
Annual
report
and
accounts

2020-21





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Our promise today is that:

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

”

About Chailey Heritage Foundation



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

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

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

Our values

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

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

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

What we do

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

<h3>Education</h3> <p>An Ofsted 'Outstanding' non-maintained special school for 3-19-year-olds.</p>	<h3>Residential</h3> <p>A range of boarding options for pupils of the school and a transition service for young adults up to the age of 25.</p>	<h3>Community Services</h3> <p>A range of on-site services as well as an outreach service, offering the skills of our staff to families in their own home and out in the community.</p>
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Meet Finn

“ Patchwork Farm has given Finn the chance to develop a new interest and his personalised curriculum goals are directly tied into experiences at the farm, so learning is more fun than ever for him. And for those pupils who take a little more time to build confidence to visit the farm, the animals come into the classroom first. It’s not unusual to pass a classroom and hear a goat bleating or chicken clucking! ”

Jemma
Finn’s teacher

Many of the young people who come here have sadly spent a lot of time indoors – in hospitals, having treatment, physiotherapy, or being taught in indoor environments. Having been accustomed to being indoors and feeling safe means that for some young people, the idea of going outdoors, visiting new places and experiencing new things is a very daunting step and may be the source of anxiety.

This is why Patchwork Farm is such an incredibly important part of what we offer. For children who have learnt to prefer to stay ‘safe’ indoors, the farm can be a real challenge to step outside their comfort zones, not just building the courage to go outside, but also to touch and interact with the animals.

This was very much the case for 18-year-old Finn, who is a pupil at school. His teacher, Jemma, knew that Finn wasn’t keen on visiting the farm, particularly being around the smaller animals, so she arranged for him to spend time with Nic-Nac, our Shetland pony instead.

The result was transformative. Finn voluntarily reached out to stroke Nic-Nac and even found the confidence to groom and lead him! Finn didn’t want to leave the farm that day – and when his teacher asked him what he’d enjoyed and felt most proud of, Finn used the symbols in his communication book to say FARM and kept repeating the word.

This kind of active learning is absolute magic to witness, whether a young person leans out of a wheelchair to stroke a donkey, work the pig feeder, or to hold a guinea pig. Patchwork Farm offers the young people here the chance to experience and achieve things they never would in more passive, indoor environments including confidence building, interaction, and a natural educational setting that stimulates sight, hearing, smell, and touch.





“ We were here for the young people and their families. ”

Statement from Chair of Trustees and Chief Executive

Chailey Heritage is an amazing place. Our services are often life changing, not only for the young person but also for their families.

In our report, you will meet some of the young people and hear from their families about just what being at Chailey Heritage means to them.

This is only possible because of the determination of the young people, the dedication of our staff, the support and understanding from parents and families and the generosity of our supporters.

We are enormously grateful to our highly trained and dedicated staff who faced the challenges of the Pandemic again in 2020/21 and to our NHS colleagues in Chailey Clinical Services. We are proud of them. The commitment and creativity of both teams shone through so that the experiences and opportunities for the young people were not diminished, just reframed and sometimes, relocated!

In these difficult times, our wonderful site in the Sussex countryside has been a key resource. The Dream Centre and Patchwork Farm, both funded from capital appeals and donations, came into their own, extending opportunities for young people who were unable travel offsite for much of the year. We are immensely thankful for the continued support from volunteers, friends and donors for current and new projects and initiatives.

The Garden of Celebration, funded by donations, designed, and tended by volunteers, began to provide both solace and enjoyment to young people and staff as a difficult year drew to a close. The garden's annual cycle will provide hope and inspiration in the years to come and a special place to remember those connected with the Charity who have passed away.

Our mission to enable young people to have every opportunity to make the most of their skills and pursue their potential has continued to be true throughout the pandemic. We never, ever give up, despite the challenges that confront us. Covid-19 did not deter us and, if anything, we were better prepared and had learned from our experiences the previous year.

However, strategically, 2020-21 was a year of consolidation and recovery. Although less affected than some similar organisations, the Foundation was not immune. We determined to focus on ensuring the Charity was 'Fit for the Future' and prepare for the final phase of our 10-year strategy, looking towards our 2024 goals.

Through the ebb and flow of the Pandemic in 2020-21, we delivered on nearly all we set out to achieve in our 'Fit for the Future' strategy.

Statement from Chair of Trustees and Chief Executive

Continued



On track

We finished the building projects delayed by the Pandemic including the safety and access project to add car parking spaces and make movement around the site safer, with a new one-way system and lighting. We signed a lease for the Parish field and began radical land improvement to provide more grazing for our ponies.

Most importantly, we concluded negotiations with Sussex Community NHS Foundation Trust (SCFT) to extend the lease for the site to 2143.

With the help of SCFT pharmacists and nurses, as well as our dedicated managers, the electronic medicines administration record (EMAR) system was finally successfully extended to all services, while our digital booking system was used for the first time to register entrants for our Focus 10k run.



Organisational resilience

Recruitment and retention became a preoccupation of summer 2021, with national shortages made more challenging by our rural location and poor public transport. Recognising that this was a long term rather than transient issue, the Trustees committed to investing in structural solutions to reduce the Charity's future vulnerability on recruitment. This work quickly moved from the research stage and has accelerated in 2021/22. In the short term, the HR team streamlined its on-line application systems to speed up recruitment, making it easier for applicants to apply.

Streamlined clinical training and competency assessments enabled newly recruited staff to contribute sooner.

Internally, our focus has been to build staff resilience by creating a positive culture in which the stresses of the roles is acknowledged, mental health and well-being is understood and supported by both managers and colleagues.



Remained ambitious

Throughout 2020-21, in a very difficult year, Chailey Heritage staff really lived our values. They demonstrated such commitment. Attendance was never a problem; they were brave in the face of the virus, and they never stopped trying to ensure life was as normal as possible for the young people; "ok" simply was not good enough. They celebrated; school leavers still had their "prom," and a virtual Celebration Day in July was very different with a socially distanced parade and award ceremonies streamed to families. Our virtual Carol Service at Christmas was joined by more people than ever.

All services continued to focus on excellent outcomes despite the changes the Pandemic required us to make to service delivery. The school remained open throughout and, for those pupils who did not attend school, remote learning became the norm, blending individual sessions with group sessions linking pupils in the classroom with their friends at home. Materials and advice for parents from teachers and therapists were sent home to ensure children did not miss out.

Residential staff were determined that young people should not miss out on activities and instituted special treasure trails round the site, light displays and visits to our own on-site farm.

Using tablets for remote learning and Facetime with parents boosted the skills of staff, parents and young people across services and propelled us on our digital journey more swiftly than expected. Our digital ambition extended to new systems for annual reviews and the roll out of electronic medication administration records (EMAR) to all services. EMAR demonstrated the potential of the system for other paper records and led to plans to move towards recording health information digitally and developing electronic care plans in 2022.

All social care services aim to be at least “good” with regulators and have the ambition to be “outstanding”. The new Head of Social Care role was designed to accelerate this by injecting further rigor in record, monitoring and follow through. Ofsted inspectors found leadership and management stronger when they visited in September 2021.



Sustainable

Amongst the challenges Covid-19 brought, to reduce the potential for infection, we moved all residents to single bedrooms and have decided to make this permanent. As a result, bed capacity reduced although underlying demand for both 52 week and short break placements remained strong. Plans began to increase capacity to enable the Foundation to meet the demand, particularly from young adults seeking placements in our Futures provision. Consultation with regulators, families, and commissioners took place and architects were asked to develop plans for a new residential building. The Pandemic and the uncertain fundraising environment delayed the completion of this initial phase, but designs have now been agreed and planning permission submitted in 2022, with a view to launching a capital appeal in the summer.

As another measure to minimise infection, from April to June and again December to March, short breaks ceased with the inevitable impact on income while fixed costs remained the same. Reserves were used to maintain quality service delivery in the short term while economies were made where possible. Fees were rebased to reflect the higher cost of delivering services and ensure long term sustainability.

Reconfiguring the Fundraising Team in 2021 increased capacity and skills. The team demonstrated their strength and resilience by exceeding their targets for the year whilst maintaining support for our specialist services.



Ready to Develop

The Vision Fund was launched in Autumn 2020 to help achieve the ambition of our 10-year plan to have “the capacity to develop”. Carefully structured major capital appeals are essential for specific projects, such as replacing the out-dated Memorial Hall with the ultra-modern Dream Centre, but do not meet the Charity’s need for unrestricted funds for immediate and urgent investment. The Vision Fund was established to do just that and, in 2020-21, pledges from donors allowed us to “beat the heat” and install quietly efficient air conditioning in each residential lounge in Spring 2021. The fund will also be used in 2022 to fund, amongst other projects, the air conditioning to all the young people’s bedrooms too. More details can be found on page 33.

Statement from Chair of Trustees and Chief Executive

Continued



Began our Digital Ambition

With the help of a small group of technology experts, we began our digital journey by appointing our first Head of Technology (see page 24). Eddie Erasmus joined in January 2021 and, within four months, had mapped out and costed a digital transformation programme spanning the next three years. This appointment marked the beginning of a step change. It accelerated the adaption of cloud-based technology and understanding the potential of systems we had already, such as Microsoft 365, and set our ambitions for the future, both for digital improvement and optimisation of existing systems or the development of new bespoke solutions.

We were very proud when the Dream Centre's innovatory immersive environment was recognised. It won the Thea Award for 'Outstanding Achievement – Immersive Design for Special Needs Guests' and the 'Education Project of the Year' from AV Magazine. We are so grateful to Teecom, North Star Engineering and, most of all, to 7th Sense without whose expertise we would never have procured, installed, or had the inspiration for this award-winning digital experience, which we now tailor to the interests of the young people.

The appointment of a new Communications & Marketing Manager and a digital marketing lead in Summer 2021 ensured that the resources needed for the Charity's Christmas fundraising campaign and renewed efforts on recruitment were and continue to be available.

By the end of 2020-21, like most organisations, Chailey Heritage was learning to live with Covid 19 - "hoping for the best but ready for the worst". Our strategic targets were achieved, the Charity was 'Fit for the Future' and ready to look forward to the final stage of its journey towards its 10-year goals.

Children and Young People are at the core of our charity so, for 2021-24, our focus will be on **Innovation and Excellence**.

To achieve our ambitious plans for innovation and excellence, the Charity needs to have firm foundations and, for the next three years, we aim to strengthen the charity by addressing strategic fundamentals – investing in our staff, ensuring the Charity remains financially resilient, completing the first and most intensive phase of our digital transformation and continuing to support climate goals through the Chailey Carbon Challenge. Our plans for the future are set out on page 36.

We have an ambitious and exciting programme but are looking forward to the challenge.

Mark Creamer
Chair of Trustees

Helen Hewitt
Chief Executive



Meet Fia

8-year-old Fia has a degenerative condition called Alexander Disease, which affects all aspects of her life, but she is determined to be as independent as possible. Along with communication, mobility is one of the Charity's strengths. For Fia, the engineering expertise to tailor control systems to individual need is critical to enabling her to retain independent mobility as her condition changes.

Fia is cognitively aware and was able to demonstrate to her teachers that she is very capable. She started off her 'driving' journey by using one of our bespoke platform bases with her manual wheelchair positioned on it. Fia learnt to use a joystick to control the platform and attended a 'driving group' at Chailey Heritage led by the Occupational Therapy team. As she progressed, it was obvious she would become an independent driver, but she had to prove it to wheelchair services. Fia soon moved on to using an assessment chair to enable her to demonstrate her skills. After about a year and a half, Fia was finally given her own power chair and uses it confidently around school and whilst out with her family.

“ Fia would never have got her own power chair without using the platform for practice and developing confidence thus allowing her to pass her driving test. The power chair has given Fia the freedom and independence that she was so desperate for. ”

“ Fia used to be able to walk to her Grandad's house a few doors down from us, bang on his door and shout 'I need sweets Grandad'!! Having a power chair means she can do this again on her own. When we go to our local park with friends, Fia can join in with games of chase independently and just be a child. ”

Lian – Fia's mum

“ Fia is now able to take herself to where she wants to go, within her safe environment, to find what she wants to play with. Research has shown that the complex interplay between the domains of child development mean that self-initiated movement has one of the most powerful effects on their progress. The impact on Fia's self-esteem and emotional well-being are immense. ”

**Amy Perkins
Fia's teacher**



“ You lead an inspiring school that consistently develops and implements provision to meet pupils' special educational needs. You are well supported by a strong senior leadership team and staff that are dedicated and skilful. Together, you put into practice every day a passionate belief that all pupils should access rich and meaningful opportunities at school, no matter how complex their learning and health needs.

”

Ofsted May 2019



Education – outward looking – a regional Charity with a national impact

Number of pupils in the School



91

The young people in our care are at the heart of everything we do. They are the inspiration that drives the world-class specialist support and facilities. We are extremely proud of our Ofsted 'Outstanding' school and the impact our teaching has on the pupils.

Teaching at Chailey Heritage School is based on our Headteacher's Chailey Heritage Individual Learner Driven (CHILD) Curriculum, which has gained him a national reputation. Every pupil has their own curriculum, built specifically for them based on their skills and their planned outcomes. Simon Yates has coined the term 'profound and multiple barriers to learning' (PMBL) and is leading the debate around approaches to reducing these barriers to learning.

Teachers, therapists, and parents work together to devise individual programmes and 'My Next Steps,' which are incorporated into meaningful and fun activities at all times of the school day.

Sharing our expertise with the wider special needs sector is an important part of our work. The Times Education Supplement commissioned articles and provided a national platform to showcase the CHILD Curriculum and share good practice in approaches to learning for pupils with profound and multiple learning disabilities and those with PMBL.



“ Our children don't fit into a box; the school makes the box for the child.



Parent

What we achieved – sharing our expertise

- ‘Independence by Proxy’ an article published in PMLD Link Journal authored by our PMLD lead, Julie Tilbury, and Headteacher, Simon Yates.
- Julie Tilbury also wrote a book with a university colleague, Andrew Colley, entitled ‘Enhancing Wellbeing and Independence for young people with Profound and Multiple Learning Disabilities’. The virtual book launch was attended by many professionals from all around the world.
- ‘From key word communication to sentences’ Communication Matters published article by our teacher, Iveta Power.
- Iveta Power was also awarded Inclusive Technology’s ‘Access Technology Scholar of the Year.’ Covid-19 meant that instead of attending the conference in Orlando, USA, she took part in the conference virtually.
- Simon Yates made a written submission to, and also appeared before, the All-Party Parliamentary Group on Cerebral Palsy.
- ‘The Sex Factor’ (Relationship Sex Education for young people with complex physical and learning disabilities) was launched as an online service by our award-winning specialist teacher, Helen Dunman.
- Funding to support further study; one teacher completed her Masters in multi-sensory impairment, and another is studying for her EdD (PhD equivalent) in Severe, Profound and Multiple Learning Difficulties.

Ambitions for the future

- To publish research which demonstrates the impact of our practice on pupils from their starting points.
- To develop a bespoke digital recording and reporting system for the CHILD Curriculum.
- To use our engineering, technical and digital expertise to work with partners in NHS, industry, and universities.
- To continue to deliver everyday excellence in the way staff and volunteers support pupils.

Meet Lucy

Lucy is 20 years old and has been coming to Chailey Heritage since 2011 when she started school here. She is a bright, happy young lady with a great sense of humour. She lives in the bungalows on-site where she receives one-to-one support, 24 hours a day, as she has many health needs including spastic cerebral palsy, autism, anxiety and musculoskeletal problems.

Lucy's Dad, Jonathan, describes how securing a place at Chailey Heritage was, "like winning the lottery for Lucy". He explains how hard it is for families of children with disabilities to get the provision they need, often having to drive miles in a variety of directions just to access equipment, medical assistance or classes. "The holistic support and humanity at Chailey Heritage, where the complete wellbeing of the disabled person is cared for through a joined-up approach including school, medical and residential provision all in one place, is a life-line for families like ours".

With the support of a great team at Chailey Heritage including teaching, residential and medical professionals, Lucy has made incredible progress and can now use her electric wheelchair independently and vocalise sentences to express herself. Jonathan says, "The combination of powered mobility and improved communication skills means that Lucy can enjoy independence, expression and cognition, which is so far from what we were told we could ever expect by professionals before we came to Chailey". He also mentions how the on-site medical support has helped Lucy try medication which has significantly reduced her anxiety and transformed her life. "It has allowed her to relax, live in the moment and enjoy herself, instead of constantly experiencing anxiety about what's going to happen next." Jonathan says that the holistic approach of all services working together at Chailey, "have released Lucy's potential".



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

Jonathan
Lucy's Dad

Through the support of the Pathways service, the residential care team and the LSC on site, Lucy has transitioned very well from school and her favourite activities are swimming, music and art because they allow her to express herself. She also loves structure and routine, so finds the reassurance of living on-site and accessing a full timetable of activities helpful.

Michelle, who supports Lucy, helps her with activities at the LSC and also takes her out for outings and shopping trips. Lucy loves going out for a McDonalds, especially driving through the drive through! "Lucy likes to spend time having hand and foot massages and looking through her books and magazines. She also likes to get fresh air by getting out and about around the beautiful grounds at Chailey." Michelle reflects, "Recently, Lucy has grown up considerably and she has learnt to manage her behaviour and anxiety a lot better. She is very much encouraged to do things for herself and make her own choices. We are very proud of her".

Lucy has come a long way since the days her family were told she would not be able to achieve all that she has. Jonathan says, "Chailey has set the bar really high and we just hope that, in the future, we can find something that matches the opportunities and experiences she has here. At Chailey, everyone is themselves, there's no judgement, just kindness, cooperation and understanding".



Residential – open throughout the pandemic

Bed nights for children



5,697

Bed nights for young adults



5,442

Covid-19 has been particularly difficult for residential care homes and ours were no exception. There were periods of lockdowns and staff worked very hard to keep the days as normal as possible for the young people in our care. We found ways to allow families to visit their sons and daughters, initially outside through open doors and then by finding spaces onsite away from the bungalow to prevent any chance of infection.

Since all trips were cancelled, staff found ingenious ways to keep the young people occupied on site. The Chailey Lights was a highlight when the young people's trip to see the Christmas lights festival at a local National Trust property was cancelled. More than 100 jars were decorated, and a light trail was set up on site. Our Patchwork Farm also played a critical role in promoting the physical and emotional wellbeing of the young people and the staff. It was a destination to visit safely when access to everything else was restricted.



“ Staff provide the children with the opportunity to engage in many on-site recreational activities. There are excellent facilities for children to have fun, learn new skills and enable them to become more mobile. Off-site activities were limited during the COVID-19 restrictions, but creative alternatives, such as inviting children’s entertainers to the site, ensured the children were kept occupied and stimulated.

”

Ofsted, September 2021

What we achieved

- Restructured our social care team to strengthen operational management for quality improvement and to secure staffing efficiencies
- Increased support to staff and residents by renovating and repurposing the Bradbury building so social care managers and the admin team are located closer to the bungalows. This also provided an additional base for the Chailey Clinical Services’ Residential & School Nursing Team
- Consulted with stakeholders on concept and designs for a new residential building to rebuild residential capacity
- Rebased fees to reflect current cost of delivering the services and negotiated uplifts with commissioners
- Supported families by once again offering them access to our employee assistance programme

Ambitions for the future

- Invest to secure a sufficient, skilled, resilient, and committed workforce
- Continue to move to digital recording systems, building on the success of EMAR and extending to health and care records and a bespoke accident and incident system for the whole Foundation
- Explore the potential for monitoring systems to promote the health and well-being and clinical care for the young people using our services
- Finalise plans for new residential accommodation that sets new standards including digital environmental controls for daily living and independence for young people with highly complex health needs and begin a major capital appeal before the end of 2021-22
- Aspire to external recognition and for our residential services to be recognised as ‘Outstanding’ by Ofsted and CQC

Meet Lucy



Lucy is 19 and comes to the LSC and Hub, where she can socialise with other people her own age. She is a bright, fun young lady who “lights up any room she comes into” said Kerrie, the Hub Manager.

Lucy is a wheelchair user, has a gastrostomy (for feeding and medication) and has a visual impairment. For young people like Lucy, fear of the unknown is very real - living with a degenerative condition means that Lucy and her family try to live for each day and not look too far ahead. This means that new experiences can be daunting for Lucy, however when she started at the Hub, (after having her transition sessions cancelled due to Covid-19 restrictions), Lucy threw herself into everything whole heartedly!

She loves all the sessions on offer including cooking, yoga, the gym, drama, art, the immersive space, music and visiting Patchwork Farm and it's clear that she is prepared to give anything a go! When asked about her favourite activities she indicates that she particularly enjoys cooking and her Mum, Ally, mentions that she recently made Christmas biscuits for her Grandparents. She also really likes to take part in the yoga sessions at the Hub where she can get out of her wheelchair and relax by stretching out on the floor mats, and she loves to visit Patchwork Farm.

Being a drama lover means that Lucy naturally enjoys taking part in the immersive experiences at the Dream Centre. She has enjoyed a nightclub scene there with her friends and even an underwater experience too.

She also loves to workout at the gym, particularly on the Innwalk machine because she can stand upright and be taller than everyone else. Ally says, “She loves to show us photos, the look on her face is priceless, she's so chuffed with herself!” Lucy is even taking part in a virtual London Marathon, logging her distance every time she goes to the gym. Ally said, “It's really nice for Lucy to say she's been to the gym because it makes her feel the same as everyone else.”

“ Lucy has already made some good friends here and she has a particularly strong bond with Connor. It's just wonderful to see their beaming smiles when they're together. ”

**Tahlia
Community Support
Worker**

The family were keen for Lucy to have a broad range of enriching and interesting experiences and Ally explains that the LSC and Hub felt so right from the start – “The staff are just wonderful; our confidence has gone from strength to strength. Knowing Lucy is happy and having a fab time means that we can relax because we know she's safe and in good hands.” They were also keen for Lucy to mix with others, so the social side of coming here is just as important as the activities on offer. Tahlia, a Community Support Worker, agrees, “Lucy has already made some good friends here and she has a particularly strong bond with Connor. It's just wonderful to see their beaming smiles when they're together.”

For Lucy's family, it's the knowledge that she is in good hands and having a fun time full of rich and varied experiences that has been so positive. Hub Manager, Kerrie, says the fact that Lucy has settled into the Hub and LSC so well is a huge achievement in itself, especially as her transition period was cancelled. “It's services like the Hub and LSC that give young people like Lucy the opportunity to get out, meet people and try new experiences, which is absolutely essential when you are a young person living with a disability”.



“ It’s about trying to give my son as much variety as possible and opportunities to mix with his own age group. Whether it’s Pathways coming into the home and taking him to school, holiday club or out in the community, doing activities with peers at the LSC and Hub, or staying overnight with his friends at the bungalows.

”
Parent



Community Services – filling a need – wrap around services

Sessions provided in the LSC, our leisure and skills centre



Sessions provided in the Hub, our vibrant day service



Our community services are a vital part of our offer to people with disabilities and their families. They were set up to fulfill a need expressed by our families and those living in the community. Although Covid-19 affected the number of sessions offered in the LSC and Hub during the height of the pandemic, services were once again open and operating by September 2021, albeit with fewer clients to begin with.

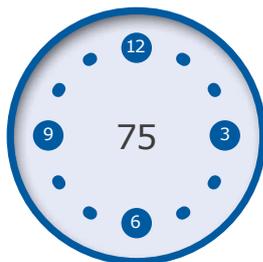
“ Since starting Aquamovers, Faith’s skills have come on leaps and bounds and the support and advice we have received has been invaluable. There is just nothing else quite like it locally. Before Aquamovers, for me as a parent, I didn’t have friends with children with complex needs, so it has given me friends and a group where, although all our situations are different, everyone understands the stresses and strains that come with raising a child with complex needs. For us, we absolutely love coming and it’s given us a little family to be a part of.

”
Parent

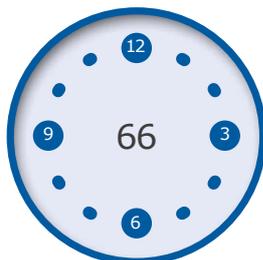
Hours delivered by Pathways,
our community-based specialist
support



Hours delivered by Aquamovers,
our parent/toddler group



Hours delivered by our
Holiday Club



Pathways, our outreach service, was able to help parents when their short breaks were cancelled. It has also been an invaluable service for helping young people access evening activities, for example Scouts, allowing the young people to do things they enjoy whilst, at the same time, giving parents some down time. The number of hours delivered by Pathways tripled from 2019/20.

Aquamovers, our pre-school parent and toddler group, was set up in direct response to parents informing us that there was no social group they could attend with their child with disabilities. We keep the group small with a maximum of eight babies/toddlers, so parents receive as much attention as they require from the Physiotherapist and Speech & Language Therapist.

Our **holiday club** gives the pupils from the school a chance to socialise and have fun with their peers in the holidays. There are plenty of activities on offer from swimming, games, arts & crafts, use of the immersive space, a silent disco and much more! The children enjoy the holiday club, and it gives parents the respite they need during the holidays.

What we achieved

- Developed Pathways to provide wrap around support for some families unable to access short breaks
- Tripled the number of hours of community support provided to families through Pathways
- We provided our parents access to our staff's (employee) assistance programme
- Renovated and extended Hub spaces in the Rennie building allowing us to increase capacity by 33%

Ambitions for the future

- Invest to secure a sufficient, skilled, resilient, and committed workforce
- Increase the number of sessions offered to Hub clients
- Increase Hub capacity by 2024 by consolidating and expanding Hub services in the Rennie building
- Repurposing and refurbishing other spaces for a clinical training room and a base for parents
- Achieve and sustain external recognition from commissioners and regulators; for Pathways to be recognised as 'Outstanding' by CQC and to be able to demonstrate similar standards, as well as impact, for the Hub and LSC



Our dedicated workforce

The Charity has continued to increase its staff as the young people using its services require one-to-one support or sometimes more. Each of these young people require a team of staff trained to have the specific clinical skills for the individual they support.





Following a detailed review and benchmarking of salaries for support staff, for 2020-21, the Charity invested over £250,000 and introduced a new salary structure with increases targeted towards social care and school staff working directly with children and young people. This contributed to robust recruitment for the first six months of 2020-21. At the beginning of the year, the school was fully staffed and social care achieving its targets with a strong bank team. However, staffing, especially in residential services, came under intense pressure as 2021 progressed. Our experience mirrored pressures across the health and social care sector with a nationwide recruitment problem largely attributed to difficult working conditions and burn-out, following the second lockdown in early 2021, but also the lack of recognition of the value of work in the social care sector.

Securing sufficient, clinically trained staff has to be a top priority and is a key element in the Charity's strategic plan for strategy for 2021-24. Governors and Trustees understand the risks of not recruiting sufficient staff to our services. The Charity's financial resilience and the particular challenges of our rural location have therefore committed Governors and Trustees to seeking a structural solution. We began in 2021 to explore securing a far wider pool of potential recruits and providing local accommodation and transport to encourage people to take up roles at Chailey Heritage. This initiative continues in 2021-22, with Trustees investing both in a dedicated resource for UK and international recruitment, alongside additional investment in salaries to ensure that they are not only competitive but attractive to new entrants to social care and education services.

Putting the children and young people first always comes as second nature to our staff, who have continued to deal with the challenges of the Covid-19 pandemic in true Chailey-style.

Colleagues working directly with young people wore PPE through 2020/21 and tested weekly with Lateral Flow Tests, with PCRs in residential care, and continue to do so. Almost all took advantage of vaccines when offered; 90% are now fully vaccinated and everyone takes care to limit the potential spread of the virus, with social distancing and good ventilation still the norm.

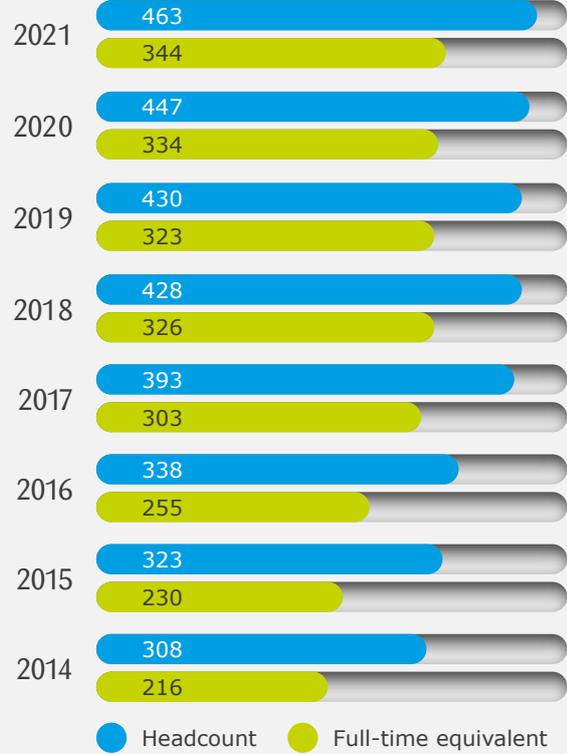
80% of our expenditure is for staff



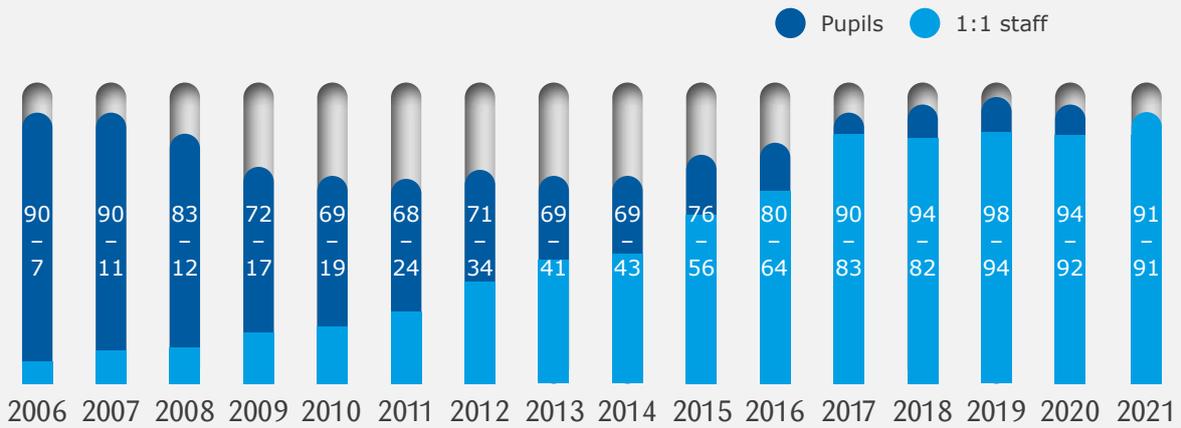
Average numbers of staff during the year



Staff numbers



Numbers of pupils with 1:1 support





We thank all our staff for their continued dedication, for the tremendous work they are doing to ensure that services can continue safely.

We are very conscious of the toll the pandemic has taken on staff both personally and professionally. For that reason, we focused on developing a new Mental Health and Wellbeing strategy, with a new Wellbeing intranet site providing a wealth of information, signposting to services and organisations and including information about healthy eating, exercise, and mindfulness. Our Employee Assistance Programme was particularly well used in 2020-21 and we trained members of the HR team as Mental Health First Aiders and provided Mental Health in the Workplace training to managers.

The new staff room was also opened during the 2020-21 year, offering our staff a place to relax with their colleagues during their breaks. GK's Café keep the vending machine stocked up with snacks to satisfy those with a sweet or savoury tooth. The Café has remained open throughout the year and, like the staff room, is available not only to our staff but those from Chailey Clinical Services, especially the Residential and School Nursing Team.

Volunteers

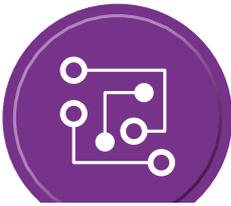
Covid-19 affected our ability to use the wonderful team of volunteers who support so many of our services. This is particularly true for the Fundraising volunteers who help with collections and events since these all but ceased due to Covid-19. Managers kept in touch with their volunteers and most of them generally returned towards the end of the 2020-21 year although some decided to retire. We will not recruit more volunteers until our in-person activities return to pre pandemic levels.

Gender Pay Gap

You will find our full report on page 49 and also on our website:
www.chf.org.uk/Gender_Pay_Gap_Report_2021_FINAL_2.pdf



Spotlight on our first Head of Technology



DIGITAL AMBITION

In January 2021, we were very pleased to welcome Eddie Erasmus as our first Head of Technology. The Charity is passionate about giving young people opportunities to use and explore technology, and Eddie brings a wealth of experience to the role and a desire to help us achieve our long-term vision for technology.

Eddie started his career as a teacher in South Africa at a very similar organisation to Chailey Heritage Foundation where he worked as a teacher in IT. He went on to provide IT in education, health, and residential care organisations, where he helped build and realise their technology ambitions. He has also delivered consultancy projects for charities including digital transformation and new building projects.

Technology helps the young people in our care explore and create in ways that allows freedoms most of us take for granted, for example the eye gaze technology which registers eye movements to make selections on screen. Eddie is passionate about this and says, "There are so many opportunities for technology to provide significant support for young people. This is my favourite area of technology as it can be so uplifting to see the impact your work can have on helping others to achieve."

As part of our strategy to 2024, Eddie is driving forward our digital programme to strengthen and streamline our systems and provide exciting opportunities for the young people.







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



Parent

Our partners

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



Changes in management teams, good support from SCFT managers and working closely together through the Pandemic, have strengthened, and renewed the partnership. This improvement facilitated negotiations to extend the lease for the site. This was concluded before the end of the financial year as planned.

Greater transparency and mutual understanding, particularly around staffing and clinical training, have also helped. A review of the Residential and School Nursing Team (RSNT) led to a stronger skill mix, more aligned with the increasing complexity of young people's needs and to much better nurse recruitment and safer staffing levels.

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

Clinical training continued to be a challenge in 2020/21 particularly as Covid-19 constraints limited how training could be delivered. However, streamlining content and delivery, including a move to providing underpinning training online - initially facilitated by CHF's Communications Team - released capacity and competency sign off was accelerated. Agreement on contract for additional nursing capacity ensure that, in 2021/22, nursing capacity is better matched to demand, especially for newly appointed care and school staff.

Parents are one of our most important and valuable partners. They are very pleased overall with their young person's placement at the Charity and have told us how being at Chailey Heritage has changed the lives of their young people and the whole family through a film and co-produced case studies - www.chf.org.uk/changing-lives. Parents have been increasingly involved in fundraising for the Charity and are also 'ambassadors' by recommending our services to other families.

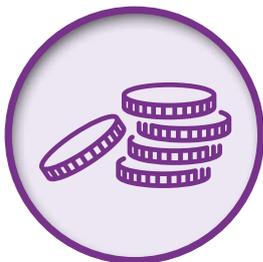


How we raise money

Funds raised during this financial year (including legacies).



Every penny raised goes to the children and young people.



2020-21 was an extraordinary year. Covid-19 has not only had an impact on how we raised funds, causing us to rethink our fundraising activities, but also how we prioritised what we could fund.

With the Foundation closed to external visitors for much of the early part of the year as we navigated our way through several lockdowns, we had to find new ways to raise funds. Many of our early fundraising initiatives took place online, including the launch of the Chailey Heritage Lottery, a weekly lottery using the fundraising platform Unity.

Our Christmas Campaign went entirely online. Along with the Big Give Christmas Campaign, we introduced the Big Chailey Auction and Woolly Hat Wednesday, a new text giving initiative asking everyone to wear a Woolly Hat and donate £2.

The Focus 10k took place in July as a live and virtual event. Covid-19 uncertainty had an effect on participant numbers but a sharp rise in donations and fantastic participation in the virtual event by teams of young people from across the Foundation led to an overall increase in income.

The support of trusts, foundations, and other grant funders continues to be central to all of the projects that rely on voluntary income. Grants from long term supporters and new partners, both large and small, enable us to deliver the facilities, equipment and experiences that make such a positive impact on the lives of the young people at Chailey Heritage Foundation.

This report gives us an opportunity to thank our amazing supporters, who helped us in so many ways, enabling us to continue to support the children and young people in our care.

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

Achievements

Voluntary donations funded the following resources, experiences, and activities for the young people in 2020-21:



- **Music Studio and Assessment Room**

Building work started in the autumn of 2021 with completion set for early Spring 2022. This new space will include a large acoustically designed Music Studio, a separate 1-1 music room for individual therapy sessions, bespoke storage for the specialist equipment, the installation of hoists in both rooms, sound proofing and functional finishes throughout, musical instruments and the latest technical aids for making music. Included in this project will be a dedicated assessment room for families when they first visit Chailey Heritage Foundation for their assessment.



- **St Martin's outdoor play and learning area**

The "Big Give Christmas Challenge" in November 2020 kick-started the appeal for this project and the target was reached within the year. Although the contract could not commence until October 2021, within a few weeks the youngest children at Chailey Heritage School had a bright, durable interactive outdoor space with raised flower beds, a bridge, sensory boards, and a new sunshade. Pupils are now able to move directly from their classrooms to the play area in their wheelchairs independently without having to rely on assistance from staff.



- **Patchwork Farm**

We continued to raise funds to cover the cost of running Patchwork Farm, our unique on-site therapy farm. Aside from the running costs, such as the salaries of the Farm Manager and Assistant, vet bills and animal feed, donations also funded a new pathway to the chicken coop and fencing for the animal enclosures. Donations also funded the cost of significant improvements to land newly leased from Chailey Parish Council which will allow the farm animals and hippotherapy ponies more space for exercise and grazing.



- **Hippotherapy (therapeutic horse riding)**

Through sheer determination and ingenuity, our amazing Hippotherapy team were able to continue to run sessions throughout the pandemic. This proved challenging at times, with multiple changes of clothing and disinfecting of equipment, to ensure that the young people and staff/volunteers were kept safe. Hippotherapy sessions are provided to 42 of our school pupils, as part of their individualised curricula. The cost of this service was completely funded through voluntary donations in 2020-21.

Achievements – continued



- **Garden of Celebration**

Thanks to design students from Plumpton College and garden designer, Caroline Scaramanga, the Garden of Celebration was completed in May 2021. This was quite a challenge with shortages of material and the supply of plants, but we now have a beautiful, tranquil space where we can remember the lives of those who have been part of the Chailey Heritage community.

- **IPSEA**
(Independent Provider of Special Education Advice)

Voluntary donations funded IPSEA, an independent legally based advice, support, and training service to help children and young people with special educational needs have access to the most appropriate education.



- **Aquamovers**

Our weekly session gives disabled pre-school children and their parents/guardians the chance to participate in physiotherapy, and speech and language support, both in and out of our hydrotherapy pool. It is a relaxed environment in which they can gain specialist advice, as well as build a strong peer-to-peer support network. This service is primarily funded by voluntary income with some parental contributions, which are assessed on a case-by-case basis to remove financial barriers for those on low incomes.



- **Dream Centre and Immersive Space content creation**

The Immersive Space, based in our Dream Centre, is a key resource at Chailey Heritage and provides a stimulating, engaging and entertaining multi-sensory experience. The creation of bespoke content, supported via voluntary income, designed specifically around the needs and interests of the young people allows the Immersive Space to deliver a range of positive outcomes for the individuals who access it.

- **Specialist equipment and other resources**

This included a wide range of specialist walkers, a sail shade for an outdoor space for our day service users, and other resources as required by our service delivery teams. Amongst other things, these have included resonance bean bags, sensory toys, and headphones for use in our LSC Multimedia Suite.

Future projects

As well as raising funds for vital specialist equipment, during 2021-22 we will be raising money for:

- **A new minibus**

As part of our vehicle renewal programme, we are raising funds for a new wheelchair accessible minibus so that the young people can have access to external activities, social engagements and hospital and transition appointments.



- **A new garden for our residential children and young people**

The last year has shown us how important access to outdoor space is. The space that the young people who live with us is in need of an update, so we are currently raising money to create a new space that will improve the young people's physical and mental wellbeing by providing opportunities to socialise, play, exercise and explore the sensory experiences of being outdoors.



- **Patchwork Farm**

We get no statutory funding for Patchwork Farm, our on-site therapeutic care farm, so each year we need to raise approximately £50,000 to support the cost of running it. The farm is fully wheelchair accessible and offers the children and young adults in our care, as well as visitors, an interactive, multi-sensory, outdoor learning experience.



- **Therapeutic Riding**

Riding at Chailey Heritage Foundation is an essential part of our physiotherapy programme. It combines physical fun with therapeutic input which benefits young people with complex physical disabilities. The service relies entirely on voluntary donations to support its running costs, so each year we need to raise in the region of £70,000. The service is primarily suitable for our younger children aged between 4 and 12.



Artist's impression

A Room of My Own

Work will begin in Summer 2022 on the campaign for a major capital appeal to raise money to build a brand new, technology enabled, state-of-the-art, residential facility to support young people with complex disabilities transition into adulthood.

On the ground floor, there will be a 6-bedroom home, providing life changing and enabling accommodation for young people transitioning from school to adulthood. On the first floor, there will be an activity space (The Hub) offering daytime sessions for up to 6 young people at any one time.

The new building will give us back some additional residential capacity lost because of Covid-19, as well as offering additional space for daytime activities through our Hub provision and Leisure and Skills Centre. These activities will be available to the young people living with us, as well as those from the community.

The new facility will offer young adults a home with increased independence opportunities through environmental controls and switch operated devices. The new building will be built on the site of our current Hub provision, a day service open to young adults from the local community.

We expect to officially launch the capital appeal in the Autumn of 2022.

Vision Fund

It is a year since we launched the Vision Fund, a new initiative to secure multi-year funding to support some of our core costs and projects not covered by statutory fees. We have been incredibly encouraged by the support for this initiative and already have a substantial pipeline in place. In our first year, funds raised have supported some very important projects, including:

- **Updating the track platforms**

These platforms enable children, who do not yet have access to a power wheelchair, to learn to use powered mobility using our track driving system. The funding has enabled us to carry out the research and development required to update the control systems and the interface between the child and the platform, as well as introducing an anti-camber device to stabilise the wheelchair.

- **Environmental temperature controls in the young people's on-site residences**

Due to the difficulty that our young people have in regulating their body temperatures, we have invested in air-conditioning in their residential homes to make them more comfortable during the hot weather.

- **Video conferencing technology**

Covid-19 has had a huge impact on the way we communicate, and we have had to adapt. Using online technology has enabled us to teach our pupils remotely and to keep in touch with families who were isolated during the pandemic. This technology has improved the experience of parents and professionals during EHCP annual reviews and care reviews as most of these are now conducted remotely allowing parents, education, social care, and health professionals to attend more easily. This technology continues to be vital for staff working remotely, and for keeping in touch with our Trustees, Governors, and our supporters.

We are extremely grateful to the investors who have already pledged their support and hope to build on this success in 2022.





The following funders have asked us to mention their support to Chailey Heritage Foundation:

- Boshier Hinton Foundation
- Lawson Trust
- Rockinghorse
- SEN Opportunities
- Swire Charitable Trust
- The Hospital Saturday Fund
- Tim Henman Foundation
- Zurich Community Trust

Corporate support

In our last financial year, we were very grateful to receive support from several companies. Our flagship challenge event, the Focus 10k, saw headline sponsors Focus Group generously support us once again. They also supported us through staff fundraising and volunteering.

We are also very grateful for financial support from the following companies:

- ADAVIRTUAL Business Support
- Batcheller Monkhouse
- Buxted Construction
- Candis Magazine
- E3 Events
- Irwin Mitchell
- Jackson-Stops Mid Sussex
- Pan Pacific Hotel
- Personal Travel Agents
- Sunninghill Construction
- Thorne Civil Engineers
- Tiny Box
- UpCountry Garden Centre
- Vistry Homes South East
- Zurich Community Trust

Fundraising Volunteers

In addition to the general foundation volunteers, we have 58 occasional fundraising volunteers, including two 'Fundraising Lead Volunteers'. The volunteers support our fundraising efforts on an ongoing basis by helping at events and giving talks in the community. One of our volunteers knitted novelty hats which were sold online and at Christmas markets, with all proceeds supporting our work.

Friends of Chailey Heritage

We are very grateful to the Friends of Chailey Heritage, who continue to support us financially with donations towards IPSEA, Celebration Day, Therapeutic Riding, and other specialist pieces of equipment such as an Acheever Bed.

Our commitment to donors



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

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

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

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

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

Our Plans For 2021-24



Children and young people are at the core of our charity and the heart of our mission.

As we move into the final phase of our 10 year plan, our focus will be on changing the lives of children, young people and their families through **Innovation and Excellence**.

Innovation

From our foundation in 1903, Chailey Heritage has been at the forefront of education, health and care of disabled young people. That tradition still drives us today. Chailey Heritage School is leading the debate on curriculum and assessment of pupils with profound and multiple needs. Our engineers are experts in creating bespoke solutions to give individuals with profound and multiple disabilities access and independence in their communication, learning and daily lives.

Excellence

We seek excellence, not as a badge but because the children, young people and their families deserve nothing less. Our excellence should be clear in the way staff and volunteers support the children and young people and should happen every day.

We aspire to external recognition and want all our services to be recognised as 'Outstanding' by Ofsted and CQC.



Firm Foundations

Over the next 3 years, we will focus on the strategic fundamentals needed to achieve our ambitions of **Innovation and Excellence**.



Our People



Financially Resilient



Digitally Stronger



Environmentally Sustainable



Trustees' Report on Financial and other Statutory Matters

Achievements and performance

The report and accompanying financial statements have been prepared under the Companies Act 2006 and the Charities Act 2011, and in accordance with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association, and the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014.

Our strategy and performance against our strategic goals is discussed in detail on pages 7 to 37 of this annual report.

Financial Review

The demand for the services we offer continues in the School, Children's Home and Futures, as well as our other community services. The services continued to be impacted by Covid-19 restrictions and lockdowns as new variants arose and made an overall deficit. Once again, we had to cut back our short breaks as well as the Learning & Skills Centre and Hub sessions. The School has continued to remain open throughout and funders are still advised by the Government to continue to honour their contracts and pay our fees. Management accounting, budgeting and accountability systems were tightened, together with controls over cash flow.

The financial pressure our funders are under continues to restrict our ability to increase all our fees to fully reflect the true cost of providing our service. We continue to review our core fees for the main areas of operation to ensure they cover the costs associated with providing the service, but they still do not recover all our depreciation costs. Overall, total Net Income provided a surplus of £75k once the unrealised gain on the investment portfolio of £706k was taken into account. Certain costs, e.g. fundraising, the upkeep of the Chapel and other legacy assets, continue not to be recovered through fees but funded from the Trustees' Reserves.

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

Financial Activities and Results

In the year to 31 August 2021, our total income was £13.1m (2020: £12.7m). The increase was mainly due to additional nights being provided in residential services and community services. Pupil numbers

continue to be steady as they returned to site and relished being back with their peers in person. When circumstances required, School switched to remote teaching for those children isolating at home and 52-week residents continued to be supported in the bungalows on site when in lockdown.

In the same period, total expenditure has risen to £13.7m (2020: £13.3m). This increase primarily arose from the additional staffing costs required to support individuals using our services with the easing of Covid-19 restrictions, as well as the annual cost of living increase awarded of 1.75%. The Foundation also continued to incur a significant amount of extra expenditure relating to working under Covid-19 protocols - this includes extra cleaning, PPE, and equipment for remote working.

The Foundation always strives for a modest positive return in all of its services before depreciation is charged. However, with the impact of Covid-19, this was not possible for some of the Social Care services. Once depreciation is charged, the Unrestricted General Fund made a deficit of £847k for the current year (2020: deficit of £758k). This continued deficit reflects the continued impact of Covid-19 and restrictions as well along with the challenges of recovering the actual cost of providing the services from the LA's and CCG's as they too are burdened with deficit budgets coming out of the pandemic. As referred to earlier in the report, this has been funded by the Charity's Unrestricted Reserves and is partially offset by the unrealised gain of £706k (2019: £15k loss) on the investments.

The Charity's services are also supported by other income e.g., income derived from unrestricted legacies, donations, and investment income. Legacy income was down by £101k but this income is still very uncertain in amount and timing. The investment portfolio showed a net unrealised gain at the year-end of £706k (2020: net loss £15k) as stock markets recovered after lockdown eased and the world reopened for business.

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

The balance sheet continues to show the enormous investment that the Charity has made in leasehold buildings and equipment. At the end of the year,

these buildings and equipment accounted for £14.1m or 78% of the Charity's total funds. This reflects the continued investment by the Trustees in the infrastructure of the Foundation and its drive to meet the ever-changing needs of the young people and keep the site up to a good standard. For example, we invested in reroofing several buildings and external lighting, installed air conditioning units in the bungalows, purchased a new generator and a new wheelchair accessible vehicle. Debtors increased by £1.9m as we were able to issue invoices for the Autumn term in August and creditors correspondingly increased to reflect the deferred income. Cash balances are lower this year at £0.4m (2020: £1.2m) as unrestricted cash is spent on additional Covid-19 precautions and supporting the continuation of services. The Charity also took out a loan £0.4m against the investment portfolio with Rathbones at the end of the financial year to help fund requirements for working capital.

Funds

At year end, the Charity had total accumulated funds of £18.0m (2020: £17.9m); of this £14.1m has been invested in fixed assets, predominantly our buildings and estate, and is mostly unrealisable because under the terms of the Charity's lease, they revert to the Landlord if activities are discontinued.

The Charity's accumulated funds can also be split between £3.4m (2020: £3.9m) restricted and £14.6m (2020: £14.1m) unrestricted funds.

Restricted funds can only be used for specific purposes as imposed by donors and grant makers or as per the appeal terms under which the funds were raised. The fundraising department is charged with ensuring restricted funds are properly applied for the purpose for which they were given. At year end, £3.0m (2020: £3.1m) of restricted funds reflect the investment in Dream Centre which remains a restricted asset until 2021/22 as per our policy.

Unrestricted funds can be formally earmarked by the Trustees for specific purposes as 'designated funds' or, if not earmarked, they remain as general funds of the Charity. To enrich the experience of the children and young people at the Charity, it is the Trustees' policy that all donations received without restriction are all formally designated to achieve this. The remaining unrestricted general funds stood at £14.6m of which £11.1m (2020: £10.7m) are invested in tangible fixed assets whilst £3.4m (2020: £3.2m) is largely held in uncommitted cash and fully marketable investments as 'Free Reserves'. Free Reserves are held to meet working capital

needs and to cover uninsured risks or unexpected costs and shortfalls, such as those arising from the continued effect of the Covid-19 pandemic.

Free Reserves Position

In July 2020, the Trustees set a target for Free Reserves of £4m by August 2024. This is equivalent to around four months of expected operating costs. It was noted that achieving this new target would depend on continued growth in investment returns and legacies, as well as delivering budgeted operating surpluses. However, the continuation of the Coronavirus pandemic, alongside continued investment in capital and business opportunities, will still have an impact on our services and capacity and hence our progress towards our 2024 Free Reserves target.

Free Reserves (i.e. excluding those Designated by Trustees) stood at £3.4m on 31 August 2021 (2020: £3.2m).

Investment Policy and Performance

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

Longer-term funds are invested and managed on a discretionary basis by Rathbones within long-term return objectives and clearly defined risk parameters set by the Trustee Finance Committee. The investment portfolio includes equities, fixed interest securities, and property and other managed funds. The primary aim is to strengthen the financial resilience of the Foundation and to generate resources to support its longer-term development. The performance of the investment manager, the investment parameters, and any potential needs for drawdown are all regularly reviewed by the Trustee Finance Committee. With the recovery starting from the global pandemic and stock markets rising to pre-pandemic levels, the investments increased by £706k. During the year, Trustees did not withdraw funds from the portfolio as they tried to maintain the capital value of the fund. However, £27k of income was used to pay investment management fees. As mentioned in Financial Activities and Results above, a loan of £400k was taken out with Rathbones against the portfolio value with a clause that allows repayment at any time up to and including August 2025.

The impact of Covid-19 - Maintaining ever more vital services

We knew from the first lockdown how vital our services are for young people and their families. True to our promise “we never, ever give up,” we determined once again to do our very best to continue to provide services, so long as we could do so safely.

The second wave was only marginally less challenging than the first. 2020-21 has been challenging for the Charity and some difficult decisions had to be made to keep both the young people living on site and the staff safe. While PPE and masks remained standard throughout the year, day to day, the service delivered to the young people remained the same respectful, quality experience. Ambitions for the young people were undiminished just reframed.

School

The school remained open every day of the 2020-21 school year and attendance was high, with only a handful of families shielding children at home and learning remotely. Parents told us they felt their children were safe at school and valued the continued access to therapy sessions and medical oversight their children received at school.

The biggest challenge was maintaining social distancing. Class groups were rearranged to allow this and to create bubbles so residential pupils were not in the same class as day pupils. Space was at a premium; pupils requiring aerosol generating procedures (AGP) were allocated their own spaces. We continued to use the Dream Centre Hall for two classes and rebound therapy occupied the Chapel where the blue and gold starred ceiling delighted pupils. Having the Dream Centre allowed the school to remain open to all pupils every day. Staff made good use of the whole site and Patchwork Farm came into its own, both as a learning resource and an outside classroom with a canopied teaching space.

Covid-19 did not interrupt the school’s usual Christmas festivities. The Dream Centre content developer worked closely with school staff and young people to create online innovative Christmas stories and the Hanbury Panto, using the Dream Centre’s immersive spaces, special effects, and stage lighting. Streaming ensured that everyone on site and at home could share the events in a way that would not have been possible in person and parents were able to share the video links with wider family and friends.

The annual Carol Service also went on-line and reached a much wider audience of families of pupils, staff, and Chailey Old Scholars. In July, Seymour pupils joined in the annual Patina parade in Lewes socially distanced, but even though restrictions had eased by then, it felt safer to ask parents to watch the Celebration Day 2021 parade at home rather than join their children on site in the usual way.

Social Care

“ The residential staff have responded well to the challenges of COVID-19. They always put the children first, making sure they are safe, protected and well cared for.

”

Ofsted, September 2020

Keeping the young people who live at Chailey Heritage safe all year round remained our top priority. We achieved this. A very small number of residents contracted Covid-19, and the cases were not linked, and thankfully the young people were not seriously unwell. Support from the nurses from Chailey Clinical Services was critical and daily Covid-19 calls between NHS and Foundation managers resumed at the peak of infections.

CQC requirements and guidance were adopted and applied to all services including the children’s home. The Director of Social Care remained as flexible as possible on family visiting to achieve the least restrictive situations, while remaining safe.

The commitment of staff and managers throughout the year was outstanding. They ensured the experiences offered to the young people were not diminished, simply different; from an onsite Christmas lights trail around the site rather than the usual visit to Wakehurst Place, a socially distanced Easter Egg hunt and many more. The installation of air conditioning, funded through the Vision Fund, made day to day life in PPE more bearable in the summer months.

Short breaks

A new pattern for short breaks in the residences was introduced from August 2020, whereby young people had to stay for 3 or 4 nights rather than just 1 or 2. Having the same young people taking short breaks reduced the possibility of infections from young people living at home being transmitted to 52-week residents. Unfortunately, it was not always possible to offer the short breaks as planned e.g., if a residence was quarantining because a staff member had tested positive.

As Covid-19 cases increased and the country went into lockdown again in December 2020, short breaks were halted altogether until the spring of 2021. This was to reduce the risk of infection to young people who live at Chailey Heritage all year and were not able to live at home. Inevitably, ceasing short breaks, even for a brief time, puts intense pressure on families. Our domiciliary service, Pathways, was able to offer support in the home to some families as an alternative to short breaks and we worked closely with social workers to prioritise those most in need.

Community Services

Based on experience after the first lockdown, with a second in prospect, it was decided to temporarily close the Leisure & Skills Centre (LSC) and furlough most the staff. It was quite clear that our clients were not going to return before everyone was fully vaccinated. The LSC did not reopen until September 2021.

GK's Café on site remained open to provide a service to Foundation and Chailey Clinical Services staff. The Hub continued to provide vital day services but for fewer young people because of the need to social distance. Pathways grew as a result of the Pandemic, providing support at home to some CHF families who were not able access their short break.

Pathways and Hub staff worked across social care services, to support residential services affected by Covid-19 absence.

Impact on Capacity and Income

The recovery in short breaks in early autumn could not be maintained as a second lockdown loomed and was only cautiously resumed in the summer months. The LSC was closed for two thirds of the year and the Hub's growth was restricted by

Covid-19. Although total income has increased from the previous year when lockdown restrictions were tighter and lasted longer, it is still well below the figure that was budgeted.

Most significantly, the residential services' capacity continued at a reduced level, as all residents had to have single bedrooms to reduce the possibility of infection. This affected plans to admit new residents and also limited short break capacity, in both cases limiting income and driving up unit costs. During 2021, plans for new residential accommodation were explored with architects, regulators, commissioners, families, staff, and neighbours with online consultation sessions during summer 2021. The design for a new six bed bungalow has now been agreed and plans to launch a capital appeal in 2022 are advancing.

Staffing

Recruitment improved during the lockdown as companies furloughed or made staff redundant. However, this was not sustained through the summer and vacancies increased again, especially in residential care, limiting our capacity to offer all the short breaks contracts and to admit new residents as planned.

There was remarkably low transmission on site and between staff. The diligence of staff in using PPE and their caution in activities outside work paid off. Covid related illness did rise at times as the virus circulated within the community and affected family members. To support staff, the Charity continued to provide sick pay for all Covid related absence.

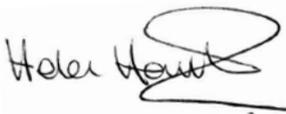
Some staff who contracted Covid-19 took time to fully recover and managers have supported a small number of colleagues who developed long Covid. Those returning from shielding at home sometimes found the return to work difficult and appreciated the support they received from managers and the adjustments made to working patterns.

Colleagues who were able to work from home were provided with all necessary equipment and technology. For 2020-21, this led to an additional £13k being spent on IT equipment directly as a result of Covid. Virtual meetings became the norm and were often easier to arrange and, in many ways, helped teams operate more efficiently. When the lockdown was lifted in 2021, central service teams maintained their blended pattern of working and have welcomed the flexibility it offers.

Learning from the effect the pandemic had on the colleagues, staff mental health and well-being became even more of a strategic priority for 2020/21 and continues to be a key theme in our current strategic plan, Innovation and Excellence. Throughout the pandemic, where colleagues have been struggling, managers have made adjustments to working patterns and workload, signposted them to services providing support. Use of our Employee Assistance Programme remained high in 2021 and we offered the service to families of young people in our services for a second year.



Mark Creamer
Chair of Trustees



Helen Hewitt
Chief Executive

Fundraising

The Fundraising Team pivoted all their efforts towards a digital world, with a wholly on-line Christmas campaign and continued this approach through the spring. Courageously, but cautiously, they returned to in-person events with the Focus 10k run taking place successfully on 4 July rather than at the end of May.

Applications to Trusts and Foundations were unaffected, and the team triumphantly achieved their targets by the end of the financial year.



Principal risks and uncertainties

Risk management processes

The Board of Trustees has oversight of the risks faced by the Charity and is responsible for ensuring that effective and adequate risk management and internal control systems are in place. The Board strengthened its expertise in this area through the appointment of a Trustee recently retired as Global Head of Regulatory Compliance and Risk Assurance for an international bank. He worked with the Chief Executive to review the structure of the Charity's strategic risk register, introducing a control effectiveness measure in determining the residual risk.

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

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

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

Risk Profile

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

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

measures remains a relative high risk, despite rigorous control measures.

For the future, Chailey Heritage Foundation plans to continue as a niche provider of highly specialist services to children with extremely high health needs and high levels of complexity. While this is an inherently risky part of the market, it is much needed as there are few specialist providers with the level of expertise and facilities Chailey Heritage can offer. Managers, Governors and Trustees live with the risk of serious incident and the consequent reputational and business risk every day. Operationally, it is mitigated by robust systems, strong monitoring and oversight, skilled and well-trained staff, and a careful balance of need within services, classes and residences with slightly less complex individuals, balancing out the demands of the most complex.

Trends and Future Risk Profile

The second Covid-19 wave in winter 2020-21 must be considered as a Significant Event. It impacted on all aspects of the Charity's operation. It was not identified as a separate risk but is a thread running through the major risks of 2020-21. The measures to mitigate and manage Covid-19 risks are set out on page 40. On balance, although the second wave was intense nationally with high numbers of hospital admissions, serious illness and death, the risk management controls including support from Chailey Clinical Services, together with our experience of the first wave earlier in 2020, enabled teams to manage the risk more confidently and minimise risks.

As a result of the re-emergence of the Covid-19 Delta variant, the overall level of strategic risk remained high even though some risks significantly diminished because of steps taken by the Executive Team and supported by the Boards. Governance and environment risks are now consistently low.

The regulatory risk to Chailey Heritage School is considered to be relatively low risk given the experienced leadership team, their understanding of the Ofsted framework and the strong team of teachers and specialist education assistants and their reputation for innovation and specialist expertise. With more day than residential pupils, the risks around pupil's well-being are most often shared with parents. These are strong controls that the school is expected to sustain.

Working together closely with our partners, Chailey Clinical Services and Sussex Community NHS Foundation Trust, to manage the impact of Covid-19 on young people and staff teams and specific

changes in clinical training, means that the strategic risks to the partnership identified pre-Pandemic are significantly diminished and no longer considered significant. We expect these risks to continue to be well managed and have limited strategic impact.

Fundraising income is critical, particularly in times when statutory income and income growth is less certain. Although the team had a difficult autumn term, by the end of the year it “bounced back”. Achieving fundraising targets remains a low risk and both the Fundraising and Comms teams were much stronger going into 2021-22.

Significantly, these are risks over which the Charity does have greater control. The highest risks in 2020-21 and looking forward, are driven by external factors, primarily the supply of labour and employees with specialist skills, such as nurses, and also Covid-19 that are out of our control. Our expectation is that these risks, particularly recruitment, will continue to be one of the most significant risks, strategically and operationally.

The main risks in 2020-21 have been:

Area of Risk	Risk	Mitigation
Workforce sufficiency	<p>Insufficient staff to run services safely or admit new young people (through recruitment / retention but also Covid-19 absence).</p> <p>Insufficient nurses from Chailey Clinical Services to provide clinical training and support for new admissions.</p>	<ul style="list-style-type: none"> • Management of demand to match staffing capacity e.g. Short breaks and admissions • Flexible use of social care staff across services • Joint recruitment events with Chailey Clinical Services • Reward Strategy (September 2020) to keep salary rates competitive and make it easier for staff to work in both school and social care. • Change of online recruitment partner. • Streamlining application process. • Introduction of online interviews. • Development of online training modules. • Streamlining competency sign off • Agreement on future training needs and budgeting for increased nursing capacity for September 2021.
Regulatory compliance	<p>Primarily to social care services regulated by CQC and, particularly Ofsted, rather than compliance with Health and Safety regulations</p> <p>Adverse regulatory judgement and/or intervention</p>	<ul style="list-style-type: none"> • New Head of Social Care post strengthened processes and compliance. • All social care services are judged to be ‘good.’ • Inspectors were confident in how education and care services had responded to Covid-19.

Area of Risk	Risk	Mitigation
Significant clinical harm	Regulatory and/or reputational damage because a young person is seriously harmed by a clinical error	<ul style="list-style-type: none"> • Very low medication error rate and robust system for logging and reviewing errors • Rollout of EMAR across all services. This is a more robust system with significantly improved management information systems • Strong learning culture with lessons learned based on rigorous investigation and reflection. • Robust clinical governance and oversight from Chailey Clinical Services / SCFT. • Support from on-site nursing and medical team to minimise harm following any error. • Extension of Director of Social Care’s clinical role across the Foundation. • Consolidation of the role of the Governors’ and Trustees’ Clinical Oversight Committee.
Serious Safeguarding failure	A serious single issue or systemic failure that would damage the reputation of services and may result in regulatory constraints and possibly closure of a service	<ul style="list-style-type: none"> • Robust internal processes for reporting and recording and learning from safeguarding events. • Good relationships with the East Sussex officers in Children’s and Adult services responsible for safeguarding. • Strong governance oversight of safeguarding issues at Governor and Trustee level.
Business sustainability	<p>Competition from other Non-maintained and independent special schools (NMISS) and Local Authority (LAs) schools could lead to reduction in placements, school numbers reduced.</p> <p>LAs strategic capital investment to create new schools / places to reduce need for placements in non-maintained or independent special schools like Chailey Heritage.</p>	<ul style="list-style-type: none"> • Chailey Heritage School continues to be Ofsted “Outstanding” and nationally recognised as a centre of expertise. • Compelling case studies to demonstrate impact and how the school changes lives. • Strong website and social media presence and brand recognition with parents and supporters. • Charitable funding secured to support IPSEA in working with parents facing SEND Tribunal. • Careful management of staff to balance demand and supply.
Loss of capacity in residential services	<p>Reduction in bed capacity reduces potential income and efficiency.</p> <p>Unable to meet demand for residential placements.</p>	<ul style="list-style-type: none"> • “Room of My Own” building project to restore residential capacity by the end of 2025. • Short term – create internal capacity but ensuring Futures’ residents transition before they are 25. • Careful assessment of referrals, matching referrals to capacity and managing expectations of parents and commissioners.

Outlook

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

As the Pandemic continues into 2021-22 and probably beyond, control measures and on-going uncertainties, for example around inflation and investment income, may limit our capacity to meet all our targets in full. The Trustees have invested in new salary rates to recruit and retain staff to enable

residential services and the school to meet demand safely but they acknowledge that they may again need to draw on unrestricted reserves to support the Charity and compensate for the impact of Covid-19 on the short to medium term performance of the organisation.

Longer term, the charity has the opportunity to achieve its revenue and reserves targets. We have robust systems and strong governance to understand and manage risks. On-going investment in recruitment and retention and plans to restore residential capacity combined with respect our school has within the sector for its outstanding specialist provision and its pioneering curriculum initiatives, mean that the charity is well placed to thrive. We face the future with confidence, determination and ambition.



Environmental, social and governance

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

Our Charitable Objects

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

”

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

Demonstrating Public Benefit

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

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

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

community. The Dream Centre will also enable more people living locally to benefit from the Charity's very specialist facilities.

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

Governing documents

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

Trustees carried out a full review of the Articles of Association to take account of the Charity Governance Code, as well as current views on good practice in governance. They were updated and refreshed, and the most significant amendment was around removing the rotational system of retirement and replacing it with a fixed period of office for Trustees.

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

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

Boards

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

Those who served as Trustees during the year are shown on page 79.

The Trustees are recruited from a range of backgrounds and professions with the aim of providing a balanced and relevant spread of skills and experience on the Board. The current Board includes depth of skills in finance, property, health, investments, and compliance, as well as direct experience of a parent of a former pupil. Trustees have been briefed on the implications of the General Data Protection Regulation. They recognise the importance of the Charity Governance Code and will be reviewing their improvement plan in the light of their self-assessment against the Code.

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

The Governing Board comprises of Trustees and others with relevant skills and also representatives of the parents, teachers, and staff. The full Board meets termly and also fulfils its role through very active sub-Committees and focus visits to services. Although the pandemic has restricted visits to the site, meetings have been held remotely and sub-Committee chairs have remained in close contact with their lead senior manager. Governors and Trustees have received updates on Covid-19 in between meetings and been included in information from school and social care services.

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

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

Trustee induction and training

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

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

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

Funds held as custodian

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

GDPR

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

Safeguarding

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

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

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

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

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

Oversight is detailed and rigorous and both Governor and Trustee Boards have members with safeguarding experience at senior level. The Governors' Safeguarding Committee meets three times a year. It is chaired by the Lead Safeguarding Governor who reports to Governors and Trustees three times a year. The Foundation strengthened its safeguarding oversight in 2021 by appointing an experienced safeguarding professional to the Governing Board.

The Safeguarding Governor is informed of serious safeguarding incidents and meets at least once a term with the Foundation Safeguarding Lead and DSLs to review the management of incidents identify trends or matters of concern and discuss any recommendations from lessons learned. The outcomes of the Annual East Sussex Safeguarding Self-Assessment are reported to Governors and Trustees each year. Trustees have an opportunity to question the Safeguarding Governor and Foundation Safeguarding lead when they present their annual report in the autumn.

Remuneration policy

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

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

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

For 2020-21, our staff were awarded a 1.75% across-the-board salary increase.

No Trustee or Governor is remunerated.

Equal opportunities

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

Gender pay gap

The requirement to publish an annual gender pay gap report was temporarily ceased in 2020 due to the Covid-19 pandemic, however we have now published our report for the snapshot date of 5 April 2020.

Gross Hourly Rate of Pay	Male	Female	Difference
Mean	£13.91	£11.75	18.38%
Median	£10.28	£10.28	0%

For the second year running the median pay gap was 0%.

The gap between the mean hourly rate for men and women has not reduced primarily because of the different roles men and women occupy within the organisation and the salaries attached to these roles. There is a structural gender imbalance in the social care and special education sectors with women making up approximately 65% of the workforce.

This presents a significant challenge in narrowing the gender pay gap as 71% of our workforce work directly supporting children and young people in school or social care settings and of these 86.8% were female.

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

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

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

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

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

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

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

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

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

Decision making for the long term

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

By the beginning of 2020-21, Trustees achieved their long-term aim of extending the lease on their site in North Chailey and now have a lease at a peppercorn rent until 2143. Trustees are committed to ultimately owning the site and will pursue this with the landlords, Sussex Community NHS Foundation Trust, who have agreed to explore the issues.

Following the beginning of the Pandemic, Trustees designated 2020-21 as a year of recovery and preparation for the future and began work on the final phase of their 10-year plan.

Strategic planning is a collaborative process between Trustees, Governors, the executive team and through them, staff, and volunteers. There is a joint annual meeting in February and progress is reviewed three times a year at Board meetings. Work on the 2021-2024 strategy started in February 2021 and the draft strategy approved for consultation in July.

Further information on our strategy objectives and how these have been delivered together with our plans for the future can be found on pages 7 to 37.

The interests of employees

Trustees recognise the commitment and dedication of the Foundation's staff and appreciate the pressures of working with highly vulnerable young people and the clinical skills this requires. The well-being of staff continues to be a high priority and as the Pandemic continues, the charity has supported employees by extending sick pay, enabling very gradual returns to work and, where possible, flexible working for colleagues recovering from Covid-19 as well as support to those whose families have been affected by Covid-19 or who have found the Covid-19 controls challenging.

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

Further information on how we promote the interests of our employees and staff can be found in "Our dedicated workforce" on page 20.

Impact on the community and the environment

Community

The Charity has been part of the Chailey community for over 115 years and it is now the largest employer in the area. It also has strong links to local companies and philanthropists who support the Charity in many different ways. We have contributed to the Parish Council's Neighbourhood plan and identified a need for affordable housing for key workers and improved public transport.

We link with the Chailey Common rangers to ensure our staff and visitors respect the livestock grazing on the Common and aim to preserve and promote the Common's habitat and native species including our colony of Great Crested Newts. In summer 2020, with the funding from generous donors, we began an extensive programme to improve the land leased from the Parish Council to create good grazing for our horses and farm animals. We feel very much part of the local farming community and thank them for their advice and for their support for Patchwork Farm.

Environment

In developing the 2020-21 strategic plan and considering the Charity's long-term goals, the Trustees recognised the need to commit to an environmental sustainability strategy and set carbon reduction targets, not just for the next three years

but to 2035 and beyond. Unfortunately, a zero-carbon target will be hard to achieve at present because the medical needs of the young people, require large volumes of clinical consumables such as syringes and, most recently PPE. To compensate, we are committed to offsetting where we can, initially by planting trees on our own site.

Our 2020-21 "Fit for the Future" strategy began that journey and the Trustees are committed to environmental sustainability and reducing our carbon footprint will be a golden thread through our operational and strategic plans and increasingly will determine our choice of suppliers and partners.

Our Streamlined Energy and Carbon Report can be found on page 54.

Maintaining high standards of business conduct

Compliance and Good Practice

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

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

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

Governance and Management

The Charity's operation is subject to a number of different regulators including CQC, Ofsted, the HSE, Fundraising Regulator, Information Commissioners, and the Charity Commission. The Charity aspires to the highest standards. Senior managers are responsible for ensuring regulatory compliance, that the organisation's policies are followed, and the Foundation's values are embodied in service delivery and the conduct of its staff and volunteers.

The Trustee Board monitors this directly and holds management to account through its sub committees, particularly the Governing Board.

Further information on Structure, Governance and Management can be found on page 47.

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

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

Engagement with key stakeholders

Families

Although Local Authority and Health Commissioners fund placements in the Charity's services, young people using our services and their families are our primary stakeholders.

It is fundamental to our ethos that young people are respected, listened to; staff engage with them, seek out their views and advocate for them, where they cannot speak for themselves.

We promise that:

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

“ The managers and staff are strong advocates for children with complex needs. The children are always treated with dignity and respect and a sensitive approach is taken to meeting their needs. For example, great care is taken to prepare treatment and massage rooms so that the children's privacy is maintained, and children's preferences regarding meal-time arrangements are respected. ”

Ofsted, September 2021

Nearly all young people at Chailey Heritage have significant barriers to communication and need help to express their views or for someone interpret these to others. Communication with parents is critical and daily diaries, phone calls, emails and Facetime sessions all help parents and carers find out how their son or daughter has spent their time, what they have achieved and how they have been feeling. Many parents and families are not able to visit Chailey Heritage, and this has become even more difficult during the Pandemic with restrictions on people coming on site and visits to our bungalows as we tried to minimise opportunities for transmission. Remote learning in school, video sessions for residents and streaming of events has helped families engage with the Foundation. Our website is our showcase for news about young people with photo stories for families and supporters to share.

The Headteacher and Director of Social Care write regularly to keep parents informed of developments and changes, and this intensified during Covid surges. The Chief Executive's briefings for parents continue to be online and provide updates about Foundation wide developments, staff changes and plans for the future. The increased familiarity with video calls has led to video consultations with drop-in sessions for parents on the Room of My Own project including the chance to talk with the architect. The consultation on the draft strategy is also taking place online.

Commissioners

Most young people attending the school or who live on site, have a social worker, or named continuing healthcare lead. Engagement and timely information exchange is critical to the wellbeing of the young and

to ensuring parents well supported and the needs of the whole family met. Although it is more difficult during the Pandemic, visiting Chailey Heritage and seeing the young person is often the best way for professionals to understand what the services offer and what impact they have on the young person and their family

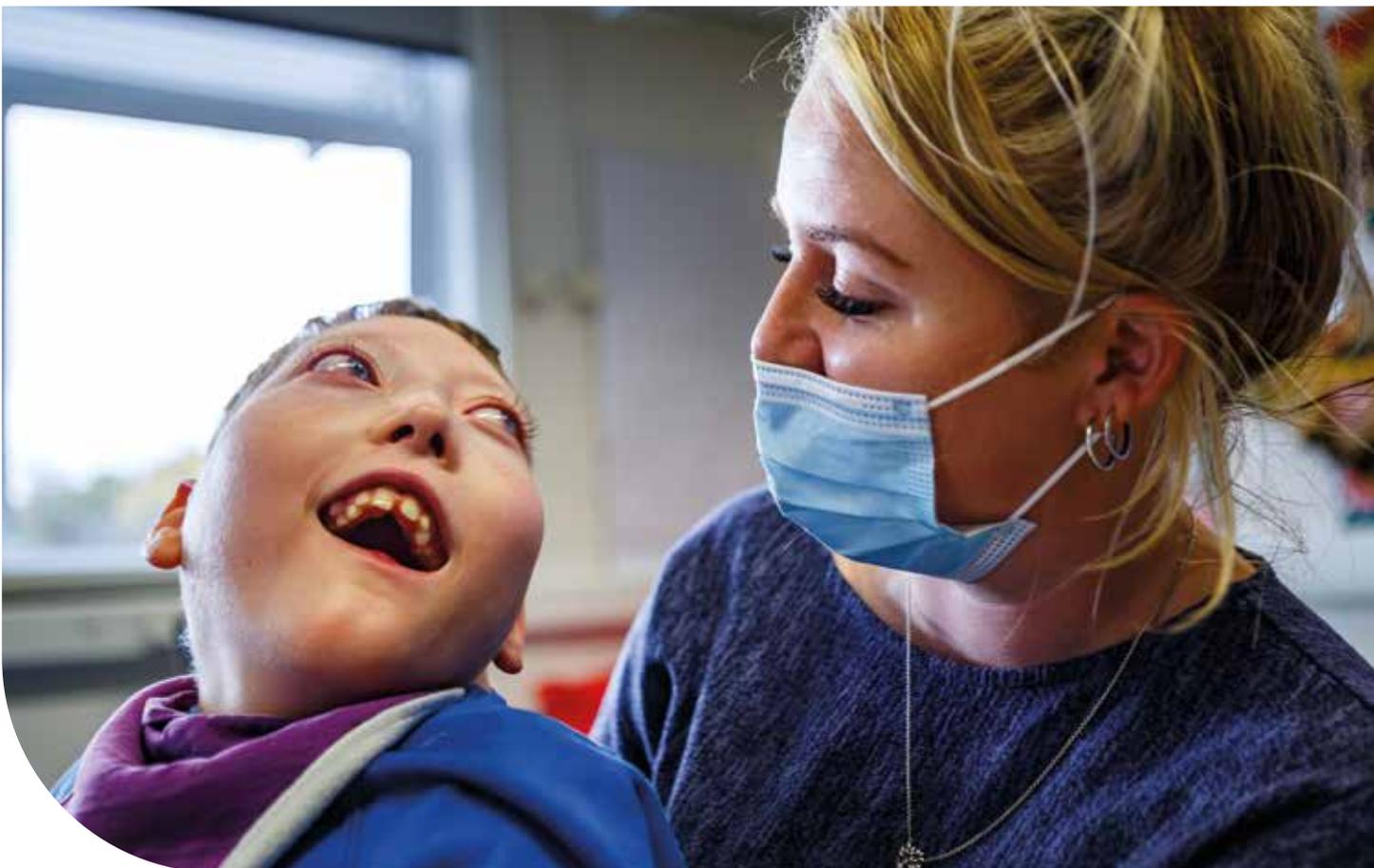
Annual reviews, health reviews and care reviews are now virtually all conducted online and secure much better attendance from Local Authority (LA) SEND team members, social workers, and health commissioners.

It is often hard to develop relationships with commissioners because of staff changes. 2020-21 was no exception, although moving to online video calls online made it easier to secure meetings

and engage. However, on a more strategic level, it continues to be difficult secure a place in LA strategic discussions as LAs are seeking to reduce placements in the non-maintained and independent sectors. For this reason, Trustees and Governors are keen to show the way and will consult with commissioners on the Foundation's draft strategy for 2021-22.

Supporters and Donors

The Charity's supporters and donors are key stakeholders. They provide the support the Charity needs to provide the specialist facilities that enhance the experiences of the children and young people, whose lives can be short. Engaging with our donors is very important and we do this by inviting them to visit, Covid-19 permitting, and increasingly through social media and other digital channels.



Streamlined Energy and Carbon Reporting

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

The Charity's SECR carbon emissions for the financial reporting year 2020-21 amounted to 559 tCO₂e, with 65% arising from gas. Since last year, overall

emissions have risen by 15%. This was mainly due to higher gas use for heating, as the winter months were 12% colder than the previous year. Electricity use also rose as air conditioning units were fitted to the living areas in the bungalows to help during the summer, because many of the children and young people in our care find it so difficult to regulate their body temperature. Air conditioning also reduces the discomfort of staff wearing PPE during the hotter months.

Energy & Carbon Data

SECR Energy & Carbon Emissions (kWh & tCO₂e)

	Unit	2020-21	2019-20	% change
Energy consumption	kWh	2,901,380	2,508,262	
Scope 1 - Direct Emissions	tCO ₂ e	375.5	314.6	
Scope 2 - Energy Indirect Emissions	tCO ₂ e	177.4	165.2	
Scope 3 - Other Indirect Emissions	tCO ₂ e	6.5	6.6	
Total Emissions	tCO₂e	559.4	486.4	15%
Relative Emissions, normalised by turnover	tCO ₂ e/£m	43.0	38.3	12%

Intensity Metric Ratio:

	2020-21	2019-20
Number of employees (heads)	458	447
Tonnes of CO ₂ e per employee	1.22	1.09





Environmentally Sustainable

Energy Efficiency Projects

The challenges of the ongoing pandemic reduced the number of major energy efficiency projects undertaken this year. Nevertheless, new car park lighting was installed, replacing old fluorescent lamps with LED lights, incorporating PIR motion

sensors. This not only saves energy but also makes the area brighter and safer for staff. The roof insulation for the Hanbury and Seymour buildings was nearly doubled as part of a repair programme and will reduce heat loss and energy consumption in 2021-22.

The Trustees and senior leadership team are very conscious of the need to reduce emissions. In 2020-21, they insisted that project criteria should prioritise sustainability and energy efficiency. They have made a long-term commitment to carbon reduction and Environmental Sustainability is a key theme in the Charity's new strategic plan for 2021-2024.

The Chailey Carbon Challenge is the Charity's initial 10-year plan to reduce our carbon footprint, switch to sustainable energy sources, reduce energy consumption and reduce waste. Specific carbon reduction projects are included in the capital programme and all capital projects and contracts will be scrutinised for sustainability and energy efficiency.

In September 2021, the Charity moved to a green electricity tariff. In 2022, the main boilers and controls will be replaced with much more energy efficient models to cut gas usage. Members of staff have volunteered to become Chailey Carbon Challenge Champions to encourage their colleagues to lead more sustainable lives, both at work and at home.

SECR Emissions Calculations - Methodology

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

We have followed the methodology of **ISO 14064-1** (Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals) and emission factors from UK Government GHG Conversion Factors for Company Reporting 2021. In order to track progress, historic data was recalculated using current emissions factors (hence carbon figures for last year differ slightly from those reported in our previous Annual Report).

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

Auditors

Our attached financial statements have been audited by Moore Kingston Smith LLP who were reappointed in 2018 following an audit tender process. Their report thereon and on other matters they have to consider, that follows on pages 58 to 61 in the long form that Auditing Standards now require, is an unqualified opinion and report without exception.

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



Meet Jacob

“ Jacob likes being with people his own age, like any 18-year-old, so we have similar interests and like to do things together that are fun. I ask him what he wants to do, and he blinks once for yes and twice for no. One day we might be visiting the beach or going to the cinema, the next we could be shopping, trying on sunglasses together and picking out clothes as Jacob loves fashion! ”

Jacob is 18 years old and, with just one year of school left, he accesses a wide range of our ‘wrap-around’ services including Pathways, the LSC (Leisure and Skills Centre), and holiday clubs. These services help support people like Jacob to build confidence, socialise and transition into the next phase of their lives.

An outgoing young man, Jacob loves films, singing and music, particularly Little Mix! He has a particularly strong bond with Jasmine, who has been supporting him for the last three years through our Pathways service. “Jacob likes being with people his own age, like any 18-year-old, so we have similar interests and like to do things together that are fun. I ask him what he wants to do, and he blinks once for yes and twice for no. One day we might be visiting the beach or going to the cinema, the next we could be shopping, trying on sunglasses together and picking out clothes as Jacob loves fashion!”

Although each of the services at Chailey Heritage have their own unique offering, the support they offer is so integrated that it creates a sense of continuity and routine which is very reassuring for Jacob. This is also true of professionals available on site too – from consultants to teachers and engineers. Jacob’s parents reflect, “We feel so fortunate that we found Chailey Heritage from the start, from meeting other parents, to having everything in one place – consultants and nurses through to clinical services, physiotherapists, teaching staff at school, and even engineers who can fix mobility issues with Jacob’s wheelchair.”

Pathways is a service that assists people like Jacob in their homes as well as out in the community and transports them between both. The service supports Jacob before and after school, on weekends and in the holidays - including taking him to the holiday clubs that run three times a year - Easter, summer, and Christmas.

Kerrie Scutt explains that services can be tailored to individual needs, as the Charity understands that there is no ‘one size fits all’ approach because each individual and family has very different and unique needs. This flexible approach is beneficial to families like Jacob’s – Karen and Marios mention that they are thinking of trying the residential service at the bungalows on-site at Chailey, to give Jacob more independence and social time. “It’s about trying to give Jacob as much variety as possible and opportunities to mix with his own age group. Whether it’s Pathways coming into the home and taking him to school, holiday club or out in the community, doing activities with peers at the LSC and Hub, or staying overnight with his friends at the bungalows.”

Now that he is commencing his last year at school, the integrated services will continue to support Jacob with opportunities for socialising, confidence building and having fun to help him and the other young people here transition to the next stage of their lives.

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

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

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

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

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

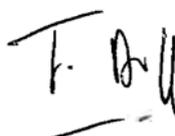
Statement as to disclosure of information to the auditor

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

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



Mark Creamer – **Chair of Trustees**



Fiona Duff – **Company Secretary**

Date: **5th April 2022**

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

Opinion

We have audited the financial statements of Chailey Heritage Foundation ('the charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities including the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 57, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company through the use of permanent audit file information, updated this year for any changes that have been identified by management or by our own investigations and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council;
- we obtained an understanding of how the charitable company complies with these

requirements by discussions with management and those charged with governance and through reviews of relevant accounting and management records;

- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, based on our work as outlined above;
- we enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations, using associated documentary evidence to better understand items of interest;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. As well as specific audit testing, this included approaching accounting records with an inquisitive and sceptical mindset such that we examined items that were felt to be of interest or of higher risk in this area, and obtaining additional corroborative evidence as required.

To address the risk of fraud through management override of controls, we carried out the following work:

- procedures were undertaken to identify any unusual or unexpected matters, and the rationale behind any such matters was examined;
- journal entries were reviewed to identify unusual transactions;
- judgements and assumptions made in determining the accounting estimates set out in the accounting policies were reviewed.

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

Use of our report

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

Moore Kingston Smith LLP.

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

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

Date: **8th April 2022**

Statement of Financial Activities For the Year Ended 31st August 2021 (Including Income and Expenditure Account)

	Notes	Unrestricted Funds General £'000s	Designated £'000s	Restricted Funds £'000s	2021 Total £'000s	2020 Total £'000s
INCOME FROM:						
Donations, legacies and grants	3	270	-	555	825	921
Charitable activities:						
Fees	4	12,071	-	-	12,071	11,614
Ancillary income		119	-	-	119	107
Investments	5	87	-	-	87	77
Other		2	-	-	2	2
Total income		12,549	-	555	13,104	12,721
EXPENDITURE ON:						
Raising funds:						
Financing costs	6	32	-	-	32	30
Fundraising costs	6	140	-	-	140	196
		172	-	-	172	226
Charitable activities:						
Operating costs	7	13,224	-	105	13,329	12,655
Use of Donations and Appeal		-	21	213	234	403
		13,224	21	318	13,563	13,058
Total expenditure		13,396	21	318	13,735	13,284
Net income/(expenditure) before investment gains	8	(847)	(21)	237	(631)	(563)
Net (losses)/gains on investments	13	706	-	-	706	(15)
Net Income/(Expenditure)		(141)	(21)	237	75	(578)
Gross transfers between funds	19	760	(37)	(723)	-	-
Net movement in funds		619	(58)	(486)	75	(578)
Total funds brought forward		13,863	219	3,863	17,945	18,523
Total funds carried forward		14,482	161	3,377	18,020	17,945

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

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

The notes on pages 65 to 78 form part of these accounts.

Balance Sheet As at 31st August 2021

	Notes	2021 £'000s	2020 £'000s
FIXED ASSETS			
Tangible assets	12	14,086	13,806
Investments	13	4,332	3,566
		<u>18,418</u>	<u>17,372</u>
CURRENT ASSETS			
Debtors	14	2,625	697
Cash at bank and in hand	15	435	1,200
Total Current Assets		<u>3,060</u>	<u>1,897</u>
LIABILITIES			
Creditors: Amounts falling due within one year	16,17	(3,058)	(1,324)
NET CURRENT ASSETS/LIABILITIES		<u>2</u>	<u>573</u>
Creditors : Amounts falling due after one year	18	(400)	-
TOTAL NET ASSETS		<u>18,020</u>	<u>17,945</u>
ACCUMULATED FUNDS 18,19,20			
Restricted funds			
Invested in tangible fixed assets		3,026	3,131
Other		351	732
		<u>3,377</u>	<u>3,863</u>
Unrestricted funds			
Designated funds		161	219
General fund - invested in tangible fixed assets		11,057	10,675
General fund - free reserves		3,425	3,188
		<u>14,643</u>	<u>14,082</u>
TOTAL FUNDS		<u>18,020</u>	<u>17,945</u>

The financial statements on pages pages 62 to 78 were approved by the Board of Trustees and authorised for issue on 5th April 2022 and signed on their behalf by



M. Creamer
Trustee



A. Hodson
Trustee

Company No: 3769775

Statement of Cash Flows

For the Year Ended 31st August 2021

	2021	2020
	£'000s	£'000s
Cash flows from operating activities		
Net cash provided by operating activities (below)	(120)	227
Cash flows from investing activities		
Dividends, interest and rents from investments	87	77
Purchase of property, plant and equipment	(1,072)	(432)
Proceeds from sale of investments	27	20
Purchase of investments	(87)	(68)
Net cash used in investing activities	(1,045)	(403)
Cash Flows from financing activities		
Cash inflows from new borrowing	400	-
Net Cash provided by financing activities	400	
Change in cash and cash equivalents in the reporting period	(765)	(176)
Cash and cash equivalents at the beginning of the reporting period	1,200	1,376
Cash and cash equivalents at the end of the reporting period	435	1,200

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

	2021	2020
	£'000s	£'000s
Net (expenditure)/income	75	(578)
Adjustments for		
Depreciation charges	792	663
Net losses/(gains) on investments	(706)	15
Investment income	(87)	(77)
Decrease/(Increase) in debtors	(1,928)	1,201
(Decrease)/Increase in creditors	1,734	(997)
Non-cash additions to property, plant and equipment	-	-
Net cash provided by/(used in) operating activities	(120)	227

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

1. Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the Charity are the Trustees listed on page 79. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

2. Accounting policies

a) Basis of Preparation

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

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

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

b) Going concern

The Trustees have assessed whether the use of going concern is appropriate and have considered the impact of Covid-19 pandemic on the ability of the charitable company to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the Trustees have considered the charitable company's forecasts and projections in the light of the pandemic continuing throughout 2021/22 in some form or other and the subsequent pressures on fee income and costs. After making enquiries, the Trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Subsidiary company

These financial statements reflect the results and financial position of the Charity only, and not its wholly owned trading subsidiary, Chailey Heritage Trading Company Limited, which was incorporated on 10 August 2016 and is registered in England and Wales (company registration number 10323844). The subsidiary was inactive for the financial year ended 31st August 2021 as in the previous year.

d) Income

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

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

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

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

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

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

Investment income is accounted for on an accruals basis.

e) Expenditure

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

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

f) Tangible Fixed Assets and Depreciation

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

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

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

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

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

g) Investments

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

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

h) Pension costs and other post-retirement benefits

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

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

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

i) Fund Accounting

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

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

j) Operating leases

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

k) Taxation

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

The Charity is not registered for VAT.

l) Other financial instruments

i) Cash and cash equivalents

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

ii) Debtors and creditors

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

m) Critical accounting estimates and areas of judgement

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

3. Donations, legacies and grants

Year at 31 August 2021

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

Year at 31 August 2020

	General Funds £'000s	Designated Funds £'000s	Restricted Funds £'000s	2020 Total £'000s
Donations	98	-	480	578
Legacies	225	-	-	225
DfE grants	-	-	118	118
	<u>323</u>	<u>-</u>	<u>598</u>	<u>921</u>

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

4. Income from Charitable activities

	2021 £'000s	2020 £'000s
Education fees	4,497	4,570
Social Care fees	7,574	7,044
	<u>12,071</u>	<u>11,614</u>
Ancillary income	119	107

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 2021

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

Year at 31 August 2020

Charitable Activities	Direct Staff costs £'000s	Other Direct costs £'000s	Support costs £'000s	Depreciation £'000s	Total 2020 £'000s
School	3,351	113	841	365	4,670
Social Care	5,315	580	1,429	239	7,563
Other charitable activities	289	39	35	59	422
Total operating costs	8,955	732	2,305	663	12,655

Year at 31 August 2021

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

Year at 31 August 2020

Analysis and Allocation of support costs	School £'000s	Social Care £'000s	Other £'000s	Total 2020 £'000s
Staff costs	377	640	15	1,032
IT costs	41	70	2	113
Maintenance	63	106	3	172
Insurance	26	44	1	71
HR costs	53	90	2	145
Utilities	179	305	7	491
Professional fees	12	21	1	34
Other	90	153	4	247
	<u>841</u>	<u>1,429</u>	<u>35</u>	<u>2,305</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 £20k (2020: £24k).

8. Net operating income/(expenditure)

	2021 £'000s	2020 £'000s
This is stated after charging:		
Auditors' remuneration	20	18
Auditors' non audit remuneration	2	6
Depreciation of tangible fixed assets	792	663
	<u>792</u>	<u>663</u>

9. Employment costs

	2021	2020
	£'000s	£'000s
Wages and salaries	9,290	9,012
Social security costs	683	650
Pension contributions (see note 10)	578	559
	10,551	10,221

Agency costs of £87k (2020: £254k) are included in the above. Reduced significantly from prior year due to the Covid-19 pandemic and infection control. The average number of employees in the year was 458 (344 Full time equivalent) (2020: 447 (334 full-time equivalent)).

Trustees' funds paid for 7 employees in the year (fte 4.88) (2020: 9 heads 5.28 fte) at a total cost of £252,495 (2020: £267,819).

Average number of full-time equivalent employees by area:	2021	2020
School	121	122
Social Care	179	169
Support	38	37
Fundraising	4	4
Other	2	2
	344	334

Emoluments Of Highest Paid Employees

	Number of Employees		Pension Contributions	
	2021	2020	2021	2020
			£'000s	£'000s
£60k-70k	1	1	15	4
£70k-80k	0	0	0	0
£80k-90k	1	1	21	20
£90k-100k	1	1	0	10
£100k-110k	1	0	10	0

As at the end of the financial year, we have 67 active volunteers available to help across our services. However, the Covid-19 pandemic has meant that many of these volunteers have been unable to come on site.

10. Pension and similar obligations

1. Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales)(the TPS) for its teaching staff. The TPS is a defined benefit pension scheme run by the Teachers' Pension Agency. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. Accordingly, contributions are accounted for as if the scheme were a defined contribution scheme. The regulations under which TPS operates are the Teachers' Pension Regulations 2010, as amended. Membership is automatic for full time teachers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or change in contract. Teachers are able to opt out of the TPS. Retirement and other pension benefits including annual increases payable under the Pension (Increases) Acts are paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions are on a 'pay-as-you-go' basis and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The latest valuation report in respect of the TPS was prepared at 31 March 2016 and issued in March 2019. A copy of this can be found on the Department for Education website. The employer contribution rate since 1st September 2019 has been 23.68%, including a 0.08% employer administration charge.

The average number of employees in the scheme is 21 (2020: 21). The pension charge for the year includes contributions payable to the TPS of £195,170 (2020: £200,186) and at the year-end £21,466 (2020: £23,427) was accrued in respect of contributions to this scheme.

2. Chailey Heritage School Group Personal Pension Plan

The Charity's current main scheme is a Group Personal Pension plan (GPPP) with Aviva, who hold the assets of the GPPP. This is a defined contribution scheme and as such the Foundation's responsibility is to pay the agreed level of contributions for eligible staff who decide to join. The payment of agreed contributions by the Foundation effectively becomes part of the employees' contract of employment. All new staff, except teachers (unless they have opted out of TPS), are eligible to join this scheme after completion of three months' service and having attained the age of 18 years. For the period from 1 September 2020 to 31 August 2021, the employer contribution rate was 7.5% (2020: 7.5%) for the main scheme. The employer auto-enrolment rate remained the same at 4%. There are no guaranteed levels of pension benefits from these schemes.

The average number of employees in the scheme is 417 (2020: 399). The pension charge for the year was £382,649 (2020: £357,834). At the year end, there were accrued contributions due of £57,526 (2020: £63,103).

11. Trustees, Governors and Key Management Personnel

None of the Trustees, Governors or persons connected with them received any remuneration or other benefits from the Charity during the year (2020: £nil). No expenses were reimbursed to the Trustees or Governors during the year (2020: £nil).

Key management comprises the Chief Executive and other members of the Senior Management team. The total employee emoluments of the charity's key management personnel were £353k (2020: £366k).

12. Tangible Fixed Assets

	Freehold Land £'000s	Leasehold Property, Buildings and improvements £'000s	Computers, Furniture, Equipment and Motor Vehicles £'000s	Total £'000s
Cost or valuation				
1 September 2020	18	19,966	2,666	22,650
Additions	-	895	177	1,072
Disposals	-	-	-	-
31 August 2021	<u>18</u>	<u>20,861</u>	<u>2,843</u>	<u>23,722</u>
Depreciation				
1 September 2020	-	6,987	1,857	8,844
Charge for year	-	780	12	792
Disposals	-	-	-	-
31 August 2021	<u>-</u>	<u>7,767</u>	<u>1,869</u>	<u>9,636</u>
Net book values				
31 August 2021	<u>18</u>	<u>13,094</u>	<u>974</u>	<u>14,086</u>
31 August 2020	<u>18</u>	<u>12,978</u>	<u>810</u>	<u>13,806</u>

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

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

13. Fixed Asset Investments

	2021	2020
	£'000s	£'000s
Investments held at 1 September	3,566	3,533
Funds withdrawn	(27)	-
Net income reinvested/(withdrawn)	87	48
Net unrealised and realised (losses)/gains in the year	706	(15)
	<hr/>	<hr/>
Market value at 31 August	4,332	3,566
Historical cost at 31 August	3,535	3,152
	<hr/>	<hr/>
Investments at market value consist of:		
Listed Investments registered in UK	2,284	1,988
Listed Investments registered outside UK	1,914	1,471
Cash held as part of investment portfolio	134	107

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

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

14. Debtors

	2021	2020
	£'000s	£'000s
Fees	1,776	270
Prepayments	370	129
Accrued income	479	298
	<hr/>	<hr/>
	2,625	697
	<hr/>	<hr/>

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

£1,269k of 2021 debtors (2020: nil) relates to invoices raised in August in respect of the next financial year and are treated as deferred income (note 17).

15. Cash at bank

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

16. Creditors - due within one year

	2021	2020
	£'000s	£'000s
Taxation and social security	158	172
Trade creditors	453	233
Other creditors	81	90
Accruals	308	347
Deferred income	2,058	482
	<u>3,058</u>	<u>1,324</u>

Included within 'Other Creditors' are accrued pension contributions of £79K (2020: £68k).

Included within 'Deferred Income' is Education Funding Agency funding for Autumn Term received in August £76k (2020: £80k).

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

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

17. Deferred income

Deferred income comprises	2021	2020
	£'000s	£'000s
Balance at 1 September	482	1,468
Amount released to incoming resources	(482)	(1,468)
Amount deferred in the year (note 16)	2,058	482
Balance at 31 August	<u>2,058</u>	<u>482</u>

18. Creditors: due after one year

	2021	2020
	£'000s	£'000s
Rathbone loan - due between 3-5 years	400	-
	<u>400</u>	<u>-</u>

19. Analysis of Net Assets by Fund

Year to 31 August 2021

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	2021 Total £'000s
Restricted funds	3,026	-	351	3,377
Unrestricted funds:				
Designated fund	-	-	161	161
General fund - fixed assets	11,057	-	-	11,057
General fund - free reserves	-	4,332	(907)	3,425
	14,083	4,332	(395)	18,020

Year to 31 August 2020

	Tangible Fixed Assets £'000s	Investments £'000s	Net Current Assets £'000s	2020 Total £'000s
Restricted funds	3,131	-	732	3,863
Unrestricted funds:				
Designated fund	-	-	219	219
General fund - fixed assets	10,675	-	-	10,675
General fund - free reserves	-	3,566	(378)	3,188
	13,806	3,566	573	17,945

20. Analysis of Charitable Funds

Restricted Funds	Balance 1 September 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2021 £'000s
a) DfE grants	-	184	-	(184)	-
b) Donations towards major projects and equipment	732	371	(213)	(539)	351
	<u>732</u>	<u>555</u>	<u>(213)</u>	<u>(723)</u>	<u>351</u>
Restricted Fixed assets purchased with Restricted monies:					
c) Dream Centre	3,131	-	(105)	-	3,026
	<u>3,131</u>	<u>-</u>	<u>(105)</u>	<u>-</u>	<u>3,026</u>
Total Restricted funds	<u>3,863</u>	<u>555</u>	<u>(318)</u>	<u>(723)</u>	<u>3,377</u>

- a) The 'DfE grants' received have been spent on improvements to the school and contributed towards additional Teacher pay and pension costs as defined by Government.
- b) Comprises donations received towards specific capital projects/expenditure e.g. Music Studio, Riding and transferred out to reflect those amounts spent to date.
- c) The Dream Centre build is now complete and will remain restricted for this financial year as per our policy 2(f).

Unrestricted funds	Balance 1 September 2020 £'000s	Incoming resources £'000s	Resources expended £'000s	Transfers £'000s	Balance 31 August 2021 £'000s
Designated fund	219	-	(21)	(37)	161
General fund - fixed assets	10,675	-	(687)	1,069	11,057
General fund - free reserves	3,188	13,255	(12,709)	(309)	3,425
Total Unrestricted funds	<u>14,082</u>	<u>13,255</u>	<u>(13,417)</u>	<u>723</u>	<u>14,643</u>

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

Designated Fund:

The £65k represents the current balance of the funds allocated by the Trustees for professional fees on potential strategic capital projects, as well as unrestricted donations received but not spent as at year end. Funds received for the Vision Fund are included here. All designated funds are expected to be used within two years.

Fixed Asset Fund :

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

Total tangible assets of £14,083k are shown in the Charity's balance sheet and are represented by restricted funds of £3,026K and unrestricted funds of £11,057k.

They are analysed in note 12 on page 73.

The transfer in of £1,069k to unrestricted fixed asset funds is the unrestricted additions in the financial year.

General fund:

The unrestricted general fund of £3,425k is held for the Charity's day-to-day working capital, and to meet other immediate and future investment needs in its services, buildings and equipment. It is also to ensure continuity of the Charity's services going forward, and to cover risks beyond those reasonably covered by insurance e.g. to fund the negative impact of Covid-19 on the organisation. The transfer out of £309k is the net impact of the transfers between the Fixed Asset Fund, the Designated Fund and the Restricted Fund.

21. Financial Commitments

The charity has no non-cancellable operating leases at year end 2021 (2020: none).

22. Capital Commitments

At the balance sheet date, the Charity had no further commitments (2020: nil) in respect of capital projects.

23. Legacies

As at 31 August 2021, the Charity had been notified of seven (2020: nine) new legacies where payment was not received by that date. No account has been taken of these, as the amounts receivable cannot be determined with any reliability.

24. Control

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

25. Related Party Transactions

There were no related party transactions in the year.

ROYAL PATRON

HRH The Duchess of Gloucester GCVO

PRESIDENT

Mrs Verena Hanbury MBE DL

TRUSTEES AND GOVERNORS

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

TRUSTEES

Mr Mark Creamer (Chair)
Mr Michael Atkinson
Mrs Lucinda Baker LVO
Mr Neil Bennett
Mrs Helen Britton
Mr Darren Chilcott
Mrs Jenny Clark
Ms. Denise Garland
Mrs Heather Goodhew (retired January 2022)
Dr Elizabeth Green
Mrs Alison Grover
Mr Andrew Hodson
Mr Charles Kimmins

GOVERNORS

Mrs Jenny Clark (Chair)
Mr Michael Atkinson
Ms Amanda Brewis
Ms. Meriel Green (retired March 2021)
Mr Peter Griffiths (retired July 2020)
Mrs Alison Grover
Ms. Sarah Healey (retired March 2021)
Mr Lawrence Mudford
Mr Paul Myers
Ms Sara Niblock (appointed March 2021)
Mrs Carole Oram
Mrs Deirdre Prower
Ms Dianne Ryan (appointed September 2021)
Mr Troy Slife (retired March 2021)
Ms Julie Tilbury (appointed September 2021)
Ms Susan Duke (appointed December 2021)

KEY EXECUTIVES

Chief Executive:
Headteacher:
Director of Social Care:
Finance Director:
Development Director (Fundraising):
HR Director:
Company Secretary:

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

AUDITORS

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

BANKERS

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

SOLICITORS

Griffith Smith LLP, 47 Old Steyne, Brighton, East Sussex, BN1 1NW

INVESTMENT MANAGERS

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

REGISTRATION INFORMATION

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

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



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Chailey Heritage Foundation

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