguarding, Education, Social Care and Staff related issues. The Trustees and Governors also have a joint committee overseeing clinical issues, which meets termly or more frequently, if required.

In addition to the Boards of Governors and Trustees, the Senior Management Team comprising the Chief Executive, Headteacher and Director of Social Care, meets weekly and there is a monthly meeting with the heads of all the Foundation's direct and support services.

Trustee induction and training
New Trustees are briefed on their legal obligations under charity and company law, the content of the governing documents, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

During the induction, they meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

As part of their ongoing training, Trustees are also given briefings on current 'hot topics' at the start of each of their Board meetings.

Funds held as custodian
There are no arrangements where the Charity or Trustees are acting as financial custodians.

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 54 to 56 in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

Moore Kingston Smith LLP offer themselves for re-appointment as auditors in accordance with section 485 of the Companies Act 2006.

Streamlined Energy and Carbon Report (SECR)

The SECR came into force for periods on or after 1 April 2019 for large companies that have consumed (in the UK) more than 40,000 kilowatt-hours (kWh) of energy in the reporting period. This is the Charity's first report and therefore no comparisons are made with previous years' data.

Chailey Heritage Foundation's SECR carbon emissions for the year September 2019 – August 2020 amounted to 505 tCO_2e, with 60% arising from gas consumption. The table and figures below show emissions by scope and activity.

Energy Efficiency Projects
No energy efficiency projects have been undertaken this year. Planned improvement works (such as a roof replacement and insulation) have been put on hold due to the ongoing Covid-19 pandemic.

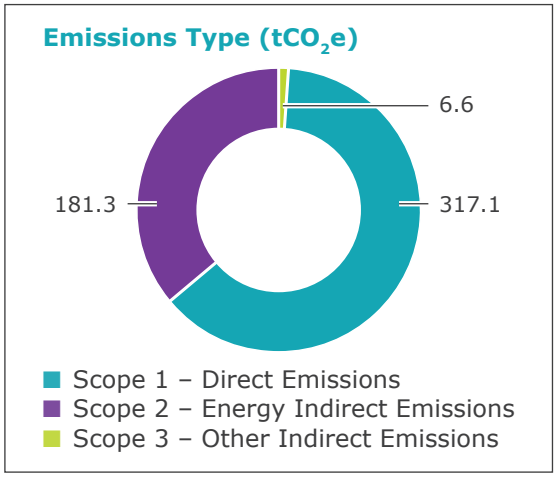
SECR Emissions Calculations – Methodology
The SECR has been compiled by Eschon Ltd (Enviromental Management Services)

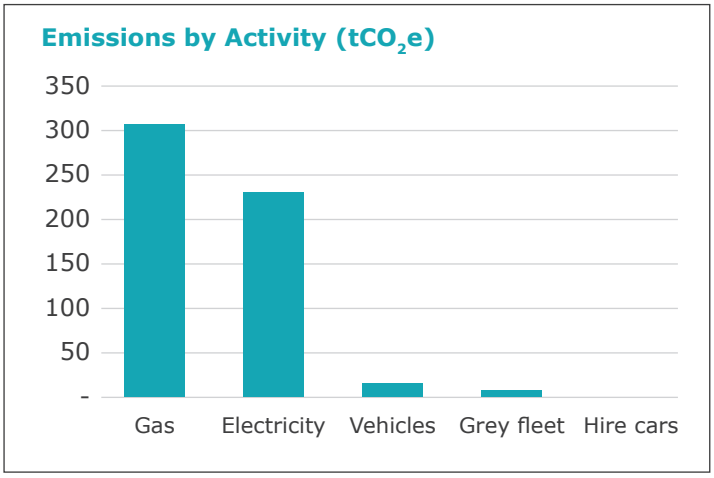
Eschon have reported on all of the emission sources required by Streamlined Energy and Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Eschon have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2020.

Emissions Scope / Activity: 2019-20	Consumption (Original unit)	Energy Equivalent (kWh)	Carbon Emissions (tCO_2e)	% of Emissions
Scope 1 - Direct Emissions			**317.1**	**63%**
Gas Consumption (kWh)	1,648,941	1,648,941	304.3	
Company Vehicles (litres)	5,011	53,033	12.8	
Scope 2 - Energy Indirect Emissions			**181.3**	**36%**
Electricity Consumption (kWh)	777,854	777,854	181.3	
Scope 3 - Other Indirect Emissions			**6.6**	**1%**
Grey Fleet (miles)	23,943	28,143	6.6	
Hire Cars (miles)	-	-	-	
Total Energy, kWh		**2,507,971**		
Total Emissions, tCO_2e			**505.0**	
Performance metric:				
Turnover (£m)	12.7			
Relative Emissions, tCO_2e/£m			**39.8**	

Note: Figures above have been rounded up to one decimal place, so there may be some discrepancy in totals.
The above figure does not equate to the organisation's entire emissions, just those required by SECR.
Electricity emissions factor is 'location-based' using the UK national average.
Gas emissions factor is gross calorific value.





Energy in buildings (electricity & gas) was responsible for 96% of emissions & business travel 4%.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Chailey Heritage Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements, having made reasonable enquiry, have collectively confirmed that, as far as they are aware, there is no relevant audit information undisclosed to the company's auditor and that they have taken the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as Directors of the Charity under company law and is signed on its behalf by:



Mark Creamer – Chair of Trustees



Fiona Duff – Company Secretary

Date: 4 March 2021

Independent auditor's report to the members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 August 2020 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception.

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

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

- 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 financial statements 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 trustees' responsibilities statement set out on page 53, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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

Moore Kingston Smith LLP

David Montgomery, Senior Statutory Auditor
for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

Betchworth House
57-65 Station Road, Redhill Surrey RH1 1DL

Date: 8 March 2021

Statement of Financial Activities For the Year Ended 31st August 2020
(Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Unrestricted Funds Designated £'000s	Restricted Funds £'000s	2020 Total £'000s	2019 Total £'000s
INCOME FROM:						
Donations, legacies and grants	**3**	323	-	598	921	1,521
Charitable activities:						
Fees	**4**	11,614	-	-	11,614	11,827
Ancillary income		107	-	-	107	145
Investments	**5**	77	-	-	77	131
Other		2	-	-	2	11
Total income		12,123	-	598	12,721	13,635
EXPENDITURE ON:						
Raising funds:						
Financing costs	**6**	30	-	-	30	31
Fundraising costs	**6**	196	-	-	196	181
		226	-	-	226	212
Charitable activities:						
Operating costs	**7**	12,655	-	-	12,655	12,111
Use of Donations and Appeal		-	48	355	403	293
		12,655	48	355	13,058	12,404
Total expenditure		12,881	48	355	13,284	12,616
Net income/(expenditure) before investment gains	**8**	(758)	(48)	243	(563)	1,019
Net (losses)/gains on investments	**13**	(15)	-	-	(15)	(29)
Net Income/(Expenditure)		(773)	(48)	243	(578)	990
Gross transfers between funds	**19**	442	(312)	(130)	-	-
Net movement in funds		(331)	(360)	113	(578)	990
Total funds brought forward		14,194	579	3,750	18,523	17,533
Total funds carried forward		13,863	219	3,863	17,945	18,523

The Charity has no recognised gains or losses for the year other than as detailed above.

The net movements in the Charity's funds for the year arise from the Charity's continuing activities

The notes on pages 60 to 73 form part of these accounts.

Balance Sheet As at 31st August 2020

	Notes	2020 £'000s	2019 £'000s
FIXED ASSETS			
Tangible assets	**12**	13,806	14,037
Investments	**13**	3,566	3,533
		17,372	17,570
CURRENT ASSETS			
Debtors	**14**	697	1,898
Cash at bank and in hand	**15**	1,200	1,376
Total Current Assets		1,897	3,274
LIABILITIES			
Creditors: Amounts falling due within one year	**16**	(1,324)	(2,321)
NET CURRENT ASSETS		573	953
TOTAL NET ASSETS		17,945	18,523
ACCUMULATED FUNDS	**18,19**		
Restricted funds			
Invested in tangible fixed assets		3,131	2,903
Other		732	847
		3,863	3,750
Unrestricted funds			
Designated funds		219	579
General fund - invested in tangible fixed assets		10,675	11,134
General fund - free reserves		3,188	3,060
		14,082	14,773
TOTAL FUNDS		17,945	18,523

The financial statements on pages 57 to 73 were approved by the Board of Trustees and authorised for issue on 4 March 2021 and signed on their behalf by

M. Creamer
Trustee

A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows For the Year Ended 31st August 2020

	2020 £'000s	2019 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	227	1,079
Cash flows from investing activities		
Dividends, interest and rents from investments	77	131
Purchase of property, plant and equipment	(432)	(2,479)
Proceeds from sale of investments	20	150
Purchase of investments	(68)	26
Net cash used in investing activities	(403)	(2,172)
Change in cash and cash equivalents in the reporting period	(176)	(1,093)
Cash and cash equivalents at the beginning of the reporting period	1,376	2,469
Cash and cash equivalents at the end of the reporting period	1,200	1,376

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

	2020 £'000s	2019 £'000s
Net (expenditure)/income	(578)	990
Adjustments for		
Depreciation charges	663	539
Net losses/(gains) on investments	15	29
Investment income	(77)	(131)
Decrease/(Increase) in debtors	1,201	379
(Decrease)/Increase in creditors	(997)	(497)
Non-cash additions to property, plant and equipment	-	(230)
Net cash provided by/(used in) operating activities	227	1,079

Statement of Accounting Policies and Notes to the financial statements

1. Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 75. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

2. Accounting policies

a. Basis of Preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The charitable company is a public benefit entity for the purposes of FRS102 and has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

b. Going concern

The Trustees have assessed whether the use of the going concern basis of preparation of the financial statements is appropriate and have considered the impact of Covid-19 pandemic on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. As explained in more detail in the Trustees' Report, the charitable company has been impacted by the pandemic and its incoming resources have reduced as a result, although the charitable company continues to have a strong level of cash reserves and net asset base. In particular, in making their assessment, the Trustees have considered the charitable company's forecasts and projections in the light of the pandemic continuing throughout 2020-21 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, whilst the ultimate impact of the pandemic on the charitable company cannot as yet be quantified, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c. Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2020 as in the previous year.

d. Income

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

For the Year Ended 31st August 2020

Donations are accounted for when the amounts are received or are measurable and certain at the date of the accounts. Donations in kind are accounted for when the benefit is measurable and supported by third party verification.

Tax recoverable under Gift Aid is accounted for when it is received.

Donations, legacies and grants are only treated as Restricted if they are subject to specific wishes of the donors, or as Designated if Trustees have allocated the funds for the benefit of the young people. Otherwise they are regarded as Unrestricted.

Grants receivable are accounted for over the period to which they relate. Government grants comprise amounts received during the year adjusted for income which relates to future periods. Such deferred income relating to grants is included in deferred income in creditors.

Investment income is accounted for on an accruals basis.

e. Expenditure

Liabilities are 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. All expenditure is accounted for on an accruals basis.

Irrecoverable VAT is included with the item of expense to which it relates.

f. Tangible Fixed Assets and Depreciation

Fixed assets are stated at cost less appropriate depreciation. Items costing less than £2,500 are not capitalised unless they form part of a larger capital project costing more than £2,500.

Depreciation of tangible fixed assets is calculated to write off their cost less any residual value over their estimated useful lives:

Leasehold property and improvements	2-4%, 10% or 25% depending on the asset life
Motor vehicles, computer equipment, furniture & equipment	25% per annum on cost
Hoists / longer life equipment	10% per annum on cost

Depreciation starts in the month of purchase or month in which first used whichever is the later. Fixed assets acquired with restricted funds are treated as Restricted Fixed Assets in the accounting year in which they are purchased or brought into use, if later. When fully operational, these assets are reclassified as Unrestricted, unless the donor specifically requests they remain as Restricted or the Appeal Fund which funded them remains open.

g. Investments

Investments are initially recorded at cost and subsequently measured at fair value at each reporting date. Fair value is based on their quoted price (inclusive of accrued income) at the balance sheet date without deduction of the estimated future selling costs.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

h. Pension costs and other post-retirement benefits

The Foundation operates with two different pension schemes as described in note 10.

(1) Teachers are members of the Teachers' Pension Scheme.

(2) A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

Contributions to all schemes are charged in the Statement of Financial Activities as they fall due.

i. Fund Accounting

Restricted funds are funds for specific purposes imposed by the donor or by the terms or nature of the appeal under which the funds were raised. The restrictions are binding upon the Trustees of the Charity.

Unrestricted Funds are analysed between (a) General funds available to the Charity for its general purposes, including past funds deployed in tangible fixed assets; and (b) Designated funds, formally earmarked by the Trustees at their discretion for specific spending.

j. Operating leases

Rentals paid under operating leases are charged to income as incurred.

k. Taxation

The Charity is a registered charity, and, as such, is entitled to certain tax exemptions on income and profits from investments, and on surpluses of any trading activities carried on in furtherance of the Charity's primary objects. The Charity's non-primary trading activities are also tax exempt as below the current taxable threshold.

The Charity is not registered for VAT.

l. Other financial instruments

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

ii) Debtors and creditors
Debtors and creditors receivable or payable within one year of the reporting date are carried at their present value which, due to the short term nature of the balances, is the transaction price.

m. Critical accounting estimates and areas of judgement

In preparing financial statements, it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Trustees, no judgements were required that have a significant effect on amounts recognised in the financial statements, nor do any estimates or assumptions made carry significant risk of material adjustment in the next financial year.

3. Donations, legacies and grants

Year at 31 August 2020

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2020 Total £'000s
Donations	98	-	480	578
Legacies	225	-	-	225
DfE grants	-	-	118	118
	323	-	598	921

Year at 31 August 2019

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2019 Total £'000s
Donations	48	-	1,260	1,308
Legacies	176	-	-	176
DfE grants	-	-	37	37
	224	-	1,297	1,521

The DfE grants above are restricted and to be spent within the School.

4. Income from Charitable activities

	2020 £'000s	2019 £'000s
Education fees	4,570	4,376
Social Care fees	7,044	7,451
	11,614	11,827
Ancillary income	107	145

A very high proportion of our fees come from Local Authorities and Clinical Commissioning Groups.

Ancilliary income is mainly from the provision of riding and swimming outside school hours.

5. Investment income

All income in the current and comparative year relates to unrestricted funds.

6. Cost of raising funds

All costs of raising funds and financing costs in the current and comparative year are charged to unrestricted funds.

7. Analysis of charitable expenditure

Year at 31 August 2020

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2020 £'000s
School	3,351	113	841	365	4,670
Social Care	5,315	580	1,429	239	7,563
Other charitable activities	289	39	35	59	422
Total operating costs	8,955	732	2,305	663	12,655

Year at 31 August 2019

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2019 £'000s
School	3,160	96	779	247	4,282
Social Care	5,354	569	1,324	242	7,489
Other charitable activities	213	47	30	50	340
Total operating costs	8,727	712	2,133	539	12,111

Year at 31 August 2020

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2020 £'000s
Staff costs	377	640	15	1,032
IT costs	41	70	2	113
Maintenance	63	106	3	172
Insurance	26	44	1	71
HR costs	53	90	2	145
Utilities	179	305	7	491
Professional fees	12	21	1	34
Other	90	153	4	247
	841	1,429	35	2,305

Year at 31 August 2019

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2019 £'000s
Staff costs	364	619	15	998
IT costs	42	72	2	116
Maintenance	64	109	3	176
Insurance	21	35	1	57
HR costs	53	90	2	145
Utilities	158	268	6	432
Professional fees	3	5	0	8
Other	74	126	1	201
	779	1,324	30	2,133

Support costs have been allocated to Operating areas on the following bases:
Staff costs - time spent
Depreciation - usage of related assets
Other expenses - floor area or headcount.

Support costs include governance costs of £24k (2019: £21k).

8. Net operating income/(expenditure)

This is stated after charging:	2020 £'000s	2019 £'000s
Auditors' remuneration	18	17
Auditors' non audit remuneration	6	3
Depreciation of tangible fixed assets	663	539

9. Employment costs

	2020 £'000s	2019 £'000s
Wages and salaries	9,012	8,883
Social security costs	650	601
Pension contributions (see note 10)	559	436
	10,221	9,920

Agency costs of £254k (2019: £621k) are included in the above. These are significantly lower from the prior year due to the Covid-19 pandemic as a result of infection control and reduced demand. The average number of employees in the year was 447 (334 full-time equivalent (fte)) (2019: 430 (323 fte)).

Trustees' funds paid for 9 employees in the year (fte 5.28) (2019: 8 heads 3.95 fte) at a total cost of £267,819 (2019: £207,261).

Average number of full-time equivalent employees by area:	2020	2019
School	122	122
Social Care	169	162
Support	37	34
Fundraising	4	3
Other	2	2
	334	323

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2020	2019	2020 £'000s	2019 £'000s
£60k-70k	1	1	4	0
£70k-80k	0	0	0	0
£80k-90k	1	1	20	14
£90k-100k	1	1	10	15

As at the end of the financial year, we had 64 active volunteers available to help across our services. However, the Covid-19 pandemic has meant that many of these volunteers have been unable to come on site.

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The TPS is a defined benefit pension scheme run by the Teachers' Pension Agency. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. Accordingly, contributions are accounted for as if the scheme were a defined contribution scheme. The regulations under which TPS operates are the Teachers' Pension Regulations 2010, as amended. Membership is automatic for full-time teachers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or change in contract. Teachers are able to opt out of the TPS. Retirement and other pension benefits including annual increases payable under the Pension (Increases) Acts are paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions are on a 'pay-as-you-go' basis and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The latest valuation report in respect of the TPS was prepared at 31 March 2016 and issued in March 2019. A copy of this can be found on the Department for Education website. The employer contribution rate for the period 1st September 2019 to 31st August 2020 was 23.68%, including a 0.08% employer administration charge.

The average number of employees in the scheme is 21 (2019: 21). The pension charge for the year includes contributions payable to the TPS of £200,186 (2019: £128,402) and at the year-end £23,427 (2019: £17,692) was accrued in respect of contributions to this scheme.

2. Chailey Heritage Foundation Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Charity's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. The payment of agreed contributions by the Charity effectively becomes part of the employees' contract of employment. All new staff, except teachers (unless they have opted out of TPS), are eligible to join this scheme after completion of three months' service and having attained the age of 18 years. For the period from 1 September 2019 to 31 August 2020, the employer's contribution was 7.5% (2019: 7.5%) for the main scheme. From April 2019, the employer increased the auto-enrolment rate from 3% to 4%. There are no guaranteed levels of pension benefits from these schemes.

The average number of employees in the scheme is 399 (2019: 365).
The pension charge for the year was £357,834 (2019: £307,850).
At the year end, there were accrued contributions due of £63,103 (2018: £49,979).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2019: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2019: £nil).

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the Charity's key management personnel were £366k (2019: £336k).

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2019	18	19,562	2,638	22,218
Additions	-	404	28	432
Disposals	-	-	-	-
31 August 2020	18	19,966	2,666	22,650
Depreciation				
1 September 2019	-	6,459	1,722	8,181
Charge for year	-	529	134	663
Disposals	-	-	-	-
31 August 2020	-	6,988	1,856	8,844
Net book values				
31 August 2020	18	12,978	810	13,806
31 August 2019	18	13,103	916	14,037

The leasehold property represents the buildings on the site at Chailey which is leased from Sussex Community NHS Foundation Trust. The lease has been extended during the year to run until 29th June 2143 and, under its terms, £1 per annum is paid but the Charity is responsible for all maintenance of the site and buildings.

In the unlikely event that the Charity was to discontinue its activities, the property (including all investment in the site by the Charity) would revert to Sussex Community NHS Foundation Trust as lessor for no consideration.

13. Fixed Asset Investments

	2020 £'000s	2019 £'000s
Investments held at 1 September	3,533	3,738
Funds withdrawn	-	(150)
Net income (withdrawn)/reinvested	48	(26)
Net unrealised and realised (losses)/gains in the year	(15)	(29)
Market value at 31 August	3,566	3,533
Historical cost at 31 August	3,152	3,032
Investments at market value consist of:		
Listed Investments registered in UK	1,988	2,752
Listed Investments registered outside UK	1,471	699
Cash held as part of investment portfolio	107	82

All investments are listed apart from the £1 unlisted investment held in Chailey Heritage Trading Company Limited, a subsidiary company (note 2c).

The investment portfolio is held primarily for the long term sustainability of the Charity, having regard to the financial risks inherent in operating the Charity - for example those arising from undue fluctuations in income, pupil numbers and costs - and to provide additional income to the Charity.

14. Debtors

	2020 £'000s	2019 £'000s
Fees	270	1,521
Prepayments	129	89
Accrued income	298	288
	697	1,898

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

None of 2020 debtors (2019: £1.0m) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank and in hand

Cash and deposits represent (1) working capital balances on current accounts held primarily for the day-to-day operations of the Charity and (2) amounts invested on the money market with prime institutions which are required in the short and medium term for capital projects and to maintain an adequate level of general liquidity.

16. Creditors - amounts falling due within one year

	2020 £'000s	2019 £'000s
Taxation and social security	172	150
Trade creditors	233	263
Other creditors	90	36
Accruals	347	404
Deferred income	482	1,468
	1,324	2,321

Included within 'Other creditors' are accrued pension contributions of £86k (2019: £68k). Included within 'Deferred income' is Education Funding Agency funding for Autumn Term received in August £80k (2019: £104k). Fees invoiced in August relating to the Autumn Term were zero (2019: £1.0m) due to time pressures resulting from the impact of Covid-19. Deferred income brought forward was all utilised during the current year.

All creditors are financial instruments and are measured at present value.

17. Deferred income

Deferred income comprises	2020 £'000s	2019 £'000s
Balance at 1 September	1,468	1,639
Amount released to incoming resources	(1,468)	(1,639)
Amount deferred in the year (note 16)	482	1,468
Balance at 31 August	482	1,468

18. Analysis of Net Assets by Fund

Year to 31 August 2020

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	2020 Total £'000s
Restricted funds	3,131	-	732	3,863
Unrestricted funds:				
Designated fund	-	-	219	219
General fund - fixed assets	10,675	-	-	10,675
General fund - free reserves	-	3,566	(378)	3,188
	13,806	3,566	573	17,945

Year to 31 August 2019

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	2019 Total £'000s
Restricted funds	2,903	-	847	3,750
Unrestricted funds:				
Designated fund	-	-	579	579
General fund - fixed assets	11,134	-	-	11,134
General fund - free reserves	-	3,533	(473)	3,060
	14,037	3,533	953	18,523

19. Analysis of Charitable Funds

	Restricted Funds	Balance 1 September 2019 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2020 £'000s
a)	DfE grants	-	118	-	(118)	-
b)	Donations towards major projects and equipment	847	480	(355)	(240)	732
		847	598	(355)	(358)	732
	Restricted Fixed assets purchased with Restricted monies:					
c)	Dream Centre	2,903	-	-	228	3,131
		2,903	-	-	228	3,131
	Total Restricted funds	3,750	598	(355)	(130)	3,863

a) The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.

b) Comprises donations received towards specific capital projects/expenditure e.g. Dream Centre, and transferred out to reflect those amounts spent on the build to date.

c) The Dream Centre build and fit out is complete and costs have been capitalised.

Unrestricted funds	Balance 1 September 2019 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2020 £'000s
Designated fund	579	-	(48)	(312)	219
General fund - fixed assets	11,134	-	(663)	204	10,675
General fund - free reserves	3,060	12,108	(12,218)	238	3,188
Total Unrestricted funds	14,773	12,108	(12,929)	130	14,082

Incoming resources above include the net unrealised and realised gains on investments.

Designated Fund:
The £219k represents the current balance of the funds allocated by the Trustees for professional fees and other strategic capital projects, as well as donations received but not spent as at year end. All designated funds are expected to be used within two years. The Trustees do not forsee designating further reserves for the next financial year.

General fund - fixed assets:
This represents the net book value of the Charity's land, buildings and equipment. Total tangible assets of £13,806k are shown in the Charity's balance sheet and are represented by restricted funds of £3,131k and unrestricted funds of £10,675k. They are analysed in note 12 on page 68. The transfer in of £204k to unrestricted fixed asset funds is the unrestricted additions in the financial year.

General fund - free reserves:
The unrestricted general fund of £3,188k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance e.g. to fund the negative impact of Covid-19 on the organisation. The transfer in of £238k is the net impact of the transfers between the fixed asset fund, the designated fund and the restricted fund.

20. Financial Commitments

The Charity has no non-cancellable operating leases at year end 2020 (2019: none).

21. Capital Commitments

At the balance sheet date, the Charity had no further commitments (2019: £187k) in respect of capital projects.

22. Legacies

As at 31 August 2020, the Charity had been notified of 9 (2019: 10) new legacies where payment was not received by that date. No account has been taken of these as the amounts receivable cannot be determined with any reliability.

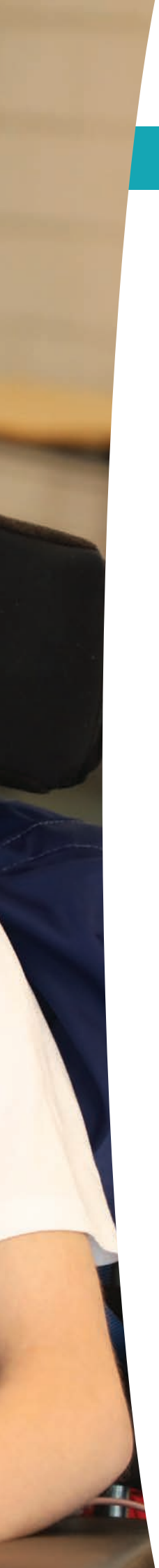
23. Control

The charitable company is under the control of its members who are its Trustees. No one member has sufficient voting rights to control the charitable company.

24. Related Party Transactions

There were no related party transactions in the year.





Trustees, Governors, executives and professional advisors

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

TRUSTEES AND GOVERNORS

The Trustees of Chailey Heritage Foundation (who are also the directors of the company for the purposes of company law) and the Governors who served throughout the year unless otherwise stated were:

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott (appointed December 2019)
Mrs Jenny Clark
Mr David Crowther (retired December 2019)
Ms. Denise Garland (appointed November 2020)
Mrs Heather Goodhew (appointed December 2019)
Dr Elizabeth Green
Mrs Alison Grover
Mr Andrew Hodson
Mr Chris Jones (retired December 2019)
Mr Charles Kimmins
Mr Robin Meyer (retired July 2020)
Mrs Jane Roberts (retired December 2019)

GOVERNORS

Mrs Jenny Clark (Chair)
Mr Michael Atkinson
Ms Amanda Brewis (appointed December 2019)
Ms. Meriel Green
Mr Peter Griffiths (co-opted Governor)
Mrs Alison Grover
Ms. Sarah Healey
Mr Lawrence Mudford
Mr Paul Myers
Mrs Carole Oram
Mrs Deirdre Prower
Cllr. Jim Sheppard (retired July 2020)
Mr Mark Simpson
Mr Troy Slife (appointed November 2019)

KEY EXECUTIVES

Chief Executive:	Ms. Helen Hewitt
Headteacher:	Mr Simon Yates
Director of Social Care:	Ms. Jackie Hall
Finance Director:	Mrs Jane Cope
Development Director (Fundraising):	Ms. Sally-Anne Murray
HR Director:	Mr Nick Aziz
Company Secretary:	Mrs Fiona Duff

AUDITORS

Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey RH1 1DL

BANKERS

National Westminster Bank, 1 Muster Green, Haywards Heath, West Sussex, RH16 4AP

SOLICITORS

Griffith Smith LLP, 47 Old Steyne, Brighton, East Sussex, BN1 1NW

INVESTMENT MANAGERS

Rathbone Investment Management Limited, 8 Finsbury Circus, London, EC2M 7AZ

REGISTRATION INFORMATION

The Registered Office and principal address of the Company is at Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF

Chailey Heritage Foundation, a pioneering charity providing education, care and transition services for children and young people with complex physical disabilities and health needs.

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Chailey Heritage Foundation
pursuing potential

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Registered Charity No. 1075837 and Company limited by Guarantee No. 3769775 (England)