

Annual report and accounts

2022-23





Contents

Introduction

About Chailey Heritage Foundation	4
The difference we make	6
Statement from Chief Executive	8

Strategic Report

Meet Charlotte	9
Our School - Everyday Excellence	10
Meet Thomas	12
Our Residential & Community Services	13
Meet Lu	15
Innovation	16
Meet Seth	17
Spotlight on our Specialist Services	18
Digitally stronger	22
Environmentally sustainable	23
Our dedicated colleagues	24
Our partners	28
Fundraising	30
Our future plans	33

Financial Review

Trustees' Report on Financial and other Statutory Matters	34
Financial Activities and Results	34
Funds	35
Free Reserves Position	35
Investment Policy and Performance	35
Principal risks and uncertainties	36
Outlook	37
Environmental, social and governance report	37

Statement of Trustees' Responsibilities

45

Independent Auditor's Report

46

Financial Statements including notes

50

Trustees, Governors, executives and professional advisors

67



Our promise today is that:

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



About Chailey Heritage Foundation



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

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

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

Our values

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



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



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



we have high expectations. 'OK' is never good enough



we celebrate what we achieve together

What we do

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

Education

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

Residential

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

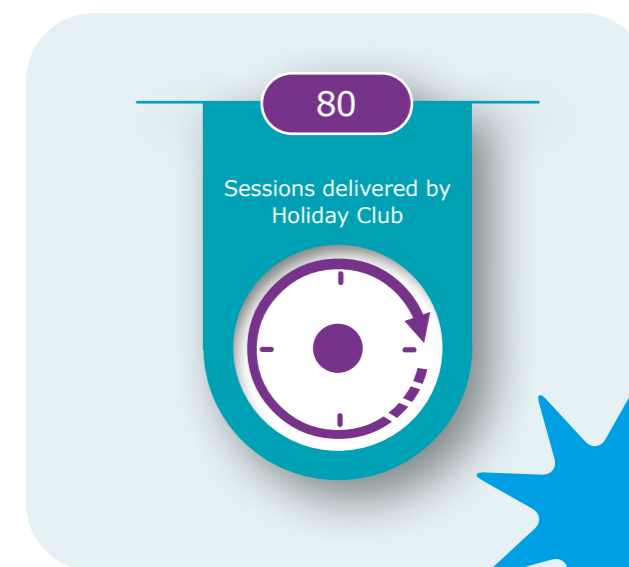
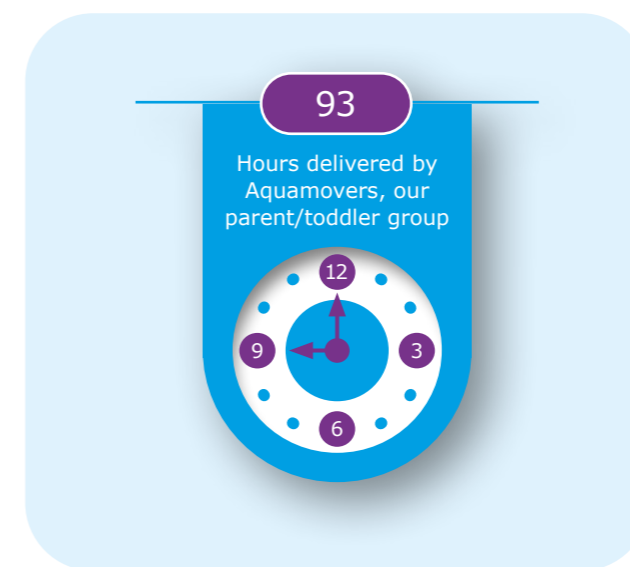
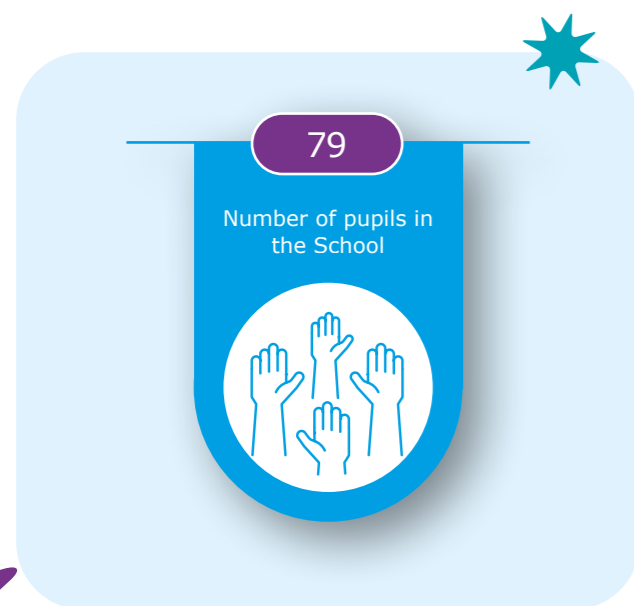
Community Services

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



The difference we make

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





“ Chailey Heritage is a truly special place... not just in terms of the outstanding services we provide and the privilege we share of working with the most amazing children and young people, but also because of how we make the difference. ”

Statement from Chief Executive

Welcome

As I write this, I have been in post for just over a year and, as each day passes, I am reminded that Chailey Heritage Foundation is a truly special place. Special not just in terms of the outstanding services we provide and the privilege we share of working with the most amazing children and young people, but also because of how we make the difference.

We are proud to work in partnership with our Chailey Clinical NHS colleagues to offer truly integrated education, care and support to the young people accessing our services. Multi-disciplinary teams working together day in day out, supporting and learning from each other is fundamental to the outcomes we can achieve.

As well as our school, residential and community offer, you will read about our highly specialist services – aquatics, hippotherapy and Patchwork Farm - on page 18. We see these services as a point of difference and central to unlocking potential. We are so fortunate to have the time and financial support offered by our volunteers, donors and supporters, without whom we could not continue to offer the diversity which we feel is so important. As we look ahead, we are keen to explore how we can increase access to these facilities from the wider community, fellow charities and providers.

We are operating in challenging times – SEND funding, wider economic pressures and growing demand are placing ever greater pressure on the system within which we operate. We see the adverse impact of these pressures on the families we support and the challenges they face in accessing the services they need. As a Chailey community, we continue to be aspirational and do all we can to rise to that challenge.

We have not been immune from the workforce pressures our sector is experiencing. In the last year, we have weathered this storm thanks to the commitment and dedication of our colleagues,

volunteers, families, carers and supporters. We have developed and launched a comprehensive workforce strategy focussing on attracting, retaining and developing the expertise we need to meet need now and in the future. We want to ensure that our salaries remain competitive, but also that the experience of working and volunteering at Chailey Heritage is a great one.

Last year, in recognition of the charity’s contribution to the community, we were absolutely thrilled to be one of the charities chosen to receive a ‘Tree of Trees’ from The Queen’s Green Canopy. The tree was planted by the Lord-Lieutenant of East Sussex and stands tall as a message of hope, regeneration and optimism to the nation and the world as part of the Platinum Jubilee weekend celebrations.

We continue to receive visitors from around the world who are keen to learn more about our work and the outcomes we are able to achieve. As we start to look ahead to our next strategic period, we are keen to build on these solid foundations and explore the ways in which we can increase our reach and impact further. As you read our annual report, I hope you will share in our enthusiasm and see the positive difference we make in supporting the young people in our care to live their best lives.



Gareth Germer
Chief Executive



Meet
Charlotte

“ At Chailey Heritage Foundation, I get a chance to take a deep breath and just enjoy being Charlotte’s Mum and see her amazing achievements. ”

Charlotte’s Mum



Charlotte, who is 13 years old, is a determined, kind, and thoughtful pupil who is absolutely thriving at Chailey Heritage Foundation. At just seven months old, Charlotte was diagnosed with Glutaric Aciduria Type 1 and she lost all physical ability, the only part of her body she could move was her eyes.

With care and support, Charlotte is enjoying an active life at Chailey Heritage Foundation including swimming, using the trike, walker, standing frame, and she can even order her own lunch using her VOCA (voice output communication aid) by selecting symbols and messages on it by using her joystick. She is a whizz with technology and even has WhatsApp on her VOCA so that she can send messages to her family. Her Mum says, “If I get a WhatsApp from Charlotte, I’ll show it to everyone around me because I’m so excited!”

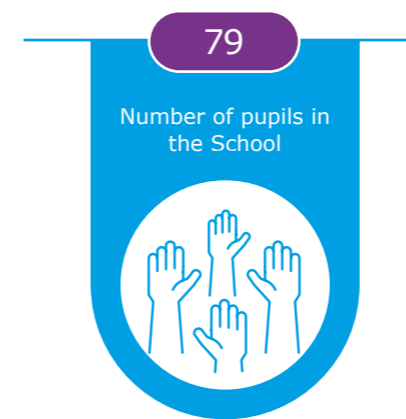
Teacher and PMLD lead, Julie Tilbury, explains that all the young people at Chailey Heritage are treated with dignity and respect and the focus is to enable them to become as independent as possible. She explains that “all my colleagues here have a passion to help young people reach their full potential.”

Her Mum concludes, “At Chailey Heritage Foundation, I get a chance to take a deep breath and just enjoy being Charlotte’s Mum and see her amazing achievements.”



“ You have pioneered a curriculum that is bespoke to your school. It builds around each individual pupil by focusing on seven relevant areas of learning. You, your leaders and teaching staff have ensured that this highly personalised, learner-centred approach is at the heart of the school's provision. One parent summed up this approach telling inspectors that, 'because our children don't fit into a box, the school makes the box for the child.

”
Ofsted



Our highly experienced teachers and staff continue to speak out and advocate for our young people. Richard Green, Headteacher, is an active member of the East Sussex Safeguarding Partnership to ensure that our cohort of young people are not forgotten about when looking at the local and national safeguarding picture.

All our pupils have some level of communication difficulty. We always strive to meet every individual's need and right to communicate and be listened to. A key to successful communication is our 'Total Communication' and 'Responsive Environment' approach, in which we acknowledge, respect, and allow time and space for every form of communicative intent and processing need. You can read about the impact we have had on Charlotte's communication skills on page 9.

Our partnership with Jessie's Fund, a charity that strives to support children with complex needs to communicate through music, continues.

The specialist teachers continue to research, gain knowledge and understanding to support our pupils; currently there are three colleagues engaged with higher education, post graduate studies.

Whilst very specialist in everything we deliver, we never lose sight of the fact that we are a school, and our pupils are still children and young people on their educational journey who need to have fun and enjoy that journey. This is the reason why we strive to acknowledge the key milestones, such as all the year 6 pupils actively taking part in Patina.

Patina, the Year 6 moving on parade, is where all the local primary schools are invited to make large sculptures and walk through the County town of Lewes, marking the end of their primary education and moving on to secondary education. Last year's theme was "All the World's a Stage" and our choice was Joseph and his Amazing Technicolour Dreamcoat. One of our school departments took this as their colourful theme for the Summer Term, producing some wonderful art to embellish wheelchairs to parade through Lewes last July including a chariot of gold complete with horse!

“ It's all about amazing staff supporting amazing young people in the most amazing place – nowhere else like it.
”
Parent



Our School - Everyday Excellence

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



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

We are very proud that our Ofsted 'Outstanding' school is leading the way on how children with profound and multiple needs can and should be educated.

Every pupil at school has their own curriculum built specifically for them, the Chailey Heritage Individual Learner Driven (CHILD) Curriculum, designed by the team here at Chailey Heritage. This innovative Curriculum is followed by all our teachers and therapists, and it starts and ends with the child; essentially the child IS the curriculum. The CHILD Curriculum aims to take each pupil as far as they can with their progress.

In the last year, the reputation of the CHILD Curriculum has been far reaching including Ekisa Academy in Uganda and Vicktress Bower School in California, along with many visitors within the UK looking at what we achieve and how we do it. We have also hosted guests from the Department for Education, as well our Assistant Headteacher, Paula Marten, contributing to the All Party Parliamentary Group discussions on cerebral palsy.

Many of the guests who visit us in school come from beyond the world of education and we frequently support visits from medical students in their fourth year, along with numerous work experience placements for health and social care students from local secondary schools and colleges.



Meet Thomas



“ Thomas is treated like an adult... it's no longer Mum choosing for him, he's encouraged to be as independent as possible, like any other young adult.

”
Gill – Thomas's Mum

Thomas is 20 years old and loves nothing better than lots of noise and the rough and tumble of life! He loves to play the drums in his music sessions and has a good sense of humour, so likes spending time with people who like to have fun!

Life is particularly challenging for Thomas - being non-verbal with an extensive list of conditions including Cerebral Palsy, Epilepsy, Scoliosis and requiring overnight oxygen, means that he needs full-time care. Since leaving school and transitioning to our young adult residential services, Futures, Thomas now lives in Orchard bungalow with other young adults.

Since starting Futures, Thomas loves going swimming, participating in games at the Dream Centre (particularly wheelchair football as he's extremely competitive!). Thomas also really enjoys the immersive space in the Dream Centre, with all its sights, sounds and experiences - from being in a nightclub, to traveling to jungles, tropical islands, and even ancient Egypt! Thomas is very musical so the music therapy sessions are a real favourite too, particularly the drumming workshops where he can make as much noise as he likes!

Thomas's Mum, Gill, says "The transition to Futures has been seamless. We have been helped through the bumpy bits such as the amount of paperwork, and extras such as Thomas having the same night team and one-to-one support have made all the difference." Gill describes how his new home in Orchard bungalow has a 'grown up' atmosphere, with more of a student vibe than his previous home. "They treat him like an adult, he has even got his own bank card! It's no longer Mum choosing for him, he's encouraged to be as independent as possible like any other young adult."

He also enjoys the social trips Futures has to offer. He recently visited Brighton Marina with his friends to go bowling, and he loves to pop to the shops with Kelly to have a coffee and people watch. He also enjoys visiting Sheffield Park, taking in the beautiful gardens and fresh air. Thomas has transitioned seamlessly from school to adult services at Chailey Heritage Foundation, and his support team and family are incredibly proud of all he has achieved.



“ Staff are creative and make sure that children have new activities to expand their interests and learning, while also making sure they have access to activities that they find comforting and enjoyable.

”
Ofsted

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

5,374

Bed nights for children



5,787

Bed nights for young adults



We are very proud that our Children's Home has been judged "Good" by Ofsted for the last five years and is testament to the dedication of the staff working with the children. Inspectors noted in their most recent inspection in November 2023 that "children are cared for by staff who are attentive and familiar with each child's personality, needs and method of communication. As a result, children build and maintain strong relationships with staff... staff provide nurturing care to ensure children's safety and well-being. This is balanced with giving children freedom and choice to take well-considered risks and enjoy their time at the home."

During this year, our residential bungalows underwent a complete refurbishment with new beds for every bedroom and upgraded bathrooms.

Outside space is also so important to the young people living in our bungalows. We invited Maria Caulfield MP and Community Champions from local Morrisons stores to the official opening of our bungalows quad garden. Our quad needed a makeover for a while and thanks to the generous grant from the Morrisons Foundation, we were able to commission its transformation into a colourful and accessible new space for our bungalow residents to play, relax, socialise and practice their wheelchair driving skills.



Trips are back on the agenda and over the summer holidays, the young people enjoyed a fantastic trip to Paulton's Park. They explored Peppa Pig World and braved some of the huge rollercoasters!

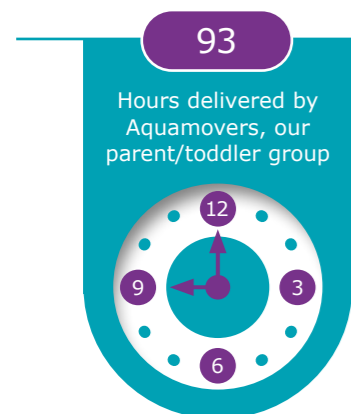
Our residential transition service, Futures, for young adults who are transitioning from school, is in great demand. Our experienced staff help these young adults to be as independent as possible as Thomas's mum explains on page 12.

We love a competition and the Dream Centre on site is the ideal space for the young people to take part in a range of activities and each year we host the Chailey Games – a chance for everyone to compete, have fun, and win trophies and medals.

This year, there was a great sense of anticipation and excitement as over 40 participants took part in boxing, weightlifting, new age kurling and skittles events. We then had the challenging task of whittling it down to overall winners! We were incredibly lucky to be joined by Paralympian Wheelchair Racer, Fabienne Andre, who gave an inspiring speech about competing at an international level and answered questions from participants. Fabienne brought along her racing chair and equipment to demonstrate how they worked and showed everyone her medals.

Our community services are a vital part of our offer to people with disabilities who do not live with us on site. It allows them to experience our amazing facilities and have access to our highly trained staff. Sessions in our Leisure and Skills Centre and Hub increased during this year, and you can read about how our Leisure and Skills Centre has helped Lu on page 15.

The High Sheriff of East Sussex, who visited in the summer, was particularly impressed with our services and presented the charity with an award 'in recognition of great and valuable services to the community'.



Sessions provided in the LSC, our leisure and skills centre



Sessions provided in the Hub, our vibrant day service



Meet Lu



“With my medical condition, I knew that I couldn't go to a conventional pool as I needed the care and utter professionalism that is the hallmark of the LSC and Chailey Heritage Foundation.



Lu Seymour

Our Leisure and Skills Centre (LSC) is an activity centre open to anybody in the community with a disability, aged 16 and above. A variety of sessions are offered, including a fully accessible gym, art and cookery sessions, and a hydrotherapy pool.

Lu Seymour is currently accessing the hydrotherapy pool and has found the sessions to be incredibly beneficial for her recovery. Lu recently spent nine months in intensive care and was in an induced coma and on a ventilator for much of that time. The situation has been life changing and Lu now has extremely limited mobility.

She was advised by her neuro physiotherapist that she would benefit from a warm swimming pool environment, so she contacted the LSC to seek advice.

“I never imagined it would be possible, but the Manager at the LSC told me that I could book sessions directly. I started going every week - and it has been an absolute lifesaver for me.”

Lu says that accessing the hydrotherapy pool has made such a difference to how she feels.

The pool operates at around 33 degrees, which is higher than a normal pool temperature and Lu describes it as like being in a hot bath. The higher temperature helps to relax her muscles, which in turn makes it easier for her to exercise, walking up and down the pool which strengthens her muscles and improves circulation. Lu says, “It's tiring but it's absolutely brilliant and so beneficial.”

She describes how the staff at the LSC are so kind and encouraging. “With my medical condition, I knew that I couldn't go to a conventional pool as I needed the care and utter professionalism that is the hallmark of the LSC and Chailey Heritage Foundation.”

The regular sessions have helped to boost her mood too, as it has been a particularly challenging time emotionally as well as physically. “At times, I feel that I need something to give me a lift. The anticipation of my regular swim is a morale booster and coming to the pool at Chailey gives me just that.”



Innovation

Magnetic track boosts independence

Our resident engineer, Dr Martin Langner, and his team have been working on an exciting new project to enhance independence and choice for our young people. Ricci, a pupil in the School's Seymour department, has been trialling out this project; an incredible magnetic track.

The magnetic track can be pieced together on any surface, allowing a young person to drive their wheelchair around the direction of the track using the powered platform and a switch.

This technology is life changing for young people like Ricci as it gives him the independence to choose where he goes. One of the best features of this track is the ability for it to be moved and realigned so staff have the flexibility to set up the technology anywhere on site.

You can read more about how innovation has changed Seth's life on page 17.

Multi-Sensory Provision

The majority of our pupils have visual and/or hearing impairments. Our specialist approaches ensure that sensory skills are maximised, senses are stimulated and sensory 'strengths' are tapped into in order to open up a world of experience and learning for each individual.

Perhaps the most innovative aspect of our on-site Dream Centre is the Immersive Space, in which the young people can experience a simulation of the real world or enjoy immersive experiences with colour-wash walls, and more. It provides a stimulating, engaging and entertaining multi-sensory experience. The creation of bespoke content, designed specifically around the needs and interests of the young people, allows the Immersive Space to deliver a range of positive outcomes for the pupils.

Simulations include being caught in a snowstorm, trekking the desert and swimming under water, which brings brand new experiences to the lives of the young people.

It also forms the backdrop for drama sessions and plays, allowing the pupils to be fully immersed with a chosen topic using interactive sensory cues.

Meet Seth

Seth is 6 years old and has a variety of complex needs including Congenital Myopathy (a muscle disorder), and significant hypotonia (low muscle tone). He also has a permanent tracheostomy for ventilation and all respiratory management, as he is unable to breathe independently. He benefits from our specialist services, activities, and equipment in a variety of ways.

Seth loves riding his bike. It gives him the freedom to be active and make his own decisions about where he goes, just like his sister can. He particularly enjoys riding his bike around the garden centre his family runs.

Seth is a 'pro' at Eye-Gaze, using his eyes to select words and he loves to read stories to the other children. He can also count, share feelings, and talk about the weather.

The hydrotherapy sessions allow Seth to explore movement and build his strength as it is a real work out! He can now kick his legs and move his arms in the water, and despite being connected to a ventilator, Seth can enjoy all the benefits of hydrotherapy safely.

Seth loves power driving and like all 6-year-olds he likes to push boundaries! He is working hard at using his head switches to drive his wheelchair, including stopping too!

“Eye-Gaze has opened a whole new world for Seth, it gives him independence, a chance to express himself and communicate with those around him.

”
Seth's Mum

In rebound therapy, Seth benefits from physiotherapy in a fun, active, participatory way and is able to stand supported in a sling. Combined with other exercises like box sitting, Seth is now able to support his own head, and shake and nod to give a yes/no responses, which he was unable to do when he first joined Chailey Heritage Foundation.

Visits to our on-site Patchwork Farm have boosted Seth's self-esteem through caring for the animals and he is known as the "guinea pig whisperer!" This winter, Seth is excited to be in charge of looking after the tortoises when they come to live inside the classroom in the cold months.

“All our specialist services contribute towards giving the young people a sense of individuality and independence, putting them in control rather than always being passive recipients of care. The benefits are cyclical, the more exercise and activities they enjoy, the more cognitively able and receptive they are in the classroom and vice versa.” **Julie, Seth's teacher**

“Seth can decide where he wants to go and when to turn, instead of relying on others to make those decisions for him.

”
Kim, one of Seth's support team



Spotlight on our Specialist Services

The young people at Chailey Heritage Foundation, their families and carers are rightly ambitious about what they can achieve; our charity shares the belief that “OK” is never good enough.

Our Specialist Services, all wholly or largely paid for by fundraised income, include Therapeutic Riding/ Hippotherapy, Patchwork Farm, the Immersive Zone and Aquatics. This key range of services provide a major point of difference for Chailey Heritage Foundation, delivering many more positive outcomes for the children and young people than would be achieved without them.

The budgetary pressures on local authorities and clinical commissioning groups are immense, their fees pay for the basic statutory provision in a young person’s Education Health and Care Plan (EHCP). Chailey Heritage Foundation’s charitable structure, generous supporters and commercial activities, allow us to independently fund the Specialist Services, which between them help a young person to fulfil their potential.

Communication, mobility, independence and choice are concepts that most able-bodied people take for granted; for our young people none of this is easily achieved. These services are designed to deliver tangible educational and therapeutic benefits, wrapped up in an engaging, fun activity – whether a child is feeding goats, exercising in the pool or enjoying the swaying motion of a pony, free from their wheelchair.

Behind the fun are substantial benefits designed to achieve the pupil’s “Next Steps” on their Chailey Heritage Individual Learner Driven (CHILD) curriculum. These include therapeutic, educational, physical, emotional, behavioural and communication-related benefits. They also offer different options for a young person to explore – where one activity may not be the right fit, another can work wonders, even providing a “lightbulb” moment in their development and understanding. Below is a description of three of these specialist services:

Hippotherapy / therapeutic riding



“ Anastasia’s confidence has grown immensely since she started hippotherapy. She is so happy when she’s riding the pony and she has now gained enough core muscle strength to ride independently, which she is very proud of, and so are we!

”
Anastasia’s Mum

Our young people’s disabilities preclude them from most physical activities, especially outdoor ones. Hippotherapy enables the young people to take sustained outdoor exercise, with the movement of the pony replicating human walking gait.

Hippotherapy is a form of occupational, physical and speech therapy which uses the movement of the horse to provide motor and sensory input. The combination of physical fun and therapeutic input brings a range of benefits to our young riders, including improvements in:

- ability to sit upright
- postural and head control
- co-ordination
- awareness/ concentration
- comfort
- respiratory rate, improving respiratory health
- mental health/mood
- proactive management of seizures.

From the rider’s perspective, they enjoy the activity and do not realise they are doing physiotherapy or a serious workout. They love telling the pony to walk or stop because they are influencing what happens next – an important win when they are so heavily dependent on others in all aspects of their daily lives.

We have a riding arena in the centre of our site, with a rubber surface, two ponies and a horse, and the expertise of four qualified hippotherapists, supported by riding assistants and volunteers. We timetable over 1,400 individual riding sessions every year and riding is available weekly to all our young people who have been assessed as suitable for hippotherapy. The arena has a stage and hoist to safely transfer the rider from their wheelchair direct to the horse. Riders can be placed in a variety of positions according to the needs of each child – e.g. sitting up with support, lying on their back or front, facing forwards, backwards or sideways, supported by cushioned wedges.

Patchwork Farm



“ By having regular weekly sessions on the farm with his peers, Louis has grown in confidence and we’ve noticed that not only is he less anxious on the farm but he’s less anxious about unpredictable events happening during school hours too.

”
Amy, Louis’s teacher

The young people are faced with many obstacles to accessing outdoor experiences that able-bodied people take for granted. Logistical issues, complex personal care needs and lack of access for heavy powered wheelchairs all present daunting challenges. Our therapeutic care farm, located in our grounds within easy reach of our other facilities, removes these challenges.

Patchwork Farm is home to goats, sheep, pigs, donkeys, chickens, ducks, geese, guinea pigs and tortoises. Raised beds provide opportunities to grow vegetables and flowers. The farm has wheelchair-accessible paths and switch-operated feeders.

Interaction with the animals and plants provides multi-sensory learning opportunities to meet the needs of each young person’s individualised curriculum. Behind the obvious fun of the farm is a range of “stealth” benefits:

- increased confidence in exploring new outdoor environments
- exposure to new sights, sounds, smells and textures (particularly beneficial to those with sensory impairment)
- improvements in communication – whether they are signing animal names or hearing and mimicking animal noises, our young people are highly motivated to develop communication by close contact with the animals
- improved concept of choice by choosing which animals to visit. For young people whose lives are highly reliant on and controlled by others, they need the opportunity to improve their understanding and exercise of choice.
- Reduced frustration and improved wellbeing.

We currently timetable some 4,500 farm session places per annum to our young people, and 59 work experience days to pupils from local schools and colleges.

The Aquatics Centre



“ Due to Seth’s medical needs, he swims with an experienced member of the nursing team. His ventilator goes on the side of the pool and we have a small trolley that it goes round on to allow Seth to get that freedom of movement.

”
Laura, Aquatics Manager

Aquatics are an essential part of an individual’s development at CHF. Our aquatics programmes, supported by specialist physiotherapists, offer a fun, physical activity that stimulates independent movements, relaxation and sensory experiences. Benefits include:

- Improved core stability and head control
- Improved co-ordination, spatial awareness and range of movement
- Functional skills – standing, walking, reaching, gripping and holding
- Multisensory experiences
- Learning to swim

The centre offers a large hydrotherapy pool (15m x 9m) heated to 33°C, with eight hoists. Changing rooms are fully equipped with shower trolleys and hoists. Additional sensory experiences are provided by blackout blinds on the windows, colour-changing pool lighting, music and a bubble area.

For our school pupils, the aquatics curriculum is linked to each child’s individual curriculum. An awards scheme celebrates success in both developing skills and in maintaining movement in the face of degenerative conditions.

The pool is also used by young adults through the Leisure and Skills Centre and for our pre-school “Aquamovers” group, offering professional therapeutic and emotional support to families adapting to life with a disabled child. During the school holidays the pool is opened up to the young people’s families. We also let the pool out to swimming groups such as Water Babies and Puddleducks.

The Centre timetables over 6,700 aquatics session places every year, as well as 26 family swim sessions during school holidays, each catering for up to 6 families.



Digitally stronger

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

Consolidate

The transformation programme took some time to embed and establish this year. With several new systems, processes and people, it was necessary to take a step back, review what we have achieved and where some refinement and adjustments are needed.

We have improved processes to ensure that all colleagues are comfortable using the new systems and can do what they need to. We have completed a learning system on Dynamics to track colleagues' learning, ascertain what they need and schedule learning so as not to disrupt service delivery. During the next stage, we will be implementing a new online learning platform that will enable colleagues to complete theoretical learning online and make training sessions more focussed on practical elements.

A significant review of our emergency call systems was carried out and we have agreed the installation of a more modern call system that will enable staff to request assistance, log instances of care and call for emergency assistance, from all residential and school settings. The new system will also improve the speed of response and allow managers to access the data to support the response.

Strengthen

We have continued our compliance with the NHS Data Security and Protection Toolkit (DSPT) that allows us to interact with NHS Digital services and will build on this service in the coming year to enter a trust relationship with NHS mail for data sharing.

Teams worked through Cyber Attack scenarios provided by the National Cyber Security Centre, and these proved to be insightful and engaging. These sessions informed improved practice within these departments and helped us to improve our overall Cyber Security awareness.

We engaged with Trident Group as a Managed IT Services Provider, to improve our IT Helpdesk and services. Trident is a well-respected and experienced services provider and has seamlessly integrated with Chailey Heritage and are currently providing most of our helpdesk and IT Services. Support for specialist systems, engineering, assistive technology, and business systems support and maintenance are still provided by our dedicated in-house team.

Streamline

This year has been all about streamlining, in the process of upgrading and improving, we often overlook smaller details, and during this year, we tried to identify and resolve these. Several new processes were changed and enhanced using new technologies and improvements to the user experience and how technology is used within the organisation, was made.

We have introduced managed mobile device policies to ensure those accessing information from a mobile device are secure and the applications they use are up to date. This will allow us to manage remotely our own mobile devices to ensure they are always performing as required. We have reduced login times, improved user account maintenance and performance, and streamlined our knowledge management systems to ensure colleagues have easy access to files and folders when required.

Overall, many of these changes are in the core infrastructure of how our users interact with our systems, often only delivering subtle changes for the user, but improving the efficiencies, resilience and security of our information systems.



Environmentally sustainable

The Streamlined Energy and Carbon Report (SECR) can be found on page 43.

The Chailey Carbon Challenge (CCC) is the charity's plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and waste. The Trustees' Capital Projects Sub Committee oversees the charity's environmental programme.

Overall, our emissions have fallen by 27% (with green energy) in the year to 31 August 2023, largely driven by:

- Switching to renewable electricity (accounted for biggest reduction in emissions)
- Replacing main boilers with more energy efficient models to cut gas usage
- Replacing aging heating controls
- Replacing roof on Hanbury building to save energy
- Switching to LED lighting across the site
- Planting over 300 trees on site.



Our dedicated colleagues

We are proud of, and grateful for, all the dedicated colleagues we have at the Foundation. Those in School and Social Care are committed to providing the best education and care for the children and young people, and those around them that support their efforts are driven to help them achieve.



This past year, we have been 'recovering' from the impact of Covid and returning to a more normal way of working life, while reflecting on what the past years have taught us and using that to look forward.

We continued to feel the pressures and challenges that the nation has faced in securing great people to join our workforce, with health and social care continuing to be a particular issue. This continues to be an ongoing challenge and one we are putting every effort into improving for our charity and to alleviate the pressures on our loyal colleagues.

Governors and Trustees recognise the challenge to recruit and the need to retain our talent as much as grow it, and so they agreed to finance a further salary award of 3% in September 2022 across all colleagues and roles.

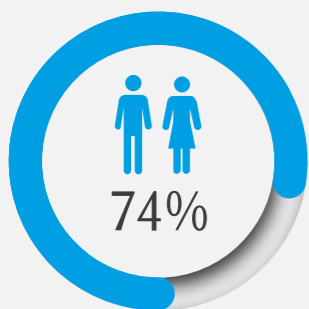
We are, however, pleased to see that recruitment in other areas of the Foundation are improving and we will continue to deploy different recruitment strategies to help us. We have had 104 new colleagues join us over the past year. We also maximise the support of our skilled bank workers, to strengthen our workforce in key care areas. We would like to thank each and every one of our colleagues for their passion, enthusiasm and commitment to the work we do here.

With such a valuable workforce, we are committed not only to the recruitment of new colleagues, but also to the morale, motivation and engagement of our workforce and continuing to make this a great place to work.

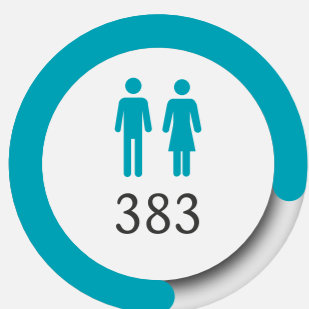
In early 2023, we set about holding focus groups with our colleagues, and seeking feedback, input and ideas that we can take forward. These have been shaped into a People Plan that will be implemented over the next 2 to 3 years, and work has already begun on some early-stage initiatives and improvements.

We are also pleased to see the success of colleagues who have joined us as a starting point to their career, developing skills and knowledge to support them moving into the nursing field. We also have several Apprenticeships in place where we are devoting our time and support to the development of colleague's early careers. Our apprenticeships have been in the field of Digital & Technology, Accountancy and Aquatics/Leisure and we are already building on this for 2023/24.

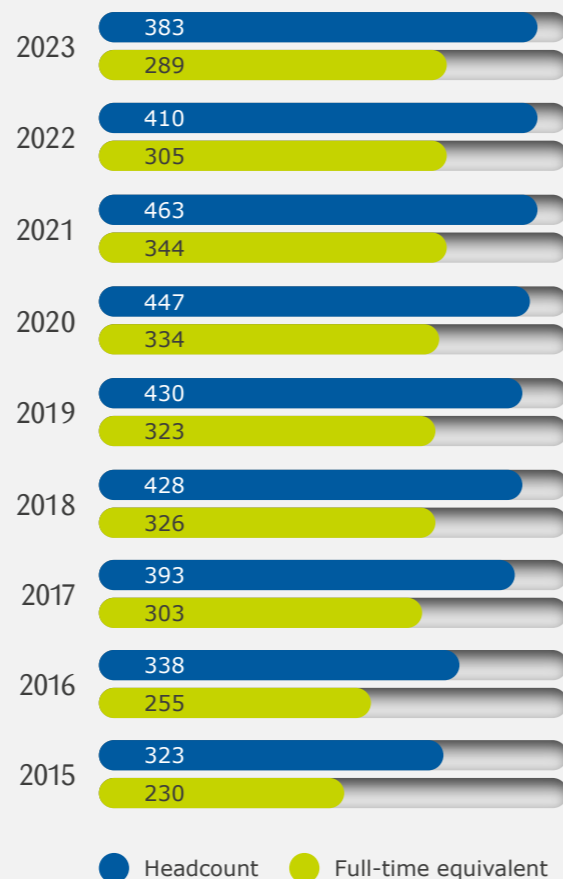
74% of our expenditure is for colleagues



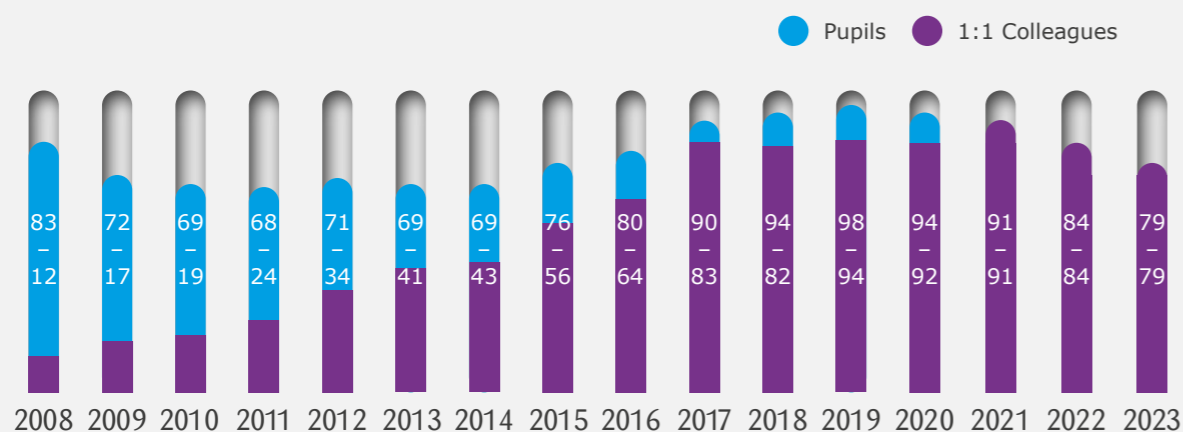
Number of colleagues (headcount):



Colleague numbers



Numbers of pupils with 1:1 support



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

Volunteers

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

We also have people who kindly volunteer their time to help in our offices, to maintain our beautiful gardens and to assist our Farm Manager on Patchwork Farm. All our Trustees and Governors are also volunteers and we are very grateful for the time they dedicate to the charity.

We have several corporate volunteer partnerships, and we were the chosen charity for BAM Nuttall's volunteering days in 2022/23, of which they have three per year. They visited for a day each in October, April and August with a total of 23 people volunteering a full day. BAM Nuttall provides all the materials and take away any waste as well as leaving any leftovers, such as paint or fencing which may be of use. During the year, they undertook some very useful practical tasks including installing a new tap on our Farm, building compost bins, installing new fencing and painting around site.

Zurich Community Trust invite us to provide volunteer challenges twice a year. Employees choose which challenge they undertake. Each challenge is funded with up to £500 and volunteers can take a day out of the office to help with the challenge. This year, they provided a £500 Amazon voucher for prizes and lucky dips to be used as part of our community fundraising. They also contributed towards the ice cream for Celebration Day and came along to help serve the ice cream and provide support on the day.

Gender Pay Gap

You will find our full report on page 40 and also on our website: https://www.chf.org.uk/Gender_Pay_Gap_Report_2023.pdf





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

”
Ofsted

Our partners

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



“ The Family Liaison Worker has helped and supported me when filling out complicated forms which are so important for our child’s future. I am so relieved she is here to think of solutions and ask the questions we can’t when we are under pressure.

”
Parent



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

”
Parent

Parents

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

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

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

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

”
Parent





Fundraising

Throughout another challenging year, the incredible legion of Chailey Heritage Foundation supporters has delivered the funding needed to maintain and improve the services, experiences and facilities enjoyed by the inspirational group of children and young people who we support. From volunteers and individual donors through to corporate partners and grant awarding trusts, the difference made to the young people is immense and we are truly grateful for their continued support.

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

Voluntary income during this financial year totalled £708k (excluding legacies).



£708k

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



Achievements

Specialist Services



Fundraising at Chailey Heritage Foundation continues to support the range of Specialist Services and facilities that give our colleagues the range of tools they need to unlock the potential of the amazing young people who attend the school, live in the bungalows and access our services. Details of these specialist services are on page 18.

It is clear from the many years of experience that the charity has with Hydrotherapy, Hippotherapy, Patchwork Farm and the Dream Centre, what a difference these services make to the lives of the young people. The charity is also keenly aware that statutory income will only cover the basic educational and care needs of the young people. This is where the generosity of Chailey Heritage Foundation's supporters comes in, delivering the funding needed to ensure that these vital services can help the young people to thrive rather than just survive.

During 2022/23, the key focus of fundraising activity was on "Specialist Services" as an umbrella term for all of these vital activities that are funded via donations. It was gratifying to see that supporters, new and old, large and small, got behind this appeal to fund the full range of services and ensured that we fully funded all of these core activities for another 12 months.

Community



Getting out and about in the community and spreading the word about the incredible achievements of the young people and the fantastic work done by all of our colleagues is an important element of the work done by the fundraising team. During the year, the team, led by our brilliant volunteers, have given over 20 talks to local groups, including Rotary Clubs, Lions Clubs, WIs, U3As and sports clubs.

We are grateful for the financial support these talks bring, but, just as importantly, the conversations and stories that we always hear, remind everyone how significant Chailey Heritage Foundation has been to the people of Sussex over the past 120 years.

During the next year, we will be taking every opportunity to welcome people from the wider community to visit us at our North Chailey site, with a range of events and volunteering opportunities. There will be a greater emphasis on sharing some of our incredible facilities with other charities, community groups and schools and also an exciting project to transform Patchwork Farm to benefit both the local community and the children and young people at Chailey.

Centre of Excellence



As one of the UK's leading centres for children and young people with complex neurodisabilities and related health conditions, the Foundation leads the way in areas including, pedagogy, assistive technology and integrating care within an education setting.

This year, donors have made it possible to grow the assistive technology team and to create a dedicated space for the team to work with the young people. This will help the young people to learn how to use the technology in a safe space, without distractions and will give the engineers the chance to adjust equipment to their needs in real time and make any further adaptations immediately.

Donations have also helped the engineering team to further develop a magnetic track system that helps the young people at Chailey Heritage Foundation safely learn how to drive powered wheelchairs and, in time, access the funding needed to have their own powered chair.

Transformation



Fundraising income is also vital to the upkeep and modernisation of the site, facilities and equipment to ensure that we continue to meet the needs of an increasingly complex cohort of young people.

Our Big Give Christmas Challenge raised over £20,000 to pay for specialist walkers and trikes which help pupils at the school and young adults living in our Futures bungalows to maximise their potential for independent movement.

The Tim Henman Foundation funded an amazing electric trike which carries a wheelchair and enables young people with the most complex of disabilities to join in with their friends when they go for a ride.

Our generous donors also helped to fund some of the less glamorous but nevertheless essential projects including, replacing all of the beds in the bungalows to ensure they meet the latest safety requirements, replacing the ageing swimming pool boilers with more efficient modern ones and updating the residential bathrooms.

Friends of Chailey Heritage

This committed groups of supporters continue to provide funding for vital projects and to be some of the strongest advocates for the charity. During the year, the Friends funded Celebration Day and the Leavers' Ball, amongst other projects.

Our commitment to donors



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

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

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

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

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

Our future plans

As we look forward to the year ahead and transition into our new strategy, we are starting to think about increasing our reach and impact, how we strengthen our community ties and, crucially, continue to innovate. Trustees, Governors and colleagues will work together to form the new strategy which will launch in September 2024.

Achievements and performance

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

Our strategy and performance against our strategic goals is discussed in detail on pages 10 to 33 of this annual report.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. However, in line with many other organisations, the main pressures felt by the Foundation during the year were those of staffing and the cost of living. Thankfully, Government support for the high utility costs was introduced in October 2022 via the Energy Bills Support Scheme. This led to a welcome reduction in our previously very high utility costs.

However, Local Authorities and Commissioners continue to face funding challenges. This severely impacts our ability to increase our fees to fully reflect the true cost of providing our services. We continue to review our core fees for the main areas of operation to endeavour to cover the costs associated with providing the service, but they still do not recover depreciation costs. Overall, total Net Operating Income (before investment gains/losses) was a surplus of £220k this year reflecting continued efficiency savings. Despite a less turbulent year on the stock market, continued uncertainties regarding inflation and growth in the economy, our investment portfolio still showed an unrealised loss at year end of £112k, resulting in an overall Net Income of £108k for the year for the Foundation. Certain costs, e.g. fundraising, depreciation and the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Charity's reserves i.e. unrestricted funds freely available to spend.

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

Financial Activities and Results

In the year to 31 August 2023, our total income was £15.6m (2022: £14.2m). The increase was mainly due to increased packages and post-operative provision as Covid-19 restrictions were lifted. Pupil numbers went down as a large cohort finished school life and new starters had to be delayed due to staffing shortages.

In the same period, total expenditure has risen to £15.4m (2022: £14.2m). This increase was mainly due to staffing and salary awards that needed to be made in order to remain competitive with other employers in the area, including the introduction of weekend enhancements.

A tough decision was made to close our community outreach service, Pathways, effective May 2023, mainly due to the staffing challenges surrounding the service. However, all the young people were supported until alternative care was found.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. This was achieved, however, once depreciation is charged, the Unrestricted Fund made an overall deficit of £41k for the current year (2022: deficit of £236k) before the net loss on investments. The overall surplus generated by the Foundation of £108k is due to an increase in Restricted Reserves.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. Legacy income was down by £129k and is very hard to predict due to uncertainty in amount and timing. Once again, the investment portfolio showed a net unrealised loss at the year-end of £112k (2022: net loss £348k) as despite a slight recovery, markets still remained uncertain due to the continued war in Ukraine and inflation.

As a Charity, regrettably, we continue to incur non-recoverable VAT of approximately £435k, as the Government continues to ignore our sector regarding exemptions, despite giving relief to hospices and maintained special schools. Unfortunately, due to other more prominent concerns, the sector's strong lobbying of Government for VAT relief has still not had much impact or profile over recent years.

The balance sheet continues to show the enormous investment the Charity has made in leasehold buildings and equipment, with £13.4m invested

in fixed assets or 76% of the Charity's total funds. Although this is lower than the previous year due to depreciation and lower additions, the Trustees remain committed to investing in the infrastructure of the Foundation and its drive to meet the ever-changing needs of the young people, as well as keeping the site up to a good standard. For example, we invested in several new energy efficient boilers and heating controls, new fire doors and our digital infrastructure. Fundraising also funded significant improvements to our hydrotherapy pool and new wheelchair trikes.

Debtors reduced by £118k as we continued to issue invoices for the Autumn term in August and creditors also reduced by £434k as the short-term loan was fully repaid. Cash balances correspondingly increased to £1.0m (2022: £0.5m).

Funds

At year end, the Charity had total accumulated funds of £17.8m (2022: £17.7m); of this £13.4m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued. The Trustees are in discussion with the Landlord to purchase the freehold.

The remaining accumulated funds of £4.4m are split between unrestricted funds, which have increased to £4.1m (2022: £3.4m), and restricted funds of £0.3m (2022: £0.2m).

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

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. These designated funds amounted to £0.7m at year end (see Note 20 on page 65). The remaining unrestricted general funds stood at £16.8m of which £13.4m (2022: £14.1m) are invested in tangible fixed assets, whilst £3.3m (2022: £3.2m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are

held to meet working capital needs and to cover uninsured risks or unexpected costs and shortfalls.

Free Reserves Position

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

Trustees will be reviewing their longer-term strategy during 2023/24, and they will review the Free Reserves target in the light of the risks and opportunities identified. It is their intention to express the revised target as a range.

Free Reserves stood at £3.3m (see Balance Sheet) (2022: £3.2m) on 31 August 2023.

Investment Policy and Performance

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

Longer-term funds are invested and managed on a pooled basis by Rathbones within long term return objectives and clearly defined risk parameters set by the Trustee Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustee Finance Committee. No sooner had global stock markets started to recover from the pandemic, the Russian war with Ukraine began and the pressure on energy supply and prices rose. Ultimately, by year end our portfolio valuation had decreased by £113k (versus a loss of £348k at the previous year end). During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £37k of income was used to pay investment management fees. During the year the outstanding loan balance of £275k was repaid from working capital.

Principal risks and uncertainties

Risk management processes

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

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

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

Services and central teams own their own operational risks and dynamic risk assessment is part of day-to-day business as usual processes with escalation of the Executive Team and Governors as necessary. Services have adopted a cautious approach to risk given the health vulnerabilities of the children and young people.

Risk Profile

Chailey Heritage Foundation manages a high level of operational risk every day because of the complexity and high health needs of the children and young people we support. We operate in a highly regulated sector, and dedicate considerable governance, leadership and management time to monitor risk and the effectiveness of our controls framework. The main risk areas in 2022-23 have been:

Risk	Key Controls & Mitigation
A failure to adequately safeguard results in harm to a child or young person in our care.	<ul style="list-style-type: none"> Robust internal processes for reporting, recording and learning from safeguarding events. Good relationships and open communication with East Sussex officers in Children's and Adult services. Strong governance oversight of safeguarding including a dedicated committee. A strong emphasis on core training, systems and reporting mechanism to ensure safeguarding concerns are quickly and consistently identified and escalated to a team of safeguarding leads.
Regulatory compliance and performance falls below 'Good' leading to a loss of confidence in the quality of our services.	<ul style="list-style-type: none"> Currently all CQC and Ofsted regulated services are rated as 'Good' or 'Outstanding'. Strong governance oversight of the regulated school and social care services within a dedicated committee structure. Establishment of a new Quality function to develop and embed quality standards. Robust leadership and management systems and processes focussing on a learning culture, quality and service improvement.
A data protection or cyber security incident leads to a loss of data, or inability to operate business critical systems.	<ul style="list-style-type: none"> Digital investment programme including upgraded firewall, systems renewal and adoption of cloud-based systems. Cyber-attack scenario testing. Training and awareness raising for colleagues and volunteers and adoption of NHS Data Security Protection Toolkit (NHS DSPT).
Economic conditions remain difficult impacting income, operating costs and financial sustainability.	<ul style="list-style-type: none"> Prudent, risk-based prioritisation of expenditure. Maintaining a suite of effective financial controls and monitoring including in-year reforecasting, spend analysis and reserves position. Strong fundraising offer and increasing focus on income diversification.

Risk	Key Controls & Mitigation
A failure to strengthen relationships with local authority referrers and increasing competition results in falling pupil numbers.	<ul style="list-style-type: none"> Chailey Heritage School continues to be 'Outstanding' and capable of meeting the complex health needs of pupils. Multi-disciplinary NHS, education and care teams operate a nationally recognised centre of excellence that freely shares professional practice across the sector. A continuing focus on accepting referrals for children whose needs cannot be met in other settings.
Failure to improve employee engagement and grow our workforce hampers our ability to meet current and future need.	<ul style="list-style-type: none"> Development of a new workforce strategy and implementation plan covering the employee journey. Phase 1 to focus on recruitment, pay, reward and recognition. Strong governance oversight from a dedicated Governors' People, Pay and Performance committee. Appointment of a new Head of People and restructured HR function.

Outlook

In spite of the challenging economic conditions, constrained labour market and pressured local authority budgets, Chailey Heritage Foundation's performance in 2022-23 was solid. We were able to achieve an operating surplus allowing for necessary future investment in site infrastructure. Fundamental demand for our services remains

good, as does fundraising performance and income from other sources. However, our ability to increase our reach and impact hinges on an ability to grow frontline staff capacity. This priority is reflected in the investment in a new workforce strategy. In spite of workforce pressures, the Foundation continues to operate a safe and impactful service to the children and young people accessing our support.

Environmental, social and governance

Environmental, social and governance

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

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

Demonstrating Public Benefit

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

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

The Trustees are committed through their strategic plan to share our specialist facilities with young people who have complex disabilities and live locally. We are immensely proud of being able to offer our charitably funded specialist services such as Aquamovers, Hippotherapy and our wonderful hydrotherapy pool to disabled children from the local

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. ”

community. Our Leisure & Skills Centre, Hub and Dream Centre also enable people with disabilities living in the community to benefit from the Charity's very specialist services.

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

Governing documents

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

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

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

Boards

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

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

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. Trustees are appointed for an initial term of four years, with a second term of four years after that. The current Board includes depth of skills in finance, property,

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

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

We would like to thank Dr Elizabeth Green for her significant and valued contribution as a Trustee; her depth of knowledge and wise counsel will be greatly missed.

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role through very active sub-Committees and termly focus visits to services. We were delighted to welcome a new Governor during the year, Fredrick Shears, who brings his extensive experience in the IT and digital world to the Board.

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

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

Trustee induction and training

New Trustees are briefed on their legal obligations under Charity and company law, the content of the governing documents, the committee and decision-

making processes, the business plan and recent financial performance of the Charity.

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

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

Funds held as custodian

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

GDPR

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

Report to Charity Commission

During the year, the Trustees submitted a Serious Incident Report to Charity Commission, having been made aware of an allegation against one of our employees.

Safeguarding

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

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

Everyone in the organisation who is involved with the recruitment of staff follows safer recruitment guidelines and senior staff have attended Safer

Recruitment Training. The Safeguarding Governor scrutinises the single central register at least three times a year and conducts spot check recruitment processes and training for newly appointed staff.

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

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

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

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

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

Remuneration policy

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

- the nature of the role and responsibilities based on the job evaluation.
- salaries in the relevant sector

- benchmarking against regional competitors
- public sectors pay awards and the recommendations of the relevant pay bodies such as the School Teachers' Review Body
- the Living Wage.

For 2022-23, our staff were awarded a 3% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

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

Gender pay gap

Chailey Heritage Foundation is required by law to publish an annual gender pay gap report. This is our report for the snapshot date of 5 April 2023.

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

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

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

	5 April 2021			5 April 2022			5 April 2023		
	Male	Female	Difference	Male	Female	Difference	Male	Female	Difference
Gross Hourly rate of pay									
Mean	£15.02	£12.19	18.85%	£15.12	£12.83	17.0%	£16.64	£13.58	22%
Median	£10.93	£10.93	0%	£11.94	£11.85	1%	£12.47	£12.47	0%

Since calculating our 2022 data, the mean salary figure for males has increased (from £15.12 to £16.64 per hour). The mean figure for females has also increased (from £12.83 to £13.58 per hour). As the mean figure for males has increased by a larger amount, the percentage difference between the two has increased from 17% to 22%.

The male population of the overall workforce has increased to 14.38% from 12.64%, with new hires (excluding 'hands-on' roles) with 71% intake of females and 29% males, and 'hands-on' new hires of 82.5% females and 17.5% males. Of these new hires, 100% of the managerial roles were filled by males during this period.

From an internal promotion perspective, our management promotions were achieved by 66.6% men and 33.3% by women, and the executive team shifted to 75% male, which in itself affects our overall gender pay gap data.

The median figure for men has increased since our 2022 calculation (from £11.94 to £12.47) and also for women (from £11.85 to £12.47). The increase in the median figure for both males and females can be explained by two increases in salary during 2023 - in January 2022, we increased salaries for our lower paid colleagues by an average of 7% and, in September 2022, our annual cost of living review gave all colleagues a 3% uplift. Both increases were applied in the same way to male and female colleagues.

69.06% of our workforce are support workers either in school or in care services. Nationally, roles in these sectors continue to offer lower salaries than some other areas. Our workforce, particularly amongst Specialist Education/Lunchtime Assistants (SW/EA) in the school and Support Workers in our residential bungalows, is predominantly female (89.27% in April 2023). This is not unusual in the education and care sector, which tends to attract female workers; recent statistics show that 76% of teachers are

women (slightly up on last year by 0.5%), and in the charity sector more generally, where an average of 68% is female. We have a higher-than-average proportion of male teachers (31.5%).

Females are attracted to the Specialist Education and Lunchtime Assistants roles, as the working hours and term time only, fits well with caring responsibilities for children.

Conclusion

Chailey Heritage Foundation remains confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work but as a result of the roles in which men and women work within the organisation and the salaries and working patterns that these roles attract. While the structural aspects of the gendered nature of the industry we work in continues to challenge us in narrowing our gender pay gap, we are committed to working towards this goal, whilst continuing to build our organisation as an inclusive, fair and empowering workplace.

The full report can be found here: https://www.chf.org.uk/Gender_Pay_Gap_Report_2023.pdf

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

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

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

Chailey Heritage Foundation strives to be an inclusive community where everyone belongs, is accepted and matters. Its values of 'Belonging,

'Commitment', 'Ambition' and 'Celebration' (as set out on page 5) underpin decision making at all levels and engagement with all our stakeholders.

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

Decision making for the long term

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in the Spring and progress is reviewed three times a year at Board meetings. Our new strategy is launching in September 2024 and, in 2023/24, we are holding Strategy Workshops with Trustees, Governors and the executive team to help inform the new strategy.

Further information on our strategy objectives and how these have been delivered together with our plans for the future can be found on pages 10 to 33.

After a robust and collaborative recruitment process, our new Chief Executive, Gareth Germer, joined the organisation in October 2022, following Helen Hewitt's retirement.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's employees and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. This year, focus groups have been held with staff, seeking feedback and ideas about working at Chailey Heritage Foundation. These ideas have been shaped into a People Plan that will be implemented over the next 2 to 3 years, and work has started on implementing some of the initiatives. A Colleague Forum has been formed to seek further feedback and update staff on progress on the People Plan.

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

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

Further information on how we promote the interests of our employees can be found in "Our dedicated colleagues" on page 24.

Impact on the community and the environment

Community

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

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

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

In 2023/24, we are undertaking to involve the community in our new fundraising appeal for Patchwork Farm and by letting out our facilities to community groups.

Environment

In developing its strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present because the medical needs of the young people require large volumes of clinical consumables such as syringes. To compensate, we are committed to offsetting where we can, and during 2022/23, we installed new efficient boilers to cut gas usage for heating. Trustees are now concentrating on considering Solar PV panels as the next big project to reduce carbon emissions.

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

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

Maintaining high standards of business conduct

Compliance and Good Practice

Chailey Heritage is committed to maintaining high

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

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

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

Governance and Management

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

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

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

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

Streamlined Energy and Carbon Reporting

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

Our SECR carbon emissions for the financial reporting year 2022-23 amounted to **439 tCO₂e**, with 62% arising from gas. When green electricity is taken into account, the overall 'market-based' emissions fall to **292 tCO₂e**. The table & figures below shows emissions by scope & activity.

Since last year, overall emissions have fallen by 18% or 27% with green energy.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO₂e)

	Unit	2022-23	2021-22	% change
Energy consumption	kWh	2,284,258	2,847,346	
Scope 1 - Direct Emissions	tCO ₂ e	289.1	367.9	
Scope 2 - Energy Indirect Emissions - location-based	tCO ₂ e	146.5	161.7	
Scope 2 - Energy Indirect Emissions - market-based	tCO ₂ e	-	27.1	
Scope 3 - Other Indirect Emissions	tCO ₂ e	3.1	5.2	
Total SECR Emissions - location-based	tCO₂e	438.7	534.8	-18%
Relative SECR Emissions - location-based	tCO₂e/£m	29.0	37.6	-23%

Taking into account green energy purchased

Total SECR Emissions - market-based	tCO₂e	292.2	400.2	-27%
Relative SECR Emissions - market-based	tCO₂e/£m	19.3	28.1	-31%

Energy Efficiency Projects

After last year's large lighting project installing LEDs in all buildings and streetlights, energy projects this year focused on gas use for heating and hot water.

We have replaced two conventional boilers with more efficient condensing boilers. Additionally, we have extended our Trend Building Management System (BMS) which allows good control of heating temperatures and timings.

SECR Emissions Calculations - Methodology

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

We have followed the methodology of ISO 14064-1 (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2023.

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

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

Auditors

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

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

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

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

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

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

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

Statement as to disclosure of information to the auditor

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

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



Mark Creamer – Chair of Trustees



Fiona Duff – Company Secretary

Date: 6 March 2024

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

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2023 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively,

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Our approach was as follows:

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

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

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

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

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

Use of our report

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

Moore Kingston Smith LLP.

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

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

Date: 20 March 2024

Statement of Financial Activities For the Year Ended 31st August 2023 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds		Restricted Funds £'000s	2023 Total £'000s	2022 Total £'000s
		General £'000s	Designated £'000s			
INCOME FROM:						
Donations, legacies and grants	3	238	-	624	862	993
Charitable activities:						
Fees	4	14,487	-	-	14,487	13,002
Ancillary income		162	-	-	162	140
Investments	5	97	-	-	97	100
Other		5	-	-	5	3
Total income		14,989	-	624	15,613	14,238
EXPENDITURE ON:						
Raising funds:						
Financing costs	6	40	-	-	40	46
Fundraising costs	6	202	-	-	202	159
		242	-	-	242	205
Charitable activities:						
Operating costs	7	14,761	12	-	14,773	13,718
Use of Donations and Appeal		-	65	313	378	321
		14,761	77	313	15,151	14,039
Total expenditure		15,003	77	313	15,393	14,244
Net income/(expenditure) before investment gains	8	(14)	(77)	311	220	(6)
Net (losses)/gains on investments	13	(112)	-	-	(112)	(348)
Net Income/(Expenditure)		(126)	(77)	311	108	(354)
Gross transfers between funds	20	(456)	618	(162)	-	-
Net movement in funds		(582)	541	149	108	(354)
Total funds brought forward		17,335	178	153	17,666	18,020
Total funds carried forward		16,753	719	302	17,774	17,666

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

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

The notes on pages 53 to 66 form part of these accounts.

Balance Sheet As at 31st August 2023

	Notes	2023 £'000s	2022 £'000s
FIXED ASSETS			
Tangible assets	12	13,439	14,135
Investments	13	3,975	4,042
		17,414	18,177
CURRENT ASSETS			
Debtors	14	3,157	3,275
Cash at bank and in hand	15	1,044	489
Total Current Assets		4,201	3,764
LIABILITIES			
Creditors: Amounts falling due within one year	16	(3,841)	(4,000)
NET CURRENT ASSETS/LIABILITIES		360	(236)
Creditors : Amounts falling due after one year	18	-	(275)
TOTAL NET ASSETS		17,774	17,666
ACCUMULATED FUNDS			
	19,20		
Restricted funds			
Invested in tangible fixed assets		-	-
Other		302	153
		302	153
Unrestricted funds			
Designated funds		719	178
General fund - invested in tangible fixed assets		13,439	14,135
General fund - free reserves		3,314	3,200
		17,472	17,513
TOTAL FUNDS		17,774	17,666

The financial statements on pages 50 to 66 were approved by the Board of Trustees and authorised for issue on 6 March 2024 and signed on their behalf by



M. Creamer
Trustee



A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows

For the Year Ended 31st August 2023

	2023 £'000s	2022 £'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	1,018	1,062
Cash flows from investing activities		
Dividends, interest and rents from investments	97	100
Purchase of property, plant and equipment	(240)	(925)
Proceeds from sale of investments	37	41
Purchase of investments	(82)	(99)
Net cash used in investing activities	(188)	(883)
Cash Flows from financing activities		
Cash inflows from new borrowing	(275)	(125)
Net Cash provided by financing activities	(275)	(125)
Change in cash and cash equivalents in the reporting period	555	54
Cash and cash equivalents at the beginning of the reporting period	489	435
Cash and cash equivalents at the end of the reporting period	1,044	489
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
	2023 £'000s	2022 £'000s
Net (expenditure)/income	108	(354)
Adjustments for		
Depreciation charges	927	875
Profit/loss on disposal of fixed assets	9	-
Net losses/(gains) on investments	112	348
Investment income	(97)	(100)
Decrease/(Increase) in debtors	118	(650)
(Decrease)/Increase in creditors	(159)	943
Net cash provided by/(used in) operating activities	1,018	1,062

Statement of Accounting Policies and Notes to the financial statements – For the Year Ended 31st August 2023

1. Legal status of the Charity

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

2. Accounting policies

a) Basis of Preparation

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

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

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

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and the current economic climate on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the current economic climate continuing throughout 23/24 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2023 as in the previous year.

d) Income

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

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

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

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

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

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

Investment income is accounted for on an accruals basis.

e) Expenditure

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

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

f) Tangible Fixed Assets and Depreciation

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

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

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

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

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

g) Investments

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

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

h) Pension costs and other post-retirement benefits

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

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

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

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

i) Fund Accounting

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

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

j) Operating leases

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

k) Taxation

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

The Charity is not registered for VAT.

l) Other financial instruments

i) Cash and cash equivalents

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

ii) Debtors and creditors

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

m) Critical accounting estimates and areas of judgement

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

3. Donations, legacies and grants

Year at 31 August 2023

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

Year at 31 August 2022

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

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

4. Income from Charitable activities

	2023 £'000s	2022 £'000s
Education fees	4,764	4,405
Social Care fees	9,723	8,597
	<u>14,487</u>	<u>13,002</u>
Ancillary income	162	140

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 2023

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

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	<u>9,192</u>	<u>695</u>	<u>2,956</u>	<u>875</u>	<u>13,718</u>

Year at 31 August 2023

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

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
	<u>1,078</u>	<u>1,833</u>	<u>45</u>	<u>2,956</u>

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

Staff costs - time spent
 Depreciation - usage of related assets
 Other expenses - floor area or headcount.

Support costs include governance costs of £22k (2022: £21k).

8. Net operating income/(expenditure)

	2023 £'000s	2022 £'000s
This is stated after charging:		
Auditors' remuneration	22	21
Depreciation of tangible fixed assets	927	875
	<u>949</u>	<u>896</u>

9. Employment costs

	2023 £'000s	2022 £'000s
Wages and salaries	10,017	9,433
Social security costs	828	781
Pension contributions (see note 10)	589	549
	<u>11,434</u>	<u>10,763</u>

Agency costs of £343k (2022: £269k) are included in the above. These continue to increase due to staff recruitment issues. The average number of employees in the year was 383 (289 Full time equivalent) (2022: 410 (305 full-time equivalent)).

Trustees' funds paid for 6 employees in the year (fte 5.18) (2022: 7 heads 5.44 fte) at a total cost of £251k (2022: £289k).

Average number of full-time equivalent employees by area:	2023	2022
School	96	110
Social Care	148	151
Support	36	37
Fundraising	5	4
Other	4	3
	<u>289</u>	<u>305</u>

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2023	2022	2023 £'000s	2022 £'000s
£60k-70k	5	4	35	18
£70k-80k	2	1	22	15
£80k-90k	0	0	0	0
£90k-100k	0	1	0	21
£100k-110k	1	0	8	0
£110k-120k	0	1	0	10

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The pension charge for the year included contributions payable to TPS of £183,026 (2022: £176,528) and at the year-end £18,997 (2022: £21,466) was accrued in respect of contributions to this scheme.

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

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

HM Treasury has confirmed that any changes to the employer contribution rate will take effect in April 2024, resulting from the 2020 valuations. The 2020 valuation was announced in October 2023 and the employer's contribution is to raise by 5% to 28.68%. The assets and liabilities relating to this defined benefit scheme are the responsibility of the UK government and not held on the Charity's balance sheet.

The average number of employees in the scheme is 18 (2022 : 18).

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Foundation's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. All new staff, except teachers (unless they have opted out of TPS), are auto-enrolled into this scheme after completion of three month's service and having attained the age of 18 years. For the period from 1 September 2022 to 31 August 2023, the employer contribution rate was 4% (2022: 4%) for the main scheme. Employees can opt in to an enhanced scheme after six months of service, where the employer rate is 7.5% and employee contribution is 5%.

The average number of employees in the scheme is 344 (2022: 368). The pension charge for the year was £406,116 (2022: £387,387). At the year end, there were accrued contributions due of £57,174 (2022: £53,669).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2022: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2022: £nil). A transaction which constitutes a Related Party Transaction with a trustee is disclosed in note 25.

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the charity's key management personnel were £395k (2022: £351k). This increase is due to a change in headteacher during the year and Director of Social Care now full time.

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2022	18	21,610	2,977	24,605
Additions	-	161	79	240
Disposals	-	-	(141)	(141)
31 August 2023	18	21,771	2,915	24,704
Depreciation				
1 September 2022	-	8,506	1,964	10,470
Charge for year	-	754	173	927
Disposals	-	-	(132)	(132)
31 August 2023	-	9,260	2,005	11,265
Net book values				
31 August 2023	18	12,511	910	13,439
31 August 2022	18	13,104	1,013	14,135

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

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

13. Fixed Asset Investments

	2023 £'000s	2022 £'000s
Investments held at 1 September	4,042	4,332
Funds withdrawn	(37)	(41)
Net income reinvested/(withdrawn)	82	99
Net unrealised and realised (losses)/gains in the year	(112)	(348)
Market value at 31 August	3,975	4,042
Historical cost at 31 August	4,122	3,717
Investments at market value consist of:		
Listed Investments registered in UK	2,345	2,312
Listed Investments registered outside UK	1,630	1,494
Cash held as part of investment portfolio	1	236

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

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

14. Debtors

	2023 £'000s	2022 £'000s
Fees	2,884	2,492
Prepayments	258	210
Accrued income	15	573
	<u>3,157</u>	<u>3,275</u>

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

£2,750k of 2023 debtors (2022: £1,730k) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank

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

16. Creditors - due within one year

	2023 £'000s	2022 £'000s
Taxation and social security	187	174
Trade creditors	397	419
Other creditors	144	144
Accruals	355	659
Deferred income	2,758	2,604
	<u>3,841</u>	<u>4,000</u>

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

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term received in August £251k (2022: £71k).

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

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

17. Deferred income

	2023 £'000s	2022 £'000s
Deferred income comprises		
Balance at 1 September	2,604	2,058
Amount released to incoming resources	(2,604)	(2,058)
Amount deferred in the year (note 16)	2,758	2,604
Balance at 31 August	<u>2,758</u>	<u>2,604</u>

18. Creditors: amounts falling due after one year

	2023 £'000s	2022 £'000s
Rathbone loan - due between 3-5 years	-	275
	<u>-</u>	<u>275</u>

This relates to a drawdown loan from Rathbones against the value of the portfolio held. This was repaid during the year.

19. Analysis of Net Assets by Fund

Year to 31 August 2023

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

Year to 31 August 2022

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

20. Analysis of Charitable Funds

Restricted Funds	Balance 1 September 2022 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2023 £'000s
a) DfE grants	-	145	-	(145)	-
b) Donations towards major projects and equipment	153	479	(313)	(17)	302
	153	624	(313)	(162)	302
Total Restricted funds	153	624	(313)	(162)	302

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

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

Unrestricted funds	Balance 1 September 2022 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2023 £'000s
Designated fund	178	-	(77)	618	719
Fixed asset fund	14,135	-	(936)	240	13,439
General fund	3,200	14,989	(14,179)	(696)	3,314
Total Unrestricted funds	17513	14,989	(15,192)	162	17,472

Designated Fund :

The £719k represents the current balance of unrestricted donations received but not yet spent as at year end, funds allocated by the Trustees for professional fees on potential strategic capital projects. The transfer in of £618k includes a transfer of £260k from the general fund in relation to statutory compliance costs that have been identified on an Estates survey and £150k relating to the potential purchase of the freehold.

Fixed Asset Fund :

This represents the net book value of the Charity's land, buildings and equipment. Total tangible assets of £13,439k are shown in the Charity's balance sheet. They are analysed in note 12 on page 61. The transfer of £240k to fixed asset funds is unrestricted additions in the financial year of £229k and restricted additions of £11k.

General fund:

The unrestricted general fund of £3,314k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance. The transfer out of £696k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

21. Financial Commitments

The charity has no non-cancellable operating leases at year end 2023 (2022: none).

22. Capital Commitments

At the balance sheet date, the Charity had capital commitments totalling £132k (2022: nil) in respect of replacement beds ordered for the bungalows and a bathroom refurbishment.

23. Legacies

As at 31 August 2023, the Charity had been notified of two (2022: six) new legacies where payment was not received by that date. No account has been taken of these as the amounts receivable cannot be determined with any reliability.

24. Control

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

25. Related Party Transactions

During the year, the charity rented a property from Mike Atkinson, a Trustee. This was in relation to the rental of accommodation to house new employees from abroad and total rent paid during the year was £9K, which was below market rate.

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

PATRONS

Mr Chris Goodman
Mr David Hill

TRUSTEES AND GOVERNORS

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

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott
Mrs Jenny Clark
Ms. Denise Garland
Dr Elizabeth Green (retired January 2024)
Mrs Alison Grover
Mr Andrew Hodson
Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)
Ms Susan Duke
Mrs Alison Grover
Mr Alan Loader
Ms Amanda Mortensen (retired February 2024)
Mr Lawrence Mudford
Ms Carole Oram
Mrs Deirdre Prower
Ms Dianne Ryan
Mr Fredrick Shears (appointed July 2023)
Ms Julie Tilbury
Ms Jenny Turner

KEY EXECUTIVES

Chief Executive:
Headteacher:
Director of Social Care:
Finance Director:
Head of Fundraising
Head of People:
Company Secretary:

Mr Gareth Germer
Mr Richard Green (appointed December 2023)
Mr Dee Anand (appointed October 2023)
Mrs Jane Cope
Mr Will Folkes
Miss Joanne Peppard
Ms Fiona Duff

AUDITORS

Moore Kingston Smith LLP, Betchworth House, 57-65 Station Road, Redhill, Surrey RH1 1DL

BANKERS

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

SOLICITORS

DMH Stallard, 3rd Floor, 1 Jubilee Street, Brighton, West Sussex, BN1 1GE

INVESTMENT MANAGERS

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

REGISTRATION INFORMATION

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

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



Chailey Heritage Foundation

Haywards Heath Road
North Chailey, Lewes
East Sussex BN8 4EF

t: 01825 724444
e: office@chf.org.uk
www.chf.org.uk

