



Annual report and accounts

2021-22





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Our promise today is that:

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



About Chailey Heritage Foundation



Chailey Heritage Foundation provides education and care services and is one of the UK's leading centres for children and young people with complex neurodisabilities. Many of our young people have severe cerebral palsy, many have visual and/or other sensory impairments. All our young people are wheelchair users and very few have verbal communication. Our expertise is in maximising independence and choice, developing effective communication and providing powered mobility opportunities.

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

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

Our impact

The impact of the Foundation's services comes not just in how many children and young people use our services but in the difference we make to their lives and that of their families.

Our values

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

 <p>BELONGING</p> <p>we are a community with a shared purpose. Everyone is accepted, everyone matters</p>	 <p>COMMITMENT</p> <p>every day we strive to make a positive difference for the children, young people, and their families</p>	 <p>AMBITION</p> <p>we have high expectations. 'OK' is never good enough</p>	 <p>CELEBRATION</p> <p>we celebrate what we achieve together</p>
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What we do

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

Education

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

Residential

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

Community Services

A range of on-site services as well as an outreach service, offering the skills of our staff to families in their own home and out in the community.



“ Our focus will remain on changing the lives of children, young people and their families through Innovation and Excellence. ”

Statement from Chair of Trustees

I have had the privilege to serve as Chair of Trustees for the last four years and have witnessed first-hand the dedication and commitment of our staff and volunteers and the difference they all make to the children and young people and their families. On behalf of our Trustees and Governors, I would like to thank our staff and volunteers who work tirelessly to ensure the young people live their best life possible and pursue their potential.

By 2024, our vision for Chailey Heritage Foundation is to:

Meet the increasingly complex needs of children, young people and adults with disabilities

Be first choice for parents and stakeholders and supporters

Be financially resilient with sufficient resources to offer enhanced opportunities for children and young people we serve

Have the capacity to develop

Be widely recognised, locally, nationally and internationally, as an innovator, renowned for our expertise and knowledge.

- investing in our workforce
- ensuring the charity remains financially resilient
- becoming digitally stronger and completing our transformation
- continuing with our plan to be as environmentally sustainable as possible.

Over the following pages, you will meet some of the young people we work with and read about the progress we have made against our strategic goals.

In October 2022, the Trustee Board was very pleased to appoint a new Chief Executive to lead this amazing charity following Helen Hewitt's retirement after nine years at the helm. The whole Chailey Heritage community are extremely grateful to Helen for her unwavering dedication and leadership during her time as Chief Executive, and especially during the exceptionally difficult years when Covid-19 was hitting us hardest. Gareth Germer joins us from Samaritans, and we are all very much looking forward to working closely with him over the coming years.

Mark Creamer
Chair of Trustees

These goals have guided our strategy for the last 7 years and, at the beginning of our financial year in 2021, we launched the final phase of an ambitious 10-year journey that started in 2014. Our focus will remain on changing the lives of children, young people and their families through Innovation and Excellence. To achieve our ambitions, the charity needs to have firm foundations and we aim to strengthen the charity by focusing on four key strategic fundamentals:



Meet Faith

“ We as a family never thought that Faith would have the freedom that this specialist equipment trike has given her. Her communication is unique and personal to her because of her disability but what she has achieved is incredible. ”

Vicki – Faith's mum

Faith is an amazing three-year-old little girl. She was born with a brain injury and is both visually and hearing impaired. Life can be a real challenge for Faith and her family. Her brain damage has also caused problems with her mobility, balance and coordination.

She was never expected to be mobile in any way because of a lack of strength in her body.

That all changed when she became a pupil at Chailey Heritage School. She is now able to use one of the charity's specialist trikes and - supported by experienced and caring staff - it has been a real life-changer both for Faith and her family.

Mum, Vicki, said: “We as a family never thought that Faith would have the freedom that this specialist equipment trike has given her. Her communication is unique and personal to her because of her disability but what she has achieved is incredible.

I will never get that picture out of my head of Faith's face when she sat on the trike for the first time. She was so excited. She reached out to hold onto the handlebars and started ringing the bell!

She can bring the trike home which means we all go out as a family on our bikes - something we never thought would be possible. For us as a family, that is priceless.”



“...you have pioneered a curriculum that is bespoke to your school. It builds around each individual by focusing on seven relevant areas of learning. You, your leaders and teaching staff have ensured that this highly personalised, learner centre approach is at the heart of the school's provision.

”
Ofsted

Everyday Excellence



Children and young people are at the core of Chailey Heritage Foundation and the heart of our mission. We seek excellence, not as a badge but because the children, young people and their families deserve nothing less.

From our foundation in 1903, the charity has been at the forefront of education, health and care of disabled young people. That tradition still drives us today.

We are very proud that our Ofsted 'Outstanding' School is leading the debate on curriculum and assessment of pupils with profound and multiple needs.

Every pupil at School has their own curriculum built specifically for them, the Chailey Heritage Individual Learner Driven (CHILD) Curriculum, designed by our Headteacher, Simon Yates. This innovative curriculum is followed by all our teachers and therapists and has gained Simon a national reputation. He addressed the Ofsted South East Regional Conference, highlighting the role of special schools and the importance of specific training for inspectors around subject-based deep dives for schools and pupils where the curriculum is not subject or knowledge based.

84

Number of pupils in the School



As Covid-19 restrictions eased in early 2022, the School started to see requests for visits returning and staff welcomed visitors from around the UK and even a representative from the Cerebral Palsy Alliance of Singapore.

One of our specialist lead teachers had a new journal article published entitled “The pedagogy which underpins a personal curriculum for pupils with severe physical disabilities, complex medical difficulties and a diverse range of learning needs”. Mark Deacon, the Buckingham Journal of Education’s guest editor, introduced the paper saying that the paper had “at its heart, an alternative view of learning and its associated pedagogies – it does not come from external sources but comes instead from the child; the child’s needs, aptitudes and interests.”

Our links with Chichester University continue to be strong and we were asked to deliver a lecture to their students on “engaging learners with complex needs” and to be involved in their annual conference. You will read all about our collaboration with the University of Portsmouth on page 15 in Bertie’s story.

Our specialist teachers are always searching for ways of offering exceptional learning experiences, using the highly innovative immersive space in our Dream Centre. This year, they gained permission from local author, Julia Donaldson, to create our own sensory Gruffalo experience, using everyday materials. Pegs described the Gruffalo’s terrible teeth, feathers for the owl and a wet sponge for the fox’s nose!



“ Chailey Heritage are absolute experts at spotting those tiny changes that make all the difference – a blink of an eye, a movement in the fingers or a quiet sound.



Parent

Meet Holly

Now age 20, Holly has transitioned from life at our School to attending Eastbourne College four days a week, and returning to our Leisure & Skills Centre (LSC) and Hub each Wednesday, and for therapeutic horse riding on a Tuesday, which she absolutely loves. Even though it is a three hour round trip, her Mum, Gabriella, says that it is worth it for all the activities Holly can access on one site, and the enjoyment she gains from her experiences here.

Holly is cognitively able, however she is deaf and non-verbal, so she needs an interpreter and uses her sign book. She has Larson's Type syndrome, musculoskeletal and other related conditions, which means that Holly is in a wheelchair and needs support from those around her, but she is also incredibly independent and likes the freedom to do things for herself.


Three words that describe Holly well are determined, independent and nurturing. Her Mum, Gabriella links these qualities directly to her former experiences as a school pupil here, saying that they have shaped Holly into the young woman she is now. "We owe a huge amount to Chailey Heritage Foundation for developing Holly into who she is today. She has absolutely blossomed in confidence and personality because of the essence of belonging that CHF has given her."

Now that Holly has transitioned to the LSC and Hub, a typical day involves going to the gym, where Holly likes to do boxing and lifting weights, and she has developed incredible upper body strength. As a result, she can self-propel her manual wheelchair, and when she attends rebound therapy on a trampoline, (her favourite activity), she can manoeuvre herself from her wheelchair to the floor unaided, and then over to the trampoline independently. Rosie, who supports Holly at the LSC and Hub, says, "Rebound gives Holly so much independence and freedom, allowing her to get out

of her wheelchair, stretch out and be weightless, while receiving the many therapeutic benefits of each session." She is also a huge fan of taking part in the drama sessions on Wednesday mornings with Imogen.

Rosie describes how much Holly loves these experiences, "She just adores coming here, and you can tell because she laughs aloud and is completely immersed and engaged. Holly is a determined young lady who puts her all into everything she does, so much so that she always has a good appetite for lunch at GK's Café afterwards." The kitchen staff have even learnt Makaton signing so that they can assist Holly with the daily menu choices! The disability level counter helps Holly as it is low enough for her to interact with staff as she pays them herself with her own payment card. Ordering her own food and paying herself gives Holly the chance to practice everyday interactions in a safe, trusted environment that will help her out in the wider community.

"Transitioning from school has been made easier by the fact that there is continuity with the community at Chailey Heritage, that Holly knows she can return here and feel that special bond that she built for so many years while at school." Gabriella reflects that while Holly is very adaptable and loves a challenge, she also likes familiarity and routine, so she gets the best of both worlds when she visits the Hub and LSC.



“ We owe a huge amount to Chailey Heritage Foundation for developing Holly into who she is today. She has absolutely blossomed in confidence and personality because of the essence of belonging that CHF has given her. ”

**Gabriella
Holly's Mum**



“

The staff know the children extremely well and are committed to meeting their individual complex needs.

The staff are familiar with each child's method of communication and a variety of communication aids are easily accessible to the children. ...Trusting relationships are developed with the children, in many cases over several years.

”

Ofsted

Our Residential & Community Services – making a difference for young people and their families

5,704

Bed nights for children



Life began to return to some sort of normality for the young people living on site with us after the exceptionally difficult years of Covid-19. Staff were able to organise trips out again to Brighton, to the beach in Seaford and other exciting venues.

Our community services are a vital part of our offer to families of young people with disabilities who do not live with us on site. It allows them to experience our amazing facilities and have access to our highly trained staff. Sessions in our Learning and Skills Centre and Hub doubled during this year, as young people were keen to resume their activities.

5,244

Bed nights for young adults

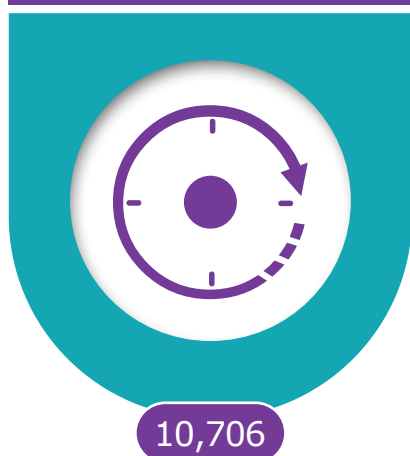


Our second Chailey Games was held in August 2022 attracting over 60 competitors from the community. It is designed to challenge a wide range of physical disabilities and included boxing, weightlifting, skittle and new age kurling. We were honoured to be joined by a Paralympian tennis star and a wheelchair racer, who was part of the Commonwealth Games in 2022, in a virtual Chailey Games appearance to engage and inspire the competitors. The medals were presented by Miss Brighton, who is passionate about playing rugby and with her #TryMe campaign, she aims to end stereotypes in women's sports.

“ We started coming to Aquamovers when Jothi turned one. Aquamovers was the first group that we attended and met other families who are in a similar situation to us. It feels like a really lonely journey but when you walk in here, it feels like people care and they’re interested in how he is and he gets lots of positive attention, which he really enjoys. Swimming is his favourite activity and we had never been in a pool before we came to Aquamovers. Just to watch him learn those skills... I just didn’t expect to see him be able to swim so early on in his life.

”
Parent

Sessions provided in the LSC,
our leisure and skills centre

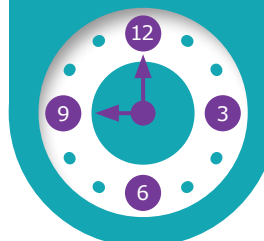


Sessions provided in the Hub,
our vibrant day service



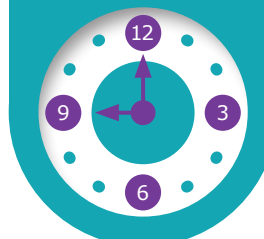
9,205

Hours delivered
by Pathways, our
community-based
specialist support



85

Hours delivered
by Aquamovers,
our parent/toddler
group



38

Sessions delivered by
Holiday Club



“ Chailey is simply person-centred care at its absolute best. Paul loves his days at the Hub, it’s a fantastic friendly community where he feels valued and accepted and importantly, he has a lot of fun! The variety of sessions offered by the LSC is amazing and he enjoys interacting with the staff as much as the many friends he’s made. His fitness levels and range of movement have really increased thanks to the wonderful input from Dan, Charles and the gym team. Using the Innowalk has been a game changer for him and has given him the confidence to start walking in a standing sling now too. Relaxing with a spa and massage after working out in the gym or at rebound therapy is definitely one of the highlights of his week! I only wish I could bottle how special they make him feel.

”
Parent

Meet Livvy



“She’s engaged, stimulated and leading such a rich quality of life - Chailey Heritage Foundation has been an absolute lifeline and gone beyond our expectations.”

**Amanda
Livvy’s Mum**

When you meet Livvy, you can’t help but notice her brightly coloured nails, beautiful, plaited hair and bright, trendy clothes. Like most 21-year olds she loves fashion, which is in part due to having two sisters, Daisy and Grace, who help her keep on top of the latest trends.

Livvy has Phelan McDermid Syndrome (a progressive genetic condition), epilepsy and profound autism. She has frequent seizures, severe scoliosis of the spine and a gastro-jej through which she is fed and receives medication. Her complex needs means that she needs full time care.

Transitioning here from Downs View School and Link College was a big change for Livvy, as having autism means that she likes structure and routine. Her transition was made as smooth as possible by the team at Chailey Heritage Foundation, introducing her slowly to the LSC (Leisure and Skills Centre), Hub sessions and on-site accommodation, by building sessions and overnight stays up over time.

When the opportunity arose for Livvy to become a full-time resident in Orchard Bungalow in June 2022, the family faced the difficult decision to let her go as, with her complex needs and vulnerability, trust played a huge role in the decision process. Amanda, her Mum, explains, “For us, it was about realising that it was in Livvy’s best interests because at Chailey Heritage Foundation she has such a full timetable of activities, accessing everything the Hub and Leisure and Skills Centre have to offer, as well as going for trips off site. She’s engaged, stimulated and leading such a rich quality of life - Chailey Heritage Foundation has been an absolute lifeline and gone beyond our expectations.”

It has shifted the focus for the family too, allowing them to enjoy family time with Livvy without all the challenges of her full-time care routine. “It allows

me to be her Mum instead of her full-time carer, enjoying quality time with her and it’s the same for her Dad and siblings too.”

Kelly, who has worked with Livvy since she started at Chailey Heritage Foundation says, “Livvy has transitioned so well and absolutely loves all the activities the Hub and LSC have to offer, especially cooking, art, drama and swimming, but her favourite is definitely music!” When Livvy is engaged, her head is up and she tracks people with her eyes, so her team can see how much she enjoys the music sessions.

In her Mum’s words, the family have been “blown away” by the care Livvy receives at Chailey Heritage and the progress she is making. “Many people just see a profoundly disabled young person who has no language, can’t walk and is fed through a gastrostomy tube. But Livvy is completely defying expectations and making such astonishing progress! She’s using a walker, eye gaze technology and can even use the treadmill at the gym!” Amanda says the fact that Chailey Heritage never gives up on young people, supplying specialist input at every stage which is bespoke to Livvy’s needs, means that she is thriving. “She just looks so well; it is truly wonderful to see.”



Innovation

Our engineers are experts in creating bespoke solutions to give individuals with profound and multiple disabilities access and independence in their communication, learning and daily lives.

Dr Martin Langner, our resident engineer, has undertaken and completed a research post with University of Portsmouth on a new intelligent system used to operate shared powered mobility platforms.

The new intelligent system will identify users of a shared powered mobility platform by taking a snapshot of the facial image of the user, identifying the face in that image and comparing that facial image to a database of facial images of potential users of the mobility platform using One-shot learning algorithm. When a user is identified, the input device associated with that user will be initiated and used to operate the shared powered mobility platform. Testing and trials were conducted at the University of Portsmouth and at Chailey Heritage Foundation. The prototype system successfully identified users and triggered the input devices associated to them and Bertie is making use of this new technology.

We were delighted to welcome an engineering assistant to work with Dr Martin Langner, fully funded by donations. Together, they will continue to drive new developments in powered mobility and applications for switch technology so more children and young people can experience the freedom of learning to drive a wheelchair.

The engineering team are working on a redesign and rebuild of the Wheelchair Track System in two phases to end up with a totally wireless system. They also designed and built bespoke musical equipment for our new Music Studio.

Bertie knows best!

Thanks to the research developed by our resident engineer, Dr Martin Langner, in collaboration with the University of Portsmouth, Bertie has been given a chance to enhance his autonomy through driving using a voice-activated powered mobility platform. Bertie has always wanted to be able to move forward and turn his wheelchair independently but has been restricted due to his physical disabilities. Now he can do that by using vocalisations and his head switch. It takes a lot of effort for Bertie to make these vocalisations, which tells us that he is motivated to keep trying again and again, and his perseverance amazes us every day. Headteacher, Simon Yates, says, "The excitement I saw in Bertie when I saw him driving using his voice is just wonderful, it takes him so much effort to produce that vocalisation, so you know how much he loves it when he's giving it his all!"

The intelligent wheelchair platform not only responds to Bertie's voice, but over time learns his behaviours so that it becomes more intuitive, giving Bertie more independence, choice, and enjoyment. The team working with Bertie saw that it was instantly a big hit when Bertie used his voice to move his wheelchair to try and run over Amy Perkins, his teacher! "I got such a shock, and I could see instantly that Bertie found it really funny!" Amy explains that while inspiring, this is also incredibly important for Bertie's wellbeing. "Learned helplessness happens to people when they switch off from their learning and lives because they become used to having so many things done for them, or to them". Sadly, this can lead to extreme depression and becoming locked in over time. Therefore, it is so important to find that spark within every pupil that can help us to focus on their ability, rather than their disability and unlock their potential and their world. Simon Yates concludes, "This could have a global impact for anyone with disabilities, it's a very exciting time to be a leader in life-changing technology".





Digitally stronger

Our plan to make the organisation digitally stronger is led by our Head of Technology and falls under three separate categories: to transform, strengthen and streamline our systems.

Transform

The Electronic Medication Administration Record system was completed, resulting in improved medication entries, enhanced reporting and ease of identifying any rare medication errors. Further improvements are in the pipeline, including an integrated medication stock management system and care system, allowing care staff to plan, monitor, report and create care plans for our young people. This will include staff rostering.

Use of Microsoft Dynamics for the young people's records so all information is in one place, allowing teachers to view profiles and track progress in an easy-to-use format. We have created modules for Complaints, Accident and Incident management, equipment and staff training records in Dynamics and future plans include Applications, Placements and Assessments.

Strengthen

The IT Team created an attractive and useful intranet for staff with easy access to all on-line applications and information all in one place. This intranet is also accessible to our volunteers, including Trustees and Governors.

Staff moved to SharePoint for document management to improve access, sharing and collaboration on documents.

The Fundraising Team moved to Beacon CRM to include contact management, event management and communications with potential funders, including integrated online payments and donations.

Improved reporting for young people's Annual Reviews and assessments using Microsoft Dynamics, further development will allow parents and funders access to their own Chailey account portal to access account details and information.

Streamline

A modern, integrated HR and payroll system was introduced during the year with online timesheets and improved access to records both on PC and mobile devices. The app is intuitive with added functionality and managers and staff are now reaping the benefits of a streamlined system. The Learning Management System is currently under construction.

A new booking system for facilities, vehicles and apartments is proving popular and has the potential to expand for other uses.

Video conferencing has been installed in most meeting rooms and is invaluable, with the opportunity for 'blended' meetings continuing, allowing people to 'attend' meetings from a distance thereby saving time and fuel.

The charity's IT infrastructure has been improved with a new firewall, telephone system and a programme of replacing PCs with laptops.



Environmentally sustainable

The Streamlined Energy and Carbon Report (SECR) can be found on page 43. The Chailey Carbon Challenge (CCC) is the charity's plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and waste.

The Trustees' Capital Projects Sub Committee oversees the charity's environmental programme. The switch to green electricity was complete during the year and, as a major project in 2023, Trustees will be looking to upgrade the boilers and renew the windows in the hydrotherapy pool, and examining whether the site would be suitable for solar panels. Several other large projects were completed during 2021-22, including replacing the main boilers with more energy efficient models to cut gas usage, replacing aging heating controls and switching to LED lighting across the site. Over 300 trees have also been planted on site during the year.

A car share system has been set up, which is proving useful for those who work the same shift patterns, and the 'cycle to work' scheme is promoted throughout the year.

The CCC 'champions' continued to lead the way in engaging staff in carbon and energy saving campaigns, both at work and at home:

- 'Switch it off' to encourage staff to switch off lights, computers and screens
- Discouraging single-use plastic with a 'Bring your own cup' campaign, both at water coolers and in our Café
- 'Think before you bin it' to encourage staff to re-use and recycle. Reviewing how the charity deals with its food waste is on the agenda for 2023.



Our dedicated workforce

Our dedicated workforce in both School and Social Care continued to provide education and care for the children and young people throughout 2021-22, despite the continuing pandemic and the need to wear PPE. As we write this report, our residential staff continue to wear facemasks as they go about their day-to-day duties, although these are no longer required in School.





Nationwide, staffing pressures continued in many sectors throughout the year, including health and social care, which led to us having increasing difficulties recruiting staff, adding to the pressures on our teams. Securing sufficient, clinically trained staff continues to be a top priority and is a key element in the Charity's strategic plan for the coming years. During the year, recruitment also became more of an issue in School, with potential staff for all areas of the Foundation being able to pick and choose where they work and competitors increasing salaries to entice people to join them.

Governors and Trustees fully understand the risks of not recruiting sufficient staff to our services. They agreed to finance an extra salary increase averaging 7% in January 2022 for lower paid employees in order to retain current staff and make us a more competitive employer to potential recruits. They also agreed to increase the Refer a Friend payment we offer (from £250 to £500) and to establish a Golden Hello payment of £600 for new employees working with the young people.

Our international recruitment programme also commenced during the year, with local accommodation being sourced for occupation by recruits from India, Albania and Zimbabwe. Interviews took place during the summer of 2022 and the first nine recruits arrived in the Autumn of 2022.

As we look to the forthcoming year, we have plans to hold a variety of recruitment events; attend local events such as the South of England show and have a recruitment stand at the Focus 10k; and widen our search net for new recruits, including a further international programme.

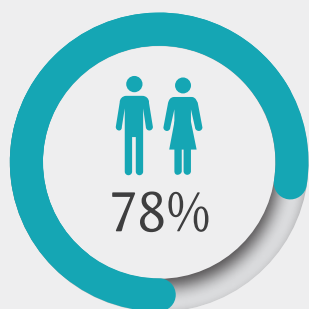
Volunteers

Covid-19 affected our ability to use the wonderful team of volunteers who support so many of our services. Many of them have now decided to retire and we will be looking at a campaign to attract new volunteers to join our workforce.

Gender Pay Gap

You will find our full report on pages 39 and 40 and also on our website:
https://www.chf.org.uk/Gender_pay_gap_report_2022.pdf

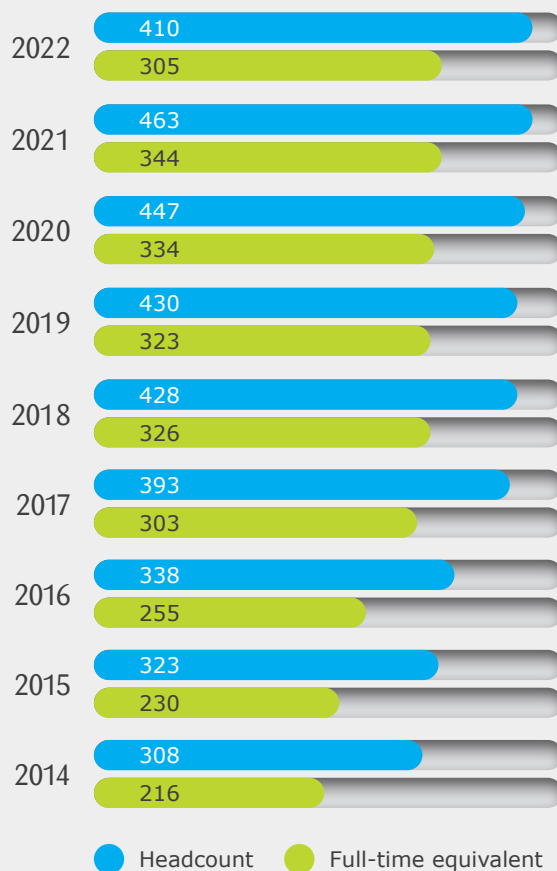
78% of our expenditure is for staff



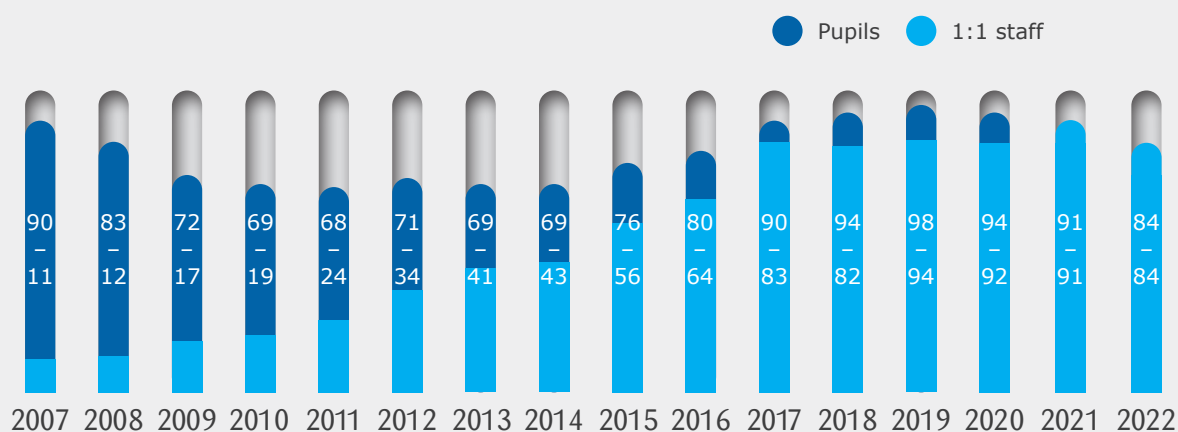
Average numbers of staff during the year



Staff numbers

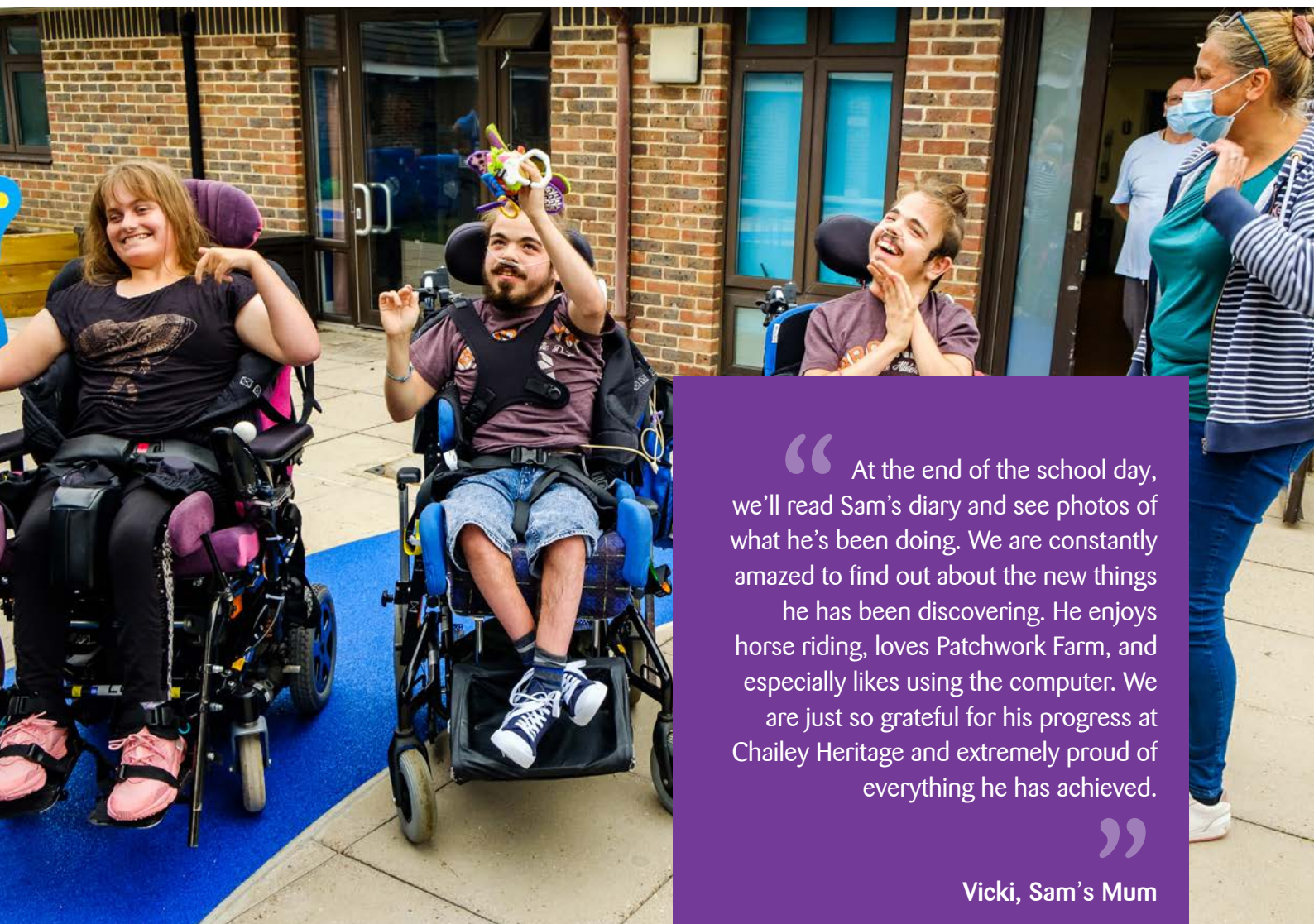


Numbers of pupils with 1:1 support



Due to their complex needs, all our pupils have at least 1:1 support and some have 2:1 support for all or part of the day.





“ At the end of the school day, we’ll read Sam’s diary and see photos of what he’s been doing. We are constantly amazed to find out about the new things he has been discovering. He enjoys horse riding, loves Patchwork Farm, and especially likes using the computer. We are just so grateful for his progress at Chailey Heritage and extremely proud of everything he has achieved.

”
Vicki, Sam’s Mum

Our partners

The partnership with our NHS colleagues on site, Chailey Clinical Services (CCS), is our unique offering to the children and young people. This partnership enables them to receive wraparound care from a team of doctors, therapists, and other clinicians 24 hours a day. During the pandemic, we have worked closely with our partners, initially with a daily call to problem solve and interpret guidance. Chailey Clinical Services is part of Sussex Community NHS Foundation Trust (SCFT) and being able to escalate urgent issues to the Trust has been critical in managing care and minimising infection.



Good support from SCFT managers and working closely together through the Pandemic, have strengthened, and renewed the partnership.

Greater transparency and mutual understanding, particularly around staffing and clinical training, have also helped. SCFT's pharmacy team and CCS managers have been critical to the successful introduction of the new system for the electronic medicines administration record (EMAR). This project was jointly agreed in 2017/18 and, after numerous management and technical delays, was rolled out in 2019/20 to our residents. The pandemic delayed its adoption in school, but the system is now fully operational in school and residential services, supported by a medicines management technician employed by the Foundation.

Parents are one of our most important and valuable partners and we work in close partnership with them, right from the very first informal visit through to the young people transitioning from Chailey Heritage to their new setting. We stay in close contact with families and work together to achieve the best outcomes for their young person. They are very pleased overall with their young person's placement at the Charity and have told us how being at Chailey Heritage has changed the lives of their young people and the whole family through a film and co-produced case studies - <https://www.chf.org.uk/changing-lives.html>. Parents have been increasingly involved in fundraising for the Charity and are also 'ambassadors' by recommending our services to other families.



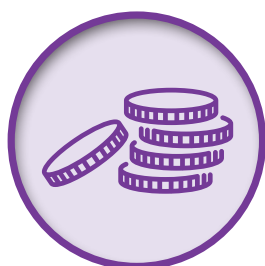


Fundraising

Voluntary income during this financial year totalled £786k (including legacies).



Every penny raised goes to support the children and young people.



The generosity of our supporters has continued to make a huge difference to the lives of the children and young people at Chailey Heritage Foundation, throughout another challenging year.

We would like to take this opportunity to thank all the individuals, companies, trusts, foundations, charities and community groups who chose to support Chailey Heritage Foundation when there is so much need right across the charity sector. Without the funding received from the wide range of donors, many of the specialist services the young people rely on could not be delivered, our unique facilities could not be updated, and vital equipment would not be available.

During 2021/22, fundraising continued to be affected by the issues that impacted all of our lives, including the Covid-19 Pandemic, the war in Ukraine and the cost-of-living crisis. In the face of these headwinds, we are grateful that we have been able to fund a wide range of exciting projects that will help the young people who access services, from all areas of the Foundation, to achieve better outcomes.

Fundraising costs are borne entirely from the Trustees' Unrestricted Reserves.

Three highlights for the fundraising department were:

- Winning the Big Give Christmas Challenge award for best overall charity from over 900 participants while raising over £29,000 for Patchwork Farm
- Holding a successful 5th annual Focus 10k run at our stunning new course at Sutton Hall Estate and raising over £20,000 for Hippotherapy
- Being able to resume community talks at local schools, clubs and societies as Covid-19 restrictions eased.

Achievements

Specialist Services



- Patchwork Farm

The focus of fundraising activity in the autumn was raising funds for our therapeutic care farm. Patchwork Farm was a lifeline as the pandemic continued to limit the opportunities for the young people to get out and about. Campaigns like the Big Give and Woolly Hat Wednesday helped us to cover 100% of the running costs in record time. The Farm also provided lots of opportunities for corporate volunteers to get involved, with special thanks to Zurich Community Trust, BAM Nuttall and Convergent.



- Hippotherapy and therapeutic riding

This service is physically and emotionally central to the Foundation and is entirely funded by our donors. The riding team were resilient in the face of restrictive PPE, ensuring that the pupils were still able to benefit from their timetabled sessions to help them achieve their personal goals. There are currently 37 riding sessions per week delivering therapeutic, educational and wellbeing benefits to the young people taking part.



- Dream Centre Immersive Space

The unique opportunities presented by the Dream Centre Immersive Space can only be realised by creating the bespoke content designed to achieve the personal goals of individual young people. The resources needed to develop experiences as diverse as trips to space and a visit to the barber shop, have been fully funded by our supporters and have opened up new worlds to young people with complex disabilities.

Community Support



- Aquamovers

Aquamovers is a cherished, fundraising-supported service for pre-school children with disabilities and their families to access physiotherapy and speech and language support both in and out of the hydrotherapy pool. The isolation often felt by parents of infants with a disability has been magnified further by the pandemic. This community service gives parents the chance to meet others in a similar situation while their children benefit from a play and therapy session designed specifically for them.



- Leisure and Skills Centre (LSC) - Equipment and Activities

The LSC provides a unique setting where people living with us in our Futures' bungalows and those living in the community can take part in a wide range of meaningful activities in the kitchen, the gym and in the arts and crafts centre. Fundraising helps to fund the kit needed for the activities, including Eye Gaze camera equipment, Magic Easels and a new mixer for the all-important cakes! Fundraising also supports activities including a roller disco, fashion show and the Christmas Party.

Excellence, Innovation, Impact and Sharing



- Mobile Eyegaze

An essential tool for many young people at Chailey Heritage Foundation, Eyegaze enables pupils who do not have control of their hands and in many cases, cannot communicate verbally, to operate a regular computer by eye movement alone and to access specialist educational and communication software. Previously restricted to a classroom location, the 10 mobile units, adapted by the engineering team and paid for by donations, allow them to be used across the site.



- Engineering Team

The attitude at Chailey Heritage Foundation is always "how can we support a young person to do something?" rather than "that is not possible for someone with complex disabilities". It is the highly dedicated engineering team that make this possible. In 2021/22 voluntary income from the Vision Fund funded a brand-new role of "Rehabilitation Engineer Technician" which is already helping to develop and implement new adaptive technology to improve the outcomes for the young people.

Transformation



- Quad Garden

The support of the Charity Champions at local Morrisons stores helped us secure a significant grant from the Morrisons Foundation to transform the garden shared by four of our residential bungalows, in time for the young residents to enjoy it throughout the summer. A tired and run-down garden was transformed with new surfacing, sail sunshades and several interactive elements. The new space is perfect for the young people to enjoy outdoor activities, in and out of their wheelchairs, with their friends and families.



- Environmental Control

Support from the Vision Fund donors enabled the charity to ensure that our staff and young people could stay cool in the summer and warm in the winter. Having the right thermal controls is particularly important for our young people, many of whom have difficulty regulating their own body temperature. The new air conditioning in the bungalows will help in the summer and the efficient new boilers will not only keep everyone warm in winter but also reduce the CO2 output and make significant savings as energy costs continue to rise.



Upcoming Projects

During 2022/23, fundraising will continue to focus on the four strategic themes of:

- **Specialist Services**

The vital elements of the charity that make such a difference to the outcomes for the young people, including riding, Patchwork Farm, Dream Centre Immersive Space and improvements to the Aquatics Centre.

- **Community Support**

Sharing the benefits and creating partnerships in developing the facilities and services at the LSC, funding Aquamovers, working with local colleges to develop a Chailey Career Pathway and creating a Classroom and Community Space on Patchwork Farm.

- **Excellence, Innovation, Impact and Sharing**

Building the Chailey Heritage Innovation Centre, developing a new interface to make technology accessible to people with complex disabilities and continuing to help fund the engineering team.

- **Transformation**

Work to ensure the infrastructure and facilities are effective, efficient and meeting the needs of the young people supported by the charity. Replacing the boilers in the Aquatics Centre with modern and efficient models, new walkers and trikes to help the young people exercise out of their wheelchairs, creating an outdoor activity space for the LSC gym.



Fundraising Volunteers

The fundraising department relies on volunteers to help us with events and activities. In addition to the many volunteers who help on an ad-hoc basis, our two amazing “Fundraising Lead Volunteers” have helped us to deliver 18 talks to community groups, both spreading the word and raising funds for Chailey Heritage right across Sussex.

Friends of Chailey Heritage

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

Our commitment to donors



We are committed to best practice in fundraising, and we are a member of the Fundraising Regulator and adhere to the Code of Fundraising Practice. We are also a member of the Chartered Institute of Fundraising. We have a Fundraising Policy, which is updated every three years, which addresses all forms of fundraising by the Charity, encompassing Appeals, Legacies, Grants and other monetary gifts, the principles of which are set out in “Our Commitment to Donors”: <https://www.chf.org.uk/donors-commitment.html> along with a link to our Fundraising Policy and our Complaints Procedure.

Most of our fundraising activity is carried out by in-house fundraisers employed by the Charity. Sometimes, for reasons of resource or expertise, we need the support of other professionals. The appointment of fundraising consultants/professionals/third parties who are not part of the Charity must be agreed by the Trustee Fundraising Committee (TFRC) and have the written agreement of the Chief Executive prior to use by the Charity. As a matter of Policy, the Charity does not employ outside commercial fundraising organisations to interact directly with potential donors. We occasionally use third party commercial participators to help with some of our fundraising activities, such as our annual running event, the Focus 10k. We also use a third-party organisation – Unity – to run our lottery. In all cases, we have third party agreements in place to ensure all third-party activities are carried out within strict guidelines and in line with the Charity’s fundraising ethos and their work is monitored to ensure standards are maintained. There were no compliance issues with a scheme or fundraising standard.

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

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

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



“ I’m delighted to have joined Chailey Heritage Foundation as the new CEO. The history of the Foundation, its reputation for delivering a world-class range of specialist services, and the expertise of the people that make this possible is truly inspiring.

”

Our new Chief Executive

Gareth Germer joined Chailey Heritage Foundation in October 2022 as its new Chief Executive from Samaritans, where he was their Chief Operating Officer.

Gareth brings extensive experience in the charity sector, having previously worked for NSPCC, and Rethink (a mental health charity).

Prior to his charity career, Gareth spent 10 years at local authorities in a range of operational, project and leadership roles in children’s and adult social care services.





Our future plans

In this final year of our 10-year strategy, our focus will be on four key areas:

Firm Foundations

We will continue to:

- ☐ invest in our workforce
- ☐ ensure the charity remains financially resilient
- ☐ become digitally stronger and complete our transformation
- ☐ continue with our plan to be as environmentally sustainable as possible.

Resilience

Ensuring we continue to deliver outstanding services, every day, whilst keeping a close eye on the challenges ahead, with economic uncertainty, workforce pressures and shifting sands in terms of SEND policy and funding.

Engagement

Preparing for our new strategy, we will see the next 12 months as an opportunity to engage with children, young people, parents, our community, professionals and commissioners to inform our future service offer.

Innovation

We will use the next 18 months as an opportunity to test, develop and refine our thinking, by working with Trustees, Governors and staff, ahead of a new strategy launch in September 2024.

Trustees' Report on Financial and other Statutory Matters

Achievements and performance

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

Our strategy and performance against our strategic goals is discussed in detail on pages 8 to 31 of this annual report.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. As we emerged from the global pandemic, normal service resumed as much as possible across all services. However, in line with many other organisations, the main pressures felt by the Foundation during the year were those of staffing and rapidly increasing utility bills. Regretfully, due to staffing supply, some short breaks had to be postponed and pupils' start dates deferred. The unprecedented increase in energy prices also led to our utility costs increasing by over £175k. No government support was in place until October 2022 when the Government introduced the Energy Bills Support Scheme.

Unfortunately, the financial pressures Local Authorities and Commissioners are under continues to restrict our ability to increase our fees to fully reflect the cost of providing our service. We continue to review our core fees for the main areas of operation to endeavour to cover the costs associated with providing the service, but they still do not recover depreciation costs. Overall, total Net Operating Income was a small deficit of £6k. As a result of the turmoil in the global stock markets, our investment portfolio was showing an unrealised loss at year end of £348k, resulting in an overall Net Expenditure of £354k for the year for the Foundation. Certain costs, e.g. fundraising, depreciation and the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Charity's reserves i.e. unrestricted funds freely available to spend.

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

Financial Activities and Results

In the year to 31 August 2022, our total income was £14.2m (2021: £13.1m). The increase was mainly due to additional nights being provided in residential services and more sessions in our community services, against a reduced provision due to Covid-19 restrictions in the prior year. Pupil numbers continue to be steady but new starters had to be delayed due to staffing shortages.

In the same period, total expenditure has risen to £14.2m (2021: £13.7m). This increase was mainly due to staffing and utility costs. Salary awards needed to be made in order to remain competitive with other employers in the area, alongside the introduction of the Health and Social Care levy by the government. Electricity and gas costs increased considerably as Russia restricted global supplies.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. This was achieved, however, once depreciation is charged, the Unrestricted Fund made a deficit of £236k for the current year (2021: deficit of £868k) before the net loss on the investment portfolio. The overall deficit of £354k was funded by the Foundation's Reserves.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. Legacy income accounted for was marginally up by £14k but overall legacy income itself is still very uncertain in amount and timing. The investment portfolio showed a net unrealised loss at the year-end of £348k (2021: net gain £706k) as volatile stock markets reacted to the pandemic recovery, the war in Ukraine and rising inflation. However, Trustees considered Rathbone's performance satisfactory when benchmarked against the more substantial FTSE and S&P equity indices declines.

As a Charity, regrettably, we continue to incur non-recoverable VAT of approximately £375k, as the Government continues to ignore our sector regarding exemptions, despite giving relief to hospices and maintained special schools. Unfortunately, due to other more prominent concerns, the sector's strong lobbying of government for VAT relief has not had much impact or profile over recent years.

The balance sheet continues to show the enormous investment that the Charity has made in leasehold buildings and equipment, with £14.1m invested in fixed assets or 80% of the Charity's total funds. This reflects the continued investment by the Trustees in the infrastructure of the Foundation and its drive to meet the ever-changing needs of the young people and keep the site up to a good

standard. For example, we invested in: a new fire alarm system; reroofed several buildings; installed air conditioning units in the bungalows; refurbished our St Martin's playground for the youngest pupils and our Music Studio and purchased new boilers and a new wheelchair accessible vehicle. Debtors again increased by £650k as we continued to issue invoices for the Autumn term in August and creditors correspondingly increased to reflect the deferred income. Cash balances increased this year to £0.5m (2021: £0.4m). The Charity was also able to repay £125k of the loan it took out against the investment portfolio with Rathbones at the end of the previous financial year to help fund requirements for working capital.

Funds

At year end, the Charity had total accumulated funds of £17.7m (2021: £18.0m); of this £14.1m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued.

The remaining accumulated funds of £3.6m are split between unrestricted funds, which have increased to £17.5m (2021: £14.6m), and restricted funds of £0.2m (2021: £3.4m).

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given. At year end, there were no longer any restricted fixed assets as, per our accounting policy, they were transferred to unrestricted fixed assets (2021: £3.0m) a year after becoming fully operational.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. These designated funds amounted to £0.2m at year end (see Note 20 on page 65). The remaining unrestricted general funds stood at £17.3m of which £14.1m (2021: £11.1m) are invested in tangible fixed assets, whilst £3.2m (2021: £3.4m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls.

Free Reserves Position

In 2020, Trustees set a target of holding £4.0m Free Reserves by August 2024. The target was set at a level designed to cover both operational and capital risks that might arise over the strategic plan period and was equivalent to about 4 months of operating costs. It was noted that achieving this new target would depend on continued growth in investment returns and legacies, as well as delivering budgeted operating surpluses.

Trustees will be reviewing their longer-term strategy during 2023, and they will review the Free Reserves target in the light of the risks and opportunities identified. It is their intention to express the revised target as a range.

Free Reserves stood at £3.2m (see Balance Sheet) (2021: £3.4m) on 31 August 2022.

Investment Policy and Performance

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

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustees' Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustees' Finance Committee. No sooner had global stock markets started to recover from the pandemic, the Russian war with Ukraine began and the pressure on energy supply and prices rose. Ultimately, by year end, our portfolio valuation had decreased by £348k (versus a gain of £706k at the previous year end). During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £41k of income was used to pay investment management fees. During the year, £125k of the Rathbones' loan, secured by this investment portfolio, was repaid from working capital, leaving an outstanding balance of £275k to be repaid by August 2025.

The impact of Covid-19

The impact of the Covid-19 pandemic on the Foundation reduced significantly during this financial year. However, the outbreak of the new Covid Omicron variant in the winter of 2021 caused disruption to the day to day working of the Foundation. Although staff thankfully were not as poorly with this new variant, they were unable to come to work if they tested positive, so there were high staff absences. The Foundation found ways of coping and the School and our vital residential services continued to remain open, as they did all the way through the pandemic. However, sadly some short breaks had to be cancelled and our day services were reduced due to the staffing challenges.

The restrictions of November 2021 also affected our Christmas fundraising campaigns, with bucket collections cancelled and the annual Brighton Family Panto, of which we are a charity partner, was

postponed for another year. However, by summer 2022, live events returned and our main fundraising event, Focus 10k, returned with resounding success at a stunning new venue.

In the summer of 2022, visitors were beginning to return to the Foundation and our much-loved Celebration Day for staff and families (which had been online for 2 years) returned in person.

As service users were confident that the risks of Covid-19 were diminished and the Foundation staff were handling infection control very well, they returned to our community services – the LSC and Hub. By the end of the financial year, sessions had doubled from the previous year and our community services were more in demand than ever as people were keen to find some new normal to their lives. As we write this report, masks are still being worn by staff in our residential and community services.

Principal risks and uncertainties

Risk management processes

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

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

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

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes, with escalation of the Executive Team and Governors as necessary. During the pandemic, service specific risk assessments were developed and updated

as government guidance changed. Services have adopted a cautious approach to risk given the health vulnerabilities of the children and young people.

Risk Profile

Chailey Heritage Foundation manages a high level of risk every day because of the complexity and high health needs of the children and young people using its services. The Joint Clinical Oversight Committee was established to ensure Governor and Trustee oversight of high-risk issues, such as clinical training and competence and medication errors and how effectively these are controlled.

The charity's services are inherently "risky" and, as a result, under more intense scrutiny from regulators. This scrutiny has increased in the last 3 years partly because of the increasing vulnerability of new pupils and partly because of regulatory failures in other similar organisations. As a result, the risk of negative regulatory assessments and measures remains a relative high risk despite rigorous control measures.

For the future, Chailey Heritage Foundation plans to continue as a niche provider of highly specialist services to children with extremely high health

needs and high levels of complexity. While this is an inherently risky part of the market, it is much needed as there are few specialist providers with the level of expertise and facilities Chailey Heritage can offer. Managers, Governors and Trustees live with the risk of serious incident and the consequent reputational

and business risk every day. Operationally, it is mitigated by robust systems, strong monitoring and oversight, skilled and well-trained staff, and a careful balance of need within services, classes and residences with slightly less complex individuals, balancing out the demands of the most complex.

The main risks in 2021-22 have been:

Area of Risk	Risk	Mitigation
Workforce sufficiency	<p>Insufficient staff to run services safely or admit new young people (through recruitment / retention but also Covid-19 absence).</p> <p>Insufficient nurses from Chailey Clinical Services to provide clinical training and support for new admissions.</p>	<ul style="list-style-type: none"> • Management of demand to match staffing capacity e.g. Short breaks and admissions. • Flexible use of social care staff across services. • Joint recruitment events with Chailey Clinical Services. • Reward Strategy (September 2020) to keep salary rates competitive and make it easier for staff to work in both school and social care. • Change of online recruitment partner. • Streamlining application process. • Introduction of online interviews. • Development of online training modules. • Streamlining competency sign off. • Agreement on future training needs and budgeting for increased nursing capacity.
Regulatory compliance	<p>Primarily to social care services regulated by CQC and, particularly Ofsted, rather than compliance with Health and Safety regulations.</p> <p>Adverse regulatory judgement and/or intervention.</p>	<ul style="list-style-type: none"> • New Head of Social Care post strengthened processes and compliance. • All social care services are judged to be 'good.' • Inspectors were confident in how education and care services had responded to Covid-19.
Significant clinical harm	Regulatory and/or reputational damage because a young person is seriously harmed by a clinical error.	<ul style="list-style-type: none"> • Very low medication error rate and robust system for logging and reviewing errors. • Rollout of EMAR across all services. This is a more robust system with significantly improved management information systems. • Strong learning culture with lessons learned based on rigorous investigation and reflection. • Robust clinical governance and oversight from Chailey Clinical Services / SCFT. • Support from on-site nursing and medical team to minimise harm following any error. • Extension of Director of Social Care's clinical role across the Foundation. • Consolidation of the role of the Governors' and Trustees' Clinical Oversight Committee.

Area of Risk	Risk	Mitigation
Serious Safeguarding failure	A serious single issue or systemic failure that would damage the reputation of services and may result in regulatory constraints and possibly closure of a service.	<ul style="list-style-type: none"> • Robust internal processes for reporting and recording and learning from safeguarding events. • Good relationships with the East Sussex officers in Children's and Adult services responsible for safeguarding. • Strong governance oversight of safeguarding issues at Governor and Trustee level.
Business sustainability	<p>Competition from other Non-maintained and independent special schools (NMISS) and Local Authority (LAs) schools could lead to reduction in placements, school numbers reduced.</p> <p>LAs strategic capital investment to create new schools / places to reduce need for placements in non-maintained or independent special schools like Chailey Heritage.</p>	<ul style="list-style-type: none"> • Chailey Heritage School continues to be Ofsted "Outstanding" and nationally recognised as a centre of expertise. • Compelling case studies to demonstrate impact and how the school changes lives. • Strong website and social media presence and brand recognition with parents and supporters. • Charitable funding secured to support IPSEA in working with parents facing SEND Tribunal. • Careful management of staff to balance demand and supply.
Loss of capacity in residential services	<p>Reduction in bed capacity reduces potential income and efficiency.</p> <p>Unable to meet demand for residential placements.</p>	<ul style="list-style-type: none"> • Short term – create internal capacity but ensuring Futures' residents transition before they are 25. • Careful assessment of referrals, matching referrals to capacity and managing expectations of parents and commissioners.

Outlook

Local Authority and Health Commissioners recognise that Chailey Heritage Foundation provides highly specialist services to some of the most vulnerable young people who would be hard to place elsewhere. Demand for places in our services remains strong. The underlying business is robust although our ability to meet that demand and to grow has been limited by a national shortage of care staff that is particularly acute in the South East of England.

For 2022-23, the Trustees budgeted for an operating surplus before depreciation of around 2% of income.

Rising inflation rates and particularly higher energy costs are a main concern, together with our ability to recruit and retain staff. Steps are being taken to improve the attractiveness of our pay offer and to recruit staff, particularly care staff, from overseas.

Borrowings as at 31 August 2022 stood at £275k; we expect this will be fully repaid by the end of August 2023/24. The scale and focus of our capital investment programme is being reviewed as part of a wider strategic review of the business.

Environmental, social and governance

Environmental, social and governance

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

Our Charitable Objects

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

”

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

Demonstrating Public Benefit

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

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

The Trustees are committed through their strategic plan to increasingly share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded initiatives such

as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local community. The Dream Centre will also enable more people living locally to benefit from the Charity's very specialist facilities.

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

Governing documents

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

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

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

Boards

Since incorporation, the Charity has been managed by a Board of Trustees which has overall control of the Charity, its property, and funds. The Trustee Board is supported by a Board of Governors, which has a distinct and separate identity from that of the Trustees and is responsible for securing the effective and efficient operation and management of all services including the School, residential and community services. To ensure effective communication between the two Boards, yet maintain the separateness of them, the Chair of the Governing Board is a Trustee and at least three individuals served on both Boards.

Those who served as Trustees during the year are shown on page 67.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. The current Board includes depth of skills in finance, property, health,

investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation. They recognise the importance of the Charity Governance Code and will be reviewing their improvement plan in the light of their self-assessment against the Code.

The Trustees meet as a full Board at least three times a year. Its principal committees are Finance (including audit, financial risk, and control), Fundraising, Capital Projects (which has oversight of the Capital Expenditure budget and major capital projects) and Clinical Oversight. These committees meet more frequently than the full Board. Trustees meet annually with the Governors to review their strategy and plans for the future. Trustees also meet jointly with Governors to agree any new appointments of the senior leadership team.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role 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.

The responsibility for determining the general policies of the School, Chailey Heritage Residential and Chailey Heritage Futures rests with the Governing Board. During the year, the Governing Board's sub-committees were reviewed to streamline and avoid duplication of reports. The Governing Board has six principal committees which all meet termly before the main Board meeting to deal with Finance, Estates & Environmental Safety, Safeguarding, Education, Social Care and Staff related issues. The Trustees and Governors also have a joint committee overseeing clinical issues, which meets termly or more frequently, if required.

In addition to the Boards of Governors and Trustees, the Senior Management Team comprising the Chief Executive, Headteacher and Director of Social Care, meets weekly and there is a monthly meeting with the heads of all the Foundation's direct and support services.

Trustee induction and training

New Trustees are briefed on their legal obligations under Charity and company law, the content of the

governing documents, the committee and decision-making processes, the business plan and recent financial performance of the Charity.

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

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

Funds held as custodian

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

GDPR

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

Report to Charity Commission

During the year, the Trustees submitted a Serious Incident Report to Charity Commission having received two Compliance Notices from Ofsted concerning staffing sufficiency and the handling of medication in our Children's Home. After commissioning an independent pharmacy professional to review medication processes, providing refresher training to staff, reviewing rotas and putting in place contingency plans for covering staff shortages, Ofsted lifted both the Compliance Notices.

Safeguarding

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

Safeguarding policies are reviewed and updated annually and there is annual safeguarding update

training, to ensure that all staff are up to date with changes in national guidance for adults as well as children and in Foundation policies and procedures. Governors and Trustees also receive annual updates.

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

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

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

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

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

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

Remuneration policy

The Foundation is committed to ensuring that we pay our staff fairly and competitively to attract the skills needed to deliver and support our services. The Governors' People, Pay & Performance Committee (PPP Committee)

considers the employment and remuneration policies including pay policy, pensions, and benefits each year. In setting pay at all levels, Governors and Trustees consider:

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

For 2021-22, our staff were awarded a 1.75% across-the-board salary increase. Lower paid frontline staff were given an extra increase averaging 7% in January 2022.

No Trustee or Governor is remunerated.

Equal opportunities

As an organisation, Chailey Heritage Foundation is committed to promoting diversity and inclusion for all its young people and staff. It is embodied within our values. We welcome applications for employment from all sections of the community. We believe in appointing the best candidate into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits audits at regular intervals and evaluate job roles and pay grades as necessary to ensure a fair structure. During the summer of 2020, we instigated a new pay scale which is applicable across the Foundation, allowing staff to work in other services for the same pay rate and at the same time affording a significant pay increase for many staff.

Gender pay gap

Chailey Heritage Foundation is required by law to publish an annual gender pay gap report. This is our report for the snapshot date of 5 April 2022.

Chailey Heritage Foundation does not pay bonuses, therefore no bonus data is included in this report.

Since calculating our 2021 data, the mean salary figure for males has increased slightly (from £15.02 to £15.12 per hour). The mean figure for females has also increased (from £12.19 to £12.83 per hour).

The figures set out in this report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

	5 April 2020			5 April 2021			5 April 2022		
Gross Hourly rate of pay	Male	Female	Difference	Male	Female	Difference	Male	Female	Difference
Mean	£13.91	£11.75	18.38%	£15.02	£12.19	18.85%	£15.12	£12.83	17.0%
Median	£10.28	£10.28	0%	£10.93	£10.93	0%	£11.94	£11.85	1%

As the mean figure for females has increased by a larger amount, the percentage difference between the two has decreased from 18.85% to 17%. The male population of the overall workforce has remained at 12.64% which means that even a few male employees, particularly at the senior levels, receiving a significant pay increase, can have an impact on how our gender pay gap data appears. Although the executive team remains at being 55.56% female, any increase in the number of males in comparatively higher earning roles considerably affects our overall gender pay gap. In the period in question, 100% of internal promotions were achieved by females and 50% of external managerial vacancies were achieved by men and women; the role achieved by the male was replacing a female and the female's role was a brand-new position.

The median figures for men has increased since our 2021 calculation (from £10.93 to £11.94) and also for women (from £10.93 to £11.85). The increase in the median figure of 1% for both males and females can be explained by two increases in salary during 2022; in September 2021, our annual cost of living review gave all staff a 1.75% uplift and in January 2022, we increased salaries for lower paid staff by an average of 7%.

We remain confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work but remains the result of the roles in which men and women work within the organisation and the salaries that these roles attract, although our work to recruit male support workers does continue to show increasing success. While the structural aspects of the gendered nature of the industry we work in continues to challenge us in narrowing our gender pay gap, we are committed to working towards this goal, whilst building our organisation as an inclusive, fair and empowering workplace.

We continue to have some success in attracting men to work as residential support workers and special education assistants. We are committed to both increasing the number of male employees in these roles while also supporting care and education support staff to seek career progression to better paid roles within the Charity as we build our inclusive, fair and empowering workplace. We consider that our family friendly policies and commitment to equal opportunities support this initiative and we have been pleased at the increase in recent years in the number of men now working as support workers.

We believe in appointing the best candidates into our roles and have a clear policy of paying employees equally for the same or equivalent work, regardless of their gender or other factors covered by the Equality Act 2010. As such, we carry out pay and benefits assessment and evaluate job roles and pay grades as necessary to ensure a fair structure. We are committed to ensuring that there is no gender bias when setting salaries.

The full report can be found here: https://www.chf.org.uk/Gender_pay_gap_report_2022.pdf

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

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

- the likely consequences of any decision in the long term.
- the interests of the Company's employees.

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

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

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

Decision making for the long term

Believing that in planning for the long term, in 2014 the Trustees agreed a 10-year strategy. This has guided strategy and decision making and all initiatives and projects tested must contribute to our 10-year goals.

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in February and progress is reviewed three times a year at Board meetings.

Further information on our strategy objectives and how these have been delivered together with our plans for the future can be found on pages 8 to 31.

During the summer, Trustees began the recruitment of a new Chief Executive on Helen Hewitt's announcement that she would be retiring in the Autumn. A robust and collaborative interview process was held, and Trustees were very pleased to appoint Gareth Germer to lead the charity on Helen's retirement.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's staff and appreciate the

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

Trustees continue to promote our employee assistance programme, Life Works, which is also offered to families.

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

Further information on how we promote the interests of our employees and staff can be found in "Our dedicated workforce" on page 18.

Impact on the community and the environment

Community

The Charity has been part of Chailey community for 120 years and it is now the largest employer in the area. It also has strong links to local companies and philanthropists who support the Charity in many ways. We have contributed to the Parish Council's Neighbourhood plan and identified a need for affordable housing for key workers and improved public transport.

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

Our hydrotherapy pool is still used by outside clubs and groups e.g. Puddleducks and Waterbabies. With the pandemic behind us, we will begin again to offer our other facilities to the community e.g. our Dream Centre hall.

Environment

In developing the 2020-21 strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present

because the medical needs of the young people, require large volumes of clinical consumables such as syringes and, most recently PPE. To compensate, we are committed to offsetting where we can, initially by planting trees on our own site.

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

Our Streamlined Energy and Carbon Report can be found on page 43.

Maintaining high standards of business conduct

Compliance and Good Practice

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

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

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

Governance and Management

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

Further information on Structure, Governance and Management can be found on page 37.

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

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

Streamlined Energy and Carbon Reporting

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

Our SECR carbon emissions for the financial reporting year 2021-22 amounted to **535 tCO₂e**, with 69% arising from gas consumption. When the purchase of green energy is taken into account, total 'market-based' emissions reduce to **400 tCO₂e**.

Since last year, overall emissions have fallen by 4% or 28% with green energy.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO₂e)

	Unit	2021-22	2020-21	% change
Energy consumption	kWh	2,847,346	2,895,404	
Scope 1 - Direct Emissions	tCO ₂ e	367.9	374.1	
Scope 2 - Energy Indirect Emissions - location-based	tCO ₂ e	161.7	177.4	
Scope 2 - Energy Indirect Emissions - market-based	tCO ₂ e	27.1	177.4	
Scope 3 - Other Indirect Emissions	tCO ₂ e	5.2	6.5	
Total SECR Emissions - location-based	tCO₂e	534.8	558.0	-4%
Relative SECR Emissions - location-based	tCO₂e/£m	37.6	42.6	-12%

Taking into account green energy purchased

Total SECR Emissions - market-based	tCO₂e	400.2	558.0	-28%
Relative SECR Emissions - market-based	tCO₂e/£m	28.1	42.6	-34%

Energy Efficiency Projects

A number of energy efficiency initiatives have been undertaken during this financial year.

A large project to replace old fluorescent lighting with much more efficient LED lighting was carried out in the summer of 2022, covering all buildings and external streetlights. It is estimated to save around 76,000 kWh per year, or around 10% of electricity consumption.

To save gas, the boilers have been replaced in the Main Boiler House and Building Management System controls have been installed for the Grace Kimmins Building and the roof has been replaced on Hanbury.

With the purchase of renewable electricity, emissions have fallen significantly.

SECR Emissions Calculations - Methodology

We have reported on all of the emission sources required by Streamlined Energy and

Carbon Reporting (SECR), under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within our consolidated financial statement.

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2022.

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

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

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 46 to 49. in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

Moore Kingston Smith LLP offer themselves for re-appointment as auditors in accordance with section 485 of the Companies Act 2006.

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

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

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

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

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

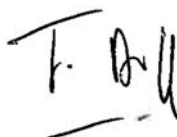
Statement as to disclosure of information to the auditor

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

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



Mark Creamer – Chair of Trustees



Fiona Duff – Company Secretary

Date: 4th April 2023

Independent auditor's report to the members of Chailey Heritage Foundation

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating

to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 45, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK)

will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Our approach was as follows:

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

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Moore Kingston Smith LLP.

James Saunders (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP
Statutory Auditor

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

Date: 12th April 2023

Statement of Financial Activities For the Year Ended 31st August 2022 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Designated £'000s	Restricted Funds £'000s	2022 Total £'000s	2021 Total £'000s
INCOME FROM:						
Donations, legacies and grants	3	408	-	585	993	825
Charitable activities:						
Fees	4	13,002	-	-	13,002	12,071
Ancillary income		140	-	-	140	119
Investments	5	100	-	-	100	87
Other		3	-	-	3	2
Total income		13,653	-	585	14,238	13,104
EXPENDITURE ON:						
Raising funds:						
Financing costs	6	46	-	-	46	32
Fundraising costs	6	159	-	-	159	140
		205	-	-	205	172
Charitable activities:						
Operating costs	7	13,587	19	112	13,718	13,329
Use of Donations and Appeal		5	73	243	321	234
		13,592	92	355	14,039	13,563
Total expenditure		13,797	92	355	14,244	13,735
Net income/(expenditure) before investment gains	8	(144)	(92)	230	(6)	(631)
Net (losses)/gains on investments	13	(348)	-	-	(348)	706
Net Income/(Expenditure)		(492)	(92)	230	(354)	75
Gross transfers between funds	19	3,345	109	(3,454)	-	-
Net movement in funds		2,853	17	(3,224)	(354)	75
Total funds brought forward		14,482	161	3,377	18,020	17,945
Total funds carried forward		17,335	178	153	17,666	18,020

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

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

The notes on pages 56 to 66 form part of these accounts.

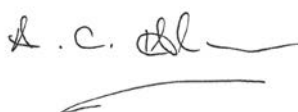
Balance Sheet As at 31st August 2022

	Notes	2022 £'000s	2021 £'000s
FIXED ASSETS			
Tangible assets	12	14,135	14,086
Investments	13	4,042	4,332
		<u>18,177</u>	<u>18,418</u>
CURRENT ASSETS			
Debtors	14	3,275	2,625
Cash at bank and in hand	15	489	435
Total Current Assets		<u>3,764</u>	<u>3,060</u>
LIABILITIES			
Creditors: Amounts falling due within one year	16,17	(4,000)	(3,058)
NET CURRENT ASSETS/LIABILITIES		<u>(236)</u>	<u>2</u>
Creditors : Amounts falling due after one year		(275)	(400)
TOTAL NET ASSETS		<u>17,666</u>	<u>18,020</u>
ACCUMULATED FUNDS	19,20		
Restricted funds			
Invested in tangible fixed assets		-	3,026
Other		153	351
		<u>153</u>	<u>3,377</u>
Unrestricted funds			
Designated funds		178	161
General fund - invested in tangible fixed assets		14,135	11,057
General fund - free reserves		3,200	3,425
		<u>17,513</u>	<u>14,643</u>
TOTAL FUNDS		<u>17,666</u>	<u>18,020</u>

The financial statements on pages 50 to 66 were approved by the Board of Trustees and authorised for issue on 4th April 2023 and signed on their behalf by



M. Creamer
Trustee



A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows

For the Year Ended 31st August 2022

	2022 £'000s	2021 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	1,062	(120)
Cash flows from investing activities		
Dividends, interest and rents from investments	100	87
Purchase of property, plant and equipment	(925)	(1,072)
Proceeds from sale of investments	41	27
Purchase of investments	(99)	(87)
Net cash used in investing activities	(883)	(1,045)
Cash Flows from financing activities		
Cash inflows from new borrowing	(125)	400
Net Cash provided by financing activities	(125)	400
Change in cash and cash equivalents in the reporting period	54	(765)
Cash and cash equivalents at the beginning of the reporting period	435	1,200
Cash and cash equivalents at the end of the reporting period	489	435

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

	2022 £'000s	2021 £'000s
Net (expenditure)/income	(354)	75
Adjustments for		
Depreciation charges	875	792
Net losses/(gains) on investments	348	(706)
Investment income	(100)	(87)
Decrease/(Increase) in debtors	(650)	(1,928)
(Decrease)/Increase in creditors	943	1,734
Non-cash additions to property, plant and equipment	0	0
Net cash provided by/(used in) operating activities	1,062	(120)

Statement of Accounting Policies and Notes to the financial statements – For the Year Ended 31st August 2021

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 67. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

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

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

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

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered the continuing impact of Covid-19 pandemic and the current economic climate on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the current economic climate continuing throughout 22/23 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2022 as in the previous year. The Registered Office of the subsidiary is Haywards Heath Road, North Chailey, Lewes, East Sussex, BN8 4EF.

d) Income

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

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

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

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

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

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

Investment income is accounted for on an accruals basis.

e) Expenditure

Liabilities are recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

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

f) Tangible Fixed Assets and Depreciation

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

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

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

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

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

g) Investments

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

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

h) Pension costs and other post-retirement benefits

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

- (1) Teachers are members of the Teachers Pension Scheme.
- (2) A defined contribution scheme for employees whereby the assets of the scheme are held separately in an independently administered fund.

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

i) Fund Accounting

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

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

j) Operating leases

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

k) Taxation

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

The Charity is not registered for VAT.

l) Other financial instruments

i) Cash and cash equivalents

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

ii) Debtors and creditors

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

m) Critical accounting estimates and areas of judgement

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

3. Donations, legacies and grants

Year at 31 August 2022

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2022 Total £'000s
Donations	270	-	378	648
Legacies	138	-	-	138
DfE grants	-	-	207	207
	<u>408</u>	<u>-</u>	<u>585</u>	<u>993</u>

Year at 31 August 2021

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2021 Total £'000s
Donations	146	-	371	517
Legacies	124	-	-	124
DfE grants	-	-	184	184
	<u>270</u>	<u>-</u>	<u>555</u>	<u>825</u>

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

4. Income from Charitable activities

	2022 £'000s	2021 £'000s
Education fees	4,405	4,497
Social Care fees	8,597	7,574
	<u>13,002</u>	<u>12,071</u>
Ancillary income	140	119

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 and financing costs

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

7. Analysis of charitable expenditure

Year at 31 August 2022

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2022 £'000s
School	3,300	90	1,078	240	4,709
Social Care	5,595	570	1,833	453	8,451
Other charitable activities	297	35	45	182	558
Total operating costs	9,192	695	2,956	875	13,718

Year at 31 August 2021

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2021 £'000s
School	3,477	83	932	243	4,735
Social Care	5,534	510	1,583	419	8,046
Other charitable activities	297	81	40	130	548
Total operating costs	9,308	674	2,555	792	13,329

Year at 31 August 2022

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2022 £'000s
Staff costs	472	802	19	1,293
IT costs	86	147	4	237
Maintenance	99	167	4	270
Insurance	28	47	1	76
HR costs	75	128	3	206
Utilities	239	406	10	655
Professional fees	15	25	1	41
Other	64	111	3	178
	1,078	1,833	45	2,956

Year at 31 August 2021

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2021 £'000s
Staff costs	385	653	16	1,054
IT costs	64	109	3	176
Maintenance	69	117	3	189
Insurance	26	44	1	71
HR costs	50	86	2	138
Utilities	208	354	9	571
Professional fees	10	17	1	28
Other	120	203	5	328
	932	1,583	40	2,555

Support costs have been allocated to Operating areas on the following bases:

Staff costs - time spent

Depreciation - usage of related assets

Other expenses - floor area or headcount.

Support costs include governance costs of £21k (2021: £20k).

8. Net operating income/(expenditure)

	2022 £'000s	2021 £'000s
This is stated after charging:		
Auditors' remuneration	21	20
Auditors' non audit remuneration	0	2
Depreciation of tangible fixed assets	875	792

9. Employment costs

	2022	2021
	£'000s	£'000s
Wages and salaries	9,433	9,290
Social security costs	781	683
Pension contributions (see note 10)	549	578
	10,763	10,551

Agency costs of £269k (2021: £87k) are included in the above. These have increased significantly from prior year due to staff recruitment issues. The average number of employees in the year was 410 (305 Full time equivalent) (2021: 458 (344 full-time equivalent)).

Trustees' funds paid for 7 employees in the year (fte 5.44) (2021: 7 heads 4.88 fte) at a total cost of £289,328 (2021: £252,495)

Average number of full-time equivalent employees by area:	2022	2021
School	110	121
Social Care	151	179
Support	37	38
Fundraising	4	4
Other	3	2
	305	344

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2022	2021	2022	2021
			£'000s	£'000s
£60k-70k	4	1	18	15
£70k-80k	1	0	15	0
£80k-90k	0	1	0	21
£90k-100k	1	1	21	0
£100k-110k	0	1	0	10
£110k-120k	1	0	10	0

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £176,528 (2021: £195,170) and at the year-end £21,364 (2021: £21,466) was accrued in respect of contributions to this scheme.

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

The employer and employee contribution rates are set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. In March 2019, it was confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08%, giving a total employer contribution rate of 23.68%.

HM Treasury has confirmed that any changes to the employer contribution rate will take effect in April 2024, resulting from the 2020 valuations. Until the valuations are completed, it is not possible to conclude any financial impact or future changes to the contribution rates of the TPS. The assets and liabilities relating to this defined benefit scheme are the responsibility of the UK government and not held on the Charity's balance sheet.

The average number of employees in the scheme is 18 (2021: 21).

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the School's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. The payment of agreed contributions by the School effectively becomes part of the employees' contract of employment. All new staff, except teachers (unless they have opted out of TPS), are eligible to join this scheme after completion of three month's service and having attained the age of 18 years. For the period from 1 September 2021 to 31 August 2022, the employer contribution rate was 7.5% (2021: 7.5%) for the main scheme. The employer auto-enrolment rate remained the same at 4%. There are no guaranteed levels of pension benefits from these schemes.

The average number of employees in the scheme is 368 (2021: 417).

The pension charge for the year was £387,387 (2021: £382,649).

At the year end, there were accrued contributions due of £53,669 (2021: £57,526)

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2021: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2021: £nil).

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the charity's key management personnel were £351k (2021: £353k).

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2021	18	20,861	2,843	23,722
Additions	-	749	175	924
Disposals	-	-	(41)	(41)
31 August 2022	18	21,610	2,977	24,605
Depreciation				
1 September 2021	-	7,767	1,869	9,636
Charge for year	-	739	136	875
Disposals	-	-	(41)	(41)
31 August 2022	-	8,506	1,964	10,470
Net book values				
31 August 2022	18	13,104	1,013	14,135
31 August 2021	18	13,094	974	14,086

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

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

13. Fixed Asset Investments

	2022 £'000s	2021 £'000s
Investments held at 1 September	4,332	3,566
Funds withdrawn	(41)	(27)
Net income reinvested/(withdrawn)	99	87
Net unrealised and realised (losses)/gains in the year	(348)	706
	<hr/>	<hr/>
Market value at 31 August	4,042	4,332
Historical cost at 31 August	3,717	3,535
	<hr/>	<hr/>
Investments at market value consist of:		
Listed Investments registered in UK	2,312	2,284
Listed Investments registered outside UK	1,494	1,914
Cash held as part of investment portfolio	236	134

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

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

14. Debtors

	2022 £'000s	2021 £'000s
Fees	2,492	1,776
Prepayments	210	370
Accrued income	573	479
	<hr/>	<hr/>
	3,275	2,625

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

£1,730k of 2022 debtors (2021: £1,269k) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank

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

16. Creditors - due within one year

	2022 £'000s	2021 £'000s
Taxation and social security	174	158
Trade creditors	419	453
Other creditors	144	81
Accruals	659	308
Deferred income	2,604	2,058
	<u>4,000</u>	<u>3,058</u>

Included within 'Other Creditors' are accrued pension contributions of £75K (2021: £79k).

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term received in August £71k (2021: £76k).

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

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

17. Deferred income

	2022 £'000s	2021 £'000s
Deferred income comprises		
Balance at 1 September	2,058	482
Amount released to incoming resources	(2,058)	(482)
Amount deferred in the year (note 16)	2,604	2,058
Balance at 31 August	<u>2,604</u>	<u>2,058</u>

18. Creditors: amounts falling due after one year

	2022 £'000s	2021 £'000s
Rathbone loan - due between 3-5 years	275	400
	<u>275</u>	<u>400</u>

This relates to a drawdown loan from Rathbones against the value of the portfolio held.

19. Analysis of Net Assets by Fund

Year to 31 August 2022

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	Long Term Liabilities £'000s	2022 Total £'000s
Restricted funds	-	-	153		153
Unrestricted funds:					
Designated fund	-	-	178		178
Fixed assets fund	14,135	-	-		14,135
General funds	-	4,042	(567)	(275)	3,202
	14,135	4,042	(236)	(275)	17,666

Year to 31 August 2021

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	Long Term Liabilities £'000s	2021 Total £'000s
Restricted funds	3,026	-	351		3,377
Unrestricted funds:					
Designated fund	-	-	161		161
Fixed assets fund	11,057	-	-		11,057
General funds	-	4,332	(507)	(400)	3,425
	14,083	4,332	5	(400)	18,020

20. Analysis of Charitable Funds

Restricted Funds	Balance 1 September 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2022 £'000s
a) DfE grants	-	206		(206)	-
b) Donations towards major projects and equipment	351	379	(243)	(334)	153
	351	585	(243)	(540)	153
Restricted Fixed assets purchased with Restricted monies:					
c) Dream Centre	3,026	-	(112)	(2,914)	0
	3,026	-	(112)	(2,914)	0
Total Restricted funds	3,377	585	(355)	(3,454)	153

- a) The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.
- b) Comprises donations received towards specific capital projects/expenditure e.g. Patchwork Farm, Hippotherapy, a new minibus and transferred out to reflect those amounts spent to date.
- c) The Dream Centre build was completed in 2019/20 and the balance has been transferred to unrestricted as per our policy 2(f).

Unrestricted funds	Balance 1 September 2021 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2022 £'000s
Designated fund	161	-	(92)	109	178
Fixed asset fund	11,057	-	(761)	3,839	14,135
General fund	3,425	13,305	(13,036)	(494)	3,200
Total Unrestricted funds	14,643	13,305	(13,889)	3,454	17,513

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

Designated Fund:

The £178K represents the current balance of the funds allocated by the Trustees for professional fees on potential strategic capital projects, as well as unrestricted donations received but not spent as at year end. Funds received for the Vision Fund are included here. All designated funds are expected to be used within two years.

Fixed Asset Fund :

This represents the net book value of the Charity's land, buildings and equipment.

Total tangible assets of £14,135k are shown in the Charity's balance sheet.

They are analysed in note 12 on page 61. The transfer of £3,839k to fixed asset funds is unrestricted additions in the financial year of £590k and restricted additions of £334k.

Plus a transfer of £2,914k from restricted funds for the Dream Centre as per note 19.

General fund:

The unrestricted general fund of £3,200k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance. The transfer out of £494k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

21. Financial Commitments

The charity has no non-cancellable operating leases at year end 2022 (2021: none).

22. Capital Commitments

At the balance sheet date, the Charity had no further commitments (2021: nil) in respect of capital projects.

23. Legacies

At the balance sheet date, the Charity had no further commitments (2021: nil) in respect of capital projects. As at 31 August 2022, the Charity had been notified of six (2021: seven) new legacies where payment was not received by that date. No account has been taken of these as the amounts receivable cannot be determined with any reliability.

24. Control

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

25. Related Party Transactions

There were no related party transactions in the year.

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

PATRONS

Mr Chris Goodman

Mr David Hill

TRUSTEES AND GOVERNORS

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

TRUSTEES

Mr Mark Creamer (Chair)

Mr Michael Atkinson

Mrs Lucinda Baker LVO

Mr Neil Bennett

Mrs Helen Britton

Mr Darren Chilcott

Mrs Jenny Clark

Ms. Denise Garland

Dr Elizabeth Green

Mrs Alison Grover

Mr Andrew Hodson

Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)

Mr Michael Atkinson (retired July 2022)

Ms Amanda Brewis (retired February 2022)

Ms Susan Duke (elected January 2022)

Mrs Alison Grover

Mr Alan Loader (appointed July 2022)

Ms Amanda Mortensen (elected October 2022)

Mr Lawrence Mudford

Mr Paul Myers (retired March 2022)

Ms Sara Niblock (retired May 2022)

Mrs Carole Oram

Mrs Deirdre Prower

Ms Dianne Ryan (nominated September 2021)

Ms Julie Tilbury (elected September 2021)

Ms Jenny Turner (elected October 2022)

KEY EXECUTIVES

Chief Executive:

Chief Executive:

Headteacher:

Social Care, Operations & Development Director:

Finance Director:

Development Director (Fundraising):

Head of Fundraising

HR Director:

Company Secretary:

Ms Helen Hewitt (retired September 2022)

Mr Gareth Germer (appointed October 2022)

Mr Simon Yates

Mr Robert Hambrook

Mrs Jane Cope

Ms. Sally-Anne Murray (retired December 2022)

Mr Will Folkes (appointed November 2022)

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

Rathbones Group Plc, 8 Finsbury Circus, London, EC2M 7AZ

REGISTRATION INFORMATION

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

Chailey Heritage Foundation, a pioneering charity providing education, care and transition services for children and young people with complex physical disabilities and health needs.



chaileyheritagefoundation



chaileyheritagefoundation



chaileyheritagefoundation



Chailey Heritage Foundation

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