

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

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

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<b>Trustees</b>	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)
<b>Company registered number</b>	00907923
<b>Charity registered number</b>	307021
<b>Registered office</b>	St Mary's Special School and College Wrestwood Road Bexhill-on-Sea East Sussex TN40 2LU
<b>Independent auditor</b>	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
<b>Bankers</b>	HSBC Bank plc 2 Devonshire Road Bexhill-on-Sea East Sussex TN40 1AT

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**THE TALKING TRUST 2023**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2023**

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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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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

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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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

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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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**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

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

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**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.

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

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**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.

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

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**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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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**THE TALKING TRUST 2023**  
**(A Company Limited by Guarantee)**

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

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**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 £
<b>Income from:</b>				
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
<b>Total income</b>		5,278,901	5,278,901	4,287,878
<b>Expenditure on:</b>				
Charitable activities	8	3,811,663	3,811,663	3,314,508
<b>Total expenditure</b>		3,811,663	3,811,663	3,314,508
<b>Net movement in funds before other recognised gains/(losses)</b>		1,467,238	1,467,238	973,370
<b>Other recognised gains/(losses):</b>				
Actuarial (losses)/gains on defined benefit pension schemes	23	(220,000)	(220,000)	1,376,000
<b>Net movement in funds</b>		1,247,238	1,247,238	2,349,370
<b>Reconciliation of funds:</b>				
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
<b>Total funds carried forward</b>	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 £
<b>Fixed assets</b>			
Tangible assets	12	6,973,960	6,603,414
Investments	13	1	1
		<u>6,973,961</u>	<u>6,603,415</u>
<b>Current assets</b>			
Debtors	14	1,578,959	1,204,177
Cash at bank and in hand		4,460,513	3,509,706
		<u>6,039,472</u>	<u>4,713,883</u>
Creditors: amounts falling due in one year	15	(1,976,777)	(1,527,880)
<b>Net current assets</b>		<u>4,062,695</u>	<u>3,186,003</u>
<b>Total assets less current liabilities</b>		<u>11,036,656</u>	<u>9,789,418</u>
<b>Net assets excluding pension asset</b>		<u>11,036,656</u>	<u>9,789,418</u>
Defined benefit pension scheme asset	23	-	-
<b>Total net assets</b>		<u><u>11,036,656</u></u>	<u><u>9,789,418</u></u>
<b>Charity funds</b>			
Unrestricted funds:			
Designated funds	17	6,973,960	6,875,958
General funds	17	4,062,696	2,913,460
Total unrestricted funds	17	<u>11,036,656</u>	<u>9,789,418</u>
<b>Total funds</b>		<u><u>11,036,656</u></u>	<u><u>9,789,418</u></u>

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 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	1,494,346	1,150,570
<b>Cash flows from investing activities</b>		
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
<b>Net cash (used in)/provided by investing activities</b>	(543,539)	272,591
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	-	-
<b>Change in cash and cash equivalents in the year</b>	950,807	1,423,161
Cash and cash equivalents at the beginning of the year	3,509,706	2,086,545
<b>Cash and cash equivalents at the end of the year</b>	<u>4,460,513</u>	<u>3,509,706</u>

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

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**THE TALKING TRUST 2023**  
**(A Company Limited by Guarantee)**

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

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**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.

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**THE TALKING TRUST 2023**  
**(A Company Limited by Guarantee)**

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

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**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.

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**THE TALKING TRUST 2023**  
**(A Company Limited by Guarantee)**

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

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**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.

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**THE TALKING TRUST 2023**  
**(A Company Limited by Guarantee)**

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

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**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**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
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**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
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
<b>Total 2023</b>	<u>5,013,132</u>	<u>5,013,132</u>	<u>4,070,699</u>
<b>Total 2022</b>	<u>4,070,699</u>	<u>4,070,699</u>	

**Analysis of ESFA / DfE grant funding**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
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**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<b>Total funds 2022 £</b>
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
<b>Total 2023</b>	<b>135,089</b>	<b>135,089</b>	<b>152,058</b>

**7. Investment income**

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

**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**

	<b>Unrestricted funds 2023 £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
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**

	<b>2023 £</b>	<b>2022 £</b>
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:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
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:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
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 £
<b>Cost or valuation</b>				
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>
<b>Depreciation</b>				
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>
<b>Net book value</b>				
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**

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

**Principal subsidiaries**

The following was a subsidiary undertaking of the charity:

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

The financial results of the subsidiary for the year were:

<b>Name</b>	<b>Net assets £</b>
The Glades Garage Forecourts Management Company Ltd	1

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

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**14. Debtors**

	<b>2023</b>	<b>2022</b>
	£	£
<b>Due within one year</b>		
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**

	<b>2023</b>	<b>2022</b>
	£	£
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**

	<b>2023</b>	<b>2022</b>
	£	£
<b>Financial assets</b>		
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.

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**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 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Capital fund	6,875,958	86,464	(262,635)	274,173	-	6,973,960
<b>General funds</b>						
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
<b>Total Unrestricted funds</b>	<b>9,789,418</b>	<b>5,278,901</b>	<b>(3,811,663)</b>	<b>-</b>	<b>(220,000)</b>	<b>11,036,656</b>

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.

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**17. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2022 £
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Capital fund	6,903,222	62,311	(89,575)	-	6,875,958
<b>General funds</b>					
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
<b>Total Unrestricted funds</b>	<b>7,440,048</b>	<b>4,287,878</b>	<b>(3,314,508)</b>	<b>1,376,000</b>	<b>9,789,418</b>

**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)
<b>Total</b>	<b>11,036,656</b>	<b>11,036,656</b>

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**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
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)
<b>Total</b>	<u>9,789,418</u>	<u>9,789,418</u>

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

	<b>2023 £</b>	<b>2022 £</b>
Net income for the year (as per Statement of Financial Activities)	<u>1,467,238</u>	<u>973,370</u>
<b>Adjustments for:</b>		
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)
<b>Net cash provided by operating activities</b>	<u>1,494,346</u>	<u>1,150,570</u>

**20. Analysis of cash and cash equivalents**

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

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**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 £
<b>Contracted for but not provided in these financial statements</b>		
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.

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**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).

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**23. Pension commitments (continued)**

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

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
	%	%
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>
	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
	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:

	<b>At 31 August 2023</b>	<b>At 31 August 2022</b>
	£	£
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
<b>Total fair value of assets</b>	<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:

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

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**23. Pension commitments (continued)**

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

	<b>2023</b>	<b>Restated</b>
	<b>£</b>	<b>2022</b>
		<b>£</b>
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
<b>Closing defined benefit obligation</b>	<b>5,240,000</b>	<b>6,011,000</b>

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

	<b>2023</b>	<b>Restated</b>
	<b>£</b>	<b>2022</b>
		<b>£</b>
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)
<b>Closing fair value of scheme assets</b>	<b>5,240,000</b>	<b>6,011,000</b>

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.

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**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.