

THE TALKING TRUST

England & Wales · Charity number 307021

Details

Other names	ST MARY'S WRESTWOOD CHILDREN'S TRUST, ST MARY'S SCHOOL, ST MARYS COLLEGE
Status	Registered
Legal form	Charitable company
Company number	00907923
Registered	1967-09-21
Register	View on the Charity Commission register

Contact

Address	St. Marys Wrestwood Childrens Trust Wrestwood Road Bexhill-On-Sea TN40 2LU
Phone	01424730740
Email	admin@stmarysbexhill.org
Website	www.stmarysbexhill.org

Activities

Objects: 1. TO ADVANCE EDUCATION FOR THE PUBLIC BENEFIT IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING BY MAINTAINING AND MANAGING A SCHOOL AND COLLEGE,2. TO ASSIST IN THE EDUCATION, TREATMENT AND CARE OF PEOPLE SUFFERING FROM MENTAL OR PHYSICAL ILLNESS OR DISABILITY OF ANY DESCRIPTION OR IN NEED OF REHABILITATION OR CARE AS A RESULT OF SUCH ILLNESS OR DISABILITY.

Activities: St Mary?s provides day and residential education, therapy and care for children and young adults from ages 7 to 25 with speech, language and communication difficulties and other complex needs. These needs may include disability and illness including learning difficulties, health issues, mental health issues and physical disabilities.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, People With Disabilities

Geography

- **Area of benefit:** 1. CATCHMENT AREA OF THE SCHOOL 2. NATIONAL
- East Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£9,459,926	£5,367,558	£17,525,353	133
2024-08-31	£7,545,353	£4,614,024	£13,715,985	107
2023-08-31	£5,278,901	£3,811,663	£11,036,656	91
2022-08-31	£4,287,878	£3,314,508	£9,789,418	83
2021-08-31	£4,235,923	£3,299,478	£7,440,048	90
2020-08-31	£3,979,635	£3,068,747	£5,035,603	95

Trustees

Name	Role	Appointed
Jean Haigh	Chair	2019-03-08
Jacqueline Gregory		2025-04-02
Matthew Smith		2022-09-01
Tracy Lynn Mander		2022-12-14

THE TALKING TRUST

England & Wales - Charity number 307021

Accounts

THE TALKING TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

THE TALKING TRUST
(A Company Limited by Guarantee)

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THE TALKING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2025**

Trustees	Jean Haigh Tracy Lynn Mander Matthew David Smith Sarah Fitzjohn-Scott (appointed 1 September 2024) Jacqueline Gregory (appointed 2 April 2025)
Company registered number	00907923
Charity registered number	307021
Registered office	St Mary's Special School and College Wrestwood Road Bexhill-on-Sea East Sussex TN40 2LU
Independent auditors	Cooper Parry Group Limited Statutory Auditor Cubo Birmingham 4th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	HSBC Bank plc 2 Devonshire Road Bexhill on Sea East Sussex TN40 1AT NatWest Bank plc Havelock Road Hastings East Sussex TN34 1GW

THE TALKING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Trustees, who are also Company Directors of The Talking Trust (the "Trust" or "charity") present their annual report and the audited financial statements for the year ended 31 August 2025. The annual report serves the purposes of both a Trustees' report and a Directors' report, including strategic report, under company law.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 published in October 2019.

Objectives and activities

The Trust works to support children and young people with severe speech, language and communication difficulties. The objects of the Trust as set out in the Articles of Association are:

1. to advance education for the public benefit in particular but without prejudice to the generality of the foregoing by maintaining and managing the school; and
2. to assist in the education, treatment and care of pupils with mental or physical illness or disability of any description, or in need of rehabilitation or care as a result of illness or disability.

Our vision is to:

1. improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time;
2. continually strive to improve standards in every aspect of Trust provision; and
3. by providing consistently high quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people, enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.

The principal activity of the Trust is the management and operation of St Mary's School and 6th Form College ("St Mary's"). The purpose of the Trust is to provide integrated specialist education, therapy and care for pupils with speech, language, communication and other associated complex needs.

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and fee charging.

We are a non-maintained special school based on the south coast of England in Bexhill, East Sussex. We currently cater for both residential and day pupils aged 5 to 19. Our mission is to ensure that children with Speech, Language and Communication needs and additional special educational needs receive the integrated support they need to enable them to achieve their potential and take their place in the community. Many of our pupils have autism, PDA and a range of additional needs.

St Mary's uses a range of approaches that enable pupils to succeed in their development of their communication skills. Our staff are trained in sign-supported English. Our staff provide assistance for parents who wish to learn to sign in order that they can support their child in the home. In addition, we value and use communication and learning technologies.

Our residential houses offer a safe, caring and supportive environment for pupils to live and learn for up to 38 weeks a year. There is an emphasis on providing a residential experience at the school in which pupils are given every opportunity to do things for themselves and work towards independence wherever possible. This includes the opportunity for weekend provision for pupils where this is also required.

Criteria for success in the reporting period include:

Responses to Ofsted inspections and associated action plans, including advisory reports from external organisations such as East Sussex County Council (or other Local Authorities who place children at the school and college) and internal self-evaluation and quality assurance processes;

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Objectives and activities (continued)

External and internal analysis of the financial position of the school including income, expenditure, assets and liabilities, so that the continued operation of the school is secured;

Progress against Health and Safety check reports, compliance with electrical and fire safety reports and other related health and safety and servicing reports;

In addition to supporting Speech, Language and Communication Needs, the school and college offers a personalised provision for each child, with access to a broad and balanced curriculum that, where appropriate, includes integrated physiotherapy and occupational therapy, social, emotional and mental health support and opportunities to develop independence and life skills. Our facilities offer excellent opportunities to support individual needs and include a swimming pool, indoor and outdoor gym equipment, library, sports hall, Food Tech, Computing, Art, Music and Science rooms, physiotherapy and sensory integration facilities and therapy support rooms.

Our purpose is to provide the highest quality education, therapy and care for our pupils to allow them to achieve their potential and to be equipped to live happy and successful adult lives.

Strategic report

Achievements and performance

The work of leaders and governors to support school improvement have continued to be highly effective. The confidence and stability noted in last year's report has continued and the school and college continue to improve and grow during the year 2024-2025. The school received a residential social care inspection in February 2025 which demonstrated a further improvement from a previous Good judgement, to an overall judgement of 'Outstanding' and noted improvements that had been made.

Our own quality assurance process was also reviewed during the academic year and new revised processes were planned which were put into place from September 2024. The meetings that occurred during 2024 - 2025 systematically reviewed information from school improvement plans and self-evaluation documents along with verbal reports from school leaders and this was scrutinised by Trustees and CEO in meetings with senior leaders. The impact of systems, interventions and approaches taken, was identified, as were continued priorities that are reflected within school improvement planning documents. The evidence provided a detailed picture and overview of outcomes for pupils, and the data also included the views of pupils and their families. Leaders have demonstrated commitment and determination in being ambitious to improve pupil opportunities and outcomes; they have been timely in taking action to address emerging concerns.

The improvements made over time at St Mary's continue to bear fruit. Above all else pupils are happy, well supported and enjoy coming to school. This is substantiated by data regularly reflected in feedback from visitors to the school. Pupils are confident in their school's ability to support them and they engage well. Pupil exam and achievement results reflected these improvements in the summer 2025. Parents share this confidence and regularly respond positively to information provided to them. Staff are skilled in encouraging pupils to seek support in the most acceptable and appropriate ways. Wherever behaviour is inappropriate and / or unacceptable, it is challenged and supported. Highly effective systems that reinforce and reward positive behaviour and effort are popular and well embedded; pupils are motivated to do well and achieve. They respond positively to the opportunity to talk to staff about their success and progress, as well as the physical reward earned for their efforts.

Development planning is comprehensive. An example of successful planning is where the school has responded to the continuing rapid increase in pupil education placements and has refurbished and repurposed spaces into effective teaching spaces. This included complete renovation and refurbishment of the Food Tech and Science teaching rooms to provide contemporary and effective learning environments for increased class sizes and enabling best use of available technology to be integral to all aspects of the curriculum. In addition, the upper floor of the Stables residential house was refurbished to increase capacity and accommodate the required segregation of residential pupil groups for current and potential future anticipated residential placements. Significant work on the swimming pool air handling system and changing areas was also completed this year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

The leadership team work cohesively under the leadership of the Principal who is in turn supported by the CEO. Parents and other visitors to the school are warmly welcomed and well informed by highly professional front of school staff. Teachers and supporting staff share an understanding of the aims of the curriculum and the needs of pupils. Improvements in the quality of educational provision and the overall quality of teaching continue to be observed and reported. Leaders maintain a very secure understanding of the strengths and weaknesses of everyday practices and processes.

This does not mean the school is satisfied or resting on its successes to date. Where priorities for improvement are identified they are systematically monitored and reviewed in terms of improvement. The curriculum continues to be developed across all phases and abilities. The work to develop the curriculum since the previous Ofsted school inspection has been continued and has featured within school development planning and has been monitored through governor visits, governors meetings as well as through quality assurance meetings. Leaders are mindful of the impact of change on staff and pupils.

Outcomes 2024 - 2025

- Attendance remains high when compared with special schools both locally and nationally and is broadly in-line with national secondary schools. Pupil questionnaires indicate that pupils are keen to come to school and enjoy their lessons. There were no exclusions. Feedback from parents/carers is overwhelmingly positive across a broad range of topics.
- The school is now able to collate reliable data for comparison over 3+ years. The leadership have developed the use and reporting of therapy progress data which can now begin to be linked to academic progress data, supporting monitoring and triangulation. The Residential team are also developing data monitoring of targets set. The intention is that this will improve triangulation of data for residential pupils.
- Progress is tracked and analysed by phase, gender and PP. Progress data identifies subjects where progress is less than expected by group or overall. Analysis of outcomes for 2023-2024 was reported to governors and is reflected in school development planning. A new addition for 2024-2025 will be the inclusion of analysis of residential group progress as a distinct 'vulnerable' group within our overall data analysis.
- The Multi Agency Pupil Progress Meeting process tracks both academic progress and personal development on an individual basis. Targets for individuals specify good and better progress over the course of a year. Leaders set ambitious targets that are informed by prior data and take into account individual circumstances. Leaders and teachers have excellent knowledge of the individual circumstances and barriers that impact on progress and address these through a range of interventions.
- The school makes efforts to remain in contact with ex-pupils. This can be challenging but there is more data now than previously.
- Pupils are offered a range of options at KS4 and 5 (GCSE Mathematics and English where appropriate, BTEC, Entry level and functional skills) and are encouraged to express interests at KS3 to ensure their preferences are planned for. All pupils have access to a curriculum that prepares them for the next phase of their education or for life beyond school. Provision planning for pupils whose abilities and learning difficulties place them at the fringes of the main curriculum is a priority. The flexibility embedded in the curriculum design enables pupils to have enhanced access to life skills support where this is appropriate.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Strategic report (continued)

Conclusion

The leadership team has now entered a further period of transition at St Mary's as the school continues to respond to local and regional capacity demands and the school and college need to manage future growth carefully. The Principal has a clear view of where she wants the school to be and how she wants it to successfully operate. Staff show through their engagement in appraisal processes that they share a sense of belonging and responsibility towards the school as a community. The school is at capacity for pupil numbers and further expansion will need to be limited in the coming academic year. The capacity for the school to expand further without some significant additional building work is limited; it can comfortably accommodate up to approximately 200 pupils with occupation in the year 2025-26 predicted to rise above at 220. However, this may rise further due to local and regional demands on the SEND system. The leadership team are appropriately focused on meeting the changing needs of a growing cohort (including proportionate growth and accommodation of the staffing team) and ensuring development is future proofed by maintaining stability and high standards.

Finally, Trustees and leaders have been planning the transition of leadership as the Executive Headteacher/CEO is retiring in the year 2025-26, following a long career as Headteacher and Executive Headteacher/CEO. A lengthy review process occurred and the current Principal has been appointed as Principal CEO. Trustees and leaders are planning for the handover and transition, with a view to managing this change as smoothly and efficiently as possible.

Financial review

The income of the Trust has increased this year by £1,914,573 to £9,459,926, while the expenditure of the Trust has increased by £753,534 to £5,367,558. This significant increase in income is predominantly due to the continuing rapid increase in pupil placements throughout the year, including additional pupils requiring individual support staff. Bank interest was also a contributing factor in increased income as the interest rate continued to be high throughout the period although was reducing towards the end of the period. This resulted in a net surplus of income over expenditure for the year of £4,092,368 (2024: net surplus of £2,931,329). The cash flow statement shows a net increase in cash during the year of £3,169,350 to £9,693,562.

In accordance with UK accounting standards, the Trust's defined benefit pension scheme has been incorporated into the financial statements. Market conditions and changes in actuarial assumptions have resulted in an actuarial loss of £283,000 in the year (2024: £252,000). Although there is a nil balance at the year end, the Trust no longer makes deficit payments to the scheme only. This continues to be closely monitored. The Trust and the pension scheme deficit has been reduced to a realistic buy-out value.

In July 2024, the Trust negotiated a further 5 year lease for one of its buildings to East Sussex County Council - who are under-leasing to a local special school predominantly for their post-16 provision. The value of the lease commenced at £50,000 per annum and will increase by 4% each year thereafter. The lease is for a period of five years ceasing on the 31st July 2029. A review of The Talking Trust needs and requirements will be carried out to determine future use of this site and building on cessation of this current lease.

The balance of capital funds earmarked for further building improvements, major repairs and plant replacement projects have been expended in 2024/25 on:

- Complete refurbishment and remodelling of two specialist teaching areas - food technology and science.
- Replacement of the swimming pool air handling and management system as this was in poor condition and not working effectively.
- Refurbishment of the swimming pool changing areas and doors to improve accessibility, health and safety and the general swimming environment and experience.
- Redecoration of The Stables upper floor kitchen area.
- Planning and design of development and improvement to all areas of the grounds and playing fields to improve access and facilities for each key stage phase. This project will continue into 25/26 and 26/27.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Financial review (continued)

- The purchase of two new school vehicles following the cessation of the lease on three vehicles. An additional vehicle has also been provided on a two year loan as part of a charitable support initiative by a local car dealer.
- Commencement of fire door replacement and compartmentation works.

Reserves policy

The Board has established a reserves policy that aims to protect the Trust's activities from risk of disruption at short notice, whilst at the same time ensuring that the Trust does not retain income for longer than required. It determines an appropriate target level for 'free' reserves, taking into account the Trust's vulnerability to unplanned changes in its financial position, relating mainly to pupil numbers, the lagged funding mechanism for NMSS and the sourcing of income from LAs.

The Trustees regard the level of 'free' reserves, namely the general fund within unrestricted reserves, as crucial in allowing the Trust to serve its beneficiaries through temporary differences between pupil numbers and unfunded pupil places through the ESFA place funding mechanism or shortages in pupil numbers or Local Authority funding. The Trustees also wish to be able to call on funds to seize opportunities to further develop the Trust. The general fund is a sub-category of unrestricted funds which are neither earmarked for either capital purposes (the capital fund) or for the defined benefit pension scheme.

The Board judges that the Trust should hold at least six months value of unrestricted expenditure in order to preserve its structure through periods of low income and protection for emergency building repairs and replacements. Based on the operating expenditure for the year ended 31 August 2024, the target level for 'free' reserves is £2,684,000. At 31 August 2025, the Trust's 'free' reserves were £5,659,286 (2024: £5,992,818). Whilst the minimum of 'free reserves' has been determined by Trustees to be approximately 6 months of unrestricted expenditure, the remaining surplus free reserve funds are held to be spent on major projects to improve the environments for learning and living alongside the general maintenance and replacement of the site, buildings and equipment.

The Trustees have established a designated infrastructure fund this year, with the aim of using this to improve the overall site and facilities the Trust has to offer. This includes complete renovation and replacement of the whole external play, recreation and sports areas for each key stage phase and the residential garden, and the total refurbishment of the currently unused residential House, Marygate, to provide independent living accommodation. The current external area budget exceeds £2.3 million and the refurbishment of the unused building is anticipated to be in the region of £0.5 million. There is also £0.5 million designated for fire doors as well as £0.2 million designated for the refurbishment of Marygate. All improvements and major projects undertaken increase the capacity of the school for additional pupils as current indications are that placement numbers will continue to rise in the foreseeable future years.

The total funds at 31 August 2025 are £17,525,353 (2024: £13,715,985), which includes the designated funds of £11,866,067 (2024: £7,723,167), the pension fund liability reserve of £Nil (2024: £Nil) and the unrestricted general funds of £5,659,286 (2024: £5,992,818).

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees are pleased to note the continued increase in referrals for new pupils from East Sussex County Council and the number of pupils on roll at the end of the 2024-2025 academic year was 200. These referrals are for day placements in the main and although a small number of additional residential placements have been made, we continue to work proactively to promote the residential provision over the coming years with more distant local authorities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Principal risks and uncertainties (continued)

Continued planning and action is being undertaken to address the issues raised by Ofsted in the latest school and residential inspections. The school is graded as a secure Good with some outstanding aspects in education provision and in February 2025, a further Residential Ofsted inspection was carried out grading this operation of the Trust as Outstanding. No further Ofsted inspections have taken place in the academic year 24/25.

The Regional Director (previously Regional Schools Commissioner) and the Department for Education have agreed a process for a permanent business and support relationship between The Talking Trust and Torfield and Saxon Mount Academy Trust, maintaining the Non-maintained school status for St Mary's school but securing the longer term future of The Talking Trust. This has involved The Talking Trust becoming a wholly owned subsidiary company of Torfield and Saxon Mount Academy Trust and both Trusts have amended and filed new Articles accordingly. This arrangement commences from 1 September 2024.

Going concern

The financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. The recent Good and Outstanding (residential) Ofsted inspections further strengthen that position, with placements at St Mary's School now providing a secure option for placements by Local Authorities.

The Trustees are confident that the measures undertaken since April 2019 will mean that they will continue to receive the support of the Local Authority and parents of pupils. The Trustees believe that, based upon predicted future income streams together with achieved planned cost cutting and efficiency improvements together with the continuing assistance from TaSMAT that the Trust will remain a going concern, and for this reason, the financial statements are prepared on the going concern basis.

Structure, governance and management

The Talking Trust (the 'Trust') was incorporated as St Mary's Wrestwood Children's trust on 7 June 1967 and changed its name to The Talking Trust on 26 November 2012. It is a charitable company limited by guarantee. The Board of Trustees ('Board') governs the Trust in accordance with the Memorandum and Articles of Association. St Mary's School and College (the 'School' or 'St Mary's') as part of the Trust, is registered as a Non-maintained Special School. The School provides specialist education, therapy and care for young people aged 5-19 with speech, language and communication needs.

The Trustees, who are also the Directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements are detailed in the reference and administrative details of the charity on page 1.

The Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £2,000,000.

The Trustees aim to maintain a Board in accordance with statute and with the range of expertise, experience and perspectives needed to provide effective direction and oversight. New Trustees are appointed by the Board of Trustees and are subject to application forms, references and DBS clearance. Trustees are provided with training in line with the Charity Commission's guidance on governance.

The new Board of Trustees, which was formed following the resignation of the majority of the previous Governing Board, has agreed to separate the functions of Trusteeship and school governance. Trustees retain full responsibility for governance of The Talking Trust. They are now supported by a governance committee, named the School Effectiveness Board. This is chaired by a member of the Board and supports Trustees in their oversight of the quality of provision made across the school and college. It also holds senior leaders to account for other aspects of provision including Health and Safety, safeguarding and curriculum monitoring and development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Structure, governance and management (continued)

This Board receives reports from the senior leadership team in relation to those aspects and reports directly to the Board of Trustees. In addition, a Finance and Audit Committee has been established and a Trustee is appointed to this Committee by the Chair of the Trust, who also attends, along with the CEO and lead finance staff.

Local Authorities fund all current pupil placements, there is also a small amount of income raised from other charitable bodies and private donations and use of the swimming pool by a private swimming school at weekends.

The day to day management of the school is undertaken by the Principal, with the support and guidance of the CEO who has also performed the role of education advisor from September 2024.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up of the company.

From 1 August 2022, the Trustees and senior leadership team comprise the key management personnel of the Trust as follows:

Richard Preece, CEO
Natalie Edwards, Principal
Stephen Weakley, Head of Education
Ashley Pollen, Assistant Principal
Ann Whiteman, Head of Residential

Key management and personnel are subject to performance management / appraisal processes and remuneration and pay decisions related to performance are evidenced. For the Principal, this is approved by the Board of Trustees and for other positions, this is approved by the CEO.

Related parties and other connected charities and organisations

The relationship between the charity and Torfield and Saxon Mount Academy Trust ('TaSMAT') was brokered by East Sussex County Council and the DfE Regional Schools Commissioners South East London office. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity. In January 2021 a formal Business partnership agreement was entered into between TaSMAT and The Talking Trust, formalizing the operational relationship and support in place and as an immediate measure whilst the longer term relationship was considered by the Trustees of both Trusts, the DfE and Regional Director. Subsequently the parties agreed that a more formal arrangement could be pursued and formal adoption of new Articles including provision for a formal partnership as a subsidiary company of TaSMAT, has been agreed. The transfer was implemented with effect from 1st September 2024.

Fundraising

The Trust has not undertaken any material fundraising activities during the year ended 31 August 2025.

Plans for future periods

The Trustees are pleased to see the continued increase in referrals for new pupils from East Sussex County Council, with the number on roll at the end of the 2024/25 academic year having increased to 200. These referrals are for day placements in the main and the management team will continue to work proactively to promote the residential provision over the coming year with more distant Local Authorities.

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as custodian Trustees for other charities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Trustees' responsibilities

The Trustees, who are also the Directors of The Talking Trust for the purpose 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 2019 (FRS102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for 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.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Auditor

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and the Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 10 December 2025 and signed on their behalf by:

Signed by:

21E1CC5CEE41445...
Jean Haigh
Chair of Trustees

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TALKING TRUST

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2025 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

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

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:

Our assessment focused on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year, and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

Use of our report

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

Signed by:


4565E73EF2F046E...

Kevin Hodgetts (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Cubo Birmingham

4th Floor

Two Chamberlain Square

Birmingham

B3 3AX

15 December 2025

THE TALKING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2025**

	Note	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income from:				
Donations and legacies	4	121,132	121,132	91,046
Charitable activities	5	8,837,705	8,837,705	7,127,485
Other trading activities	6	184,854	184,854	164,990
Investments	7	316,235	316,235	161,832
Total income		9,459,926	9,459,926	7,545,353
Expenditure on:				
Charitable activities	8	5,367,558	5,367,558	4,614,024
Total expenditure		5,367,558	5,367,558	4,614,024
Net movement in funds before other recognised gains/(losses)		4,092,368	4,092,368	2,931,329
Other recognised gains/(losses):				
Actuarial losses on defined benefit pension schemes	23	(283,000)	(283,000)	(252,000)
Net movement in funds		3,809,368	3,809,368	2,679,329
Reconciliation of funds:				
Total funds brought forward	17	13,715,985	13,715,985	11,036,656
Net movement in funds		3,809,368	3,809,368	2,679,329
Total funds carried forward	17	17,525,353	17,525,353	13,715,985

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 35 form part of these financial statements.

THE TALKING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00907923

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	12	8,366,067	7,723,167
Investments	13	1	1
		<u>8,366,068</u>	<u>7,723,168</u>
Current assets			
Debtors	14	2,832,173	1,939,739
Cash at bank and in hand		9,693,562	6,524,212
		<u>12,525,735</u>	<u>8,463,951</u>
Creditors: amounts falling due within one year	15	(3,366,450)	(2,471,134)
		<u>9,159,285</u>	<u>5,992,817</u>
Net current assets		<u>9,159,285</u>	<u>5,992,817</u>
Total assets less current liabilities		<u>17,525,353</u>	<u>13,715,985</u>
Net assets excluding pension asset (liability)		<u>17,525,353</u>	<u>13,715,985</u>
Defined benefit pension scheme liability	23	-	-
Total net assets		<u><u>17,525,353</u></u>	<u><u>13,715,985</u></u>
Charity funds			
Unrestricted funds:			
Designated funds	17	11,866,067	7,723,167
General funds	17	5,659,286	5,992,818
		<u>17,525,353</u>	<u>13,715,985</u>
Total unrestricted funds	17	17,525,353	13,715,985
Total funds		<u><u>17,525,353</u></u>	<u><u>13,715,985</u></u>

The financial statements were approved and authorised for issue by the Trustees on 10 December 2025 and signed on their behalf by:

Signed by:



21E1CC5CEE41445...
Jean Haigh
Chair of Trustees

The notes on pages 17 to 35 form part of these financial statements.

THE TALKING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	19	3,811,741	2,921,609
Cash flows from investing activities			
Dividends, interests and rents from investments		203,235	76,832
Purchase of tangible fixed assets		(965,067)	(1,024,471)
Capital grants and funding		119,441	89,729
Net cash used in investing activities		(642,391)	(857,910)
Change in cash and cash equivalents in the year		3,169,350	2,063,699
Cash and cash equivalents at the beginning of the year		6,524,212	4,460,513
Cash and cash equivalents at the end of the year	20	9,693,562	6,524,212

The notes on pages 17 to 35 form part of these financial statements

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

1. General information

The Talking Trust is a charitable company limited by guarantee and incorporated in England and Wales under company number 00907923. It is registered with the Charity Commission under charity number 307021. The registered office is St Mary's Special School and College, Wrestwood Road, Bexhill-on-Sea, East Sussex, TN40 2LU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Talking Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issues of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are included at valuation and recognised as income when received. No amounts are included in the financial statements for services donated by volunteers.

Income relates to pupils' fees that are paid for by Local Authorities. The fees are raised in advance for the coming term and are recognised on an accruals basis. School fees receivable and charges for services and use of premises are accounted for in the period to which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken into income in the term when used or else refunded. The amounts are net of discounts, VAT and other sales related taxes where appropriate.

Other miscellaneous grants may be received to which performance conditions are attached. These grants are recognised in the Statement of Financial Activities when the conditions have been met. Where the conditions for recognition have not been met at the year end, the amounts are carried forward as deferred income.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.3 Income (continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or fulfillment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

The income of the charity for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds. This comprises marketing and the cost of attracting students to the school.
- Charitable activities. This includes the direct cost of salaries, and other educational activities undertaken to further the purposes of the charity as well as associated support costs. Support costs comprises administrative costs associated with delivering the educational activities as well as the costs of governance. Governance costs comprise the costs of strategic management of the charity as well as compliance costs such as audit fees. Support and governance costs have been allocated equally across the various charitable activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

From the 1 January 2025 the charity became VAT registered. Any irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2% and 4% straight line method
Motor vehicles	-	10% straight line method
Fixtures and fittings	-	5% and 10% straight line method
Office equipment	-	20% straight line method
Swimming pool	-	2% straight line method

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

The asset under construction is not depreciated until the asset is brought into use.

2.8 Investments

Fixed asset investments comprise investments held in dormant subsidiaries. These investments are stated at cost less provision for diminution in value.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term interest accounts. The Trustees seek to use short and medium term deposits where possible to maximise return on monies held at the bank and to manage cash flow. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS"), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The teaching staff of the charity are members of the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The St Mary's Wrestwood Children's Trust Pension Scheme is a defined benefit pension scheme and the assets are held separately from those of the charity in separate trustee administered funds. The scheme was closed to new members from 31 August 2006 and to future accrual from 31 July 2009. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Where the present value of the defined benefit obligations at the Balance Sheet date is less than the fair value of scheme assets at that date, the scheme has a surplus. The scheme surplus is recognised as a defined benefit plan asset by the charity only to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The defined contribution schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the schemes are held separately from those of the charity in independently administered funds.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

The present value of the St Mary's Wrestwood Children's Trust Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension asset/liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2024 has been used by the actuary in valuing the pensions asset/liability at 31 August 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

To the extent there is a surplus in the St Mary's Wrestwood Children's Trust Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the charity, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to the charity as a contribution reduction. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date are set out in note 23.

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

4. Income from donations and legacies

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations	1,691	1,691	1,317
Capital Grants	119,441	119,441	89,729
	<u>121,132</u>	<u>121,132</u>	<u>91,046</u>

5. Income from charitable activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Fee income from education and residential activities	6,910,550	6,910,550	5,646,388
DfE grant funding	1,927,155	1,927,155	1,481,097
Total 2025	<u>8,837,705</u>	<u>8,837,705</u>	<u>7,127,485</u>
Total 2024	<u>7,127,485</u>	<u>7,127,485</u>	

Analysis of DfE grant funding

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Recurrent funding	1,395,000	1,395,000	1,121,667
Pupil Premium	57,389	57,389	48,360
Other DFE Grants	472,362	472,362	308,895
Bursary funding	2,404	2,404	2,175
	<u>1,927,155</u>	<u>1,927,155</u>	<u>1,481,097</u>

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Lettings income	55,713	55,713	49,827
Swimming income	27,750	27,750	26,830
Catering income	26,591	26,591	23,497
Other income	74,800	74,800	64,836
Total 2025	184,854	184,854	164,990

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Bank interest receivable	203,235	203,235	76,832
FRS 102 net pension interest income	113,000	113,000	85,000
	316,235	316,235	161,832

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Total 2025 £	Total 2024 £
Education	4,012,016	4,012,016	3,301,780
Therapy & wellbeing	468,693	468,693	424,405
Residential care	432,726	432,726	382,586
Facilities	454,123	454,123	505,253
	5,367,558	5,367,558	4,614,024

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

9. Auditors' remuneration

The auditor's remuneration amounts to audit fees of £15,850 (2024 - £16,920), other assurance fees of £1,265 (2024 - £1,140) and all other non-audit services of £19,075 (2024 - £2,940).

10. Staff costs

	2025	2024
	£	£
Wages and salaries	3,257,547	2,654,049
Social security costs	320,750	219,877
Pension costs (excluding past service credits)	351,908	265,081
	<u>3,930,205</u>	<u>3,139,007</u>

Included within staff costs is a total of £87,368 (2024 - £99,560) relating to supply staff costs paid in the year.

The average number of persons employed by the charity during the year was as follows:

	2025	2024
	No.	No.
Education	78	58
Residential care staff	19	17
Health staff	16	15
Other staff	20	17
	<u>133</u>	<u>107</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025	2024
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-

The charity considers its key management personnel to be the Senior Management Team. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by the key management personnel for their services to the charity during the year was £432,484 (2024 - £402,933).

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 August 2025, expenses totaling £81 were reimbursed or paid directly to 1 Trustee (2024 - £NIL to Trustee) for costs incurred for the trust.

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Asset under construction £	Total £
Cost or valuation					
At 1 September 2024	10,274,347	14,052	1,211,125	137,457	11,636,981
Additions	574,508	104,690	285,869	-	965,067
Disposals	(20,812)	-	(256,312)	-	(277,124)
Transfers between classes	(110,006)	-	247,463	(137,457)	-
At 31 August 2025	10,718,037	118,742	1,488,145	-	12,324,924
Depreciation					
At 1 September 2024	2,947,430	12,839	953,545	-	3,913,814
Charge for the year	189,767	2,129	93,140	-	285,036
On disposals	-	-	(239,993)	-	(239,993)
Transfers between classes	593,934	-	(593,934)	-	-
At 31 August 2025	3,731,131	14,968	212,758	-	3,958,857
Net book value					
At 31 August 2025	6,986,906	103,774	1,275,387	-	8,366,067
At 31 August 2024	7,326,917	1,213	257,580	137,457	7,723,167

Freehold property comprises both freehold land and buildings. It has previously been determined by the Trustees that the fair value of the land equates to 40% of the original cost. The remaining 60% is deemed to be the value of the buildings at purchase which is being depreciated on a straight line basis at 2% per annum.

The net book value of freehold property at 31 August 2025 which is attributable to land is £1,796,714 (2024 - £1,796,714).

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2024	1
	1
At 31 August 2025	1
 Net book value	
At 31 August 2025	1
	1
At 31 August 2024	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Class of shares	Holding	Included in consolidation
The Glades Garage Forecourts Management Company Ltd	03376073	Ordinary £1	100%	No

The financial results of the subsidiary for the year were:

Name	Net assets £
The Glades Garage Forecourts Management Company Ltd	1

The Glades Garage Forecourts Management Company Ltd was dormant during this year and last year, and an application to strike off the company was made on 16 September 2025.

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

14. Debtors

	2025	2024
	£	£
Due within one year		
Trade debtors	2,732,914	1,884,805
Other debtors	62,691	11,320
Prepayments and accrued income	36,568	43,614
	<u>2,832,173</u>	<u>1,939,739</u>

15. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	217,601	54,628
Other taxation and social security	464,163	76,625
Other creditors	22,722	15,661
Accruals and deferred income	2,661,964	2,324,220
	<u>3,366,450</u>	<u>2,471,134</u>

Included in accruals and deferred income is deferred income of £2,329,545 (2024 - £1,909,102). This relates to school fees and grant funding for the year ending 31 August 2026 which have been received in advance at the year end.

16. Financial instruments

	2025	2024
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>9,693,562</u>	<u>6,524,212</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds						
Designated funds						
Capital fund	7,723,167	119,441	(285,035)	808,494	-	8,366,067
Infrastructure fund	-	-	-	3,500,000	-	3,500,000
	<u>7,723,167</u>	<u>119,441</u>	<u>(285,035)</u>	<u>4,308,494</u>	<u>-</u>	<u>11,866,067</u>
General funds						
General fund	5,992,818	9,227,485	(5,252,523)	(4,308,494)	-	5,659,286
Pension fund reserve	-	113,000	170,000	-	(283,000)	-
	<u>5,992,818</u>	<u>9,340,485</u>	<u>(5,082,523)</u>	<u>(4,308,494)</u>	<u>(283,000)</u>	<u>5,659,286</u>
Total Unrestricted funds	<u><u>13,715,985</u></u>	<u><u>9,459,926</u></u>	<u><u>(5,367,558)</u></u>	<u><u>-</u></u>	<u><u>(283,000)</u></u>	<u><u>17,525,353</u></u>

The specific purposes for which the funds are to be applied are as follows:

The designated funds comprise the capital fund, which represents the net book value of the charity's fixed assets together with any unspent capital grants and funding, and the infrastructure fund, which has been set aside for improving the site and facilities that the Trust has to offer.

The pension fund reserve represents the year end position of the St Mary's Wrestwood Children's Trust Pension Scheme, which will ultimately be realised from the assets of the charity. Further details on the charity's pension obligations are contained in note 23.

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
Designated funds						
Capital fund	6,973,960	89,729	(275,264)	934,742	-	7,723,167
General funds						
General fund	4,062,696	7,370,624	(4,505,760)	(934,742)	-	5,992,818
Pension Reserve	-	85,000	167,000	-	(252,000)	-
	4,062,696	7,455,624	(4,338,760)	(934,742)	(252,000)	5,992,818
Total Unrestricted funds	<u>11,036,656</u>	<u>7,545,353</u>	<u>(4,614,024)</u>	<u>-</u>	<u>(252,000)</u>	<u>13,715,985</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	8,366,067	8,366,067
Fixed asset investments	1	1
Current assets	12,525,735	12,525,735
Creditors due within one year	(3,366,450)	(3,366,450)
Total	<u>17,525,353</u>	<u>17,525,353</u>

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	7,723,167	7,723,167
Fixed asset investments	1	1
Current assets	8,463,951	8,463,951
Creditors due within one year	(2,471,134)	(2,471,134)
	<hr/>	<hr/>
Total	13,715,985	13,715,985
	<hr/> <hr/>	<hr/> <hr/>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the year (as per Statement of Financial Activities)	4,092,368	2,931,329
	<hr/>	<hr/>
Adjustments for:		
Depreciation charges	285,036	220,441
Dividends, interests and rents from investments	(203,235)	(76,832)
Loss on the sale of fixed assets	37,131	54,823
Increase in debtors	(892,434)	(360,780)
Increase in creditors	895,316	494,357
Capital grants and funding	(119,441)	(89,729)
Pension scheme finance cost	(113,000)	(85,000)
Pension scheme cost less contributions payable and expenses	(170,000)	(167,000)
	<hr/>	<hr/>
Net cash provided by operating activities	3,811,741	2,921,609
	<hr/> <hr/>	<hr/> <hr/>

20. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	9,693,562	6,524,212
	<hr/>	<hr/>
Total cash and cash equivalents	9,693,562	6,524,212
	<hr/> <hr/>	<hr/> <hr/>

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

21. Analysis of changes in net debt

	At 1 September 2024	Cash flows	At 31 August 2025
	£	£	£
Cash at bank and in hand	6,524,212	3,169,350	9,693,562
	6,524,212	3,169,350	9,693,562
	6,524,212	3,169,350	9,693,562

22. Capital commitments

	2025	2024
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	262,815	130,367
	262,815	130,367
	262,815	130,367

23. Pension commitments

The charity's employees belong to various principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The Teachers' Pension Scheme

The charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £301,147 (2024: £201,994) and at the year-end £25,856 (2024: £19,273) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

23. Pension commitments (continued)

The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

The result of this valuation was implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Defined contribution schemes

The charity also operates 3 defined contribution pension schemes for qualifying employees who are neither teaching staff nor contributing to the charity's own defined benefit scheme. The schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, run by Aegon, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the defined contribution schemes are held separately from those of the charity in independently administered funds. The charge to the Statement of Financial Activities in respect of the defined contribution schemes was £49,599 (2024: £52,044). The contributions to the defined contribution schemes have been allocated wholly to unrestricted funds and to the activities in accordance with the staff involved in each activity.

The St Mary's Wrestwood Children's Trust Pension Scheme

The charity operates a defined benefit pension scheme. The St Mary's Wrestwood Children's Trust Pension Scheme. The scheme was closed to new members from 31 August 2006 and to future accrual from 31 July 2009. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. An actuarial valuation was carried out based on data as at 31 March 2024 and updated to 31 August 2025 for the purposes of an FRS102 report by a qualified actuary.

The Trust has been paying contributions at the rates set out in the Schedule of Contributions prepared following the 31 March 2021 scheme funding valuation. Under this Schedule of Contributions, the Trust has to pay contributions over a period of 11 years 6 months from 1 April 2022. The contribution level was set at £284,640 per annum and these increase by 3.5% per annum each 1 April. This includes an allowance to cover administration, actuarial and consultancy costs. Any other expenses of the scheme, including levies to the Pension Protection Fund, will be met by the Trust. From 1 July 2025, the contribution rate to the scheme has been amended to £132,000 per annum.

The total contributions paid to the scheme during the year ended 31 August 2025 were £293,000 (2024: £298,883).

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

23. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2025	At 31 August 2024
	%	%
Discount rate	5.9	5.0
Rate of increase of pension payments (CPI)	2.7	2.8
Inflation assumption (RPI)	2.95	3.15
	<u> </u>	<u> </u>
	At 31 August 2025	At 31 August 2024
	Years	Years
Mortality rates (in years)		
- for a male aged 60 now	20.8	20.8
- at 60 for a male aged 40 now	22.1	22.1
- for a female aged 60 now	23.4	23.3
- at 60 for a female aged 40 now	24.9	24.8
	<u> </u>	<u> </u>

The charity's share of the assets in the scheme was:

	At 31 August 2025	At 31 August 2024
	£	£
Equities	876,000	3,478,000
Corporate bonds	2,467,000	1,613,000
Cash and other liquid assets	59,000	35,000
Government bonds	3,353,000	2,282,000
	<u> </u>	<u> </u>
Total fair value of assets	6,755,000	7,408,000
	<u> </u>	<u> </u>

The actual return on scheme assets was £(627,000) (2024 - £741,000). This excludes the movement in the unrecognised scheme surplus in the year of £24,000 (2024: £628,000) as detailed below.

The amounts recognised in the Statement of Financial Activities are as follows:

	2025	2024
	£	£
Interest income	(370,000)	(348,000)
Interest cost	257,000	263,000
Administration expenses	123,000	131,000
	<u> </u>	<u> </u>
Total amount recognised in the Statement of Financial Activities	10,000	46,000
	<u> </u>	<u> </u>

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

23. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2025	2023
	£	£
Opening defined benefit obligation	5,305,000	5,240,000
Interest cost	257,000	263,000
Actuarial (gains)/losses	(690,000)	17,000
Benefits paid	(319,000)	(346,000)
Administration expenses	123,000	131,000
	<u>4,676,000</u>	<u>5,305,000</u>
Closing defined benefit obligation	<u>4,676,000</u>	<u>5,305,000</u>

Movements in the fair value of the charity's share of scheme assets were as follows:

	2025	2023
	£	£
Opening fair value of scheme assets	5,305,000	5,240,000
Interest income	370,000	348,000
Actuarial losses	(973,000)	(235,000)
Contributions by employer	293,000	298,000
Benefits paid	(319,000)	(346,000)
	<u>4,676,000</u>	<u>5,305,000</u>
Closing fair value of scheme assets	<u>4,676,000</u>	<u>5,305,000</u>

The charity has an unrecognised surplus in the scheme at 31 August 2025 of £2,079,000 (2024: £2,103,000). Included within actuarial losses on the scheme's assets of £973,000 (2024: £235,000) above is an amount of £24,000 (2023: £628,000) in respect of the movement in the unrecognised surplus in the scheme at 31 August 2025. The total value of the assets recorded under the "share of scheme assets" as detailed above of £6,755,000 (2024: £7,408,000) has not been decreased in respect of the unrecognised surplus and represents the rolled forward fair value of the scheme assets at 31 August 2025.

24. Operating lease commitments

At 31 August 2025 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£	£
Not later than 1 year	1,897	18,985
Later than 1 year and not later than 5 years	3,071	5,962
	<u>4,968</u>	<u>24,947</u>
	<u>4,968</u>	<u>24,947</u>

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

24. Operating lease commitments (continued)

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2025	2024
	£	£
Operating lease rentals	18,985	21,675
	18,985	21,675

25. Related party transactions

Owing to the nature of the charity and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions, involving such organisations are conducted in accordance with the requirements of the charity's financial regulations and normal procurement procedures relating to related party transactions.

Since 1 September 2024, the charitable company is a wholly controlled subsidiary of the Torfield and Saxon Mount Academy Trust. As such, the charity has taken advantage of the exemption conferred by FRS 102 and has not disclosed details of related party transactions with its parent undertaking.

The following related party transactions took place during the prior year year ended 31 August 2024:

Mrs J Haigh and Mrs S Fitzjohn-Scott who are Trustees of the charity, were also Trustees of The Torfield and Saxon Mount Academy Trust during the year ended 31 August 2024. The relationship between the charity and The Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners for South East London. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

During the year ended 31 August 2024, the charity made payments totaling £85,408 to Torfield and Saxon Mount Academy Trust for the supply of teaching and administration support staff services and other administrative services. At the year end there was an amount of £nil payable to Torfield and Saxon Mount Academy Trust by the charity. During the year ended 31 August 2024, receipts totaling £172 were received from Torfield and Saxon Mount Academy Trust relating to payment for swimming pool hire. At the year ended there was an amount of £nil owed to the charity by Torfield and Saxon Mount Academy Trust.

There were no other related party transactions during the current or prior year.

26. Controlling party

The charity's ultimate parent undertaking and controlling part is Torfield and Saxon Mount Academy Trust, a company incorporated in the United Kingdom. The consolidated financial statements of Torfield and Saxon Mount Academy Trust, in which the results of the Charity are included, are available from Saxon Mount School, Edinburgh Road, St Leonards-On-Sea, East Sussex, TN38 8HH.

THE TALKING TRUST

England & Wales - Charity number 307021

Accounts

THE TALKING TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

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THE TALKING TRUST 2024
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024

Trustees Jean Haigh
Tracy Lynn Mander
Matthew David Smith
Jennifer Christine Sutherland (resigned 31 August 2024)
Sarah Fitzjohn-Scott (appointed 1 September 2024)
Craig Maxwell Pamphilon (resigned 10 October 2023)

Company registered number 00907923

Charity registered number 307021

Registered office St Mary's Special School and College
Wrestwood Road
Bexhill-on-Sea
East Sussex
TN40 2LU

Independent auditor Cooper Parry Group Limited
Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Bankers HSBC Bank plc
2 Devonshire Road
Bexhill on Sea
East Sussex
TN40 1AT

NatWest Bank plc
Havelock Road
Hastings
East Sussex
TN34 1GW

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees, who are also Company Directors, of The Talking Trust (the "Trust" or "charity") present their annual report and the audited financial statements for the year ended 31 August 2024. The annual report serves the purposes of both a Trustees' report and a Directors' report, including strategic report, under company law. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 published in October 2019.

Objectives and activities

The Trust works to support children and young people with severe speech, language and communication difficulties.

The objects of the Trust as set out in the Articles of Association are:

1. to advance education for the public benefit in particular but without prejudice to the generality of the foregoing by maintaining and managing the school; and
2. to assist in the education, treatment and care of pupils with mental or physical illness or disability of any description, or in need of rehabilitation or care as a result of illness or disability.

Our vision is to:

1. improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time;
2. continually strive to improve standards in every aspect of Trust provision; and
3. by providing consistently high quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people, enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.

The principal activity of the Trust is the management and operation of St Mary's School and 6th Form College ("St Mary's"). The purpose of the Trust is to provide integrated specialist education, therapy and care for pupils with speech, language, communication and other associated complex needs.

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and fee charging.

We are a non-maintained special school based on the south coast of England in Bexhill, East Sussex. We currently cater for both residential and day pupils aged 5 to 19. Our mission is to ensure that children with Speech, Language and Communication needs and additional special educational needs receive the integrated support they need to enable them to achieve their potential and take their place in the community. Many of our pupils have autism, PDA and a range of additional needs.

St Mary's uses a range of approaches that enable pupils to succeed in their development of their communication skills. Our staff are trained in sign-supported English. Our staff provide assistance for parents who wish to learn to sign in order that they can support their child in the home. In addition, we value and use communication and learning technologies.

Our residential houses offer a safe, caring and supportive environment for pupils to live and learn for up to 38 weeks a year. There is an emphasis on providing a residential experience at the school in which pupils are given every opportunity to do things for themselves and work towards independence wherever possible. This includes the opportunity for weekend provision for pupils where this is also required.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities (continued)

Criteria for success in the reporting period include:

Responses to Ofsted inspections and associated action plans, including advisory reports from external organisations such as East Sussex County Council (or other Local Authorities who place children at the school and college) and internal self-evaluation and quality assurance processes;

External and internal analysis of the financial position of the school including income, expenditure, assets and liabilities, so that the continued operation of the school is secured;

Progress against Health and Safety check reports, compliance with electrical and fire safety reports and other related health and safety and servicing reports;

In addition to supporting Speech, Language and Communication Needs, the school and college offers a personalised provision for each child, with access to a broad and balanced curriculum that, where appropriate, includes integrated physiotherapy and occupational therapy, social, emotional and mental health support and opportunities to develop independence and life skills. Our facilities offer excellent opportunities to support individual needs and include a swimming pool, indoor and outdoor gym equipment, library, sports hall, Food Tech, Computing, Art, Music and Science rooms, physiotherapy and sensory integration facilities and therapy support rooms.

Our purpose is to provide the highest quality education, therapy and care for our pupils to allow them to achieve their potential and to be equipped to live happy and successful adult lives.

Strategic report

Achievements and performance

The work of leaders and governors to support school improvement have continued to be highly effective. The confidence and stability noted in last year's report has continued and the school and college continue to improve and grow during the year 2023-2024. The school received a residential social care inspection in September 2023 which demonstrated a further improvement from a previous Good judgement, to an overall judgement of 'Outstanding' and noted improvements that had been made.

Our own quality assurance process was also reviewed during the academic year and new revised processes were planned which were put into place from September 2023. The meetings that occurred during 2023- 2024 systematically reviewed information from school improvement plans and self-evaluation documents along with verbal reports from school leaders and this was scrutinised by Trustees and CEO in meetings with senior leaders. The impact of systems, interventions and approaches taken, was identified, as were continued priorities that are reflected within school improvement planning documents. The evidence provided a detailed picture and overview of outcomes for pupils, and the data also included the views of pupils and their families. Leaders have demonstrated commitment and determination in being ambitious to improve pupil opportunities and outcomes; they have been timely in taking action to address emerging concerns.

The improvements made over time at St Mary's continue to bear fruit. Above all else pupils are happy, well supported and enjoy coming to school. This is substantiated by data regularly reflected in feedback from visitors to the school. Pupils are confident in their school's ability to support them and they engage well. Parents share this confidence and regularly respond positively to information provided to them. Staff are skilled in encouraging pupils to seek support in the most acceptable and appropriate ways. Wherever behaviour is inappropriate and / or unacceptable, it is challenged and supported. Highly effective systems that reinforce and reward positive behaviour and effort are popular and well embedded; pupils are motivated to do well and achieve. They respond positively to the opportunity to talk to staff about their success and progress, as well as the physical reward earned for their efforts.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Strategic report (continued)

Development planning is comprehensive. An example of successful planning is where the school identified likely continued placement growth early in autumn 2023 and identified areas of the school that could be refurbished and converted into teaching spaces. In addition to this, the first floor of the Stables residential house was refurbished to increase capacity for anticipated residential placements. By the end of summer 2024, building works had been undertaken and the project to provide 4 additional classroom spaces was on track to be completed in time for the beginning of the academic year 2024 25.

This enabled a sufficient time for planning, resourcing and preparing children and adults for the developments and reorganisation within at the school. All self-review and development planning documents work effectively together, ensuring that the path leaders take is well defined and communicated.

The leadership team work cohesively under the leadership of the Principal who is in turn supported by the CEO. Parents and other visitors to the school are warmly welcomed and well informed by highly professional front of school staff. Teachers and supporting staff share an understanding of the aims of the curriculum and the needs of pupils. Improvements in the quality of educational provision and the overall quality of teaching continue to be observed and reported. Leaders maintain a very secure understanding of the strengths and weaknesses of everyday practices and processes.

This does not mean the school is satisfied or resting on its successes to date: Where priorities for improvement are identified they are systematically monitored and reviewed in terms of improvement. The curriculum continues to be developed across all phases and abilities. The work to develop the curriculum since the previous Ofsted school inspection has been continued and has featured within school development planning and has been monitored through governor visits, governors meetings as well as through quality assurance meetings. Leaders are mindful of the impact of change on staff and pupils.

Outcomes 2023 - 2024

- Attendance remains high when compared with special schools both locally and nationally and is broadly in-line with national secondary schools. Pupil questionnaires indicate that pupils are keen to come to school and enjoy their lessons. There were no exclusions. Feedback from parents/carers is overwhelmingly positive across a broad range of topics.
- The school is now able to collate reliable data for comparison over 3+ years. The leadership have developed the use and reporting of therapy progress data which can now begin to be linked to academic progress data, supporting monitoring and triangulation. The Residential team are also developing data monitoring of targets set. The intention is that this will improve triangulation of data for residential pupils.
- Progress is tracked and analysed by phase, gender and PP. Progress data identifies subjects where progress is less than expected by group or overall. Analysis of outcomes for 2023-2024 was reported to governors and is reflected in school development planning. A new addition for 2024-2025 will be the inclusion of analysis of residential group progress as a distinct 'vulnerable' group within our overall data analysis.
- The Multi Agency Pupil Progress Meeting process tracks both academic progress and personal development on an individual basis. Targets for individuals specify good and better progress over the course of a year. Leaders set ambitious targets that are informed by prior data and take into account individual circumstances. Leaders and teachers have excellent knowledge of the individual circumstances and barriers that impact on progress and address these through a range of interventions.
- The school makes efforts to remain in contact with ex-pupils. This can be challenging but there is more data now than previously.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Outcomes 2023 - 2024 (continued)

- Pupils are offered a range of options at KS4 and 5 (GCSE Mathematics and English where appropriate, BTEC, Entry level and functional skills) and are encouraged to express interests at KS3 to ensure their preferences are planned for. All pupils have access to a curriculum that prepares them for the next phase of their education or for life beyond school. Provision planning for pupils whose abilities and learning difficulties place them at the fringes of the main curriculum is a priority. The flexibility embedded in the curriculum design enables pupils to have enhanced access to life skills support where this is appropriate.
- A new development here was the implementation of Year 1 of a bespoke Year 14 curriculum, which will, when realised, be focused on the supporting of a core academic curriculum, along with a significant weighting towards careers/ vocational learning and independent living.

Conclusion

The leadership team has now entered a further period of transition at St Mary's as the school continues to respond to local and regional capacity demands and the school and college need to manage future growth carefully. The Principal has a clear view of where she wants the school to be and how she wants it to successfully operate. Staff show through their engagement in appraisal processes that they share a sense of belonging and responsibility towards to school as a community. The school is set to expand further in the coming academic year. The capacity for the school to expand further without some significant additional building work is limited is; it can comfortably accommodate up to approximately 190-200 pupils, but this may rise further due to local and regional demands on the SEND system. The leadership team are appropriately focused on meeting the changing needs of a growing cohort (including proportionate growth and accommodation of the staffing team) and ensuring development is future proofed by maintaining stability and high standards.

Financial review

The income of the Trust has increased this year by £2,266,452 to £7,545,353, while the expenditure of the Trust has increased by £802,361 to £4,614,024. This significant increase in income is predominantly due to the continuing rapid increase in pupil placements throughout the year, including additional pupils requiring individual support staff. Bank interest was also a contributing factor in increased income as the interest rate continued to be high throughout the period although was reducing towards the end of the period. This resulted in a net surplus of income over expenditure for the year of £2,931,329 (2023: net surplus of £1,467,238). The cash flow statement shows a net increase in cash during the year of £2,063,699 to £6,524,212.

In accordance with UK accounting standards, the Trust's defined benefit pension scheme has been incorporated into the financial statements. Market conditions and changes in actuarial assumptions have resulted in an actuarial loss of £252,000 in the year (2023: actuarial loss of £220,000). Although there is a nil balance at the year end, the Trust continues to make deficit payments to the scheme and its this that continues to be closely monitored.

In July 2019, the Trust negotiated the one year lease for one of it buildings to a local FE provider. This lease was extended for a further two year period until July 2022 and has since been extended again to July 2024. From the 1st August 2024 the lease has been renewed with a different organisation – East Sussex County Council – who are under-leasing to a local special school predominantly for their post-16 provision. The value of the lease has commenced at £50,000 per annum and will increase by 4% each year thereafter. This lease is for a period of five years ceasing on the 31st July 2029. A review of The Talking Trust needs and requirements will be carried out to determine future use of this site and building on cessation of this current lease.

The balance of capital funds earmarked for further building improvements, major repairs and plant replacement projects have been expended in 2023/24 on:

- Complete refurbishment of previously unused buildings on the main site, titels Aspire Centre and Print Shop, to provide four additional classroom and associated support spaces for student/pupil use. This included full roof replacement, internal room rearrangements and installation of washroom facilities, one to one spaces and accessible access for all staff and pupils..

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Financial review (continued)

- Refurbishment of the washroom and changing areas adjacent to the swimming pool area to increase access for wheel chair users and provide enhanced privacy and changing facilities.
- Refurbishment of the swimming pool changing areas including flooring and drainage.
- Refurbishment of the upper floor of the Stables residential accommodation to enable use from 1st September 2024.
- Completion of the boiler and heating replacement works commenced in 22/23.

Reserves policy

The Board has established a reserves policy that aims to protect the Trust's activities from risk of disruption at short notice, whilst at the same time ensuring that the Trust does not retain income for longer than required. It determines an appropriate target level for 'free' reserves, taking into account the Trust's vulnerability to unplanned changes in its financial position, relating mainly to pupil numbers, the lagged funding mechanism for NMSS and the sourcing of income from LAs.

The Trustees regard the level of 'free' reserves, namely the general fund within unrestricted reserves, as crucial in allowing the Trust to serve its beneficiaries through temporary differences between pupil numbers and unfunded pupil places through the ESFA place funding mechanism or shortages in pupil numbers or Local Authority funding. The Trustees also wish to be able to call on funds to seize opportunities to further develop the Trust. The general fund is a sub-category of unrestricted funds which are neither earmarked for either capital purposes (the capital fund) or for the defined benefit pension scheme.

The Board judges that the Trust should hold at least six months value of unrestricted expenditure in order to preserve its structure through periods of low income and protection for emergency building repairs and replacements. Based on the operating expenditure for the year ended 31 August 2024, the target level for 'free' reserves is £2,295,000. At 31 August 2024, the Trust's 'free' reserves were £5,992,818 (2023: £4,062,696). Whilst the minimum of 'free reserves' has been determined by Trustees to be approximately 6 months of unrestricted expenditure, the remaining surplus reserve funds is held to be spent on major projects to improve the environments for learning and living alongside the general maintenance and replacement of the site, buildings and equipment.

This includes complete renovation and replacement of the whole external play, recreation and sports areas for each key stage phase and the residential garden, and the total refurbishment of the currently unused residential House, Marygate, to provide independent living accommodation. The current external area budget exceeds £1.8 million and the refurbishment of the unused building is anticipated to be in the region of £0.5 million. All improvements and major projects undertaken increase the capacity of the school for additional pupils as current indications are that placement numbers will continue to rise in the foreseeable future years.

The total funds at 31 August 2024 are £13,715,985 (2023: £11,036,656), which includes the designated capital funds of £7,723,167 (2023: £6,973,960), the pension fund liability reserve of £Nil (2023: £NIL) and the unrestricted general funds of £5,992,818 (2023: £4,062,696).

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees are pleased to note the continued increase in referrals for new pupils from East Sussex County Council and the number of pupils on roll at the end of the 2023-2024 academic year was 163. These referrals are for day placements in the main and although a small number of additional residential placements have been made, we continue to work proactively to promote the residential provision over the coming years with more distant local authorities.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Principal risks and uncertainties (continued)

Continued planning and action is being undertaken to address the issues raised by Ofsted in the latest school and residential inspections. The school is graded as a secure Good with some outstanding aspects in education provision and in September 2023, a further Residential Ofsted inspection was carried out grading this operation of the Trust as Outstanding. No further Ofsted have taken place in the academic year 23/24.

The Regional Director (previously Regional Schools Commissioner) and the Department for Education have agreed a process for a permanent business and support relationship between The Talking Trust and Torfield and Saxon Mount Academy Trust, maintaining the Non-maintained school status for St Mary's school but securing the longer term future of The Talking Trust. This has involved The Talking Trust becoming a wholly owned subsidiary company of Torfield and Saxon Mount Academy Trust and both Trusts have amended and filed new Articles accordingly. This arrangement commences from 1st September 2024.

Going concern

The financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. The recent Good and Outstanding (residential) Ofsted inspections further strengthen that position, with placements at St Mary's School now providing a secure option for placements by Local Authorities.

The Trustees are confident that the measures undertaken since April 2019 will mean that they will continue to receive the support of the Local Authority and parents of pupils. The Trustees believe that, based upon predicted future income streams together with achieved planned cost cutting and efficiency improvements together with the continuing assistance from TaSMAT that the Trust will remain a going concern, and for this reason, the financial statements are prepared on the going concern basis.

Structure, governance and management

The Talking Trust (the 'Trust') was incorporated as St Mary's Wrestwood Children's trust on 7 June 1967 and changed its name to The Talking Trust on 26 November 2012. It is a charitable company limited by guarantee. The Board of Trustees ('Board') governs the Trust in accordance with the Memorandum and Articles of Association. St Mary's School and College (the 'School' or 'St Mary's') as part of the Trust, is registered as a Non-maintained Special School. The School provides specialist education, therapy and care for young people aged 5-19 with speech, language and communication needs.

The Trustees, who are also the Directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements are detailed in the reference and administrative details of the charity on page 1.

The Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £2,000,000.

The Trustees aim to maintain a Board in accordance with statute and with the range of expertise, experience and perspectives needed to provide effective direction and oversight. New Trustees are appointed by the Board of Trustees and are subject to application forms, references and DBS clearance. Trustees are provided with training in line with the Charity Commission's guidance on governance.

The new Board of Trustees, which was formed following the resignation of the majority of the previous Governing Board, has agreed to separate the functions of Trusteeship and school governance. Trustees retain full responsibility for governance of The Talking Trust. They are now supported by a governance committee, named the School Effectiveness Board. This is chaired by a member of the Board and supports Trustees in their oversight of the quality of provision made across the school and college. It also holds senior leaders to account for other aspects of provision including Health and Safety, safeguarding and curriculum monitoring and development.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Structure, governance and management (continued)

This Board receives reports from the senior leadership team in relation to those aspects and reports directly to the Board of Trustees.

In addition, a Finance and Audit Committee has been established and a Trustee is appointed to this Committee by the Chair of the Trust, who also attends, along with the CEO and lead finance staff.

Local Authorities fund all current pupil placements, there is also a small amount of income raised from other charitable bodies and private donations and use of the swimming pool by a private swimming school at weekends.

The day to day management of the school is undertaken by the Principal, with the support and guidance of the CEO who has also performed the role of education advisor from September 2023.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up of the company.

From 1 August 2022, the Trustees and senior leadership team comprise the key management personnel of the Trust.

The senior leadership team comprise the following members of staff:

Richard Preece, CEO
Natalie Edwards, Principal (transferred from position of acting Principal to Principal from 1.9.22)
Stephen Weakley, Head of Education
Ashley Pollen, Assistant Principal
Ann Whiteman, Head of Residential

Key management and personnel are subject to performance management / appraisal processes and remuneration and pay decisions related to performance are evidenced. For the Principal, this is approved by the Board of Trustees and for other positions, this is approved by the CEO.

Related parties and other connected charities and organisations

The relationship between the charity and Torfield and Saxon Mount Academy Trust ('TaSMAT') was brokered by East Sussex County Council and the DfE Regional Schools Commissioners South East London office. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity. In January 2021 a formal Business partnership agreement was entered into between TaSMAT and The Talking Trust, formalizing the operational relationship and support in place and as an immediate measure whilst the longer term relationship was considered by the Trustees of both Trusts, the DfE and Regional Director. Subsequently the parties agreed that a more formal arrangement could be pursued and formal adoption of new Articles including provision for a formal partnership as a subsidiary company of TaSMAT, has been agreed. The transfer was implemented with effect from 1st September 2024.

Fundraising

The Trust has not undertaken any material fundraising activities during the year ended 31 August 2024.

Plans for future periods

The Trustees are pleased to see the continued increase in referrals for new pupils from East Sussex County Council, with the number on roll at the end of the 2023/24 academic year having increased to 163. These referrals are for day placements in the main and the management team will continue to work proactively to promote the residential provision over the coming year with more distant Local Authorities.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as custodian Trustees for other charities.

Trustees' responsibilities

The Trustees, who are also the Directors of The Talking Trust for the purpose 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 2019 (FRS102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for 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.

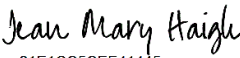
Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Auditor

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and the Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 2 April 2025 and signed on their behalf by:

Signed by:

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Ms J Haigh
Chair of Trustees

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2024

Opinion

We have audited the financial statements of The Talking Trust (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2024 (CONTINUED)

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2024 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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:

Our assessment focused on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year, and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

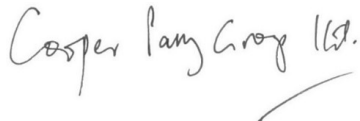
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2024 (CONTINUED)

Use of our report

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



Kevin Hodgetts (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

24 April 2025

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:				
Donations and legacies	4	91,046	91,046	90,054
Charitable activities	5	7,127,485	7,127,485	5,013,132
Other trading activities	6	164,990	164,990	135,089
Investments	7	161,832	161,832	40,626
Total income		7,545,353	7,545,353	5,278,901
Expenditure on:				
Charitable activities	8	4,614,024	4,614,024	3,811,663
Total expenditure		4,614,024	4,614,024	3,811,663
Net movement in funds before other recognised gains/(losses)		2,931,329	2,931,329	1,467,238
Other recognised gains/(losses):				
Actuarial losses on defined benefit pension schemes	23	(252,000)	(252,000)	(220,000)
Net movement in funds		2,679,329	2,679,329	1,247,238
Reconciliation of funds:				
Total funds brought forward	17	11,036,656	11,036,656	9,789,418
Net movement in funds		2,679,329	2,679,329	1,247,238
Total funds carried forward	17	13,715,985	13,715,985	11,036,656

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 36 form part of these financial statements.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00907923

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	12	7,723,167	6,973,960
Investments	13	1	1
		7,723,168	6,973,961
Current assets			
Debtors	14	1,939,739	1,578,959
Cash at bank and in hand		6,524,212	4,460,513
		8,463,951	6,039,472
Creditors: amounts falling due within one year	15	(2,471,134)	(1,976,777)
Net current assets		5,992,817	4,062,695
Total assets less current liabilities		13,715,985	11,036,656
Net assets excluding pension asset (liability)		13,715,985	11,036,656
Defined benefit pension scheme asset (liability)	23	-	-
Total net assets		13,715,985	11,036,656
Charity funds			
Restricted funds		-	-
Unrestricted funds:			
Designated funds	17	7,723,167	6,973,960
General funds	17	5,992,818	4,062,696
Total unrestricted funds	17	13,715,985	11,036,656
Total funds		13,715,985	11,036,656

The financial statements were approved and authorised for issue by the Trustees on 02 April 2025 and signed on their behalf by:

Signed by:

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Jean Haigh
 Chair of Trustees

The notes on pages 17 to 36 form part of these financial statements.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	19	2,921,609	1,494,346
Cash flows from investing activities			
Dividends, interests and rents from investments		76,832	3,626
Purchase of tangible fixed assets		(1,024,471)	(633,629)
Capital grants and funding		89,729	86,464
Net cash used in investing activities		(857,910)	(543,539)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		2,063,699	950,807
Cash and cash equivalents at the beginning of the year		4,460,513	3,509,706
Cash and cash equivalents at the end of the year	20	6,524,212	4,460,513

The notes on pages 17 to 36 form part of these financial statements

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

The Talking Trust is a charitable company limited by guarantee and incorporated in England and Wales under company number 00907923. It is registered with the Charity Commission under charity number 307021. The registered office is St Mary's Special School and College, Wrestwood Road, Bexhill-on-Sea, East Sussex, TN40 2LU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Talking Trust meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issues of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are included at valuation and recognised as income when received. No amounts are included in the financial statements for services donated by volunteers.

Income relates to pupils' fees that are paid for by Local Authorities. The fees are raised in advance for the coming term and are recognised on an accruals basis. School fees receivable and charges for services and use of premises are accounted for in the period to which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken into income in the term when used or else refunded. The amounts are net of discounts, VAT and other sales related taxes where appropriate.

Other miscellaneous grants may be received to which performance conditions are attached. These grants are recognised in the Statement of Financial Activities when the conditions have been met. Where the conditions for recognition have not been met at the year end, the amounts are carried forward as deferred income.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.3 Income (continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

The income of the charity for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds. This comprises marketing and the cost of attracting students to the school.
- Charitable activities. This includes the direct cost of salaries, and other educational activities undertaken to further the purposes of the charity as well as associated support costs. Support costs comprises administrative costs associated with delivering the educational activities as well as the costs of governance. Governance costs comprise the costs of strategic management of the charity as well as compliance costs such as audit fees. Support and governance costs have been allocated equally across the various charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2% and 10% straight line method
Motor vehicles	-	25% reducing balance method
Fixtures and fittings	-	10% straight line method
Swimming pool	-	5% reducing balance method

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

The asset under construction is not depreciated until the asset is brought into use.

2.8 Investments

Fixed asset investments comprise investments held in dormant subsidiaries. These investments are stated at cost less provision for diminution in value.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term interest accounts. The Trustees seek to use short and medium term deposits where possible to maximise return on monies held at the bank and to manage cash flow. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS"), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The teaching staff of the charity are members of the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The St Mary's Wrestwood Children's Trust Pension Scheme is a defined benefit pension scheme and the assets are held separately from those of the charity in separate trustee administered funds. The scheme was closed to new members from 31 August 2006 and to future accrual from 31 July 2009. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Where the present value of the defined benefit obligations at the Balance Sheet date is less than the fair value of scheme assets at that date, the scheme has a surplus. The scheme surplus is recognised as a defined benefit plan asset by the charity only to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The defined contribution schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the schemes are held separately from those of the charity in independently administered funds.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

The present value of the St Mary's Wrestwood Children's Trust Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2021 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

To the extent there is a surplus in the St Mary's Wrestwood Children's Trust Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the charity, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to the charity as a contribution reduction. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date are set out in note 23.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	1,317	1,317	3,590
Capital Grants	89,729	89,729	86,464
	<u>91,046</u>	<u>91,046</u>	<u>90,054</u>

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fee income from education and residential activities	5,646,388	5,646,388	4,039,764
ESFA / DfE grant funding	1,481,097	1,481,097	973,368
Total 2024	<u>7,127,485</u>	<u>7,127,485</u>	<u>5,013,132</u>
Total 2023	<u>5,013,132</u>	<u>5,013,132</u>	

. Analysis of ESFA / DfE grant funding

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Recurrent funding	1,121,667	1,121,667	888,845
Pupil Premium	48,360	48,360	39,406
Other DfE Grants	308,895	308,895	43,433
Bursary funding	2,175	2,175	1,684
	<u>1,481,097</u>	<u>1,481,097</u>	<u>973,368</u>

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Lettings income	49,827	49,827	47,995
Swimming income	26,830	26,830	19,863
Catering income	23,497	23,497	16,583
Other income	64,836	64,836	50,648
Total 2024	164,990	164,990	135,089

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest receivable	76,832	76,832	3,626
FRS 102 net pension interest income	85,000	85,000	37,000
	161,832	161,832	40,626

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Education	3,301,780	3,301,780	2,741,339
Therapy & wellbeing	424,405	424,405	365,563
Residential care	382,586	382,586	351,797
Facilities	505,253	505,253	352,964
	4,614,024	4,614,024	3,811,663

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

9. Auditor's remuneration

The auditor's remuneration amounts to audit fees of £16,920 (2023 - £15,780), other assurance fees of £1,140 (2023 - £1,080) and all other non-audit services of £2,940 (2023 - £2,760).

10. Staff costs

	2024	2023
	£	£
Wages and salaries	2,654,049	2,137,974
Social security costs	219,877	169,896
Pension costs (excluding past service credits)	265,081	179,074
	<u>3,139,007</u>	<u>2,486,944</u>

Included within staff costs is a total of £NIL (2023 - £1,533) relating to redundancy costs paid in the year and £99,560 (2023 - £92,522) relating to supply staff costs paid in the year.

The average number of persons employed by the charity during the year was as follows:

	2024	2023
	No.	No.
Education	58	44
Residential care staff	17	18
Health staff	15	13
Other staff	17	16
	<u>107</u>	<u>91</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024	2023
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

The charity considers its key management personnel to be the Senior Management Team. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by the key management personnel for their services to the charity during the year was £402,933 (2023 - £292,295).

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Asset under construction £	Total £
Cost or valuation					
At 1 September 2023	9,546,591	14,052	1,118,487	-	10,679,130
Additions	794,376	-	92,638	137,457	1,024,471
Disposals	(66,620)	-	-	-	(66,620)
At 31 August 2024	10,274,347	14,052	1,211,125	137,457	11,636,981
Depreciation					
At 1 September 2023	2,777,313	12,420	915,437	-	3,705,170
Charge for the year	181,914	419	38,108	-	220,441
On disposals	(11,797)	-	-	-	(11,797)
At 31 August 2024	2,947,430	12,839	953,545	-	3,913,814
Net book value					
At 31 August 2024	7,326,917	1,213	257,580	137,457	7,723,167
At 31 August 2023	6,769,278	1,632	203,050	-	6,973,960

Freehold property comprises both freehold land and buildings. It has previously been determined by the Trustees that the fair value of the land equates to 40% of the original cost. The remaining 60% is deemed to be the value of the buildings at purchase which is being depreciated on a straight line basis at 2% per annum.

The net book value of freehold property at 31 August 2024 which is attributable to land is £1,796,714 (2023 - £1,796,714).

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2023	1
	1
At 31 August 2024	1
 Net book value	
At 31 August 2024	1
	1
At 31 August 2023	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Class of shares	Holding	Included in consolidation
The Glades Garage Forecourts Management Company Ltd	03376073	Ordinary £1	100%	No

The financial results of the subsidiary for the year were:

Name	Net assets £
The Glades Garage Forecourts Management Company Ltd	1

The Glades Garage Forecourts Management Company Ltd was dormant during this year and last year.

THE TALKING TRUST 2024
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

14. Debtors

	2024	2023
	£	£
Due within one year		
Trade debtors	1,884,805	1,538,847
Other debtors	11,320	2,547
Prepayments and accrued income	43,614	37,565
	<u>1,939,739</u>	<u>1,578,959</u>

15. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	54,628	168,293
Other taxation and social security	76,625	56,632
Other creditors	15,661	15,521
Accruals and deferred income	2,324,220	1,736,331
	<u>2,471,134</u>	<u>1,976,777</u>

Included in accruals and deferred income is deferred income of £1,909,102 (2023 - £1,544,385). This relates to school fees and grant funding for the year ending 31 August 2025 which have been received in advance at the year end.

16. Financial instruments

	2024	2023
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>6,524,212</u>	<u>4,460,513</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
Designated funds						
Capital fund	6,973,960	89,729	(275,264)	934,742	-	7,723,167
General funds						
General fund	4,062,696	7,455,624	(4,590,760)	(934,742)	-	5,992,818
Pension Reserve	-	-	252,000	-	(252,000)	-
	<u>4,062,696</u>	<u>7,455,624</u>	<u>(4,338,760)</u>	<u>(934,742)</u>	<u>(252,000)</u>	<u>5,992,818</u>
Total Unrestricted funds	<u><u>11,036,656</u></u>	<u><u>7,545,353</u></u>	<u><u>(4,614,024)</u></u>	<u><u>-</u></u>	<u><u>(252,000)</u></u>	<u><u>13,715,985</u></u>

The designated funds comprise the capital fund which represents the net book value of the charity's fixed assets together with any unspent capital grants and funding.

The pension fund reserve represents the year end position of the St Mary's Wrestwood Children's Trust Pension Scheme, which will ultimately be realised from the assets of the charity. Further details on the charity's pension obligations are contained in note 23.

THE TALKING TRUST 2024
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Designated Funds - all funds	6,875,958	86,464	(262,635)	274,173	-	6,973,960
General funds						
General Funds - all funds	2,913,460	5,192,437	(3,769,028)	(274,173)	-	4,062,696
Pension reserve	-	-	220,000	-	(220,000)	-
	2,913,460	5,192,437	(3,549,028)	(274,173)	(220,000)	4,062,696
Total Unrestricted funds	<u>9,789,418</u>	<u>5,278,901</u>	<u>(3,811,663)</u>	<u>-</u>	<u>(220,000)</u>	<u>11,036,656</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	7,723,167	7,723,167
Fixed asset investments	1	1
Current assets	8,463,951	8,463,951
Creditors due within one year	(2,471,134)	(2,471,134)
Total	<u>13,715,985</u>	<u>13,715,985</u>

THE TALKING TRUST 2024
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,973,960	6,973,960
Fixed asset investments	1	1
Current assets	6,039,472	6,039,472
Creditors due within one year	(1,976,777)	(1,976,777)
	<hr/>	<hr/>
Total	11,036,656	11,036,656
	<hr/> <hr/>	<hr/> <hr/>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income for the period (as per Statement of Financial Activities)	2,931,329	1,467,238
	<hr/>	<hr/>
Adjustments for:		
Depreciation charges	220,441	196,305
Interest receivable	(76,832)	(3,626)
Loss/(profit) on the sale of fixed assets	54,823	66,778
Increase in debtors	(360,780)	(374,782)
Increase in creditors	494,357	448,897
Capital grants and funding	(89,729)	(86,464)
Pension scheme finance cost	(85,000)	(37,000)
Pension scheme cost less contributions payable and expenses	(167,000)	(183,000)
	<hr/>	<hr/>
Net cash provided by operating activities	2,921,609	1,494,346
	<hr/> <hr/>	<hr/> <hr/>

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	6,524,212	4,460,513
	<hr/>	<hr/>
Total cash and cash equivalents	6,524,212	4,460,513
	<hr/> <hr/>	<hr/> <hr/>

THE TALKING TRUST 2024
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

21. Analysis of changes in net debt

	At 1 September 2023	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	4,460,513	2,063,699	6,524,212
	<u>4,460,513</u>	<u>2,063,699</u>	<u>6,524,212</u>

22. Capital commitments

	2024 £	2023 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	130,367	629,571
	<u>130,367</u>	<u>629,571</u>

23. Pension commitments

The charity's employees belong to various principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The Teachers' Pension Scheme

The charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £201,994 (2023: £133,884) and at the year-end £19,273 (2023: £10,084) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The most recent actuarial valuation of the TPS was carried out as at 31 March 2020.

The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023.

THE TALKING TRUST 2024
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

23. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Defined contribution schemes

The charity also operates 3 defined contribution pension schemes for qualifying employees who are neither teaching staff nor contributing to the charity's own defined benefit scheme. The schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, run by Aegon, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the defined contribution schemes are held separately from those of the charity in independently administered funds. The charge to the profit and loss in respect of the defined contribution schemes was £52,044 (2023: £45,189). The contributions to the defined contribution schemes have been allocated wholly to unrestricted funds and to the activities in accordance with the staff involved in each activity.

The St Mary's Wrestwood Children's Trust Pension Scheme

The charity operates a defined benefit pension scheme. The St Mary's Wrestwood Children's Trust Pension Scheme. The scheme was closed to new members from 31 August 2006 and to future accrual from 31 July 2009. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. An actuarial valuation was carried out based on data as at 31 March 2024 and updated to 31 August 2024 for the purposes of an FRS102 report by a qualified actuary.

The Trust currently pays contributions at the rates set out in the Schedule of Contributions prepared following the 31 March 2021 scheme funding valuation. Under this Schedule of Contributions, the Trust has to pay contributions over a period of 11 years 6 months from 1 April 2022. The current contribution level is £228,720 per annum and these increase by 3.5% per annum each 1 April. This includes an allowance to cover administration, actuarial and consultancy costs. Any other expenses of the scheme, including levies to the Pension Protection Fund, will be met by the Trust. There are also additional deficit reduction contributions payable by the charity over the period from 1 April 2022 to 31 March 2024 and these currently total £65,892 per annum.

The total contributions paid to the scheme during the year ended 31 August 2024 were £298,883 (2023: £288,778).

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

23. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2024	At 31 August 2023
	%	%
Discount rate	5.0	5.2
Rate of increase of pension payments (CPI)	2.8	3.0
Inflation assumption (RPI)	3.15	3.3

	At 31 August 2024	At 31 August 2023
	Years	Years
Mortality rates (in years)		
- for a male aged 60 now	20.8	21.8
- at 60 for a male aged 40 now	22.1	22.8
- for a female aged 60 now	23.3	24.2
- at 60 for a female aged 40 now	24.8	25.4

The charity's share of the assets in the scheme was:

	At 31 August 2024	At 31 August 2023
	£	£
Equities	3,478,000	2,938,000
Corporate bonds	1,613,000	1,459,000
Cash and other liquid assets	35,000	84,000
Government bonds	2,282,000	2,234,000
Total fair value of assets	7,408,000	6,715,000

The actual return on scheme assets was £741,000 (2023 - £-). This excludes the movement in the unrecognised scheme surplus in the year of £628,000 (2023: £767,000) as detailed below.

The amounts recognised in the Statement of Financial Activities are as follows:

	2024	2023
	£	£
Interest income	(348,000)	(289,000)
Interest cost	263,000	252,000
Administration expenses	131,000	105,000
Total amount recognised in the Statement of Financial Activities	46,000	68,000

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

23. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2024	2023
	£	£
Opening defined benefit obligation	5,240,000	6,011,000
Interest cost	263,000	252,000
Actuarial losses/(gains)	17,000	(836,000)
Benefits paid	(346,000)	(292,000)
Administration expenses	131,000	105,000
	<u>5,305,000</u>	<u>5,240,000</u>
Closing defined benefit obligation	<u>5,305,000</u>	<u>5,240,000</u>

Movements in the fair value of the charity's share of scheme assets were as follows:

	2024	2023
	£	£
Opening fair value of scheme assets	5,240,000	6,011,000
Interest income	348,000	289,000
Actuarial losses	(235,000)	(1,056,000)
Contributions by employer	298,000	288,000
Benefits paid	(346,000)	(292,000)
	<u>5,305,000</u>	<u>5,240,000</u>
Closing fair value of scheme assets	<u>5,305,000</u>	<u>5,240,000</u>

The charity has an unrecognised surplus in the scheme at 31 August 2024 of £2,103,000 (2023: £1,475,000). Included within actuarial losses on the scheme's assets of £235,000 (2023: £1,056,000) above is an amount of £628,000 (2023: £767,000) in respect of the movement in the unrecognised surplus in the scheme at 31 August 2024. The total value of the assets recorded under the "share of scheme assets" as detailed above of £7,408,000 (2023: £6,715,000) has not been decreased in respect of the unrecognised surplus and represents the rolled forward fair value of the scheme assets at 31 August 2024.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

24. Operating lease commitments

At 31 August 2024 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	18,985	21,675
Later than 1 year and not later than 5 years	5,962	25,006
	<u>24,947</u>	<u>46,681</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2024	2023
	£	£
Operating lease rentals	<u>21,675</u>	<u>21,675</u>

25. Related party transactions

Owing to the nature of the charity and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions, involving such organisations are conducted in accordance with the requirements of the charity's financial regulations and normal procurement procedures relating to related party transactions.

The following related party transactions took place during the year ended 31 August 2024:

Mrs J Sutherland and Mrs J Haigh who are Trustees of the charity, were also Trustees of The Torfield and Saxon Mount Academy Trust during the year ended 31 August 2024. The relationship between the charity and The Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners for South East London. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

During the year ended 31 August 2024, the charity made payments totalling £85,408 (2023: £184,644) to Torfield and Saxon Mount Academy Trust for the supply of teaching and administration support staff services and other administrative services. At the year end there was an amount of £nil (2023: £nil) payable to Torfield and Saxon Mount Academy Trust by the charity. During the year ended 31 August 2024, receipts totalling £172 (2023: £2,835) were received from Torfield and Saxon Mount Academy Trust relating to payment for swimming pool hire. At the year ended there was an amount of £nil (2023: £nil) owed to the charity by Torfield and Saxon Mount Academy Trust.

There were no other related party transactions during the current or prior year.

THE TALKING TRUST 2024
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

26. Post balance sheet events

On 1 September 2024, Torfield and Saxon Mount Academy Trust became the sole member of the charity and as such the charity is a wholly owned subsidiary of Torfield and Saxon Mount Academy Trust from that date.

THE TALKING TRUST

England & Wales - Charity number 307021

Accounts

THE TALKING TRUST 2023
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

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THE TALKING TRUST 2023
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	Jean Haigh Tracy Lynn Mander (appointed 14 December 2022) Jill Muggleton (resigned 29 March 2023) Craig Maxwell Pamphilon (resigned 10 October 2023) Matthew David Smith (appointed 1 September 2022) Jennifer Christine Sutherland (appointed 1 September 2022)
Company registered number	00907923
Charity registered number	307021
Registered office	St Mary's Special School and College Wrestwood Road Bexhill-on-Sea East Sussex TN40 2LU
Independent auditor	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	HSBC Bank plc 2 Devonshire Road Bexhill-on-Sea East Sussex TN40 1AT

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are also Company Directors, of The Talking Trust (the "Trust" or "charity") present their annual report and the audited financial statements for the year ended 31 August 2023. The annual report serves the purposes of both a Trustees' report and a Directors' report, including strategic report, under company law. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 published in October 2019.

Objectives and activities

The Trust works to support children and young people with severe speech, language and communication difficulties.

The objects of the Trust as set out in the articles of association are:

1. to advance education for the public benefit in particular but without prejudice to the generality of the foregoing by maintaining and managing the school; and
2. to assist in the education, treatment and care of pupils with mental or physical illness or disability of any description, or in need of rehabilitation or care as a result of illness or disability.

Our vision is to:

1. improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time;
2. continually strive to improve standards in every aspect of Trust provision; and
3. by providing consistently high quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people, enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.

The principal activity of the Trust is the management and operation of St Mary's School and 6th Form College ("St Mary's"). The purpose of the Trust is to provide integrated specialist education, therapy and care for pupils with speech, language, communication and other associated complex needs.

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and fee charging.

We are a non-maintained special school based on the south coast of England in Bexhill, East Sussex. We currently cater for both residential and day pupils aged 5 to 19. Our mission is to ensure that children with Speech, Language and Communication needs and additional special educational needs receive the integrated support they need to enable them to achieve their potential and take their place in the community. Many of our pupils have autism, PDA and a range of additional needs.

St Mary's uses a range of approaches that enable pupils to succeed in their development of their communication skills. Our staff are trained in sign-supported English. Our staff provide assistance for parents who wish to learn to sign in order that they can support their child in the home. In addition, we value and use communication and learning technologies.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities (continued)

Our residential houses offer a safe, caring and supportive environment for pupils to live and learn for up to 38 weeks a year. There is an emphasis on providing a residential experience at the school in which pupils are given every opportunity to do things for themselves and work towards independence wherever possible. This includes the opportunity for weekend provision for pupils where this is also required.

Criteria for success in the reporting period include:

Responses to Ofsted inspections and associated action plans, including advisory reports from external organisations such as East Sussex County Council and our own self evaluation and quality assurance processes;

Analysis of the financial position of the school including income, expenditure, assets and liabilities, so that the continued operation of the school is secured;

Progress against Health and Safety check reports, compliance with electrical and fire safety reports and other related health and safety and servicing reports;

Improvements in relationships and subsequent commissioning of placements with the main feeder Local Authority in which the school is geographically located.

In addition to supporting Speech, Language and Communication Needs, the school and college offers a personalised provision for each child, with access to a broad and balanced curriculum that, where appropriate, includes integrated physiotherapy and occupational therapy, social, emotional and mental health support and opportunities to develop independence and life skills. Our facilities offer excellent opportunities to support individual needs and include a swimming pool, indoor and outdoor gym equipment, library, sports hall, Food Tech, Computing, Art, Music and Science rooms, physiotherapy and sensory integration facilities and therapy support rooms. Our vocational centre provides opportunities for young people to participate in a range of vocational activities.

Our purpose is to provide the highest quality education, therapy and care for our pupils to allow them to achieve their potential and to be equipped to live happy and successful adult lives.

Strategic report

Achievements and performance

The work of leaders and governors to support school improvement have continued to be highly effective. The confidence and stability noted in last year's report has continued and the school and college continue to improve and grow during the year 2022-2023. This has been helped by the diminishing impact of Covid 19 on school operations. In addition, a permanent appointment to the Head of Care role was secured during the year, providing additional capacity and stability. The school received a residential social care inspection in February 2023 which gave a good judgement and noted improvements that had been made.

Our own quality assurance process was also reviewed during the academic year and new revised processes were planned which will be put into place from September 2023. The meetings that occurred during 2022- 2023 gathered evidence and information from school improvement plans and self-evaluation documents and this was scrutinised in meetings with senior leaders who had provided the information. The impact of systems, interventions and approaches taken, was identified, as were continued priorities that are reflected within school improvement planning documents. The evidence provided a detailed picture of outcomes for pupils, and has included the views of pupils and their families. Leaders have demonstrated commitment and determination in being ambitious to improve pupil outcomes; they have been timely in taking action to address emerging concerns.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Strategic report (continued)

The improvements made over time at St Mary's continue to bear fruit. Above all else pupils are happy, well supported and enjoy coming to school. This is regularly reflected in feedback from visitors to the school. Pupils are confident in their school's ability to support them and they engage well. Parents share this confidence and regularly respond positively to information provided to them. Staff are skilled in encouraging pupils to seek support in the most acceptable and appropriate ways. Where behaviour is inappropriate and / or unacceptable, it is challenged and supported. Highly effective systems that reinforce and reward positive behaviour and effort are well embedded; pupils are motivated to do well and achieve. They respond as much to the opportunity to talk to staff about their success and progress, as they do to the physical reward for their efforts.

Development planning is comprehensive. An example of successful planning is where the school recruited to the KS1 Phase leader position well in advance of the new facility opening (it is due to open in September 2023).

This enabled a sufficient time for planning, resourcing and preparing children and adults for the implementation of a brand-new phase at the school. All self-review and development planning documents work effectively together, ensuring that the path leaders take is well defined and communicated.

The leadership team work cohesively under the leadership of the Principal who is in turn supported by the CEO. Parents and other visitors to the school are warmly welcomed and well informed by highly professional front of school staff. Teachers and supporting staff share an understanding of the aims of the curriculum and the needs of pupils. Improvements in the quality of educational provision and the overall quality of teaching continue to be observed and reported. Leaders maintain a very secure understanding of the strengths and weaknesses of everyday practices and processes.

This does not mean the school is satisfied or resting on its successes to date: Where priorities for improvement are identified they are systematically monitored and reviewed in terms of improvement. The curriculum continues to be developed across all phases and abilities. The introduction of a new system for the teaching of phonics illustrated the capacity of leaders to drive progress firmly and quickly. This is continuing to be embedded and will be priority in future years for the school, until it is well established. Leaders are mindful of the impact of change on staff and pupils.

Outcomes 2022 - 2023

- Attendance remains high when compared with special schools both locally and nationally and is in-line with national secondary schools. Pupil questionnaires indicate that pupils are keen to come to school and enjoy their lessons. There were no exclusions. Feedback from parents/carers is overwhelmingly positive across a broad range of topics.
- The school is now able to collate reliable data for comparison over 2+ years. The leadership have developed the use and reporting of therapy progress data which can now begin to be linked to academic progress data, supporting monitoring and triangulation.
- Progress is tracked and analysed by phase and PP. Progress data identifies subjects where progress is less than expected by group or overall. Analysis of outcomes for 2022-2023 was reported to governors and is reflected in school development planning. A new addition for 2023-2024 will be the analysis of residential group as a distinct 'vulnerable' group within our overall data analysis.
- The MAPPM process tracks both academic progress and personal development on an individual basis. Targets for individuals specify good and better progress over the course of a year. Leaders set ambitious targets that are informed by prior data and take into account individual circumstances. Leaders and teachers have excellent knowledge of the individual circumstances and barriers that impact on progress and address these through a range of interventions.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Outcomes 2022 - 2023 (continued)

- The school makes efforts to remain in contact with ex-pupils. This can be challenging but there is more data now than previously. During the 2022-2023 Careers Day pupils participated positively and with excellent engagement.
- Pupils are offered a range of options at KS4 and 5 (GCSE Mathematics and English where appropriate, BTEC, Entry level and functional skills) and are encouraged to express interests at KS3 to ensure their preferences are planned for. All pupils have access to a curriculum that prepares them for the next phase of their education or for life beyond school. Provision planning for pupils whose abilities and learning difficulties place them at the fringes of the main curriculum is a priority. The flexibility embedded in the curriculum design enables pupils to have enhanced access to life skills support where this is appropriate.
- A new development here is the planning of a bespoke Year 14 curriculum, which will, when realised, be focussed on the supporting of a core academic curriculum, along with a significant weighting towards careers/ vocational learning and independent living.

Conclusion

The leadership team is now entering another period of transition as the school continues to grow and embed new systems for tracking the progress of developments. The principal has a clear view of where she wants the school to be and how she wants it to successfully operate. Staff show through their engagement in appraisal processes that they share a sense of belonging and responsibility towards to school as a community. The school is set to expand by a key stage in September 2023 and will start the new year with an approximate 25% increase in numbers. The capacity for the school to expand is secure; it can comfortably accommodate up to 130 pupils, but this is likely to rise to 150 or more in the coming year due to local demands on the SEND system. The leadership team are appropriately focused on meeting the changing needs of a growing cohort and ensuring development is future proofed by maintaining stability and high standards.

Financial review

The income of the Trust has increased this year by £991,023 to £5,278,901, while the expenditure of the Trust has increased by £497,155 to £3,811,663. This significant increase in expenditure has been primarily due to a significant increase in staffing costs and due to a detailed review of the Trust's staff levels, which has then enabled the Trust to invest in expenditure on improvements and developments for the school and college. This resulted in a net surplus of income over expenditure for the year of £1,467,238 (2022: net surplus of £973,370).

The cash flow statement shows a net increase in cash during the year of £950,807 to £4,460,513.

In accordance with UK accounting standards, the Trust's defined benefit pension scheme has been incorporated into the financial statements. Market conditions and changes in actuarial assumptions have resulted in an actuarial loss of £220,000 in the year (2022: actuarial gain of £1,376,000). Although there is a nil balance at the year end, the Trust continues to make deficit payments to the scheme and its this that continues to be closely monitored.

In July 2019, the Trust negotiated the one year lease for one of it buildings to a local FE provider. This lease was extended for a further two year period until July 2022 and has since been extended again to July 2024. The value of the lease for the second full year remained at £45,000 and increased in year 3 and 4 by an additional 3%. We also continue to hold a £3,000 deposit in a separate bank account as required under the leasing terms, and interest accrued on this is payable back to the lessee on cessation of the arrangement.

It is intended that the property will continue to be subject to a leasing arrangement for a further 5 year period on cessation of this current lease.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial review (continued)

The Trust sold the other offsite property, Krever House, located in Bexhill town, in January 2022. The sale was in line with Charity Commission requirements and based on a Red Book Valuation to determine and ensure best value for the Trust. The property was no longer required for use by the school with ongoing and statutory maintenance requirements and repairs an unnecessary financial expense for the Trust so was an asset that could be disposed of to provide critical capital funds for the repairs and replacement building works required at the main school site. Capital projects undertaken with the capital proceeds include replacement of roofs and windows, refurbishment of washrooms in the residential House and internal building works and room renovations to provide additional residential accommodation in the residential property in use with current pupils. Outdoor learning and play areas have also been improved with astro turf surfacing and canopy cover to provide improved all-year round opportunities for use.

The balance of capital funds earmarked for further building improvements, major repairs and plant replacement projects have been expended in 2022/23 on:

- Adaptation of a ground floor area to provide a dedicated KS1 teaching and learning area and external play and activity area, with the second story being separated out and dedicated separate access for non-pupil use.
- Replacement boiler and heating system in the main school original building as existing was in excess of 40 years old and in very poor and unreliable condition.
- Provision of a dedicated High Needs classroom learning space.

The Board has established a reserves policy that aims to protect the Trust's activities from risk of disruption at short notice, whilst at the same time ensuring that the Trust does not retain income for longer than required. It determines an appropriate target level for 'free' reserves, taking into account the Trust's vulnerability to unplanned changes in its financial position, relating mainly to pupil numbers, the lagged funding mechanism for NMSS and the sourcing of income from LAs.

The Trustees regard the level of 'free' reserves, namely the general fund within unrestricted reserves, as crucial in allowing the Trust to serve its beneficiaries through temporary differences between pupil numbers and unfunded pupil places through the ESFA place funding mechanism or shortages in pupil numbers or Local Authority funding. The Trustees also wish to be able to call on funds to seize opportunities to further develop the Trust. The general fund is a sub-category of unrestricted funds which are neither earmarked for either capital purposes (the capital fund) or for the defined benefit pension scheme.

The Board judges that the Trust should hold at least six months value of unrestricted expenditure in order to preserve its structure through periods of low income and protection for emergency building repairs and replacements. Based on the operating expenditure for the year ended 31 August 2023, the target level for 'free' reserves is between £780,000 to £1,560,000. At 31 August 2023, the Trust's 'free' reserves were £4,062,696 (2022: £2,913,460).

The total funds at 31 August 2023 are £11,036,656 (2022: £9,789,418), which includes the designated capital funds of £6,973,960 (2022: £6,875,958), the pension fund liability reserve of £NIL (2022: £NIL) and the unrestricted general funds of £4,062,696 (2022: £2,913,460).

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Financial review (continued)

The Trustees are pleased to note the continued increase in referrals for new pupils from East Sussex County Council and the number of pupils on roll at the end of the 2022-2023 academic year was 129. These referrals are for day placements in the main and although a small number of additional residential placements have been made, we continue to work proactively to promote the residential provision over the coming years with more distant local authorities.

Continued planning and action is being undertaken to address the issues raised by Ofsted in the latest school and residential inspections. The school is graded as a secure Good with some outstanding aspects in education provision and in September 2023, a further Residential Ofsted inspection was carried out grading this operation of the Trust as Outstanding.

The Regional Director (previously Regional Schools Commissioner) and the Department for Education have agreed a process for a permanent business and support relationship between The Talking Trust and Torfield and Saxon Mount Academy Trust, maintaining the Non-maintained school status for St Mary's school but securing the longer term future of The Talking Trust.

Going concern

The financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. The recent Good and Outstanding (residential) Ofsted inspections further strengthen that position, with placements at St Mary's School now providing a secure option for placements by Local Authorities.

The Trustees are confident that the measures undertaken since April 2019 will mean that they will continue to receive the support of the Local Authority and parents of pupils. The Trustees believe that, based upon predicted future income streams together with achieved planned cost cutting and efficiency improvements together with the continuing assistance from TaSMAT that the Trust will remain a going concern, and for this reason, the financial statements are prepared on the going concern basis.

Structure, governance and management

The Talking Trust (the 'Trust') was incorporated as St Mary's Wrestwood Children's trust on 7 June 1967 and changed its name to The Talking Trust on 26 November 2012. It is a charitable company limited by guarantee. The Board of Trustees ('Board') governs the Trust in accordance with the Memorandum and Articles of Association. St Mary's School and College (the 'School' or 'St Mary's') as part of the Trust, is registered as a Non-maintained Special School. The School provides specialist education, therapy and care for young people aged 7-19 with speech, language and communication needs.

The Trustees, who are also the Directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements are detailed in the reference and administrative details of the charity on page 1.

The Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Trust business. The limit of this indemnity is £2,000,000.

The Trustees aim to maintain a Board in accordance with statute and with the range of expertise, experience and perspectives needed to provide effective direction and oversight. New Trustees are appointed by the Board of Trustees and are subject to application forms, references and DBS clearance. Trustees are provided with training in line with the Charity Commission's guidance on governance.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

The new Board of Trustees, which was formed following the resignation of the majority of the previous Governing Board, has agreed to separate the functions of Trusteeship and school governance. Trustees retain full responsibility for governance of The Talking Trust. They are now supported by a governance committee, named the School Effectiveness Board. This is chaired by a member of the Board and supports Trustees in their oversight of the quality of provision made across the school and college. It also holds senior leaders to account for other aspects of provision including Health and Safety, safeguarding and curriculum monitoring and development.

This Board receives reports from the senior leadership team in relation to those aspects and reports directly to the Board of Trustees.

In addition, a Finance and Audit Committee has been established and a Trustee is appointed to this committee by the Chair of the trust, who also attends, along with the the CEO and lead finance staff.

Local Authorities fund all current pupil placements, there is also a small amount of fundraised income from other charitable bodies and private donations.

The day to day management of the school is undertaken by the Principal, with the support and guidance of the CEO and an Independent Education Advisor.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up of the company.

From 1 August 2022, the Trustees and senior leadership team comprise the key management personnel of the Trust.

The senior leadership team comprise the following members of staff:

Richard Preece, CEO

Natalie Edwards, Principal (transferred from position of acting Principal to Principal from 1.9.22)

Stephen Weakley, Head of Education

Ashley Pollen, Assistant Principal

Ann Whiteman, Head of Care (transferred from position of acting Head of Care to Head of Care from 1.4.23)

Key management and personnel are subject to performance management / appraisal processes and remuneration and pay decisions related to performance are evidenced. For the Principal, this is approved by the Board of Trustees and for other positions, this is approved by the CEO.

Related parties and other connected charities and organisations

The relationship between the charity and Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners South East London office. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

In January 2021 a formal Business partnership agreement was entered into between TaSMAT and The Talking Trust, formalizing the operational relationship and support in place and as an immediate measure whilst the longer term relationship is considered by the Trustees of both Trusts, DfE and RSC. The DfE and Regional Director have now agreed that a more formal arrangement can be legally arranged and formal adoption of new Articles including provision for a formal partnership as a Subsidiary Company of TaSMAT, will be agreed in 2024 with an intended transfer date from 1 September 2024.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising

The Trust has not undertaken any material fundraising activities during the year ended 31 August 2023.

Plans for future periods

The Trustees are pleased to see the continued increase in referrals for new pupils from East Sussex County Council, with the number on roll at the end of the 2022-2023 academic year having increased to 129. These referrals are for day placements in the main and the management team will continue to work proactively to promote the residential provision over the coming year with more distant Local Authorities.

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as custodian Trustees for other charities.

Trustees' responsibilities

The Trustees, who are also the Directors of The Talking Trust for the purpose 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 2019 (FRS102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for 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.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Auditor

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and the Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on
28 March 2024 and signed on their behalf by:

DocuSigned by:

Jean Haigh

CBED88853F804AA...

Ms J Haigh
Chair of Trustees

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2023

Opinion

We have audited the financial statements of The Talking Trust (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2023 (CONTINUED)

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2023 (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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:

Our assessment focused on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year, and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST 2023 (CONTINUED)

Use of our report

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



Cooper Parry Group Limited

Statutory Auditor
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 18 April 2024

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:				
Donations and legacies	4	90,054	90,054	65,074
Charitable activities	5	5,013,132	5,013,132	4,070,699
Other trading activities	6	135,089	135,089	152,058
Investments	7	40,626	40,626	47
Total income		5,278,901	5,278,901	4,287,878
Expenditure on:				
Charitable activities	8	3,811,663	3,811,663	3,314,508
Total expenditure		3,811,663	3,811,663	3,314,508
Net movement in funds before other recognised gains/(losses)		1,467,238	1,467,238	973,370
Other recognised gains/(losses):				
Actuarial (losses)/gains on defined benefit pension schemes	23	(220,000)	(220,000)	1,376,000
Net movement in funds		1,247,238	1,247,238	2,349,370
Reconciliation of funds:				
Total funds brought forward	17	9,789,418	9,789,418	7,440,048
Net movement in funds		1,247,238	1,247,238	2,349,370
Total funds carried forward	17	11,036,656	11,036,656	9,789,418

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 37 form part of these financial statements.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00907923

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	6,973,960	6,603,414
Investments	13	1	1
		6,973,961	6,603,415
Current assets			
Debtors	14	1,578,959	1,204,177
Cash at bank and in hand		4,460,513	3,509,706
		6,039,472	4,713,883
Creditors: amounts falling due in one year	15	(1,976,777)	(1,527,880)
Net current assets		4,062,695	3,186,003
Total assets less current liabilities		11,036,656	9,789,418
Net assets excluding pension asset		11,036,656	9,789,418
Defined benefit pension scheme asset	23	-	-
Total net assets		11,036,656	9,789,418
Charity funds			
Unrestricted funds:			
Designated funds	17	6,973,960	6,875,958
General funds	17	4,062,696	2,913,460
Total unrestricted funds	17	11,036,656	9,789,418
Total funds		11,036,656	9,789,418

The financial statements were approved and authorised for issue by the Trustees on 28 March 2024 and signed on their behalf by:

DocuSigned by:

 CBED88853F804AA...
Jean Haigh
 Chair of Trustees

The notes on pages 18 to 37 form part of these financial statements.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	1,494,346	1,150,570
Cash flows from investing activities		
Dividends, interests and rents from investments	3,626	47
Proceeds from the sale of tangible fixed assets	-	550,000
Purchase of tangible fixed assets	(633,629)	(339,767)
Capital grants and funding	86,464	62,311
Net cash (used in)/provided by investing activities	(543,539)	272,591
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	950,807	1,423,161
Cash and cash equivalents at the beginning of the year	3,509,706	2,086,545
Cash and cash equivalents at the end of the year	4,460,513	3,509,706

The notes on pages 18 to 37 form part of these financial statements

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

The Talking Trust is a charitable company limited by guarantee and incorporated in England and Wales under company number 00907923. It is registered with the Charity Commission under charity number 307021. The registered office is St Mary's Special School and College, Wrestwood Road, Bexhill-on-Sea, East Sussex, TN40 2LU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Talking Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issues of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are included at valuation and recognised as income when received. No amounts are included in the financial statements for services donated by volunteers.

Income relates to pupils' fees that are paid for by Local Authorities. The fees are raised in advance for the coming term and are recognised on an accruals basis. School fees receivable and charges for services and use of premises are accounted for in the period to which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken into income in the term when used or else refunded. The amounts are net of discounts, VAT and other sales related taxes where appropriate.

Other miscellaneous grants may be received to which performance conditions are attached. These grants are recognised in the Statement of Financial Activities when the conditions have been met. Where the conditions for recognition have not been met at the year end, the amounts are carried forward as deferred income.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Income (continued)

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

The income of the charity for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds. This comprises marketing and the cost of attracting students to the school.
- Charitable activities. This includes the direct cost of salaries, and other educational activities undertaken to further the purposes of the charity as well as associated support costs. Support costs comprises administrative costs associated with delivering the educational activities as well as the costs of governance. Governance costs comprise the costs of strategic management of the charity as well as compliance costs such as audit fees. Support and governance costs have been allocated equally across the various charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Freehold property	-	2% and 10% straight line method
Motor vehicles	-	25% reducing balance method
Fixtures and fittings	-	10% straight line method
Swimming pool	-	5% reducing balance method

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.8 Investments

Fixed asset investments comprise investments held in dormant subsidiaries. These investments are stated at cost less provision for diminution in value.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term interest accounts. The Trustees seek to use short and medium term deposits where possible to maximise return on monies held at the bank and to manage cash flow. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2.14 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS"), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The teaching staff of the charity are members of the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The St Mary's Wrestwood Children's Trust Pension Scheme is a defined benefit pension scheme and the assets are held separately from those of the charity in separate trustee administered funds. The scheme was closed to new members on 31 July 2009. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Where the present value of the defined benefit obligations at the Balance Sheet date is less than the fair value of scheme assets at that date, the scheme has a surplus. The scheme surplus is recognised as a defined benefit plan asset by the charity only to the extent that the charity is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The defined contribution schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the schemes are held separately from those of the charity in independently administered funds.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.15 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

The present value of the St Mary's Wrestwood Children's Trust Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2021 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

To the extent there is a surplus in the St Mary's Wrestwood Children's Trust Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether the charity, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to the charity as a contribution reduction. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date are set out in note 23.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	3,590	3,590	2,763
Capital Grants	86,464	86,464	62,311
	<u>90,054</u>	<u>90,054</u>	<u>65,074</u>

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fee income from education and residential activities	4,039,764	4,039,764	3,138,238
ESFA / DfE grant funding	973,368	973,368	932,461
Total 2023	<u>5,013,132</u>	<u>5,013,132</u>	<u>4,070,699</u>
Total 2022	<u>4,070,699</u>	<u>4,070,699</u>	

Analysis of ESFA / DfE grant funding

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Recurrent funding	888,845	888,845	887,658
Pupil Premium	39,406	39,406	36,309
COVID Recovery Premium	33,704	33,704	6,380
School Led Tutoring funding	9,729	9,729	-
Bursary funding	1,684	1,684	2,114
	<u>973,368</u>	<u>973,368</u>	<u>932,461</u>

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Transport income	-	-	41,570
Lettings income	47,995	47,995	46,841
Swimming income	19,863	19,863	27,620
Catering income	16,583	16,583	11,030
Fundraising events	-	-	1,160
Other income	50,648	50,648	23,837
Total 2023	135,089	135,089	152,058

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Interest receivable	3,626	3,626	47
FRS 102 net pension interest income	37,000	37,000	-
	40,626	40,626	47

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Education	2,741,339	2,741,339	2,266,472
Therapy & wellbeing	365,563	365,563	324,979
Residential care	351,797	351,797	368,325
Facilities	352,964	352,964	354,732
	<u>3,811,663</u>	<u>3,811,663</u>	<u>3,314,508</u>

9. Auditor's remuneration

The auditor's remuneration amounts to audit fees of £15,780 (2022 - £12,960), other assurance fees of £1,080 (2022 - £1,020) and all other non-audit services of £2,760 (2022 - £2,200).

10. Staff costs

	2023 £	2022 £
Wages and salaries	2,137,974	1,749,557
Social security costs	169,896	137,022
Pension costs (excluding past service credits)	179,074	145,721
	<u>2,486,944</u>	<u>2,032,300</u>

Included within Staff costs is a total of £1,533 (2022 - £21,187) relating to redundancy costs paid in the year.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2023	2022
	No.	No.
Education	44	35
Residential care staff	18	22
Health staff	13	12
Other staff	16	14
	<u>91</u>	<u>83</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	2022
	No.	No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The charity considers its key management personnel to be the Interim Executive Board and the Senior Management Team. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by the key management personnel for their services to the charity during the year was £292,295 (2022 - £276,844).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 September 2022	9,013,747	14,052	1,105,769	10,133,568
Additions	620,911	-	12,718	633,629
Disposals	(88,067)	-	-	(88,067)
At 31 August 2023	<u>9,546,591</u>	<u>14,052</u>	<u>1,118,487</u>	<u>10,679,130</u>
Depreciation				
At 1 September 2022	2,631,371	11,861	886,922	3,530,154
Charge for the year	167,231	559	28,515	196,305
On disposals	(21,289)	-	-	(21,289)
At 31 August 2023	<u>2,777,313</u>	<u>12,420</u>	<u>915,437</u>	<u>3,705,170</u>
Net book value				
At 31 August 2023	<u>6,769,278</u>	<u>1,632</u>	<u>203,050</u>	<u>6,973,960</u>
At 31 August 2022	<u>6,382,376</u>	<u>2,191</u>	<u>218,847</u>	<u>6,603,414</u>

Freehold property comprises both freehold land and buildings. It has previously been determined by the Trustees that the fair value of the land equates to 40% of the original cost. The remaining 60% is deemed to be the value of the buildings at purchase which is being depreciated on a straight line basis at 2% per annum.

The net book value of freehold property at 31 August 2023 which is attributable to land is £1,796,714 (2022 - £1,796,714).

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2022	1
At 31 August 2023	1
	1
Net book value	
At 31 August 2023	1
At 31 August 2022	1
	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Company number	Class of shares	Holding	Included in consolidation
The Glades Garage Forecourts Management Company Ltd	03376073	Ordinary £1	100%	No

The financial results of the subsidiary for the year were:

Name	Net assets £
The Glades Garage Forecourts Management Company Ltd	1

The Glades Garage Forecourts Management Company Ltd was dormant during this year and last year.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	1,538,847	1,121,396
Other debtors	2,547	2,547
Prepayments and accrued income	37,565	80,234
	<u>1,578,959</u>	<u>1,204,177</u>

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	168,293	176,807
Other taxation and social security	56,632	44,121
Other creditors	15,521	23,262
Accruals and deferred income	1,736,331	1,283,690
	<u>1,976,777</u>	<u>1,527,880</u>

Included in accruals and deferred income is deferred income of £1,544,385 (2022 - £1,174,890). This relates to school fees and grant funding for the year ending 31 August 2024 which have been received in advance at the year end.

16. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>4,460,513</u>	<u>3,509,706</u>

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Capital fund	6,875,958	86,464	(262,635)	274,173	-	6,973,960
General funds						
General fund	2,913,460	5,192,437	(3,769,028)	(274,173)	-	4,062,696
Pension fund reserve	-	-	220,000	-	(220,000)	-
	2,913,460	5,192,437	(3,549,028)	(274,173)	(220,000)	4,062,696
Total Unrestricted funds	9,789,418	5,278,901	(3,811,663)	-	(220,000)	11,036,656

The designated funds comprise the capital fund which represents the net book value of the charity's fixed assets together with any unspent capital grants and funding.

The Pension fund reserve represents the year end position of the St Mary's Wrestwood Children's Trust Pension Scheme, which will ultimately be realised from the assets of the charity. Further details on the charity's pension obligations are contained in note 23.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds					
Designated funds					
Capital fund	6,903,222	62,311	(89,575)	-	6,875,958
General funds					
General fund	2,024,826	4,225,567	(3,336,933)	-	2,913,460
Pension fund reserve	(1,488,000)	-	112,000	1,376,000	-
	536,826	4,225,567	(3,224,933)	1,376,000	2,913,460
Total Unrestricted funds	7,440,048	4,287,878	(3,314,508)	1,376,000	9,789,418

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	6,973,960	6,973,960
Fixed asset investments	1	1
Current assets	6,039,472	6,039,472
Creditors due within one year	(1,976,777)	(1,976,777)
Total	11,036,656	11,036,656

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	6,603,414	6,603,414
Fixed asset investments	1	1
Current assets	4,713,883	4,713,883
Creditors due within one year	(1,527,880)	(1,527,880)
Total	<u>9,789,418</u>	<u>9,789,418</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net income for the year (as per Statement of Financial Activities)	<u>1,467,238</u>	<u>973,370</u>
Adjustments for:		
Depreciation charges	196,305	186,711
Interest receivable	(3,626)	(47)
Loss/(profit) on the sale of fixed assets	66,778	(97,136)
Increase in debtors	(374,782)	(89,458)
Increase in creditors	448,897	351,441
Capital grants and funding	(86,464)	(62,311)
Pension scheme finance cost	(37,000)	23,000
Pension scheme cost less contributions payable and expenses	(183,000)	(135,000)
Net cash provided by operating activities	<u>1,494,346</u>	<u>1,150,570</u>

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	<u>4,460,513</u>	<u>3,509,706</u>
Total cash and cash equivalents	<u>4,460,513</u>	<u>3,509,706</u>

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

21. Analysis of changes in net debt

	At 1 September 2022	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	3,509,706	950,807	4,460,513
	<u>3,509,706</u>	<u>950,807</u>	<u>4,460,513</u>

22. Capital commitments

	2023 £	2022 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	629,571	108,385
	<u>629,571</u>	<u>108,385</u>

23. Pension commitments

The charity's employees belong to various principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The Teachers' Pension Scheme

The charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £133,884 (2022: £119,248) and at the year-end £10,084 (2022: £9,072) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The most recent actuarial valuation of the TPS was carried out as at 31 March 2020.

The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Defined contribution schemes

The charity also operates 3 defined contribution pension schemes for qualifying employees who are neither teaching staff nor contributing to the charity's own defined benefit scheme. The schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, run by Aegon, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the defined contribution schemes are held separately from those of the charity in independently administered funds. The charge to the profit and loss in respect of the defined contribution schemes was £45,189 (2022: £26,473). The contributions to the defined contribution schemes have been allocated wholly to unrestricted funds and to the activities in accordance with the staff involved in each activity.

The St Mary's Wrestwood Children's Trust Pension Scheme

The charity operates a defined benefit pension scheme. The St Mary's Wrestwood Children's Trust Pension Scheme. The scheme was closed to new members on 31 July 2009. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. An actuarial valuation was carried out based on data as at 31 March 2021 and updated to 31 August 2023 for the purposes of an FRS102 report by a qualified actuary.

The Trust currently pays contributions at the rates set out in the Schedule of Contributions prepared following the 31 March 2021 scheme funding valuation. Under this Schedule of Contributions, the Trust has to pay contributions over a period of 11 years 6 months from 1 April 2022. The current contribution level is £228,720 per annum and these increase by 3.5% per annum each 1 April. This includes an allowance to cover administration, actuarial and consultancy costs. Any other expenses of the scheme, including levies to the Pension Protection Fund, will be met by the Trust. There are also additional deficit reduction contributions payable by the charity over the period from 1 April 2022 to 31 March 2024 and these currently total £65,892 per annum.

The total contributions paid to the scheme during the year ended 31 August 2023 were £288,778 (2022: £273,265).

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2023	At 31 August 2022
	%	%
Discount rate	5.2	4.3
Rate of increase of pension payments (CPI)	3.0	3.3
Inflation assumption (RPI)	3.3	3.7
	<u> </u>	<u> </u>
	At 31 August 2023	At 31 August 2022
	Years	Years
Mortality rates (in years)		
- for a male aged 60 now	21.8	21.8
- at 60 for a male aged 40 now	22.8	22.8
- for a female aged 60 now	24.2	24.1
- at 60 for a female aged 40 now	25.4	25.3
	<u> </u>	<u> </u>

The charity's share of the assets in the scheme was:

	At 31 August 2023	At 31 August 2022
	£	£
Equities	2,938,000	5,162,000
Corporate bonds	1,459,000	699,000
Cash and other liquid assets	84,000	87,000
Government bonds	2,234,000	771,000
Total fair value of assets	<u>6,715,000</u>	<u>6,719,000</u>

The actual return on scheme assets was £- (2022 - £(609,000)). This excludes the movement in the unrecognised scheme surplus in the year of £767,000 (2022: £708,000) as detailed below.

The amounts recognised in the Statement of Financial Activities are as follows:

	2023	2022
	£	£
Interest income	(289,000)	(125,000)
Interest cost	252,000	148,000
Administration expenses	105,000	143,000
Total amount recognised in the Statement of Financial Activities	<u>68,000</u>	<u>166,000</u>

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2023	Restated
	£	2022
		£
Opening defined benefit obligation	6,011,000	8,874,000
Interest cost	252,000	148,000
Actuarial gains	(836,000)	(2,818,000)
Benefits paid	(292,000)	(336,000)
Administration expenses	105,000	143,000
Closing defined benefit obligation	<u>5,240,000</u>	<u>6,011,000</u>

Movements in the fair value of the charity's share of scheme assets were as follows:

	2023	Restated
	£	2022
		£
Opening fair value of scheme assets	6,011,000	7,386,000
Interest income	289,000	125,000
Actuarial losses	(1,056,000)	(1,442,000)
Contributions by employer	288,000	278,000
Benefits paid	(292,000)	(336,000)
Closing fair value of scheme assets	<u>5,240,000</u>	<u>6,011,000</u>

The charity has an unrecognised surplus in the scheme at 31 August 2023 of £1,475,000 (2022: £708,000). Included within actuarial losses on the scheme's assets of £1,056,000 (2022: £1,442,000) above is an amount of £767,000 (2022: £708,000) in respect of the movement in the unrecognised surplus in the scheme at 31 August 2023. The total value of the assets recorded under the "share of scheme assets" as detailed above of £6,715,000 (2022: £6,719,000) has not been decreased in respect of the unrecognised surplus and represents the rolled forward fair value of the scheme assets at 31 August 2023.

THE TALKING TRUST 2023
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

24. Operating lease commitments

At 31 August 2023 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	21,675	21,995
Later than 1 year and not later than 5 years	25,006	36,161
	<u>46,681</u>	<u>58,156</u>

25. Related party transactions

Owing to the nature of the charity and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions, involving such organisations are conducted in accordance with the requirements of the charity's financial regulations and normal procurement procedures relating to related party transactions.

The following related party transactions took place during the year ended 31 August 2023:

Mrs J Sutherland and Mrs J Haigh who are Trustees of the charity, were also Trustees of The Torfield and Saxon Mount Academy Trust during the year ended 31 August 2023. The relationship between the charity and The Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners for South East London. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

During the year ended 31 August 2023, the charity made payments totalling £184,644 (2022: £170,168) to Torfield and Saxon Mount Academy Trust for the supply of teaching and administration support staff services and other administrative services. At the year end there was an amount of £nil (2022: £15,488) payable to Torfield and Saxon Mount Academy Trust by the charity. During the year ended 31 August 2023, receipts totalling £2,835 (2022: £2,835) were received from Torfield and Saxon Mount Academy Trust relating to payment for swimming pool hire. At the year ended there was an amount of £nil (2022: £nil) owed to the charity by Torfield and Saxon Mount Academy Trust.

There were no other related party transactions during the current or prior year.

THE TALKING TRUST

England & Wales - Charity number 307021

Accounts

Registered number: 00907923
Charity number: 307021

THE TALKING TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

THE TALKING TRUST
(A Company Limited by Guarantee)

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THE TALKING TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Mr M Clarke Ms J Haigh Ms J Muggleton Ms V Oliver Mr C Pamphilon (appointed 20 October 2021) Mr R Preece (resigned 10 September 2020) Ms S Wickens (resigned 7 January 2022)
Company registered number	00907923
Charity registered number	307021
Registered office	St Mary's Special School and College Wrestwood Road Bexhill-on-Sea East Sussex TN40 2LU
Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	HSBC Bank plc 2 Devonshire Road Bexhill-On-Sea East Sussex TN40 1AT

THE TALKING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees, who are also Company Directors, of The Talking Trust (the "Trust" or "charity") present their annual report and the audited financial statements for the year ended 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report, including strategic report, under company law. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 published in October 2019.

Objectives and activities

The Trust works to support children and young people with severe speech, language and communication difficulties.

The objects of the Trust as set out in the articles of association are:

- a. to advance education for the public benefit in particular but without prejudice to the generality of the foregoing by maintaining and managing the school; and
- b. to assist in the education, treatment and care of pupils with mental or physical illness or disability of any description, or in need of rehabilitation or care as a result of illness or disability.

Our vision is to:

- a. To improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time;
- b. To continually strive to improve standards in every aspect of Trust provision; and
- c. By providing consistently high quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people, enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.

The principal activity of the Trust is the management and operation of St Mary's School and 6th Form College ("St Mary's"). The purpose of the Trust is to provide integrated specialist education, therapy and care for pupils with speech, language, communication and other associated complex needs.

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and fee charging.

We are a non-maintained special school based on the south coast of England in Bexhill, East Sussex and we currently cater for both residential and day pupils aged 5 to 19. Our mission is to ensure that children with Speech, Language and Communication needs and additional special educational needs receive the integrated support they need to enable them to achieve their potential and take their place in the community. Many of our pupils have autism, PDA and a range of additional needs.

St Mary's uses a range of approaches that enable our pupils to succeed in their development of their communication skills. Our staff are trained in sign-supported English. Our staff provide assistance for parents who wish to learn to sign in order that they can support their child in the home. In addition, we value and use communication and learning technologies.

Our residential houses offer a safe, caring and supportive environment for pupils to live and learn for up to 38 weeks a year. There is an emphasis on providing a residential experience at the school in which pupils are given every opportunity to do things for themselves and work towards independence wherever possible.

THE TALKING TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Criteria for success in the reporting period include:

Responses to Ofsted inspection and associated action plans, including advisory reports from external organisation such as East Sussex County Council and our recently appointed External Advisor;

Analysis of the financial position of the school including income, expenditure, assets and liabilities, so that the continued operation of the school is secured;

Progress against Health and Safety check reports, compliance with electrical and fire safety reports and other related health and safety and servicing reports;

Improvements in relationships and subsequent commissioning of placements with the main feeder Local Authority in which the school is geographically located.

In addition to supporting Speech, Language and Communication Needs , the school and college offers a personalised provision for each child, with access to a broad and balanced curriculum that, where appropriate, includes integrated physiotherapy and occupational therapy, social, emotional and mental health support and opportunities to develop independence and life skills. Our facilities offer excellent opportunities to support individual needs and include a swimming pool, indoor and outdoor gym equipment, library, sports hall, Food Tech, Computing, Art, Music and Science rooms, physiotherapy and sensory integration facilities and therapy support rooms. Our vocational centre provides opportunities for young people to participate in a range of vocational activities.

Our purpose is to provide the highest quality education, therapy and care for our pupils to allow them to achieve their potential and to be equipped to live happy and successful adult lives.

Strategic report

Achievements and performance

Achievement and Performance during the 2020/21 year

This section includes some information from previous years in order to provide context to the significant developments and progress during the 2020/21 year. The number of pupils on roll at September 2019 was 50. This rose to 76 by September 2020 and 80 by September 2021.

Prior to 2019/20, St Mary's underwent an Ofsted inspection of the residential provision in November 2018. The inspection raised a number of significant issues and the provision rated as Inadequate. The interim Principal and Interim Headteacher both left St Mary's before Christmas 2018. The Board of Governors appointed a new Interim Headteacher starting in January 2019. Unfortunately, he went on long term sick leave in February 2019 and resigned with effect from March 2019. The substantive Deputy Headteacher became the Acting Headteacher from February 2019.

St Mary's underwent an Ofsted inspection of the education provision and a monitoring visit for the residential provision in February 2019. The school was rated as Inadequate and the residential monitoring report found a similar position to that of November 2018.

The Board of Trustees accepted the proposed support from the Torfield and Saxon Mount Multi Academy Trust ("TaSMAT") which had been brokered by East Sussex County Council and the Regional Schools Commissioner on behalf of the Department for Education. TaSMAT is a multi academy trust formed of two good and outstanding special schools in the local area. At that point, with the agreement of the Local Authority, the Regional Schools Commissioner and the Education and Skills Funding Agency, the majority of the Board of Governors, including the Chair, resigned.

A new Board of Trustees was established under the chairmanship of a Director of TaSMAT. The new Board were in place from 11 March 2019. An Interim Executive Board (IEB) was put in place by the new Board of Trustees soon after.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

This was for two main reasons. Firstly, TaSMAT leaders recognised that an IEB would enable a more operational role for this governance committee at a time when the school was experiencing significant difficulties. Secondly it was the first step to ensuring the structure of governance included a separation between Trustees and Governors, meaning that in the longer-term governance could be conducted more effectively.

From December 2019, steps were taken to continue to plan for the longer term governance at St Mary's. This is because by this time the longer-term viability as a going concern of the Trust was more secure, due to the actions undertaken by Leaders from TaSMAT and governors in partnership with the local Authority and DfE. A School Effectiveness Board (SEB) was established. It is envisaged that at such time the IEB is no longer required by Trustees, the SEB will fulfill duties on behalf of Trustees, so that there continues to be a separation between school governance and Trustees. During the interim period, the SEB will provide their minutes and reports to the IEB for their oversight. The key function of the SEB is to hold school leaders to account for the overall performance of the school and college. By reporting to the IEB, action required can be jointly agreed as the Chair of the SEB also sits on the IEB (but is not chair of the IEB).

A significant staffing restructure was completed in Summer 2019; internal staffing and external service contracts were reviewed and renegotiated, a Post 19 facility that had recently begun operating was closed and financial operations were investigated and reviewed. ESCC agreed to fund a number of additional pupil places from 2019/20. This supported the school and the LA as demand for SEND places is high within the LA and there are limited placement opportunities locally. It also ensured that the school remained operational and able to secure improvements, whilst also increasing the predictability of income in the short to medium term. This was also an imperative because there are only a very few other residential special school providers in the region available. These actions were in addition to a number of school improvement activities occurring that focused initially on safeguarding, health and safety compliance and practice and improving the quality of education and residential provision. As well as this, action was taken to improve provision for pupils in the school in terms of the quality of effectiveness of safeguarding as well as residential and educational provision.

The CEO of TaSMAT has provided Consultant Headteacher support since March 2019. This remains a temporary position.

Achievement and Performance since July 2019

The Trustees have appointed the Consultant Headteacher as part time CEO of the Trust with effect from 1 January 2020, following the resignation of the Acting Headteacher, and the Head of Therapy, Health and Wellbeing has been appointed as Acting Principal also with effect from 1 January 2020.

In July 2019 a full Ofsted inspection of the residential provision gave a 'requires improvement' grade overall, reflecting a number of significant improvements made under the new leadership and governance arrangements. A monitoring (Section 8) Ofsted visit was made to the educational provision by an HMI at the same time. This visit found that the school was making effective progress to address the issues found in the previous inspection.

Vigorous measures have been taken to improve the financial situation of the Trust including the staff restructure. High priority for spending has been given to health and safety and compliance matters.

In September 2019 a new Behaviour policy was introduced and is effective in supporting the pupils to make the right choices. A new curriculum was also implemented in September 2019 which includes the National Curriculum and provides for GCSE courses where appropriate. The new assessment system is also based on the National Curriculum.

In the spring of 2020, the Covid 19 pandemic began to affect all schools, including St Mary's, with prolonged periods of partial closure and limited on-site access. During the spring and summer, senior leaders focused on ensuring risk assessments were in place and safety of all pupils and staff was the priority. In the period of partial closure, though, a number of improvements to the site and buildings were possible, including significant plumbing, heating and safety works as well as the refurbishment of a number of teaching areas as well as the installation of new outdoor gym equipment and refurbishment of outdoor play areas.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Any parent who wished their child to attend school was offered a place, if this was compliant with the DfE guidance at the time and consequently pupil attendance increased during the period to the point that approximately 70% of pupils were attending regularly by the summer term. Other pupils were provided with support at home including the provision of learning activities, free school meals and welfare support.

Although no formal exams were sat nationally in the summer, assessments were used to provide exam grades. This was significant for St Mary's because a number of students were entered into exams for the first time this year. All pupils who were expected to achieve an exam grade did so, marking a significant achievement for them and the school.

During the 2020-21 year, the pandemic continued to impact on all schools' operation, although the principal outlined above remained and consequently many children attended regularly throughout the period.

Financial review

The income of the Trust has increased this year by £256,288 to £4,235,923, while the expenditure of the Trust has increased by £230,731 to £3,299,478. This significant increase in expenditure has been primarily due to a significant increase in staffing costs and due to a detailed review of the Trust's staff levels, which has then enabled the Trust to invest in expenditure on improvements and developments for the school and college. This resulted in a net surplus of income over expenditure for the year of £936,445 (2020: net surplus of £910,888). Excluding the impact of capital funding, depreciation charges and FRS102 pension costs adjustments on the Trust's defined benefit pension scheme, the net operating surplus for the year was £1,046,550 (2020: net operating surplus of £591,562).

The cash flow statement shows a net increase in cash during the year of £248,045 to £2,086,545.

In accordance with UK accounting standards, the Trust's defined benefit pension scheme has been incorporated into the financial statements. Market conditions and changes in actuarial assumptions have resulted in an actuarial gain of £1,468,000 in the year (2020: actuarial gain of £214,000). The deficit in the scheme is closely monitored by the Trustees and there continues to be ongoing and positive discussions with the Scheme Trustees and their advisors over the ongoing deficit contribution levels.

In July 2019, the Trust negotiated the one year lease for one of its buildings to a local FE provider. This lease has now been extended for a further two year period until July 2022. The value of the lease for the second full year remains at £45,000 and will increase in year 3 by an additional 3.5%. We also continue to hold a £3,000 deposit in a separate bank account as required under the leasing terms, and interest accrued on this is payable back to the lessee on cessation of the arrangement.

The Board has established a reserves policy that aims to protect the Trust's activities from risk of disruption at short notice, whilst at the same time ensuring that the Trust does not retain income for longer than required. It determines an appropriate target level for 'free' reserves, taking into account the Trust's vulnerability to unplanned changes in its financial position, relating mainly to pupil numbers and the sourcing of income from LAs.

The Trustees regard the level of 'free' reserves, namely the general fund within unrestricted reserves, as crucial in allowing the Trust to serve its beneficiaries through temporary shortages in pupil numbers or Local Authority funding. The Trustees also wish to be able to call on funds to seize opportunities to further develop the Trust. The general fund is a sub-category of unrestricted funds which are neither earmarked for either capital purposes (the capital fund) or for the defined benefit pension scheme.

The Board judges that the Trust should hold at least three months but not more than six months value of unrestricted expenditure in order to preserve its structure through periods of low income. Based on the operating expenditure for the year ended 31 August 2021 of £3,127,284, the target level for 'free' reserves is between £780,000 to £1,560,000. At 31 August 2021, the Trust's 'free' reserves were £2,024,826 (2020: £1,195,047).

The total funds at 31 August 2021 are £7,440,048 (2020: £5,035,603), which includes the designated capital funds of £6,903,222 (2020: £6,892,556), the pension fund liability reserve of £1,488,000 (2020: £3,052,000) and the unrestricted general funds of £2,024,826 (2020: £1,195,047).

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees are pleased to note the continued increase in referrals for new pupils from East Sussex County Council and are hopeful that the number of pupils on roll at the end of the 2020/21 academic year was 79. These referrals are for day placements in the main and we will work proactively to promote the residential provision over the coming year with more distant local authorities.

Considerable planning and action is being undertaken to address the issues raised by Ofsted in relation to the quality of teaching and learning, assessment (including accreditation) and the curriculum.

Discussions are also on going with the Regional Schools Commissioner and the Department for Education in relation to the business and support partnership between TASMAT and St Mary's as a non-maintained special school to secure the longer term future of the The Talking Trust.

Going concern

The financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. However, they are aware of material uncertainties which impact upon the charity's ability to continue as a going concern. These material uncertainties exist as a result of the recent poor Ofsted report that the Trust received and the potential uncertainties surrounding children's placements at the school as a result of this Ofsted report.

The Trustees are confident that the measures undertaken since April 2019 will mean that they will continue to receive the support of the Local Authority and parents of pupils. The Trustees believe that, based upon predicted future income streams as negotiated with Local Authorities together with achieved and further planned cost cutting together with the continuing assistance from TaSMAT that the Trust will remain a going concern, and for this reason, the financial statements are prepared on the going concern basis.

Structure, governance and management

The Talking Trust (the 'Trust') was incorporated as St Mary's Wrestwood Children's trust on 7 June 1967 and changed its name to The Talking Trust on 26 November 2012. It is a charitable company limited by guarantee. The Board of Trustees ('Board') governs the Trust in accordance with the Memorandum and Articles of Association. St Mary's School and College (the 'School' or 'St Mary's') as part of the Trust, is registered as a Non-maintained Special School. The School provides specialist education, therapy and care for young people aged 7-19 with speech, language and communication needs.

The Trustees, who are also the Directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements are detailed in the reference and administrative details of the charity on page 1.

The Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Trust business. The limit of this indemnity is £2,000,000.

The Trustees aim to maintain a Board in accordance with statute and with the range of expertise, experience and perspectives needed to provide effective direction and oversight. New Trustees are appointed by the Board of Trustees and are subject to application forms, references and DBS clearance. Trustees are provided with training in line with the Charity Commission's guidance on governance.

The new Board of Trustees, which was formed following the resignation of the majority of the previous Governing Board, has agreed to separate the functions of Trusteeship and school governance. To that end the Trustees delegated their governance responsibilities in full to an Interim Executive Board (IEB) consisting of experienced professionals and chaired by the Chair of Trustees. The IEB members were selected by the Trustees, in partnership with East Sussex County Council on the basis of their professional expertise and experience and were subject to application, interview, references and DBS clearance. It is intended that the IEB will remain in place until the situation of St Mary's changes and it moves out of an Ofsted category.

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The IEB is delegated responsibility for governance of the school. The IEB is supplemented by a School Effectiveness Board (SEB) consisting of the Chair of Trustees, the CEO and chaired by a member of the IEB. This Board receives reports from the senior leadership team in relation to safeguarding, attainment and progress and health and safety. The SEB reports to the IEB and the IEB reports to the Trustees

In addition, a Finance and Audit Committee has been established and a Trustee is appointed to this committee by the Chair of the trust, who also attends, along with the Acting CEO and lead finance staff.

Local Authorities fund the majority of pupil placements, with a small number of placements being privately funded. There is also a small amount of fundraised income from other charitable bodies and private donations.

The day to day management of the school is undertaken by the Acting Principal, with the support and guidance of the Acting CEO and additional consultancy support with particular regard to teaching, learning, assessment and curriculum from an Independent Education Consultant who is also a member of the IEB. During the 2019-20 year, an additional consultant supported the school in this way in order to facilitate the gradual transition from an operational governance model that the IEB provide, to a more traditional model of governance, supported by external advisors, as the school demonstrates increased stability and security.

The IEB consists of the following members:

Jean Haigh
Jenny Sutherland
Richard Preece
Catherine Dooley
Lindsey Diamond
Antony Julyan (resigned 21 July 2021)
Craig Pamphilon

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up of the company.

The Trustees consider the IEB and the senior leadership team to comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All IEB members give of their time freely and no IEB member received any remuneration in the current or prior year. The senior leadership team comprise the following members of staff:

Richard Preece, CEO
Natalie Edwards, Acting Principal
Stephen Weakley, Head of Education
Ashley Pollen, SENCO and Admissions Lead
Gemma Martin, Head of Care and Designated Safeguarding Lead

Key management and personnel are subject to performance management / appraisal processes and remuneration and pay decisions related to performance are evidenced. For the Acting Principal, this is approved by the Board of Trustees and for other positions, this is approved by the Advisory Headteacher.

Related parties and other connected charities and organisations

The relationship between the charity and Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners South East London office. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

In January 2021 a formal Business partnership agreement was entered into between TaSMAT and The Talking Trust, formalizing the operational relationship and support in place and as an immediate measure whilst the longer term relationship is considered by the Trustees of both Trusts, DfE and RSC.

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising

The Trust has not undertaken any material fundraising activities during the year ended 31 August 2021.

Plans for future periods

The Trustees are pleased to see the continued increase in referrals for new pupils from East Sussex County Council, with the number on roll at the end of the 2020/21 academic year having increased to 79. These referrals are for day placements in the main and the management team will continue to work proactively to promote the residential provision over the coming year with more distant Local Authorities.

Considerable planning and action is also being undertaken to address the issues raised by Ofsted in relation to the quality of teaching and learning, assessment (including accreditation) and the curriculum. Discussions are also on going with the Regional Schools Commissioner and the Department for Education in relation to the business and support partnership between TASMAT and St Mary's as a non-maintained special school to secure the longer term future of the The Talking Trust.

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as custodian Trustees for other charities.

Trustees' responsibilities

The Trustees, who are also the Directors of The Talking Trust for the purpose 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 2019 (FRS102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for 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.

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

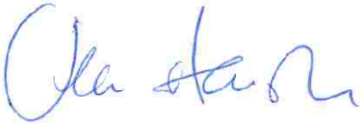
Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Auditor

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and the Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 18 May 2022 and signed on their behalf by:



Ms J Haigh
Chair of Trustees

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST

Opinion

We have audited the financial statements of The Talking Trust (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 United Kingdom, including the Financial Reporting Council'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.

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

THE TALKING TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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:

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

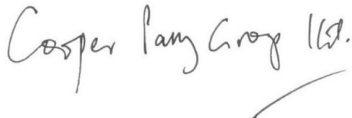
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Sky View

Argosy Road

East Midlands Airport

Castle Donington

Derby

DE74 2SA

Date: 24 May 2022

THE TALKING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations and legacies	4	70,370	70,370	70,441
Charitable activities	5	4,025,565	4,025,565	3,697,254
Other trading activities	6	139,941	139,941	210,406
Investments	7	47	47	1,534
Total income		4,235,923	4,235,923	3,979,635
Expenditure on:				
Charitable activities	8	3,299,478	3,299,478	3,068,747
Total expenditure		3,299,478	3,299,478	3,068,747
Net movement in funds before other recognised gains		936,445	936,445	910,888
Other recognised gains:				
Actuarial gains on defined benefit pension schemes	23	1,468,000	1,468,000	214,000
Net movement in funds		2,404,445	2,404,445	1,124,888
Reconciliation of funds:				
Total funds brought forward		5,035,603	5,035,603	3,910,715
Net movement in funds		2,404,445	2,404,445	1,124,888
Total funds carried forward		7,440,048	7,440,048	5,035,603

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 34 form part of these financial statements.

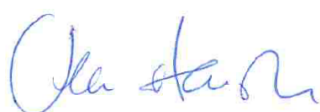
THE TALKING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00907923

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	6,903,222	6,892,556
Investments	13	1	1
		6,903,223	6,892,557
Current assets			
Debtors	14	1,114,719	533,268
Cash at bank and in hand		2,086,545	1,838,500
		3,201,264	2,371,768
Creditors: amounts falling due within one year	15	(1,176,439)	(1,176,722)
Net current assets		2,024,825	1,195,046
Total assets less current liabilities		8,928,048	8,087,603
Defined benefit pension scheme liability	23	(1,488,000)	(3,052,000)
Total net assets		7,440,048	5,035,603
Charity funds			
Restricted funds	17	-	-
Unrestricted funds			
Designated funds	17	6,903,222	6,892,556
General unrestricted funds	17	2,024,826	1,195,047
		8,928,048	8,087,603
Unrestricted funds excluding pension fund	17	8,928,048	8,087,603
Pension fund	17	(1,488,000)	(3,052,000)
		7,440,048	5,035,603
Total funds		7,440,048	5,035,603

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 18 May 2022 and signed on their behalf by:



Ms J Haigh
Chair of Trustees

The notes on pages 17 to 34 form part of these financial statements.

THE TALKING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	464,770	1,235,128
Cash flows from investing activities			
Dividends, interests and rents from investments		47	1,534
Proceeds from the sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(278,861)	(127,291)
Capital grants and funding		62,089	63,973
Net cash used in investing activities		(216,725)	(61,784)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		248,045	1,173,344
Cash and cash equivalents at the beginning of the year		1,838,500	665,156
Cash and cash equivalents at the end of the year	20	2,086,545	1,838,500

The notes on pages 17 to 34 form part of these financial statements

THE TALKING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The Talking Trust is a charitable company limited by guarantee and incorporated in England and Wales under company number 00907923. It is registered with the Charity Commission under charity number 307021. The registered office is St Mary's Special School and College, Wrestwood Road, Bexhill-on-Sea, East Sussex, TN40 2LU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Talking Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

2.4 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

THE TALKING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.5 Income

All incoming resources are included in the Statement of Financial Activity when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are included at valuation and recognised as income when received. No amounts are included in the financial statements for services donated by volunteers.

Income relates to pupils' fees that are paid for by Local Authorities. The fees are raised in advance for the coming term and are recognised on an accruals basis. School fees receivable and charges for services and use of premises are accounted for in the period to which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken into income in the term when used or else refunded. The amounts are net of discounts, VAT and other sales related taxes where appropriate.

Other miscellaneous grants may be received to which performance conditions are attached. These grants are recognised in the Statement of Financial Activities when the conditions have been met. Where the conditions for recognition have not been met at the year end, the amounts are carried forward as deferred income.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

The income of the charity for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds. This comprises marketing and is the cost of attracting students to the school.
- Charitable activities. This includes the direct costs of salaries, and other educational activities undertaken to further the purposes of the charity as well as associated support costs. Support costs comprises administrative costs associated with delivering the educational activities as well as the costs of governance. Governance costs comprise the costs of strategic management of the charity as well as compliance costs such as audit fees. Support and governance costs have been allocated equally across the various charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE TALKING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% and 10% straight line method
Motor vehicles	- 25% reducing balance method
Fixtures and fittings	- 10% straight line method
Swimming pool	- 5% reducing balance method

Gains and losses on disposals of tangible fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.9 Investments

Fixed asset investments comprise investments held in the dormant subsidiaries. These investments are stated at cost less provision for diminution in value.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term interest accounts. The trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow. Bank overdrafts are shown within borrowings in current liabilities.

2.12 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

THE TALKING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.13 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS"), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The teaching staff of the charity are members of the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The St Mary's Wrestwood Children's Trust Pension Scheme is a defined benefit pension scheme and the assets are held separately from those of the charity in separate trustee administered funds. The scheme was closed to new members on 31 July 2009. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The defined contribution schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the schemes are held separately from those of the charity in independently administered funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

The present value of the St Mary's Wrestwood Children's Trust Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	8,281	8,281	6,468
Capital Grants	62,089	62,089	63,973
	<u>70,370</u>	<u>70,370</u>	<u>70,441</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fee income - Education and residential activities	3,375,899	3,375,899	2,810,269
Grant funding	649,666	649,666	886,985
Total 2021	<u>4,025,565</u>	<u>4,025,565</u>	<u>3,697,254</u>
Total 2020	<u>3,697,254</u>	<u>3,697,254</u>	

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Analysis of grant funding			
DfE / ESFA Recurrent Grants	605,396	605,396	886,985
DfE / ESFA COVID Catch-up Premium	17,520	17,520	-
COVID Mass Testing grants	26,750	26,750	-
	<u>649,666</u>	<u>649,666</u>	<u>886,985</u>

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Transport income	65,153	65,153	63,360
Lettings income	45,653	45,653	51,884
Swimming income	8,333	8,333	24,825
Catering income	6,698	6,698	406
Fundraising events	-	-	419
Therapy income	9,815	9,815	26,378
Other income	4,289	4,289	43,134
Total 2021	<u>139,941</u>	<u>139,941</u>	<u>210,406</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	47	47	1,534
	<u>47</u>	<u>47</u>	<u>1,534</u>

8. Analysis of expenditure on charitable activities

Summary by activity

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	2,055,735	2,055,735	1,867,080
Therapy & wellbeing	359,138	359,138	392,148
Residential care	533,264	533,264	451,856
Facilities	351,341	351,341	357,663
	<u>3,299,478</u>	<u>3,299,478</u>	<u>3,068,747</u>

9. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £9,250 (2020 - £9,250), and £750 (2020 - £nil) for other assurance engagements, and £1,750 (2020 - £1,750) for other non-audit services.

10. Staff costs

	2021 £	2020 £
Wages and salaries	1,731,242	1,767,463
Social security costs	128,582	161,607
Pension costs (excluding past service credits)	155,121	127,538
Pension cost past service credit	-	(515,000)
	<u>2,014,945</u>	<u>1,541,608</u>

Included within Staff costs is a total of £17,919 (2020 - £35,283) relating to redundancy costs paid in the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2021 No.	2020 No.
Education	29	22
Residential care staff	32	39
Health staff	14	16
Other staff	15	18
	<u>90</u>	<u>95</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The charity considers its key management personnel to be the Interim Executive Board and the Senior Management Team. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by the key management personnel for their services to the charity during the year was £240,034 (2020 - £201,064).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the charity. These Trustees are members of staff of the charity and only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
Mr R Preece	Remuneration	753	9,333
	Pension contributions paid	178	2,210
Ms S Doherty	Remuneration	-	4,792
	Pension contributions paid	-	1,135

During the year ended 31 August 2021, expenses totalling £300 were reimbursed or paid directly to 1 Trustee (2020 - £740 to 1 Trustee). The expenses related to travel costs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures, fittings & equipment £	Held for sale £	Total £
Cost or valuation					
At 1 September 2020	9,159,537	14,052	1,052,249	-	10,225,838
Additions	257,632	-	21,229	-	278,861
Disposals	(78,968)	-	(7,500)	-	(86,468)
Transfers between classes	(497,876)	-	-	497,876	-
At 31 August 2021	<u>8,840,325</u>	<u>14,052</u>	<u>1,065,978</u>	<u>497,876</u>	<u>10,418,231</u>
Depreciation					
At 1 September 2020	2,487,858	10,123	835,301	-	3,333,282
Charge for the year	165,149	993	33,325	-	199,467
On disposals	(10,390)	-	(7,350)	-	(17,740)
Transfers between classes	(141,179)	-	-	141,179	-
At 31 August 2021	<u>2,501,438</u>	<u>11,116</u>	<u>861,276</u>	<u>141,179</u>	<u>3,515,009</u>
Net book value					
At 31 August 2021	<u>6,338,887</u>	<u>2,936</u>	<u>204,702</u>	<u>356,697</u>	<u>6,903,222</u>
At 31 August 2020	<u>6,671,679</u>	<u>3,929</u>	<u>216,948</u>	<u>-</u>	<u>6,892,556</u>

Freehold property comprises both freehold land and buildings. It has previously been determined by the Trustees that the fair value of the land equates to 40% of the original cost. The remaining 60% is deemed to be the value of the buildings at purchase which is being depreciated on a straight line basis at 2% per annum. The net book value of freehold property at 31 August 2021 which is attributable to land is £1,923,748 (2020 - £1,923,748). Assets held for sale comprise freehold land and buildings with a net book value at 31 August 2021 of £356,697 which were sold by the Charity on 4 January 2022 for a sale price of £550,000.

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 August 2021	<u>1</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Registered office	Principal activity	Class of shares
The Glades Garage Forecourts Management Co. Ltd	England & Wales	Dormant	Ordinary £1

Holding

100%

The financial results of the subsidiary for the year were:

Name	Net assets £
The Glades Garage Forecourts Management Co. Ltd	1

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	1,087,798	529,403
Other debtors	2,683	2,683
Prepayments and accrued income	24,238	1,182
	<u>1,114,719</u>	<u>533,268</u>

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	169,268	96,340
Other taxation and social security	40,994	-
Other creditors	22,305	54,400
Accruals and deferred income	943,872	1,025,982
	<u>1,176,439</u>	<u>1,176,722</u>

Included in accruals and deferred income is deferred income of £857,484 (2020 - £994,165). This relates to school fees and grant funding for the year ending 31 August 2022 which have been received in advance at the year end.

THE TALKING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	2,086,545	1,838,500

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
Capital fund	6,892,556	62,089	(268,194)	216,771	-	6,903,222
	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
General unrestricted funds						
General fund	1,195,047	4,173,834	(3,127,284)	(216,771)	-	2,024,826
Pension fund reserve	(3,052,000)	-	96,000	-	1,468,000	(1,488,000)
	(1,856,953)	4,173,834	(3,031,284)	(216,771)	1,468,000	536,826
Total Unrestricted funds	5,035,603	4,235,923	(3,299,478)	-	1,468,000	7,440,048

The designated funds comprise the capital fund which represents the net book value of charity's fixed assets which are used to carry out its charitable objects and are therefore not readily realisable. The transfer to the capital fund from the general fund represents the amounts expended on tangible fixed asset additions in the year that were not otherwise funded through capital grants funding.

The Pension fund reserve represents the deficit in the St Mary's Wrestwood Children's Trust Pension Scheme, which will ultimately be realised from the assets of the charity. Further details on the charity's pension obligations are contained in note 23.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Capital fund	7,073,883	63,973	(308,618)	63,318	-	6,892,556
General funds						
General fund	666,832	3,986,662	(3,395,129)	(63,318)	-	1,195,047
Pension fund reserve	(3,830,000)	(71,000)	635,000	-	214,000	(3,052,000)
	<u>(3,163,168)</u>	<u>3,915,662</u>	<u>(2,760,129)</u>	<u>(63,318)</u>	<u>214,000</u>	<u>(1,856,953)</u>
Total Unrestricted funds	<u><u>3,910,715</u></u>	<u><u>3,979,635</u></u>	<u><u>(3,068,747)</u></u>	<u><u>-</u></u>	<u><u>214,000</u></u>	<u><u>5,035,603</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	6,903,222	6,903,222
Fixed asset investments	1	1
Current assets	3,201,264	3,201,264
Creditors due within one year	(1,176,439)	(1,176,439)
Provisions for liabilities and charges	(1,488,000)	(1,488,000)
Total	<u><u>7,440,048</u></u>	<u><u>7,440,048</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	6,892,556	6,892,556
Fixed asset investments	1	1
Current assets	2,371,768	2,371,768
Creditors due within one year	(1,176,722)	(1,176,722)
Provisions for liabilities and charges	(3,052,000)	(3,052,000)
Total	<u><u>5,035,603</u></u>	<u><u>5,035,603</u></u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	<u>936,445</u>	<u>910,888</u>
Adjustments for:		
Depreciation charges	199,467	199,685
Interest receivable	(47)	(1,534)
Loss on the sale of fixed assets	68,728	108,932
Decrease/(increase) in debtors	(581,451)	477,123
Increase/(decrease) in creditors	(283)	168,007
Capital grants and funding	(62,089)	(63,973)
Pension scheme finance cost	50,000	71,000
Pension scheme cost less contributions payable and expenses	(146,000)	(635,000)
Net cash provided by operating activities	<u><u>464,770</u></u>	<u><u>1,235,128</u></u>

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	<u>2,086,545</u>	<u>1,838,500</u>
Total cash and cash equivalents	<u><u>2,086,545</u></u>	<u><u>1,838,500</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,838,500	248,045	2,086,545
	<u>1,838,500</u>	<u>248,045</u>	<u>2,086,545</u>

22. Capital commitments

	2021 £	2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	61,971	-
	<u>61,971</u>	<u>-</u>

23. Pension commitments

The charity's employees belong to various principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Pension commitments (continued)

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £102,245 (2020 - £84,297).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Defined contribution schemes

The charity also operates 3 defined contribution pension schemes for qualifying employees who are neither teaching staff nor contributing to the charity's own defined benefit scheme. The schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, run by Aegon, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the defined contribution schemes are held separately from those of the charity in independently administered funds. The charge to the profit and loss in respect of the defined contribution schemes was £52,876 (2020 - £43,241). The contributions to the defined contribution schemes have been allocated wholly to unrestricted funds and to the activities in accordance with the staff involved in each activity.

The St Mary's Wrestwood Children's Trust Pension Scheme

The charity operates a defined benefit pension scheme. The St Mary's Wrestwood Children's Trust Pension Scheme.

The scheme was closed to new members on 31 July 2009. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. An actuarial valuation was carried out based on data as at 31 March 2017 and updated to 31 August 2021 for the purposes of an FRS102 report by a qualified actuary.

The Trust currently pays contributions at the rates set out in the Schedule of Contributions prepared following the 31 March 2017 scheme funding valuation. Under this Schedule of Contributions, the Trust has to pay contributions over a period of 12 years 5 months from 1 April 2017, currently at the rate of £244,668 per annum, most of which increased each 1 April by 3.5% per annum. This includes an allowance to cover administration, actuarial and consultancy costs. Any other expenses of the scheme, including levies to the Pension Protection Fund, will be met by the Trust. The total contributions made during the year ended 31 August 2021 were £272,000 (2020 - £239,804).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 August 2021 %	At 31 August 2020 %
Discount rate	1.7	1.7
Rate of increase of pension payments (CPI)	3.1	2.8
Inflation assumption (RPI)	3.4	3.1

THE TALKING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

	At 31 August 2021 Years	At 31 August 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	21.7	22.0
- at 65 for a male aged 45 now	22.7	23.2
- for a female aged 65 now	24.1	23.9
- at 65 for a female aged 45 now	25.2	25.2

The charity's share of the assets in the scheme was:

	At 31 August 2021 £	At 31 August 2020 £
Equities	5,192,000	4,103,000
Corporate bonds	1,060,000	1,040,000
Cash and other liquid assets	64,000	61,000
Government bonds	1,070,000	999,000
Total fair value of assets	7,386,000	6,203,000

The actual return on scheme assets was £1,179,000 (2020 - £(£50,000)).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Past service credit	-	(515,000)
Interest income	(105,000)	(119,000)
Interest cost	155,000	190,000
Expenses	103,000	120,000
Total amount recognised in the Statement of Financial Activities	153,000	(324,000)

THE TALKING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	9,255,000	10,119,000
Interest cost	155,000	190,000
Actuarial gains	(394,000)	(383,000)
Benefits paid	(245,000)	(276,000)
Past service credit	-	(515,000)
Expenses	103,000	120,000
Closing defined benefit obligation	<u>8,874,000</u>	<u>9,255,000</u>

Movements in the fair value of the charity's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	6,203,000	6,289,000
Interest income	105,000	119,000
Actuarial gains/(losses)	1,074,000	(169,000)
Contributions by employer	249,000	240,000
Benefits paid	(245,000)	(276,000)
Closing fair value of scheme assets	<u>7,386,000</u>	<u>6,203,000</u>

24. Operating lease commitments

At 31 August 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	9,756	9,756
Later than 1 year and not later than 5 years	22,789	32,545
	<u>32,545</u>	<u>42,301</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Related party transactions

Owing to the nature of the charity and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the charity's financial regulations and normal procurement procedures relating to related party transactions.

The following related party transactions took place during the year ended 31 August 2021:

Ms J Haigh, Mr M Clarke and Mr R Preece, who are Trustees of the charity, were also Trustees of The Torfield and Saxon Mount Academy Trust during the year ended 31 August 2021, although Mr R Preece resigned as a Trustee of the charity on 10 September 2020. The relationship between the charity and The Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners for South East London. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

During the year ended 31 August 2021, the charity made payments totalling £224,552 (2020 - £191,293) to Torfield and Saxon Mount Academy Trust for the supply of teaching and administrative support staff services and other administrative services. At the year end there was an amount of £3,915 (2020 - £Nil) payable to Torfield and Saxon Mount Academy Trust by the charity. During the year ended 31 August 2021, receipts totalling £210 (2020 - £99,753) were received from Torfield and Saxon Mount Academy Trust relating to payment for swimming pool hire. At the year end there was an amount of £nil (2020 - £455) owed to the charity by Torfield and Saxon Mount Academy Trust.

There were no other related party transactions during the current or prior period, other than certain Trustees remuneration and expenses already disclosed in note 11.

THE TALKING TRUST

England & Wales - Charity number 307021

Accounts

Registered number: 00907923
Charity number: 307021

THE TALKING TRUST
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE TALKING TRUST
(A Company Limited by Guarantee)

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THE TALKING TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees	Ms S Wickens Ms J Haigh Ms V Oliver Ms J Muggleton Mr M Clarke (appointed 31 October 2019) Mr R Preece (appointed 19 May 2020, resigned 10 September 2020) Ms S Doherty (resigned 31 October 2019)
Company registered number	00907923
Charity registered number	307021
Registered office	St Mary's Special School and College Wrestwood Road Bexhill-on-Sea East Sussex TN40 2LU
Independent auditor	Cooper Parry Group Limited Chartered Accountants Statutory Auditor Park View One Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG
Bankers	HSBC Bank plc 2 Devonshire Road Bexhill-On-Sea East Sussex TN40 1AT

THE TALKING TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees, who are also Company Directors, of The Talking Trust (the "Trust" or "charity") present their annual report and the audited financial statements for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report and a Directors' report, including strategic report, under company law. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: 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 published in October 2019.

Objectives and activities

The Trust works to support children and young people with severe speech, language and communication difficulties.

The objects of the Trust as set out in the articles of association are:

- a. to advance education for the public benefit in particular but without prejudice to the generality of the foregoing by maintaining and managing the school; and
- b. to assist in the education, treatment and care of pupils with mental or physical illness or disability of any description, or in need of rehabilitation or care as a result of illness or disability.

Our vision is to:

- a. To improve the life chances of pupils by providing the best possible educational opportunities for our learners, allowing them to work towards independence and to achieve well over time;
- b. To continually strive to improve standards in every aspect of Trust provision; and
- c. By providing consistently high quality educational experiences across all phases of their education, we aim to raise aspirations for children and young people, enabling them to be confident and successful in their next step in education or training and in their preparation for adulthood.

The principal activity of the Trust is the management and operation of St Mary's School and 6th Form College ("St Mary's"). The purpose of the Trust is to provide integrated specialist education, therapy and care for pupils with speech, language, communication and other associated complex needs.

In setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and fee charging.

We are a non-maintained special school based on the south coast of England in Bexhill, East Sussex and we currently cater for both residential and day pupils aged 5 to 19. Our mission is to ensure that children with Speech, Language and Communication needs and additional special educational needs receive the integrated support they need to enable them to achieve their potential and take their place in the community. Many of our pupils have autism, PDA and a range of additional needs.

St Mary's uses a range of approaches that enable our pupils to succeed in their development of their communication skills. Our staff are trained in sign-supported English. Our staff provide assistance for parents who wish to learn to sign in order that they can support their child in the home. In addition, we value and use communication and learning technologies.

Our residential houses offer a safe, caring and supportive environment for pupils to live and learn for up to 38 weeks a year. There is an emphasis on providing a residential experience at the school in which pupils are given every opportunity to do things for themselves and work towards independence wherever possible.

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Criteria for success in the reporting period include responses to Ofsted inspection and associated action plans, including advisory reports from external organisation such as East Sussex County Council; Analysis of the financial position of the school including income, expenditure, assets and liabilities, so that the continued operation of the school is secured; progress against Health and Safety check reports, compliance with electrical and fire safety reports and other related health and safety and servicing reports; improvements in relationships and subsequent commissioning of placements with the main feeder Local Authority in which the school is geographically located.

In addition to supporting Speech, Language and Communication Needs , the school and college offers a personalised provision for each child, with access to a broad and balanced curriculum that, where appropriate, includes integrated physiotherapy and occupational therapy, social, emotional and mental health support and opportunities to develop independence and life skills. Our facilities offer excellent opportunities to support individual needs and include a swimming pool, indoor and outdoor gym equipment, library, sports hall, Food Tech, Computing, Art, Music and Science rooms, physiotherapy and sensory integration facilities and therapy support rooms. Our vocational centre provides opportunities for young people to participate in a range of vocational activities.

Our purpose is to provide the highest quality education, therapy and care for our pupils to allow them to achieve their potential and to be equipped to live happy and successful adult lives.

Strategic report

Achievements and performance

Achievement and Performance during the 2018/19 year

This section includes some information from previous years in order to provide context to the significant developments and progress of during the 2019/20 year. The number of pupils on roll at September 2019 was 50. This rose to 76 by August 2020.

Prior to 2019/20, St Mary's underwent an Ofsted inspection of the residential provision in November 2018. The inspection raised a number of significant issues and the provision rated as Inadequate.

The interim Principal and Interim Headteacher both left St Mary's before Christmas 2018. The Board of Governors appointed a new Interim Headteacher starting in January 2019. Unfortunately, he went on long term sick leave in February 2019 and resigned with effect from March 2019. The substantive Deputy Headteacher became the Acting Headteacher from February 2019.

St Mary's underwent an Ofsted inspection of the education provision and a monitoring visit for the residential provision in February 2019. The school was rated as Inadequate and the residential monitoring report found a very similar position to that of November 2018.

The Board of Governors accepted the proposed support from the Torfield and Saxon Mount Multi Academy Trust ("TaSMAT") which had been brokered by East Sussex County Council and the Regional Schools Commissioner on behalf of the Department for Education. TaSMAT is a multi academy trust formed of two good and outstanding special schools in the local area.

At that point, with the agreement of the Local Authority, the Regional Schools Commissioner and the Education and Skills Funding Agency, the majority of the Board of Governors, including the Chair, resigned.

A new Board of Trustees was established under the chairmanship of a Director of TaSMAT. The new board were in place from 11 March 2019. An Interim Executive Board (IEB) was put in place soon after. This was for two main reasons. Firstly, TaSMAT leaders recognised that an IEB would enable a more operational role for this governance committee at a time when the school was experiencing significant difficulties. Secondly it was the first step to ensuring the structure of governance included a separation between Trustees and Governors, meaning that in the longer-term governance could be conducted more effectively.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

A significant staffing restructure was completed; internal staffing and external service contracts were reviewed & renegotiated, a Post 19 facility that had recently begun operating was closed and financial operations were investigated and reviewed. ESCC agreed to fund a number of additional pupil places from 2019/20. This supported the school and the LA as demand for SEND places is high within the LA and there are limited placement opportunities locally. It also ensured that the school remained operational and able to secure improvements, whilst also increasing the predictability of income in the short to medium term. This was also an imperative because there are only a very few other residential special school providers in the region available. These actions were in addition to a number of school improvement activities occurring that focused initially on safeguarding, health and safety compliance and practice and improving the quality of education and residential provision. As well as this action was taken to improve provision for pupils in the school in terms of the quality of effectiveness of safeguarding as well as residential and educational provision.

The CEO of TaSMAT has provided Consultant Headteacher support since March 2019.

Achievement and Performance since July 2019

The Trustees have appointed the Consultant Headteacher as part time CEO of the Trust with effect from 1 January 2020, following the resignation of the Acting Headteacher, and the Head of Therapy, Health and Wellbeing has been appointed as Acting Principal also with effect from 1 January 2020.

In July 2019 a full Ofsted inspection of the residential provision gave a 'requires improvement' grade overall, reflecting a number of significant improvements made under the new leadership and governance arrangements. A monitoring (Section 8) Ofsted visit was made to the educational provision by an HMI at the same time. This visit found that the school was making effective progress to address the issues found in the previous inspection.

Vigorous measures have been taken to improve the financial situation of the Trust including the staff restructure. High priority for spending has been given to health and safety and compliance matters.

In September 2019 a new Behaviour policy was introduced and is effective in supporting the pupils to make the right choices. A new curriculum was also implemented in September 2019 which includes the National Curriculum and provides for GCSE courses where appropriate. The new assessment system is also based on the National Curriculum.

In the spring of 2020, the Covid 19 pandemic began to affect all schools, including St Mary's, with prolonged periods of partial closure and limited on-site access. During the spring and summer, senior leaders focused on ensuring risk assessments were in place and safety of all pupils and staff was the priority. In the period of partial closure, though, a number of improvements to the site and buildings were possible, including significant plumbing, heating and safety works as well as the refurbishment of a number of teaching areas as well as the installation of new outdoor gym equipment and refurbishment of outdoor play areas.

Any parent who wished their child to attend school was offered a place, if this was compliant with the DfE guidance at the time and consequently pupil attendance increased during the period to the point that approximately 70% of pupils were attending regularly by the summer term. Other pupils were provided with support at home including the provision of learning activities, free school meals and welfare support.

Although no formal exams were sat nationally in the summer, assessments were used to provide exam grades. This was significant for St Mary's because a number of students were entered into exams for the first time this year. All pupils who were expected to achieve an exam grade did so, marking a significant achievement for them and the school.

Financial review

The income of the Trust has decreased this year by £722,586 to £3,979,635, while the expenditure of the Trust has decreased by £2,529,970 to £3,068,747. This significant reduction in expenditure has been primarily due to a significant reduction in staffing costs due to starting the year with significantly reduced pupil numbers and due to a detailed review of the Trust's staff levels, which has then enabled the Trust to invest in expenditure on improvements and developments for the school and college. This resulted in a net surplus of income over expenditure for the year of £910,888 (2019: net deficit of £896,496).

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Excluding the impact of capital funding, depreciation charges and FRS102 pension costs adjustments on the Trust's defined benefit pension scheme, the net operating surplus for the year was £591,532 (2019: net operating deficit of £677,063).

The cash flow statement shows a net increase in cash during the year of £1,173,344 to £1,838,500.

In accordance with UK accounting standards, the Trust's defined benefit pension scheme has been incorporated into the financial statements. Market conditions and changes in actuarial assumptions have resulted in an actuarial gain of £214,000 in the year (2019: actuarial loss of £1,378,000). The deficit in the scheme is closely monitored by the Trustees and there continues to be ongoing and positive discussions with the Scheme Trustees and their advisors over the ongoing deficit contribution levels.

In July 2019, the Trust negotiated the one year lease for one of its buildings to a local FE provider. This lease has now been extended for a further two year period until July 2022. The value of the lease for the second full year remains at £45,000 and will increase in year 3 by an additional 3.5%. We also continue to hold a £3,000 deposit in a separate bank account as required under the leasing terms, and interest accrued on this is payable back to the lessee on cessation of the arrangement.

The Board has established a reserves policy that aims to protect the Trust's activities from risk of disruption at short notice, whilst at the same time ensuring that the Trust does not retain income for longer than required. It determines an appropriate target level for 'free' reserves, taking into account the Trust's vulnerability to unplanned changes in its financial position, relating mainly to pupil numbers and the sourcing of income from LAs.

The Trustees regard the level of 'free' reserves, namely the general fund within unrestricted reserves, as crucial in allowing the Trust to serve its beneficiaries through temporary shortages in pupil numbers or Local Authority funding. The Trustees also wish to be able to call on funds to seize opportunities to further develop the Trust. The general fund is a sub-category of unrestricted funds which are neither earmarked for either capital purposes (the capital fund) or for the defined benefit pension scheme.

The Board judges that the Trust should hold at least three months but not more than six months value of unrestricted expenditure in order to preserve its structure through periods of low income. Based on the operating expenditure for the year ended 31 August 2020 of £3,324,130, the minimum target for 'free' reserves is £830,000. At 31 August 2020, the Trust's 'free' reserves were £1,195,047 (2019: 666,832).

The total funds at 31 August 2020 are £5,035,603 (2018: £3,910,715), which includes the designated capital funds of £6,892,556 (2019: £7,073,883), the pension fund liability reserve of £3,052,000 (2019: £3,830,000) and the unrestricted general funds of £1,195,047 (2019: 666,832).

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

The Trustees are pleased to note the continued increase in referrals for new pupils from East Sussex County Council and are hopeful that the number of pupils on roll at the end of the 2019/20 academic year was 76. These referrals are for day placements in the main and we will work proactively to promote the residential provision over the coming year with more distant local authorities.

Considerable planning and action is being undertaken to address the issues raised by Ofsted in relation to the quality of teaching and learning, assessment (including accreditation) and the curriculum.

Discussions are also on going with the Regional Schools Commissioner and the Department for Education in relation to the business and support partnership between TASMAT and St Mary's as a non-maintained special school to secure the longer term future of the The Talking Trust.

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Going concern

The financial statements are prepared on the going concern basis. The Trustees have a reasonable expectation that the charity will continue in operational existence for the foreseeable future. However, they are aware of material uncertainties which impact upon the charity's ability to continue as a going concern. These material uncertainties exist as a result of the recent poor Ofsted report that the Trust received and the potential uncertainties surrounding children's placements at the school as a result of this Ofsted report.

The Trustees are confident that the measures undertaken since April 2019 will mean that they will continue to receive the support of the Local Authority and parents of pupils. The Trustees believe that, based upon predicted future income streams as negotiated with Local Authorities together with achieved and further planned cost cutting together with the continuing assistance from TaSMAT that the Trust will remain a going concern, and for this reason, the financial statements are prepared on the going concern basis.

Structure, governance and management

The Talking Trust (the 'Trust') was incorporated as St Mary's Wrestwood Children's trust on 7 June 1967 and changed its name to The Talking Trust on 26 November 2012. It is a charitable company limited by guarantee. The Board of Trustees ('Board') governs the Trust in accordance with the Memorandum and Articles of Association. St Mary's School and College (the 'School' or 'St Mary's') as part of the Trust, is registered as a Non-maintained Special School. The School provides specialist education, therapy and care for young people aged 7-19 with speech, language and communication needs.

The Trustees, who are also the Directors for the purpose of company law, who served during the year and up to the date of signature of the financial statements are detailed in the reference and administrative details of the charity on page 1.

The Trustees benefit from indemnity insurance purchased by the Trust to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Trust business. The limit of this indemnity is £2,000,000.

The Trustees aim to maintain a Board in accordance with statute and with the range of expertise, experience and perspectives needed to provide effective direction and oversight. New Trustees are appointed by the Board of Trustees and are subject to application forms, references and DBS clearance. Trustees are provided with training in line with the Charity Commission's guidance on governance.

The new Board of Trustees, which was formed following the resignation of the majority of the previous Governing Board, has agreed to separate the functions of Trusteeship and school governance. To that end the Trustees delegated their governance responsibilities in full to an Interim Executive Board (IEB) consisting of experienced professionals and chaired by the Chair of Trustees.

The IEB members were selected by the Trustees, in partnership with East Sussex County Council on the basis of their professional expertise and experience and were subject to application form, references and DBS clearance. It is intended that the IEB will remain in place until the situation of St Mary's changes and it moves out of an Ofsted category.

The IEB has full responsibility for the governance of the school. The IEB is supplemented by a School Effectiveness Board (SEB) consisting of the Chair of Trustees, the CEO and chaired by a member of the IEB. This Board receives reports from the senior leadership team in relation to safeguarding, attainment and progress and health and safety. The SEB reports to the IEB.

In addition, a Finance and Audit Committee has been established and a new Trustee with financial and business knowledge and experience has been appointed to the Board of Trustees.

The IEB has also established a Parents Consultative Group that meets termly (6 times per year) and consists of 12 volunteer parents with both day and residential pupils. The notes of these meetings and any other documentation arising from it are shared with the whole parent body. This process has been postponed due to the impact of the Covid 19 pandemic and is under review.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Local Authorities fund the majority of pupil placements, with a small number of placements being privately funded. There is also a small amount of fundraised income from other charitable bodies and private donations.

The day to day management of the school is undertaken by the Acting Principal, with the support and guidance of the Acting CEO and additional consultancy support with particular regard to teaching, learning, assessment and curriculum from an Independent Education Consultant who is also a member of the IEB.

The IEB consists of the following members:

Jean Haigh
Jenny Sutherland
Richard Preece
Catherine Dooley
Lindsey Diamond
Antony Julyan
Craig Pamphilon

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up of the company.

The Trustees consider the IEB and the senior leadership team to comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All IEB members give of their time freely and no IEB member received any remuneration in the current or prior year. The senior leadership team comprise the following members of staff:

Richard Preece, CEO
Natalie Edwards, Acting Principal
Stephen Weakley, Head of Education
Ashley Pollen, SENCO and Admissions Lead
Gemma Martin, Head of Care and Designated Safeguarding Lead

Key management and personnel are subject to performance management / appraisal processes and remuneration and pay decisions related to performance are evidenced. For the Acting Principal, this is approved by the Board of Trustees and for other positions, this is approved by the Advisory Headteacher.

Related parties and other connected charities and organisations

The relationship between the charity and Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners South East London office. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

Fundraising

The Trust has not undertaken any material fundraising activities during the year ended 31 August 2020.

Plans for future periods

The Trustees are pleased to see the continued increase in referrals for new pupils from East Sussex County Council, with the number on roll at the end of the 2019/20 academic year having increased to 76. These referrals are for day placements in the main and the management team will continue to work proactively to promote the residential provision over the coming year with more distant Local Authorities.

Considerable planning and action is also being undertaken to address the issues raised by Ofsted in relation to the quality of teaching and learning, assessment (including accreditation) and the curriculum. Discussions are also on going with the Regional Schools Commissioner and the Department for Education in relation to the business and support partnership between TASMAT and St Mary's as a non-maintained special school to secure the longer term future of the The Talking Trust.

THE TALKING TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian on behalf of others

The Trust and its Trustees do not act as custodian Trustees for other charities.

Trustees' responsibilities

The Trustees, who are also the Directors of The Talking Trust for the purpose 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).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these 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 2019 (FRS102);
- 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for 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.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Auditor

Cooper Parry Group Limited were appointed as auditors of the Trust in January 2021, replacing Plummer Parsons, and a resolution confirming this appointment and change was agreed by Trustees.

Approved by order of the members of the Board of Trustees on 19 May 2021 and signed on their behalf by:



Ms J Haigh
Chair of Trustees

THE TALKING TRUST
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST

Opinion

We have audited the financial statements of The Talking Trust (the 'charity') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion 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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

THE TALKING TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TALKING TRUST (CONTINUED)

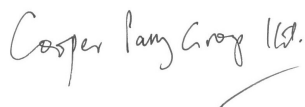
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Statutory Auditor

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

25 May 2021

THE TALKING TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:				
Donations and legacies	4	70,441	70,441	9,099
Charitable activities	5	3,697,254	3,697,254	4,532,596
Other trading activities	6	210,406	210,406	157,356
Investments	7	1,534	1,534	3,170
		<u>3,979,635</u>	<u>3,979,635</u>	<u>4,702,221</u>
Total income				
Expenditure on:				
Raising funds	8	-	-	19,772
Charitable activities	9	3,068,747	3,068,747	5,578,945
		<u>3,068,747</u>	<u>3,068,747</u>	<u>5,598,717</u>
Total expenditure				
 Net movement in funds before other recognised gains/(losses)				
		910,888	910,888	(896,496)
Other recognised gains/(losses):				
Actuarial gains/(losses) on defined benefit pension schemes	23	214,000	214,000	(1,378,000)
		<u>1,124,888</u>	<u>1,124,888</u>	<u>(2,274,496)</u>
Net movement in funds				
Reconciliation of funds:				
Total funds brought forward	18	3,910,715	3,910,715	6,185,211
Net movement in funds		1,124,888	1,124,888	(2,274,496)
		<u>5,035,603</u>	<u>5,035,603</u>	<u>3,910,715</u>
Total funds carried forward				

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 33 form part of these financial statements.

THE TALKING TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00907923

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	6,892,556	7,073,882
Investments	14	1	1
		<u>6,892,557</u>	<u>7,073,883</u>
Current assets			
Debtors	15	533,268	1,010,391
Cash at bank and in hand		1,838,500	665,156
		<u>2,371,768</u>	<u>1,675,547</u>
Creditors: amounts falling due within one year	16	<u>(1,176,722)</u>	<u>(1,008,715)</u>
Net current assets		<u>1,195,046</u>	<u>666,832</u>
Total assets less current liabilities		8,087,603	7,740,715
Defined benefit pension scheme liability	23	<u>(3,052,000)</u>	<u>(3,830,000)</u>
Total net assets		<u><u>5,035,603</u></u>	<u><u>3,910,715</u></u>
Charity funds			
Restricted funds	18	-	-
Unrestricted funds			
Designated funds	18	6,892,556	7,073,883
General unrestricted funds	18	1,195,047	666,832
		<u>8,087,603</u>	<u>7,740,715</u>
Unrestricted funds excluding pension fund	18	8,087,603	7,740,715
Pension fund	18	<u>(3,052,000)</u>	<u>(3,830,000)</u>
Total unrestricted funds	18	<u>5,035,603</u>	<u>3,910,715</u>
Total funds		<u><u>5,035,603</u></u>	<u><u>3,910,715</u></u>

The financial statements were approved and authorised for issue by the Trustees on 19 May 2021 and signed on their behalf by:



Ms J Haigh
Chair of Trustees

The notes on pages 15 to 33 form part of these financial statements.

THE TALKING TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	20	1,235,128	(779,067)
Cash flows from investing activities			
Dividends, interests and rents from investments		1,534	3,170
Proceeds from the sale of tangible fixed assets		-	-
Purchase of tangible fixed assets		(127,291)	(11,593)
Capital grants and funding		63,973	-
Net cash used in investing activities		(61,784)	(8,423)
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		1,173,344	(787,490)
Cash and cash equivalents at the beginning of the year		665,156	1,452,646
Cash and cash equivalents at the end of the year	21	1,838,500	665,156

The notes on pages 15 to 33 form part of these financial statements

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The Talking Trust is a charitable company limited by guarantee and incorporated in England and Wales under company number 00907923. It is registered with the Charity Commission under charity number 307021. The registered office is St Mary's Special School and College, Wrestwood Road, Bexhill-on-Sea, East Sussex, TN40 2LU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Talking Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Income

All incoming resources are included in the Statement of Financial Activity when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Gifts in kind are included at valuation and recognised as income when received. No amounts are included in the financial statements for services donated by volunteers.

Income relates to pupils' fees that are paid for by Local Authorities. The fees are raised in advance for the coming term and are recognised on an accruals basis. School fees receivable and charges for services and use of premises are accounted for in the period to which the service is provided. Fees received in advance of education to be provided in future years are held as liabilities until either taken into income in the term when used or else refunded. The amounts are net of discounts, VAT and other sales related taxes where appropriate.

Other miscellaneous grants may be received to which performance conditions are attached. These grants are recognised in the Statement of Financial Activities when the conditions have been met. Where the conditions for recognition have not been met at the year end, the amounts are carried forward as deferred income.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable.

The income of the charity for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds. This comprises marketing and is the cost of attracting students to the school.
- Charitable activities. This includes the direct costs of salaries, and other educational activities undertaken to further the purposes of the charity as well as associated support costs. Support costs comprises administrative costs associated with delivering the educational activities as well as the costs of governance. Governance costs comprise the costs of strategic management of the charity as well as compliance costs such as audit fees. Support and governance costs have been allocated equally across the various charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

At each reporting date the charity assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined to be the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Freehold property	- 2% and 10% straight line method
Motor vehicles	- 25% reducing balance method
Fixtures and fittings	- 10% straight line method

Gains and losses on disposals of tangible fixed assets are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Financial Activities.

2.8 Investments

Fixed asset investments comprise investments held in the dormant subsidiaries. These investments are stated at cost less provision for diminution in value.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term interest accounts. The trustees seek to use short and medium term deposits where possible to maximise the return on monies held at the bank and to manage cash flow. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.14 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS"), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

The teaching staff of the charity are members of the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The St Mary's Wrestwood Children's Trust Pension Scheme is a defined benefit pension scheme and the assets are held separately from those of the charity in separate trustee administered funds. The scheme was closed to new members on 31 July 2009. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The defined contribution schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the schemes are held separately from those of the charity in independently administered funds.

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

The present value of the St Mary's Wrestwood Children's Trust Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2017 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	6,468	6,468	9,099
Grants	63,973	63,973	-
	<u>70,441</u>	<u>70,441</u>	<u>9,099</u>

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fee income receivable - Education and residential activities	2,810,269	2,810,269	3,316,186
Fee income receivable - 19 + provision	-	-	492,244
Grant funding	886,985	886,985	724,166
Total 2020	<u><u>3,697,254</u></u>	<u><u>3,697,254</u></u>	<u><u>4,532,596</u></u>
Total 2019	<u><u>4,532,596</u></u>	<u><u>4,532,596</u></u>	

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Analysis of grant funding			
ESFA / DfE grant funding	<u><u>886,985</u></u>	<u><u>886,985</u></u>	<u><u>724,166</u></u>

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Swimming income	24,825	24,825	78,765
Catering income	406	406	764
Fundraising events	419	419	30
Assessment fees	-	-	3,550
Lettings income	51,884	51,884	885
Transport income	63,360	63,360	61,120
Therapy income	26,378	26,378	12,242
Other income	43,134	43,134	-
Total 2020	<u><u>210,406</u></u>	<u><u>210,406</u></u>	<u><u>157,356</u></u>

THE TALKING TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Interest receivable	1,534	1,534	3,170

8. Expenditure on raising funds

Fundraising and publicity

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Advertising	-	-	9,275
Other fundraising costs	-	-	10,497
Total 2020	-	-	19,772

9. Analysis of expenditure on charitable activities

Summary by activity

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	1,867,080	1,867,080	2,329,565
Therapy & wellbeing	392,148	392,148	180,815
Residential care	451,856	451,856	1,795,721
Facilities	357,663	357,663	1,202,898
19 + provision	-	-	69,946
	3,068,747	3,068,747	5,578,945

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Auditor's remuneration

The current auditor's remuneration for the year ended 31 August 2020 amounts to an auditor fee of £9,250 (2019 - £13,080), which relates to the audit of the financial statements, £Nil (2019 - £1,752) for other assurance engagements, and £1,750 (2019 - £5,580) for other non-audit services.

The auditor's remuneration for the year ended 31 August 2020 also includes an amount of £6,744 relating to the remuneration paid to the previous auditors. This related to an under-provision of audit fees from the prior year together with other non-audit fees.

11. Staff costs

	2020 £	2019 £
Wages and salaries	1,767,463	3,443,396
Social security costs	161,607	186,918
Pension costs (excluding past service credits)	127,538	136,092
Pension cost past service credit	(515,000)	-
	<u>1,541,608</u>	<u>3,766,406</u>

Included within Staff costs is a total of £35,283 (2019 - £3,556) relating to redundancy costs paid in the year.

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Education	22	39
Residential care staff	39	62
Health staff	16	28
Other staff	18	26
	<u>95</u>	<u>155</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	1	-

The charity considers its key management personnel to be the Interim Executive Board and the Senior Management Team. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by the key management personnel for their services to the charity during the year was £201,064 (2019 - £196,676).

THE TALKING TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the charity. These Trustees are members of staff of the charity and only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Mr R Preece	Remuneration	9,333	-
	Pension contributions paid	2,210	-
Ms S Doherty	Remuneration	4,792	28,412
	Pension contributions paid	1,135	4,682

During the year ended 31 August 2020, expenses totalling £740 were reimbursed or paid directly to 1 Trustee (2019 - £1,386 to 2 Trustees). The expenses related to travel costs.

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 September 2019	9,177,313	14,052	1,030,505	10,221,870
Additions	105,547	-	21,744	127,291
Disposals	(123,323)	-	-	(123,323)
At 31 August 2020	<u>9,159,537</u>	<u>14,052</u>	<u>1,052,249</u>	<u>10,225,838</u>
Depreciation				
At 1 September 2019	2,337,503	8,799	801,686	3,147,988
Charge for the year	164,746	1,324	33,615	199,685
On disposals	(14,391)	-	-	(14,391)
At 31 August 2020	<u>2,487,858</u>	<u>10,123</u>	<u>835,301</u>	<u>3,333,282</u>
Net book value				
At 31 August 2020	<u><u>6,671,679</u></u>	<u><u>3,929</u></u>	<u><u>216,948</u></u>	<u><u>6,892,556</u></u>
At 31 August 2019	<u><u>6,839,810</u></u>	<u><u>5,253</u></u>	<u><u>228,819</u></u>	<u><u>7,073,882</u></u>

THE TALKING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

FRS102 requires the separation of freehold land from the freehold buildings. It has previously been determined by the Trustees that the fair value of the land equates to 40% of the original cost. The remaining 60% is deemed to be the value of the buildings at purchase which is being depreciated on a straight line basis at 2% per annum. The net book value of freehold property at 31 August 2020 which is attributable to land is £1,923,748 (2019 - £1,923,748).

Included within freehold property is a property comprising land and buildings with a net book value at 31 August 2020 of £364,114 for which the charity is currently in the process of selling. The expected selling price of the property is £625,000.

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2019	1
At 31 August 2020	1

Principal subsidiaries

The following was a subsidiary undertaking of the charity:

Name	Registered office	Principal activity	Class of shares
The Glades Garage Forecourts Management Co. Ltd	England & Wales	Dormant	Ordinary £1

Holding

100%

The financial results of the subsidiary for the year were:

Name	Net assets £
The Glades Garage Forecourts Management Co. Ltd	1

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15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	529,403	980,709
Other debtors	2,683	2,683
Prepayments and accrued income	1,182	26,999
	533,268	1,010,391

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	96,340	82,414
Other taxation and social security	-	60,255
Other creditors	54,400	-
Deferred income	994,165	751,021
Accruals	31,817	115,025
	1,176,722	1,008,715

	2020 £	2019 £
Deferred income at 1 September 2019	751,021	11,567
Resources deferred during the year	994,165	751,021
Amounts released from previous periods	(751,021)	(11,567)
	994,165	751,021

Deferred income relates to school fees and grant funding for the year ending 31 August 2021 which have been received in advance at the year end.

17. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	1,838,500	665,156
	1,838,500	665,156

Financial assets measured at fair value through income and expenditure comprise of cash at bank.

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18. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Capital fund	7,073,883	63,973	(308,618)	63,318	-	6,892,556
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
General unrestricted funds						
General fund	666,832	3,986,662	(3,395,129)	(63,318)	-	1,195,047
Pension fund reserve	(3,830,000)	(71,000)	635,000	-	214,000	(3,052,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(3,163,168)	3,915,662	(2,760,129)	(63,318)	214,000	(1,856,953)
Total Unrestricted funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	3,910,715	3,979,635	(3,068,747)	-	214,000	5,035,603

The designated funds comprise the capital fund which represents the net book value of charity's fixed assets which are used to carry out its charitable objects and are therefore not readily realisable. The transfer to the capital fund from the general fund represents the amounts expended on tangible fixed asset additions in the year that were not otherwise funded through capital grants funding.

The Pension fund reserve represents the deficit in the St Mary's Wrestwood Children's Trust Pension Scheme, which will ultimately be realised from the assets of the charity. Further details on the charity's pension obligations are contained in note 23.

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Capital fund	6,949,309	-	-	124,574	-	7,073,883
General fund	1,434,319	4,693,548	(5,594,227)	133,192	-	666,832
Pension fund reserve	(2,452,000)	-	-	-	(1,378,000)	(3,830,000)
	<u>(1,017,681)</u>	<u>4,693,548</u>	<u>(5,594,227)</u>	<u>133,192</u>	<u>(1,378,000)</u>	<u>(3,163,168)</u>
Restricted funds						
Phase 3 building fund	109,360	-	-	(109,360)	-	-
Library improvement fund	7,161	-	-	(7,161)	-	-
Theatre fund	22,447	-	-	(22,447)	-	-
Residential improvements	1,744	-	-	(1,744)	-	-
Other small funds	63,935	8,673	(4,490)	(68,118)	-	-
Vocational Centre	15,351	-	-	(15,351)	-	-
Garfield Weston Foundation	16,015	-	-	(16,015)	-	-
Vocational Centre Car Wash	9,265	-	-	(9,265)	-	-
Print room	8,305	-	-	(8,305)	-	-
	<u>253,583</u>	<u>8,673</u>	<u>(4,490)</u>	<u>(257,766)</u>	<u>-</u>	<u>-</u>
Total of funds	<u><u>6,185,211</u></u>	<u><u>4,702,221</u></u>	<u><u>(5,598,717)</u></u>	<u><u>-</u></u>	<u><u>(1,378,000)</u></u>	<u><u>3,910,715</u></u>

In the prior year, the balances of funds held in the various restricted funds were released and transferred into the designated funds or general funds as the Trustees were satisfied that the conditions relating to these funds had previously been fully satisfied.

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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	6,892,556	6,892,556
Fixed asset investments	1	1
Current assets	2,371,768	2,371,768
Creditors due within one year	(1,176,722)	(1,176,722)
Provisions for liabilities and charges	(3,052,000)	(3,052,000)
Total	5,035,603	5,035,603

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	7,073,882	7,073,882
Fixed asset investments	1	1
Current assets	1,675,548	1,675,548
Creditors due within one year	(1,008,715)	(1,008,715)
Provisions for liabilities and charges	(3,830,000)	(3,830,000)
Total	3,910,716	3,910,716

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20. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	910,886	(896,496)
Adjustments for:		
Depreciation charges	199,685	219,433
Interest receivable	(1,534)	(3,170)
Loss on the sale of fixed assets	108,932	-
Decrease/(increase) in debtors	477,123	(782,667)
Decrease in creditors	(75,137)	(55,621)
Increase/(decrease) in deferred income	243,144	739,454
Capital grants and funding	(63,973)	-
Pension scheme finance cost	71,000	66,000
Pension scheme cost less contributions payable and expenses	(635,000)	(66,000)
Net cash provided by/(used in) operating activities	1,235,128	(779,067)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,838,500	665,156

22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	665,156	1,173,344	1,838,500
	<u>665,156</u>	<u>1,173,344</u>	<u>1,838,500</u>

23. Pension commitments

The charity's employees belong to various principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS), the St Mary's Wrestwood Children's Trust Pension Scheme, both of which are defined benefit schemes, and three defined contribution schemes.

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23. Pension commitments (continued)

The Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration levy)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £84,297 (2019 - £80,808).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

Defined contribution schemes

The charity also operates 3 defined contribution pension schemes for qualifying employees who are neither teaching staff nor contributing to the charity's own defined benefit scheme. The schemes comprise the salary exchange and money purchase schemes, both of which are closed to new members, run by Aegon, and the NOW pension scheme which was set up as a result of auto-enrolment. The assets of the defined contribution schemes are held separately from those of the charity in independently administered funds.

The charge to the profit and loss in respect of the defined contribution scheme was £43,241 (2019 - £55,287). The contributions to the defined contribution schemes have been allocated wholly to unrestricted funds and to the activities in accordance with the staff involved in each activity.

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23. Pension commitments (continued)

The St Mary's Wrestwood Children's Trust Pension Scheme

The charity also operates a defined benefit scheme pension scheme, The St Mary's Wrestwood Children's Trust Pension Scheme.

The scheme was closed to new members on 31 July 2009. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. An actuarial valuation was carried out based on data as at 31 March 2017 and updated to 31 August 2020 for the purposes of an FRS102 report by a qualified actuary.

The Trust currently pays contributions at the rates set out in the Schedule of Contributions prepared following the 31 March 2017 scheme funding valuation. Under this Schedule of Contributions, the Trust has to pay contributions over a period of 12 years 5 months from 1 April 2017, currently at the rate of £244,668 per annum, most of which increased each 1 April by 3.5% per annum. This includes an allowance to cover administration, actuarial and consultancy costs. Any other expenses of the scheme, including levies to the Pension Protection Fund, will be met by the Trust. The total contributions made during the year ended 31 August 2020 were £239,804 (2019 - £240,628).

Principal actuarial assumptions at the Balance Sheet date were:

	At 31 August 2020 %	At 31 August 2019 %
Discount rate	1.7	1.9
Rate of increase of pension payment capped at 5%	2.8	3.5
Inflation assumption (RPI)	3.1	3.5
	<hr/> <hr/>	<hr/> <hr/>
	At 31 August 2020 Years	At 31 August 2019 Years
Mortality rates (in years)		
- for a male aged 65 now	22.0	22.0
- at 65 for a male aged 45 now	23.2	23.2
- for a female aged 65 now	23.9	23.9
- at 65 for a female aged 45 now	25.2	25.2
	<hr/> <hr/>	<hr/> <hr/>

The charity's share of the assets in the scheme was:

	At 31 August 2020 £	At 31 August 2019 £
Equities	4,103,000	4,193,000
Corporate bonds	1,040,000	981,000
Cash and other liquid assets	61,000	97,000
Government bonds	999,000	1,018,000
Total fair value of assets	<hr/> <hr/> 6,203,000	<hr/> <hr/> 6,289,000

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23. Pension commitments (continued)

The actual return on scheme assets was £(£50,000) (2019 - £456,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Past service credit	(515,000)	-
Interest income	(119,000)	(165,000)
Interest cost	190,000	231,000
Expenses	120,000	170,000
Other	-	5,000
Total amount recognised in the Statement of Financial Activities	(324,000)	241,000

Movements in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	10,119,000	8,342,000
Interest cost	190,000	-
Actuarial (gains)/losses	(383,000)	1,674,000
Benefits paid	(276,000)	(298,000)
Past service credit	(515,000)	-
Expenses	120,000	170,000
Interest cost	-	231,000
Closing defined benefit obligation	9,255,000	10,119,000

Movements in the fair value of the charity's share of scheme assets were as follows:

	2020 £	2019 £
Opening fair value of scheme assets	6,289,000	5,890,000
Interest income	119,000	-
Interest income	-	165,000
Actuarial (losses)/gains	(169,000)	296,000
Contributions by employer	240,000	241,000
Benefits paid	(276,000)	(298,000)
Other	-	(5,000)
Closing fair value of scheme assets	6,203,000	6,289,000

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24. Operating lease commitments

At 31 August 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	5,202	2,162
Later than 1 year and not later than 5 years	14,328	4,325
	<u>19,530</u>	<u>6,487</u>

25. Related party transactions

Owing to the nature of the charity and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the charity's financial regulations and normal procurement procedures relating to related party transactions.

The following related party transactions took place during the year ended 31 August 2020:

Ms J Haigh, Mr M Clarke and Mr R Preece, who are Trustees of the charity, were also Trustees of The Torfield and Saxon Mount Academy Trust during the year ended 31 August 2020, although Mr R Preece resigned as a Trustee of the charity on 10 September 2020. The relationship between the charity and The Torfield and Saxon Mount Academy Trust was brokered by East Sussex County Council and the DfE Regional Schools Commissioners for South East London. The purpose of the relationship was to provide support to the charity in relation to leadership, governance, financial operation and school improvement, with a view to ascertaining the longer term viability of the charity.

During the year ended 31 August 2020, the charity made payments totalling £191,293 (2019 - £30,800) to The Torfield and Saxon Mount Academy Trust for the supply of teaching and administrative support staff services and other administrative services. No amounts (2019 - £Nil) were outstanding as at the year end. During the year ended 31 August 2020, receipts totalling £99,735 (2019 - £Nil) were received from The Torfield and Saxon Mount Academy Trust relating to an improvement grant funding provided to support the charity and payment for course fees. At the year end there was an amount of £455 (2019 - £Nil) owed to the charity by The Torfield and Saxon Mount Academy Trust.

There were no other related party transactions during the current or prior period, other than certain Trustees remuneration and expenses already disclosed in note 12.