

“ 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:



a non-maintained special school for 2-19 year olds



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



a residential transition service for young people aged 16 years and above



a pay-as-you-go leisure and skills centre



a day service for young adults



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.



Number of pupils in the School



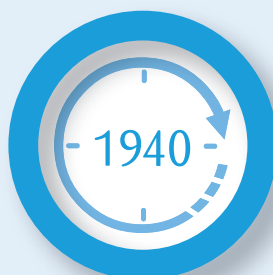
Number of hours delivered by Chailey Heritage Pathways



Number of children in Chailey Heritage Residential – bed nights



Number of sessions provided in the LSC



Number of sessions provided in the Hub



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.

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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.

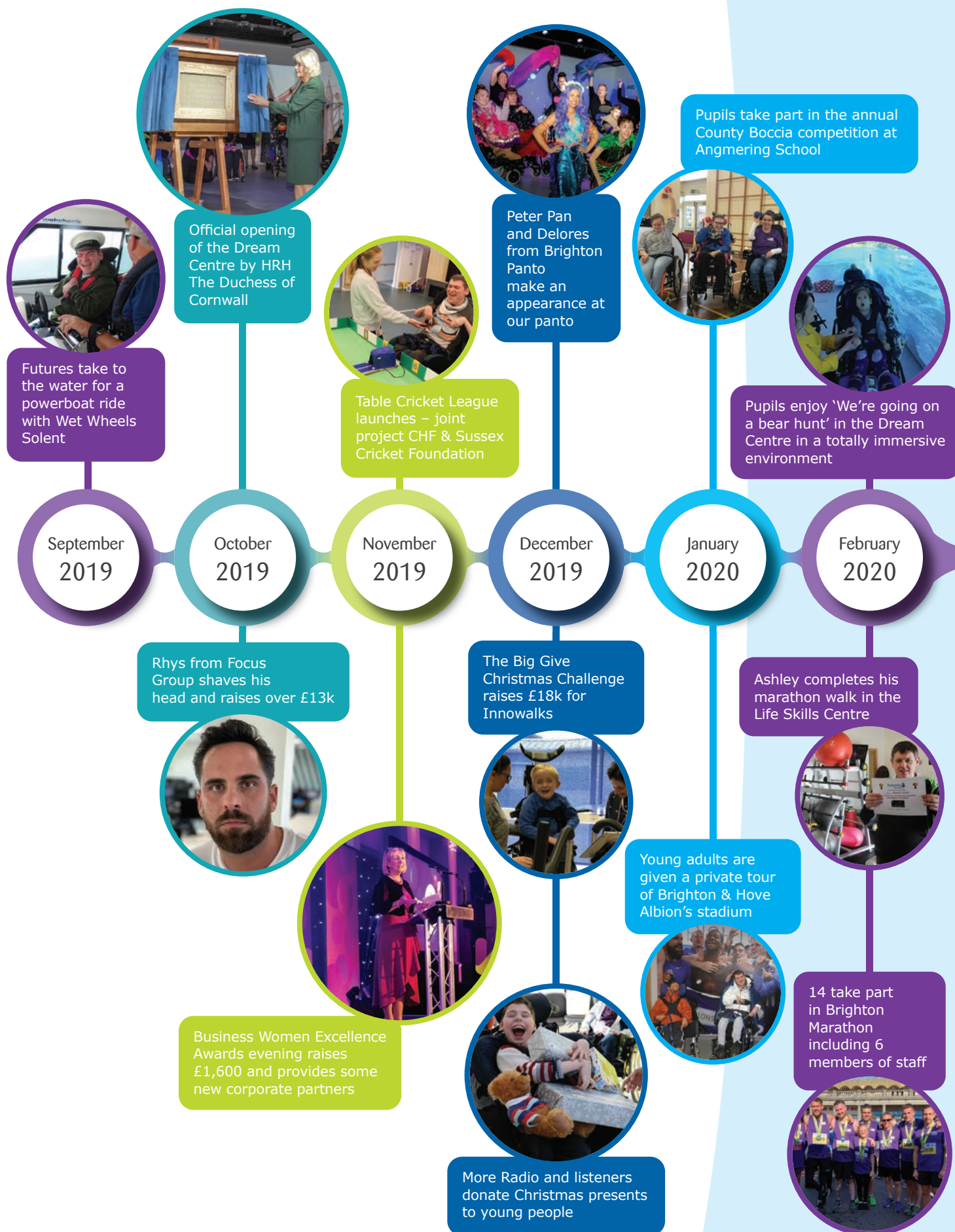
These awards not only illustrate the innovative qualities of the specialist facilities our young people use every day but also illustrate to other schools how technology, combined with a deep understanding of how to modify the barriers faced by young people with complex needs, can have a really significant 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





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.

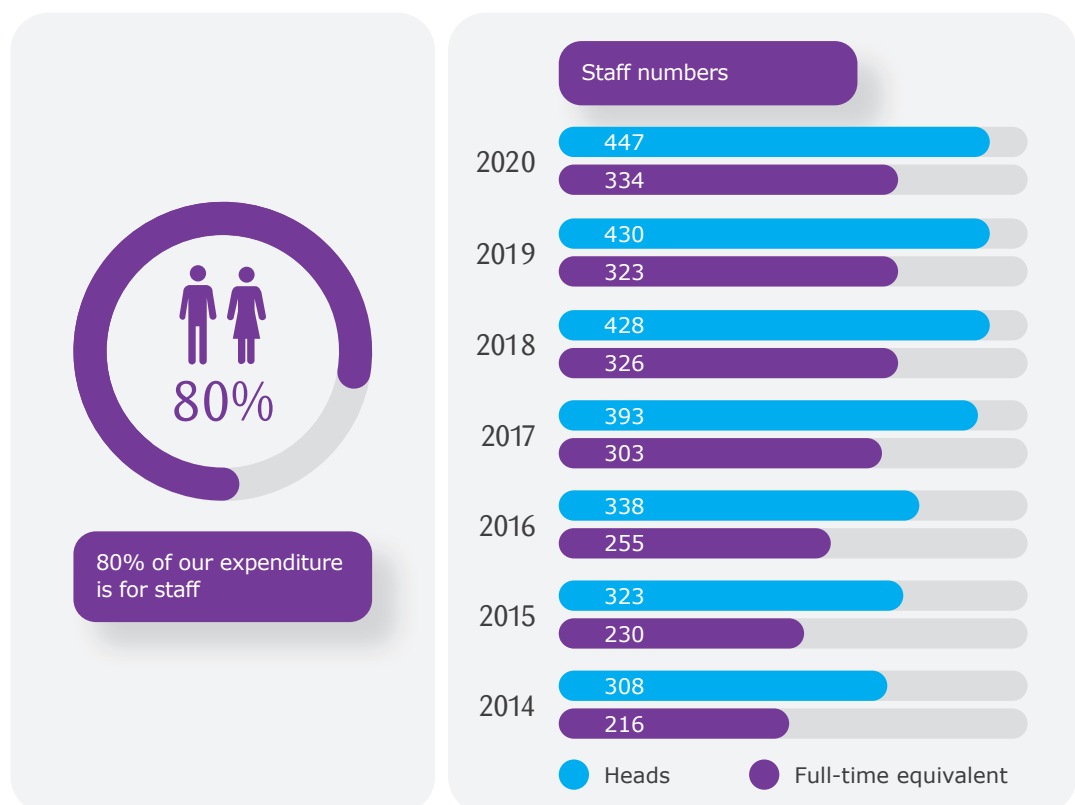
Over 34% of our staff have been with us for more than 5 years.

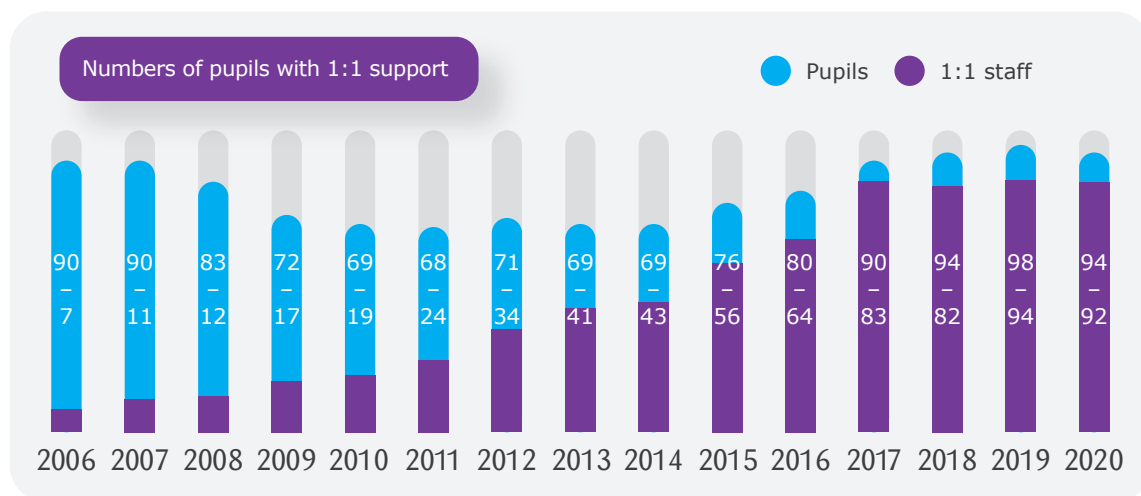
We thank all our staff for their continued dedication, for the tremendous work they are doing to ensure that services can continue wherever possible and for always putting the children and young people first. The strength and commitment of the residential staff and school staff (and our 'bank' team), 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.





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



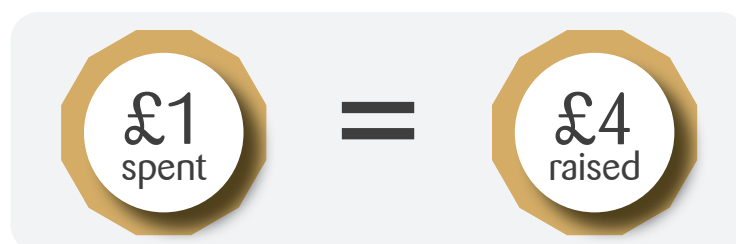
Thanks to the generosity of our amazing donors and supporters, we were able to complete the £3.3m Dream Centre Appeal in time for the Royal Opening by HRH The Duchess of Cornwall in October 2019. The new multi-purpose space provides the young people with an indoor sports arena, a stage for drama and 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 visitors 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.



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

Keep on track - finishing initiatives we started in 2019-20



BUILDING RESILIENCE

Building resilience – within staff teams and families



STILL AMBITIOUS

Continuing our ambition to improve and develop in all areas but especially around quality service and outcomes for young people



DIGITAL AMBITION

Pursuing our digital ambitions



SUSTAINABLE

Sustainability – ensuring we prioritise our resources achieve greater cost recovery and effect further cost effectiveness



READY TO DEVELOP

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 than 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 through 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 insulation 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 is 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 through 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 tCO₂e, 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 (Environmental 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.

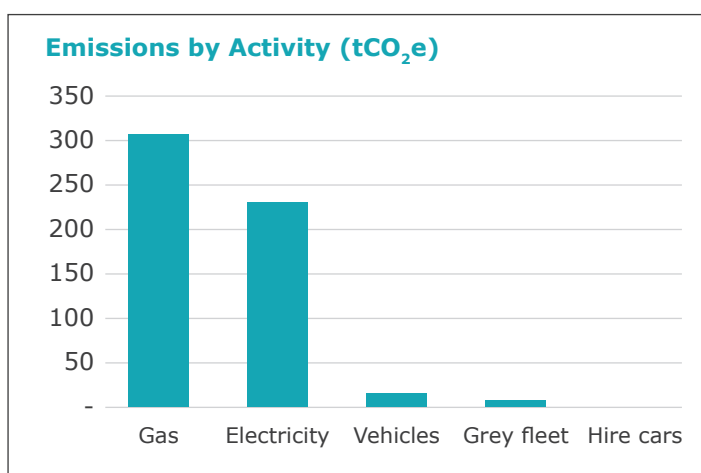
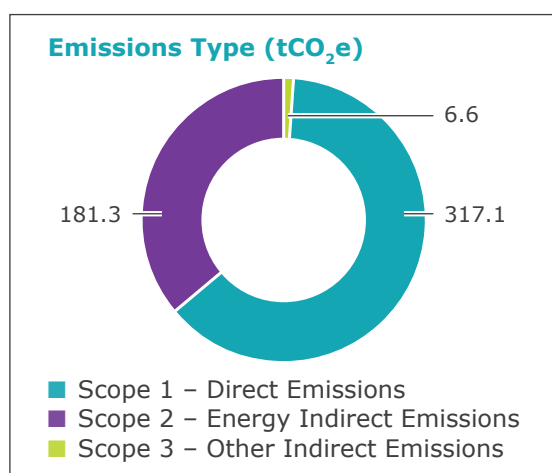
Emissions Scope / Activity: 2019-20	Consumption (Original unit)	Energy Equivalent (kWh)	Carbon Emissions (tCO ₂ e)	% of Emissions
Scope 1 - Direct Emissions			317.1	63%
Gas Consumption (kWh)	1,648,941	1,648,941	304.3	
Company Vehicles (litres)	5,011	53,033	12.8	
Scope 2 - Energy Indirect Emissions			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, tCO₂e			505.0	
Performance metric:				
Turnover (£m)	12.7			
Relative Emissions, tCO₂e/£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	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
		<u>17,372</u>	<u>17,570</u>
CURRENT ASSETS			
Debtors	14	697	1,898
Cash at bank and in hand	15	1,200	1,376
Total Current Assets		<u>1,897</u>	<u>3,274</u>
LIABILITIES			
Creditors: Amounts falling due within one year	16	(1,324)	(2,321)
NET CURRENT ASSETS		<u>573</u>	<u>953</u>
TOTAL NET ASSETS		<u>17,945</u>	<u>18,523</u>
ACCUMULATED FUNDS	18,19		
Restricted funds			
Invested in tangible fixed assets		3,131	2,903
Other		732	847
		<u>3,863</u>	<u>3,750</u>
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
		<u>14,082</u>	<u>14,773</u>
TOTAL FUNDS		<u>17,945</u>	<u>18,523</u>

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
	<u>323</u>	<u>-</u>	<u>598</u>	<u>921</u>

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
	<u>224</u>	<u>-</u>	<u>1,297</u>	<u>1,521</u>

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
	<u>11,614</u>	<u>11,827</u>
Ancillary income	107	145

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.

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)

	2020 £'000s	2019 £'000s
This is stated after charging:		
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)
	<hr/>	<hr/>
Market value at 31 August	3,566	3,533
Historical cost at 31 August	3,152	3,032
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	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

	2020 £'000s	2019 £'000s
Deferred income comprises		
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

	Balance 1 September 2019 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2020 £'000s
Restricted Funds					
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.

	Balance 1 September 2019 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2020 £'000s
Unrestricted funds					
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 foresee 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:
Headteacher:
Director of Social Care:
Finance Director:
Development Director (Fundraising):
HR Director:
Company Secretary:

Ms. Helen Hewitt
Mr Simon Yates
Ms. Jackie Hall
Mrs Jane Cope
Ms. Sally-Anne Murray
Mr Nick Aziz
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

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