

Registration number: 09306360

Quest (A Church of England Schools Trust)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

Hallidays
Riverside House
King's Reach Business Park
Yew Street
Stockport
SK4 2HD

Quest (A Church of England Schools Trust)

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 21
Governance Statement	22 to 27
Statement on Regularity, Propriety and Compliance	28
Statement of Trustees' Responsibilities	29
Independent Auditor's Report on the Financial Statements	30 to 32
Independent Reporting Accountant's Report on Regularity	33 to 34
Statement of Financial Activities incorporating Income and Expenditure Account	35 to 36
Balance Sheet	37
Statement of Cash Flows	38
Notes to the Financial Statements	39 to 67

Quest (A Church of England Schools Trust)

Reference and Administrative Details

Members

Mr. B. Anthon (*appointment ended 31.7.20*)
Mr. D. Crossley
Mr. D. Thorpe
Ms. J. Griffiths (*appointed 1st August 2020*)
The Right Rev'd N. McCulloch (*appointed 1st August 2020*)
(The Right Honourable) The Baroness Newlove
(*appointed 1st August 2020*)

Directors/Trustees

Mr. B. Anthon (Chairperson)
Mr. G. Ashton
Mrs. S Bruton (Chief Executive and Accounting Officer)
Mr. H. Egan (*appointed 1st September 2019*)
Mrs. K. Gore
Vacancy, UoB Appointment
(The Right Honourable) The Baroness Morris of Bolton, OBE, DL (*appointed 1st August 2020, resigned 31st August 2020*)
Mrs. J. Reynolds (Vice-Chairperson)
Dr. A. Roberts (*appointed 1st August 2020*)
Mrs. J. Smith
Mrs. J. Woods (*appointed 4th November 2019, resigned 12th May 2020*)
Mrs. L. Worthington
Professor G.E. Holmes DL
(*appointed 16th November 2020*)

Principal Partnership Board

- Chief Executive Officer
 - Director of Education
 - Chief Operating & Finance Officer
 - Principal – St. Peter's Hindley
 - Principal – Hindley Green CP
 - Principal – St. John's Hindley Green
 - Principal – St. John's Abram
- Mrs. S. Bruton
Mrs. J. Adams
Mrs. J. Jones
Mrs. N. Green
Mrs. J. Adams / Mr. T. Mooney
Mr. J. Heatley
Mrs. L. Butcher

Company Name

The Keys Federation (to 10th September 2020)
QUEST (A Church of England Schools Trust) (from 11th September 2020)

Principal and Registered Office

682 Atherton Road
Hindley Green
Wigan,
WN2 4SQ

Company Registration Number

09306360 (England and Wales)

Quest (A Church of England Schools Trust)

Reference and Administrative Details (continued)

Academies operated	Location	Principal
St. Peter's C. of E. Primary School	Hindley, Wigan	Mrs. N. Green
Hindley Green Community Primary School	Hindley Green, Wigan	Mrs. D. Affleck
St. John's C. of E. Primary School	Hindley Green, Wigan	Mr. J. Heatley
St. John's C. of E. Primary School	Abram, Wigan	Mrs. L. Butcher
University Collegiate School	Bolton	Ms. N. Glynn
Independent Auditor	Hallidays Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD	
Bankers	Lloyds Bank 2-6 Market Street Wigan WN1 1JN	
Solicitors	Lee Bolton Monier Williams 1 The Sanctuary London SW1P 3JT	

Quest (A Church of England Schools Trust)

Directors/Trustees Report

The Directors/Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Trust operates four primary schools in Wigan for pupils aged 4-11 years and one secondary school/UTC in Bolton – University Collegiate School which joined the Trust on 1st August 2020. Its schools have a combined pupil capacity of 2100 plus 52 Nursery places and had numbers on roll (NOR) of 1350 pupils and 33 Nursery children, at the end of July 2020.

School	Capacity	Number on roll at July 2020
St. Peter's C. of E. Primary School, Hindley	315	308
Hindley Green Community Primary School	420	384
HGCP Nursery – part time places	52	33
St. John's C. of E Primary School, Hindley Green	210	205
St. John's C. of E. Primary School, Abram	315	282
University Collegiate School	840	171

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and Anglican articles of association are the primary governing documents of the academy trust. The articles were amended on 1st August 2020 and the Trust's name was officially changed to QUEST (A Church of England Schools Trust) at Companies House on 11th September 2020. The trustees of The Keys Federation/QUEST are the directors of the charitable company for the purposes of company law. The charitable company operated as The Keys Federation until 11th September 2020 and now operates as QUEST (A Church of England Schools Trust).

Details of the trustees/directors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 3.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring on Trust business and provides cover up to £10,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

Method of Recruitment and Appointment of Trustees/Directors

The Members of the Trust are responsible for the appointment of Trustees/Directors and this is dependent upon their expertise, experience and skills. The number of Trustees/Directors shall be not less than three but shall not be subject to any maximum, as referenced in the articles of association (45-46a,b,c) as follows:

- a. No fewer than five Directors, appointed under Article 50 such that the number of Directors appointed under this Article always outnumbers all other Directors by at least two;
- b. Three Directors appointed by the University Sponsor;
- c. A minimum of 2 Parent Directors elected or appointed under Articles 53-56 in the event that no Local Advisory Committees are established under Article 100(a) or if no provision is made, or is planned, for at least 2 Parent Local Governors on each established Local Advisory Committee pursuant to Article 101A.

Each school has a Local Advisory Committee in place with 2 Parent representatives.

The Trust may also appoint any co-opted Trustee/Director appointed under Article 58.

Providing that the Chief Executive Officer agrees so to act, the Members may by special resolution appoint the Chief Executive Officer as a Director. The CEO was appointed by the Members as a Trustee/Director when the new articles came into effect on 1st August 2020.

Members shall ensure that the total number of any Trustees/Directors who are employees of the Trust, including the CEO, does not exceed one third of the total number of Trustees/Directors.

All Trustees/Directors are appointed for a term of four years.

Policies and Procedures adopted for the Induction and training of Trustees/Directors

Trustees/Directors are appointed based on the skills they will bring to the Board to maintain a robust overview and governance throughout the Trust. On appointment, Trustees/Directors receive information relating to the Trust, including policies and procedures and an Operating Regulations and Governance Handbook. The Trust performs an annual skills audit of Trustees/Directors and appropriate training opportunities are provided throughout the year based on any identified skills/knowledge gaps.

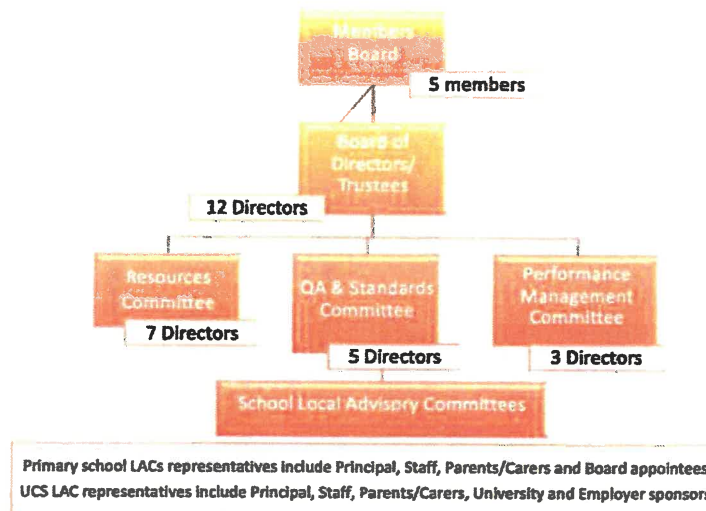
Organisational Structure

Governance of the Trust is defined in the Articles of Association together with the Master and Supplemental Funding Agreements with the Department for Education.

The Trustees/Directors are responsible for setting general policy, the strategic direction and growth of the Trust, adopting an annual plan and budget, monitoring the Trust and schools by the use of financial management and other performance information, making appointments to the Trust Executive Team and approving the Annual Report and Financial Statements.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

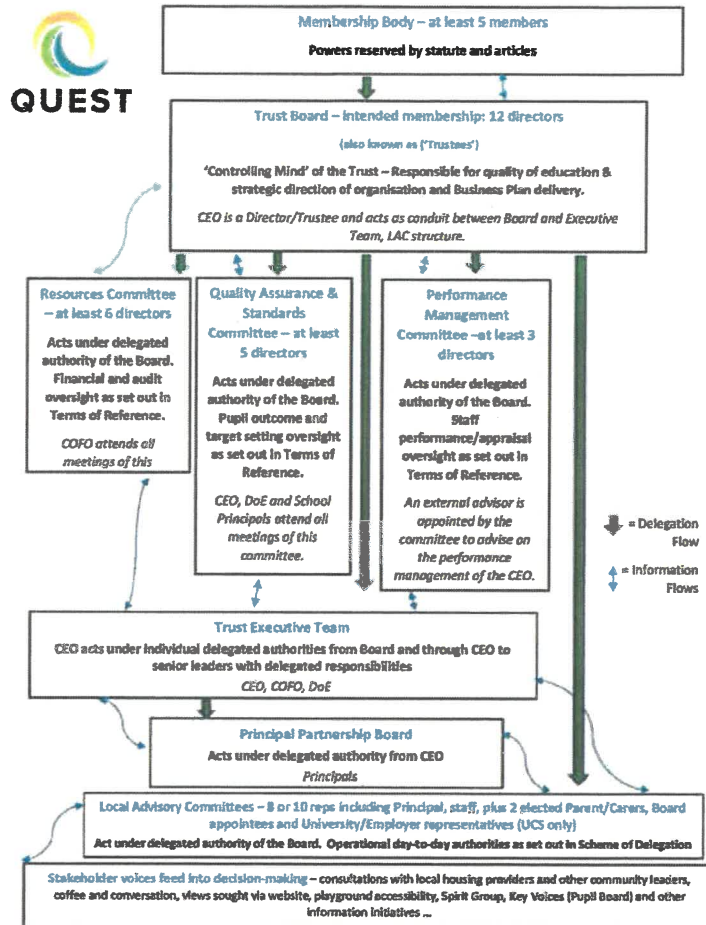


The Board of Trustees/Directors meet at least half-termly with the first meeting in each academic year being the business meeting. The Trustee/Director committees for Resources, Quality Assurance & Standards and Performance Management and the Local Advisory Committees (LAC) for each school meet at least once per term. Reports from Trustee/Director Committees and the LACs are received, scrutinised and ratified by the Trustees/Directors. LAC representatives make regular visits to all schools within the Trust, including attending LAC meetings and supporting functions and events.

Roles and responsibilities of Trustees/Directors, LAC representatives, Trust Executive Team and School Senior Leaders are clearly defined in the Roles and Responsibilities of Governance documentation and encourage decision making at all levels. The Governance delegation/information flow is outlined as follows:

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)



The Chief Executive Officer is the Accounting Officer. The strategic leadership of the Trust is delegated to the Trust Executive Team, comprising of the Chief Executive Officer, Director of Education and the Chief Operating & Finance Officer.

Quest (A Church of England Schools Trust)

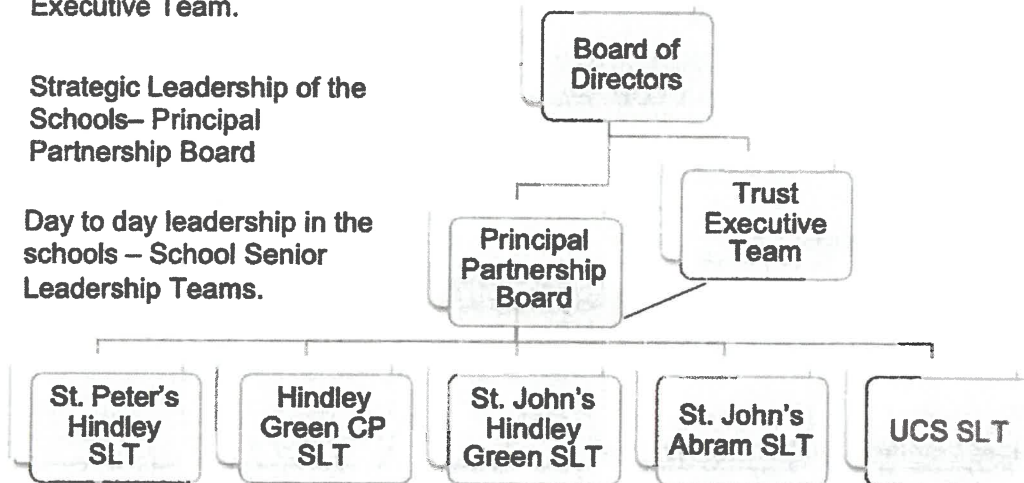
Directors/Trustees Report (continued)

Leadership Structure

Strategic Leadership of the Trust –
Board of Directors and the Trust
Executive Team.

Strategic Leadership of the
Schools– Principal
Partnership Board

Day to day leadership in the
schools – School Senior
Leadership Teams.



The Principal Partnership Board (PPB) consists of the Chief Executive Officer, Director of Education, Principals and the Chief Operating & Finance Officer. These leaders are responsible for the strategic leadership in the schools at an executive level implementing the policies laid down by the Trustees/Directors and reporting back to them. As a group the PPB is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointments for members of the Principal Partnership Board always contain Trustees/Directors.

The PPB delegates day to day responsibilities to the Senior Leadership Team (SLT) of each school which consists of the Principal and Assistant Principals. These leaders are responsible for the day to day operation of the schools, in particular organising staff (teaching and non-teaching), facilities, resource deployment and pupils.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for the Trust Executive Team is set and reviewed by the Trustees/Directors' Resources Committee, following external professional advice, benchmarking against national comparators and reflecting the unique position of the Trust.

The Principals and Assistant Principals in each school are subject to Teachers' terms & conditions and the pay and remuneration of these key personnel are set and annually reviewed by the Trustees/Directors' Resources Committee, following the agreed pay policy and the Individual School Ranges for each school.

All staff are subject to annual performance management reviews and pay recommendations are ratified by the Trustees/Directors.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

Trade union facility time

By law, trade union representatives are entitled to reasonable paid time off from their regular job to enable them to perform their union duties and to undertake relevant training. Trade union members, including representatives, may also ask for unpaid time off to undertake activities. Together, these arrangements constitute facility time.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require The Keys Federation to collate and publish, on an annual basis, a range of data on the amount and cost of facility time. This is the completed report for our Academy Trust which confirms the required data for the period 1 April 2019 to 31 March 2020.

Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.48 fte

Percentage of time spent on facility time

The percentage of their working hours that relevant unions officials spent on facility time.

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£6,969
Total pay bill	£4,417,000
Percentage of the total pay bill spent on facility time	0.16%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
---	----

Related Parties and other Connected Charities and Organisations

The Keys Federation/QUEST controls Play Pals Childcare Ltd, a childcare company providing Before & After School Childcare, Holiday Provision, Nursery Day Care and early years support for the schools within the Trust. Play Pals Childcare Ltd operates as a private company limited by shares which is 100% owned by The Keys Federation/QUEST. The Chief Executive Officer (CEO), Chief Operating & Finance Officer (COFO) and Director of Education (DoE) are Directors of Play Pals Childcare Ltd on behalf of the Keys Federation/QUEST Board.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

This dynamic relationship between The Keys Federation/QUEST and Play Pals ensures that all families can access high quality childcare if required and our early years provision is seamless from birth to Reception.

Details of transactions between The Keys Federation/QUEST and Play Pals are explained in note 29 to the accounts.

Objectives and Activities

Objects and Aims

The Trust's principal object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools which shall offer a broad and balanced curriculum and which:

- (i) shall include Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and
- (ii) may include other schools whether with or without a designated religious character, including educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them or 16 to 19 schools offering a curriculum appropriate to the needs of its students or schools specially organised to make special educational provision for pupils with Special Educational Needs;

but in relation to each of the schools to recognise and support their individual ethos, whether or not designated Church of England.

The vision of the Trustees/Directors is to **unlock potential**, providing places for **learning, innovation and opportunities** at the heart of our communities and to make a difference by raising aspirations and improving children's life chances within safe and welcoming environments.

Our schools are all about **passion, determination and enthusiasm**. We see challenges as opportunities and have an unshakeable belief in the right of children to a high-quality education.

Objectives, Strategies and Activities

The Trust's moral purpose and strategic intent is to transform learning and secure a culture of excellence across our organisation. This ensures our schools are places which unlock the potential and talents of all our young people. Our Trust consists of dedicated professionals who deliver the best for all. Our Spirit of Purpose embodies our commitment to enhance the life chances of pupils, staff and families in service to our communities.

The Trust's objectives for the period ending 31 August 2020 are summarised below:

- To continue to invest in curriculum excellence for all. As Century Tech Flagship schools, our teaching and learning will become further personalised through our digital strategy and will be confident users of ICT. Through robust assessment for learning, pupils will know what they need to improve and coaching for life skills will enable all pupils to meet their challenges.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

- To continue to deliver strong examination results and all indicators of performance in all of the Trust's schools.
- To ensure learners are confident individuals, have embedded life skills development with a 'can do' attitude for the next steps of their education.
- To continue to secure excellent attendance (pupils and staff).
- To evolve The Spirit of Purpose further to continue high quality professional learning and career progression opportunities for all Trust employees.
- To monitor, maintain and support outstanding governance at The Keys Federation Academy Trust.
- To achieve continued excellence and recognition of the Music academy, Sports academy and Art academy.
- To work as a strategic partner in the region and nationally.
- To consider strategic growth opportunities that will achieve the Trust's mission and add value to the organisation including cross sector growth for 0-19, with a particular focus on 11-19 age range.
- To continue to develop school facilities at all sites and to maintain adequate financial reserves to fund building and other investment needs.

The Keys Federation Academy Trust/QUEST is an organisation that provides opportunities for pupils/students and staff alike, always embracing the local community as an active partner. We aim for our families to be proud to choose a Keys Federation/QUEST school.

As 2019 Pearson National Teaching Award winners for digital innovation, we continue to embrace technology in a meaningful way for the benefit and advancement of educational standards.

Trust Digital Strategy Summary

In creating the future of education within our Trust, digital will enhance the quality of provision in the following ways:

Phase 1:

Communication – Internal and external

Phase 2:

Enable effective and efficient operational systems

Phase 3:

Minimise workload and maximise efficiencies - for time, planning, assessment and shared resources

Phase 4:

Enable delivery of quality teaching and learning – supported by a culture of coaching and student agency

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

Phase 5:

Create flexible, nuanced and adaptable education for the future Something in here about Digital Strategy?

The Trust's vision of 0-19 education has been realised this year, with Play Pals Day Care Nursery now welcoming children from birth and the growth of the Trust with a 11-19 extended UTC joining the group.

Public Benefit

The Academy Trust's Trustees/Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. It fully complies with all statutory guidance and supports wider educational objectives through a strong community role.

The Trust's purpose is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools which shall offer a broad and balanced curriculum. Our schools directly serve our local communities and provide free education to pupils in the catchment areas. The Academy Trust also operates private childcare settings and training facilities.

Strategic Report

Achievements and Performance

Our primary schools take an active part in Wigan local authority's school improvement consortia model, which includes schools across the Borough. The Trust has 5 SLEs in Teaching & Learning, Maths, English, Music and Early Years) and our COFO is also a SLE for School Business Management and MAT conversion. Our Trust expertise has positively impacted on over 10,000 students in its delivery of School to School support.

Ofsted rate our Schools as:

- St. Peter's Hindley – Good – November 2018
- St. John's Abram – Good – September 2017
- St. John's Hindley Green – Good – September 2017
- HGCP – Good – September 2017
- University Collegiate School (formerly Bolton UTC) – Good – March 2019

Due to the Coronavirus pandemic and the school closures from March 2020, the 2019/20 national curriculum assessments were cancelled and it is not possible to include any KS1 or KS2 outcomes or teacher assessments in this year's report. It is also not possible to include any comparative information about the attainment of pupils of the same age in the schools or nationally.

Overall Key Stage 5 Outcomes

	% A* - E	% A* - D	% A* - C	% A* - B	% A* - A
2019-20	100	95	84	58	32

	Academic Average Point Score	Vocational Average Point Score
2019-20	36.6	24.4

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

Subject Qualifications Key Stage 5 – Year 13 2019-2020

A* - E Whole Grades	A*-B %	A*-C %	(National2020)	A*-E %	Value Added
Biology	33	100	83.6	100	+0.64
Chemistry	60	80	86	100	+1.01
Computer Science	100	100	84.2	100	+0.68
English Literature	0	100	91	100	-0.09
Geography	50	100	88.8	100	+0.98
Maths	67	67	86.3	100	+0.23
Physics	50	50	83.8	100	-0.27
Psychology	50	100	83.5	100	+1.59
BTEC Whole Grade	D*-D%	D*-M%		Pass Rate	Value Added
H&SC BTEC Double	71	100		100	+2.13
Applied Science Single	14	14		71	+0.10
Applied Science Triple	10	48		95	-0.40

Destination	% of Cohort
University	80
Further Training (Apprenticeship)	8
Employment	8
Resit ('Year 14')	4
NEET	0

Overall Key Stage 4 Outcomes

	9-4 in English and Maths	Progress 8
2019-20	69%	+0.21

GCSE Outcomes – Year 11 2019-2020

Grades	9 - 7 %	9 - 5 %	9 - 4 %	(National 2020)	Subject Progress
Business Studies	26.7	40	73.3	95.2	+1.07
Computer Science	0	46.2	53.8	79.9	+1.08
English Language	9.5	40.5	73.8	80.2	+0.36
English Literature	7.9	39.5	68.4	80.1	-0.19
Geography	12.5	50	83.3	75.5	+ 0.97
History	10	40	80	74.4	+0.31
Maths	14.6	51.2	85.4	77.2	+0.52
MFL French	20	60	60	82	-1.05
MFL Spanish	40	80	80	81.6	+1.06
Psychology	20	30	40		-0.08
Biology	0	100	100	95.2	+0.75
Chemistry	0	100	100	95.9	+0.88
Physics	0	100	100	96.3	+0.40
Combined Science	16.2	37.8	68.9	64.5	+0.21

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

BTEC Grade	D*-D%	D*-M%	D*-P%	(National)	Subject Progress
Engineering	0	0	25		
H&SC BTEC Single	37.5	81.3	100		
Sports Science CN	20	70	80		0.29

In recognition of the impact of the Coronavirus outbreak on school attendance, the Department for Education has removed the requirement to report pupils' attendance data for the 2019/20 academic year.

The Trust schools continued to offer education on line with 85% engagement rate from all pupils and operated access to school for all keyworker children from March to June, with additional priority students attending from June 2020.

Staff were fully committed to safety and continuity of education and care, including providing this critical service throughout normal holiday periods. We saw the best of all members of our team in securing the safety and well-being of all. School celebrations and awards took place, albeit virtually.

Each Primary School was also recognised with a Safeguarding Award during these unprecedented times. All changes are in place to facilitate full opening for all students in all schools from September 2020.

We are proud of our pupils and staff achievements and we continue to secure excellence in every aspect of our work. We have high aspirations for our pupils and a clear vision for success. We are committed to a breadth and depth of learning, a Whole Education for all.

Other notable achievements across the Trust's academies include:

- Century Flagship Status for all schools
- Pearson Silver National Teaching Award for Digital Innovator of the Year 2019
- St. Peter's Hindley obtained the Sportsmark Gold Award, Silver Modeshift Stars Award,
- International Eco Green Flag and Music Mark
- Hindley Green CP received the Sportsmark Platinum Award, the Sing Up Silver Award, Church/Community School Award 1, Archbishop of York Youth Trust Young Leaders Aware and are currently awaiting accreditation for the International Eco Green Flag.
- St. John's Hindley Green received the Church & School Partnership Award, Leading Parent Partnership Award, Sportsmark Platinum Award and are currently awaiting re-accreditation for the International Eco Green Flag.
- St. John's Abram received the Sportsmark Gold Award, Church Partnership Award, Church School Values Award, International Eco Green Flag and Music Mark
- Bolton UTC (now UCS) received SSAT National Award for Progress from Key Stage 4 to Key Stage 5, with outcomes being in the top 2% nationally.
- Expansion of our Sports Academy to enrich the health and wellbeing whilst securing regional and national recognition for our gifted and talented students.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

- A dedicated team of specialists developing our Art provision and ensuring the Arts have a high profile within our Trust and communities.
- National and Regional recognition of our Music Academy's excellence and the exciting opportunities provided for our students.
- A focus on Performing Arts giving pupils the opportunity to showcase their talents and perform to a wider audience.

The following quotes from recent external reviews and Ofsted reports from our schools should provide confidence that ...

'Leaders and staff demonstrate well the vision, ambition and qualities of the Trust's Spirit of Purpose. As a result, school is rapidly improving. There is a drive for excellence.'

'The quality of education provided for children in the Reception Year is outstanding. The sharp focus on developing children's skills in speaking, reading and writing is laying a strong foundation for successful learning.'

'The relentless drive for improvement has changed the school from one causing concern to a place where pupils thrive as learners and their personal development flourishes.'

'The Keys Federation Dream Curriculum provides a high quality education which unlocks the potential of each pupil and develops their life skills.'

'Teachers fire pupils' thirst for learning by choosing themes and activities that grab their interest.'

'Behaviour is exemplary.'

At the UCS ...

'The leadership team have developed an inclusive and supportive community. Together with staff, they have overseen rapid improvements in every aspect of the college.'

'The quality of teaching has improved ... and is now good. Teachers have strong subject knowledge. They use questioning successfully to probe and develop pupils' understanding. This leads to strong progress across a range of subjects.'

'The behaviour of pupils is good. The college is a calm and orderly environment. Pupils are polite, courteous and respectful to each other and staff.'

'Leaders have developed a comprehensive personal, social and health education programme which helps to develop pupils' understanding of equality and diversity.'

Key Performance Indicators

The Education and Skills Funding Agency (ESFA) monitors the Academy Trust via a number of statistical returns. The Trust completed an annual self-assessment of its financial management and governance in September 2019. The Trustees/Director's Resources Committee monitor percentage spends and emphasis is placed on monitoring staffing and educational resources spending. Benchmarking against similar academies is performed annually and a benchmarking report is presented to Trustees/Directors.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

The Trustees/Directors approved the budget for the period 1st September 2019 to 31st August 2020 and staffing costs for the 12 months period accounted for 80% of all restricted fund income which is in line with Trustees/Directors' expectations.

As funding is based on pupil numbers, this is a key financial performance indicator. Pupil numbers for 2015/16 were 1160, in 2016/17 were 1183, in 2017/18 were 1197, in 2018/19 were 1202 and in 2019/20 were 1350 showing a steady increase across the Trust.

Going Concern

After making appropriate enquiries, the Board of Trustees/Directors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Most of the Trust and Academy income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the twelve months ended 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the ESFA and other organisations. In accordance with the Charity Commission's document 'Accounting and Reporting by Charities: Statement of Recommended Practice 2015, such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the twelve months ended 31st August 2020, total income, excluding capital funding, was £6,329,087 (2019: £5,795,627) with a surplus at 31st August 2020 of £334,986 (2019: £191,295) before actuarial losses on the pension valuation. The surplus has been allocated to reserves and this is in line with the Trust's strategy to maintain adequate reserves to fund ambitious plans of future improvements and development of the organisation, its curriculum resource and its infrastructure.

Unrestricted income in the twelve months ended 31st August 2020 amounted to £243,971 (2019: £283,978)

At 31st August 2020 the net book value of fixed assets amounted to £16,709,683 (2019: £8,304,011) and movements in fixed assets are shown in note 12 to the financial statements. The cost of fixed asset additions in the twelve months to 31st August 2020 amounted to £399,911 (2019: £228,046). Transfers in year of £8,373,000 related to the onboarding of the UTC.

Key financial policies adopted or reviewed during the period include the Scheme of Financial Administration, Investment, Whistleblowing, Emergency Plans and Business Continuity, Charging and Remissions, Business Expenses, Debt Management and Fixed Assets.

The Academy Trust has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with FRS102 and a deficit has been recognised at 31st August 2020.

Reserves Policy

The Trustees/Directors review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve) is £2,273,681 (2019: £2,182,918).

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

The Trustees/Directors have decided to adopt a prudent approach to reserves and aim to build a group of reserves of designated funds to safeguard against unforeseen circumstances, future financial challenges, capital improvements or developments, late ESFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the Trust's business activities and quality of education at all of the academies in the group.

The net liability of the Trust in the Local Government Pension Scheme (LGPS) amounts to £3,144,000 (2019: £2,847,000). The Trust recognises this a significant liability which is set out in the financial statements. The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the DfE. The guarantee came into force on 18 July 2013.

Total funds as at 31st August 2020, including the restricted pension fund deficit of £3,144,000 are £15,861,048 (2019: £7,690,516) which is made up of restricted funds £536,436 (2019: £79,996), fixed asset funds £16,731,367(2019: £8,354,598) and unrestricted funds £1,737,245 (2019: £2,102,922)

Given the circumstances of the pandemic and the absolute need for access to remote learning opportunities, the Trust optimised their Digital Strategy development by bringing forward the timeframe for phase 4, to ensure that all students from age 7 would have access to 1:1 learning devices from September 2020. This proactive strategy ensures that the Trust is in a strong position whatever the continuing circumstance.

Investment Policy

At The Keys Federation/QUEST we are diligent with the public money we are entrusted with. Adequate cash balances are maintained to ensure that there are always sufficient funds in the Trust's current account to cover financial commitments such as payroll and day-to-day expenses.

However, if there is a surplus of funds after all financial commitments have been considered, this surplus will be invested and we will take steps to manage the risk associated with such financial investments. Funds will be invested in tranches of up to £25,000 and after agreement from the Resources Committee. During the twelve months to 31st August 2020, one such investment has been made with Lloyds Bank PLC.

Cash balances are safeguarded by investing them in interest bearing current accounts with sound commercial banks (currently Lloyds Bank PLC).

Principal Risks and Uncertainties

The principal risks to the Trust have been assessed and documented using a risk register which is reviewed termly. Procedures have been established to mitigate those risks.

None of our current academies face any financial risk associated with falling rolls, indeed there is a steady increase in pupil numbers across the Trust.

The UCS was only able to accept Year 7 students from March 2020. Despite this late date, they have secured 80% of their projected intake, and the numbers retained in the existing years 10-13 have increased for the first time. This ensures that the projected budget fits within anticipated ranges.

However, the uncertainties relating to budget reforms, increasing employment and premises costs are all contributing to cost pressure in future periods which increases the importance of maintaining robust levels of revenue reserves.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

The Trust recognises the exposure to credit risk from banks where the Trust's own cash is deposited. This credit risk is low due to all cash and investments being with banks that have been assigned a high credit rating.

The main risks which could occur are:

- the loss of reputation resulting from a drop in standards and academic performance at the schools,
- failure to safeguard our pupils
- falling pupil numbers,
- budgetary pressures brought about by reduced public sector education spending and funding formula changes;
- erosion of reserves to balance budgets in the short to medium term;
- significant liability of the LGPS deficit;
- pressures on growth which exceeds Trust capacity;
- lack of succession planning within Trust governance and leadership; and
- business interruption due to significant property related incidents.

Key controls in place to mitigate these risks are:

- In-depth, regular data analysis through the Quality Assurance Programme, including Consortia validation and external peer reviews
- Annual school improvement plans at all schools of the Trust
- Robust self-evaluation procedures and careful monitoring of learning and teaching, linked to rigorous performance management
- A streamlined and efficient central team structure
- An organisational structure with clearly defined roles, responsibilities and authorisation levels
- Documented terms of reference for the committees of the Trust and the Local Advisory Committees
- Financial planning, budgeting and regular monitoring reports highlighting key areas of financial risk
- Formal written and published policies for employees
- Vetting procedures as required by legislation for the protection of vulnerable children
- Robust due diligence procedures in place for growth of the Trust, new contracts and commissions,
- Five year building and development plans for all sites

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

- Regular Premises & Grounds inspections and Health & Safety reports ensuring the Trust and its schools are statute compliant;
- Major Incident Policies and Plans.
- Review cycle for Governance and regular training with expertise from the system to ensure leadership strategy is robust
- Building educational expertise and capacity across the Trust with LLEs and SLEs.
- Marketing for all schools but particularly for the UCS as we establish its reputation within the community.

Like all schools there have been additional financial and operational effects of the pandemic and the control measures relating to the reopening requirements. These could not have been anticipated and indeed are responsive to updated advice, but the Trust has mitigated the risk through working as a hub and building on its secure systems and processes.

A Trust COVID-19 Critical Response Document has been compiled throughout the pandemic to provide evidence of the Trust and its schools' decision-making process and actions taken.

Fundraising

The Academy Trust does not use any external fundraisers. Fundraising activities took place to March 2020 by each school's Parents' & Friends' Association and by the schools in support of their nominated charities.

All fundraising undertaken during the year was monitored by school staff through attendance at fundraising meetings and events and through the income/expenditure reporting.

During the year there were no complaints about any fundraising activity and the Trust and schools are mindful of protecting vulnerable people and members of the public. All donations for fundraising events are completely voluntary, without undue pressure or persistent approaches.

The Trustees have a duty to ensure:

- all fundraising is undertaken in the best interests of the Trust and its schools,
- resources are managed responsibly - this includes protecting and safeguarding the reputation of the Trust and
- they act with reasonable care and skill.

Streamlined Energy and Carbon Reporting

As the Trust has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Plans for Future Periods

The overall performance in this reporting period was strong and as a consequence will directly reinforce the Trust's medium to long-term strategy.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)



Our Trust is a place of Learning, Innovation and Opportunity

QUEST will continue to work closely with Liverpool Diocese, the local authority and the Regional Schools Commissioner, to welcome strong schools to the Trust and sponsor schools to deliver educational transformation. It will also work closely with the University and Employer Sponsors for the University Collegiate School to deliver academic and life skills in its pathway to the workplace for all its students.

The Trust's main objectives for next year are:

- To achieve Apple Distinguished School Status.
- To continue to deliver strong examination results and all indicators of performance in all of the Trust's schools.
- To ensure learners are confident individuals, have embedded life skills development with a 'can do' attitude for the next steps of their education.
- To continue to secure excellent attendance (pupils and staff).
- To evolve The Spirit of Purpose further to continue high quality professional learning and career progression opportunities for all Trust employees.
- To maintain and support outstanding governance at QUEST.
- To achieve continued excellence and recognition of the Music academy, Sports academy. To secure STEM excellence in the UCS.
- To work as a strategic partner in the region and nationally.
- To secure growth opportunities that will achieve the Trust's vision as a 0-19 Regional Trust with at least 10 schools

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

- To continue to develop school facilities at all sites and to maintain adequate financial reserves to fund building and other investment needs.
- To secure Play Pals expansion and secure more nurseries within the next 3 years.
- To continue to invest in curriculum excellence for all;

Excellent standards of behaviour in our schools create calm and well-ordered learning environments where pupils learn resilience to be the best they can be. The nurture and support of pupils enables confident individuals are at the heart of our schools.

As flagship schools, we:

- use technology in an integrated way;
- engage and enable learning through a wide range of media and devices;
- mirror life skills required in the world of work;
- enable access and support to learning beyond the school day;
- provide opportunity to rehearse, enhance and embed core learning.



Our teaching and learning will become further personalised through our digital strategy. Pupils will be able to progress as a result of personalised programmes of study and will be confident users of IT. All staff are now certified Apple Teachers and combined with coaching for student agency, we continue to support all round development for our pupils

Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will continue to be strong and sustained performance. The strategic development of the schools will be effectively planned, monitored and supported by experts in the central team, committed Local Advisory Committee members and the Board of Trustees/Directors.

Schools aim to maintain and increase pupil numbers meeting the needs of their communities and will continue to work in effective parental partnerships for the benefit of pupils' education and well-being.

To secure a thriving community, the Trust has further expanded its commitment to staff and student well-being investing in a Trust counsellor to ensure a smooth transition and to support mental toughness for all.

Funds held as Custodian Trustee on Behalf of Others

The Academy Trust does not hold any funds as Custodian Trustee on behalf of others.

Quest (A Church of England Schools Trust)

Directors/Trustees Report (continued)

Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware;
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The audit business Hallidays has been appointed as the company's auditor. The audit report has been issued by Hallidays.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8th December 2020 and signed on the Board's behalf by:



Mr. Barend Anthon
Chair of Trustees/Directors
Date: 8th December 2020

Quest (A Church of England Schools Trust)

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Keys Federation Academy Trust/QUEST has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees/Directors has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Keys Federation/QUEST and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees'/Directors' Report and in the Statement of Trustees'/Directors' Responsibilities. The Board of Trustees/Directors formally met eight times during the twelve months ended 31st August 2020. Since March 2020 and the Coronavirus pandemic, governance meetings have been held virtually and all documents referred to at the meetings were uploaded to Governor Hub at least 7 days in advance of the meetings.

Attendance during the period at meetings of the Board of Trustees/Directors was as follows:

Trustee	Meetings attended	Out of a possible
Mr. B. Anthon (Chairperson)	9	9
Mr. G. Ashton	8	9
Mrs. S. Bruton	9	9
Mr. H. Egan	8	9
Mrs. K. Gore	7	9
Baroness P Morris	0	0
Mrs. J. Reynolds	9	9
Dr. A. Roberts	0	0
Mrs. J. Smith	8	9
Mrs. J. Woods	1	4
Mrs. L. Worthington	6	9

Mrs. J. Woods was appointed and resigned as a Trustee/Director during the 2019/20 academic year and Mr. H. Egan joined the board in September 2019. Following the amendment of the Trust's articles in August 2020, Baroness Morris and Dr. A. Roberts joined the Board on 1st August 2020. However, Baroness Morris resigned the position on 31st August 2020.

The Committees of the Board of Trustees/Directors have met on a regular basis throughout the year and the business conducted by these committees is reported to the Trust Board. Attendance at meetings in the twelve months ended 31st August 2020, both in person and virtually, were as follows:

Quest (A Church of England Schools Trust)

Governance Statement (continued)

Resources Committee is responsible for all matters relating to Finance, Audit (including governance, risk management, internal control and value for money), Personnel, Facilities and Health & Safety

Trustee	Meetings attended	Out of a possible
Mr. B. Anthon	5	5
Mr. G. Ashton	4	5
Mrs. S. Bruton	5	5
Mr. H. Egan	3	5
Mrs. K. Gore	5	5
Mrs. J. Reynolds	5	5
Mrs. J. Smith	3	5

Mrs. J. Jones was in attendance at these meetings in her capacity as Chief Operating & Finance Officer from the Trust Executive Team and Principal Partnership Board.

Quality Assurance & Standards Committee is responsible for agreeing targets for pupil achievement and will receive regular reports on progress towards these targets.

Trustee	Meetings attended	Out of a possible
Mr. B. Anthon	3	3
Mrs. J. Smith	3	3
Mrs. L. Worthington	3	3

Mrs. J. Adams was in attendance at these meetings in her capacity as Director of Education, along with the Principals from each School.

Performance Management Committee develops and monitors the implementation of, and annually reviews, the performance management policy.

Trustee	Meetings attended	Out of a possible
Mr. B. Anthon	3	3
Mrs. J. Smith	3	3
Mrs. L. Worthington	3	3

Mrs. S. Bruton was in attendance at these meetings in her capacity as Chief Executive officer from the Trust Executive Team and Principal Partnership Board.

Membership of the Local Advisory Committees has been reviewed during the year and a proactive approach to recruiting new members with the required skills set has been adopted. A LAC training plan was delivered during the Autumn Term 2019 and Spring Term 2020 which enhanced the knowledge and skills of current LAC representatives. A virtual 'One Voice' event was held during the Summer Term 2020 and this was attended by both Trustees/Directors and LAC representatives.

During the year, the Trust Board undertook a review of the Roles and Responsibilities of Governance to ensure comprehensive schemes of delegations were in place. This was particularly important with the University Collegiate School joining the Trust in August 2020. The Board also undertook a Financial Management and Governance Self-Assessment review and completed individual skills audits to inform future development needs.

In line with the new articles, Mr. B. Anthon's appointment as a Member ended on 31st July 2020 and three new Members were appointed in August 2020 - Ms. J. Griffiths as Diocesan Corporate Member and Baroness H. Newlove and The Right Reverend N. McCulloch, who were both appointed by the University of Bolton in their role as University Sponsor.

Quest (A Church of England Schools Trust)

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Trustees/Directors where value for money can be improved, including the use of benchmarking data where appropriate.

The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- developing and fully embedding IT tracking systems that ensure each individual child's progress is monitored rigorously throughout the year.
- delivering the Trust digital strategy to secure an educational delivery position of strength for 2020 onwards.
- embedding a culture of student agency and a focus on life skills and well-being in all schools.
- ensuring pupil attainment remains a priority across the academy trust and is a focus within each school's improvement plan.
- effective use of Pupil Premium ensuring pupils of differing needs achieve just as well as others.
- collaboration between schools to facilitate consistency and best practice allowing educational professionals to improve self-evaluation, triangulate strategy, analyse data, maximise resource deployment and to be each other's critical friend.
- Reviewing staffing structures to ensure they are fit for purpose and can adapt and respond to support the successful completion of objectives within each school's Improvement Plan.
- ensuring performance management for teachers and support staff are effective.
- ensuring all members, trustees/directors, LAC representatives and members of the Federation Senior Leadership Team complete and annual register of pecuniary interests form and the opportunity to declare any pecuniary interest is provided at all trustee/director and LAC representative meetings.
- ensuring the financial performance of the Trust is robust and the slightly better than anticipated surpluses are held in line with the Trust's Reserves policy. When taken together with academic performance, this demonstrates excellent curriculum led financial management and planning and the targeting of resources.
- ensuring the Trust's Resources Committee receives monthly budget monitoring reports and directors are given the opportunity to question, challenge and discuss spending proposals in order to achieve value for money.
- ensuring the academy trust explores every opportunity maximise income generation through hire of facilities and pursuing funding bids, including funding for two Trust minibuses.
- Arranging group contracts for supplies of services to the Trust, where appropriate, resulting in measurable cost savings.

Quest (A Church of England Schools Trust)

Governance Statement (continued)

- ensuring a Risk Register is in place and reviewed on a termly basis.
- ensuring each school, and the Trust Head Office, has a Major Incident policy and plan in place that includes business continuity procedures along with an Anti-Fraud and Corruption Policy.
- Additional income generation from Play Pals Childcare Ltd, the Trust's traded service.

In January 2020 the Trust underwent a School Resource Management Advisor visit and comments from this report were as follows:

"The Trust's current financial planning in my opinion is of good quality, with reasonable and appropriate assumptions. The Trust has a particularly impressive approach to budget management setting and the range of documents and tools that is utilised as part of the process."

"The approach is one that has ICFP and benchmarking embedded in the process of budget planning."

"In my opinion this demonstrates effective financial management and governance."

"The approach to the deployment of staffing is in my opinion robust and is reinforced by the financial value being spent on non-curriculum staffing costs, as determined within the metric analysis."

"The pooled services alongside the central service change allows for the Trust to procure many goods and services at the centre achieving economies of scales and value for money as evidence through the Trust central service SLAs register"

"There is no question that the Trust know that the wellbeing of staff is crucial and the Trust have implemented many impressive initiatives and well-being strategies"

During the school closure period, account was taken of PPN 02/20 and PPN 04/20 and advice sought from the Trust's accountants in relation to the school meal provision. During the closure period, the Trust's catering provider supplied and delivered 'grab bags' and 'food boxes' to children entitled to free school meals and, following Government advice, payments were made to the food supplier, considered at risk, for 82% of the cost of free school meals and universal infant free school meals, based on previous 3 months invoices. However, the national food voucher scheme was put in place in all our schools to cover the six week summer holiday period.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Keys Federation Academy Trust for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees/Directors has reviewed the key risks to which the Academy Trust is exposed together with the operation, financial and compliance controls that have been implemented to mitigate those risks.

Quest (A Church of England Schools Trust)

Governance Statement (continued)

The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees/Directors.

The Risk and Control Framework.

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees/Directors;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees/Directors has decided to buy-in an internal audit service from Hallidays. From 2020/21 academic year, the Board of Trustees/Directors will have due regard to the requirements of the newly revised FRC Ethical Standards for auditors and appoint a new internal audit service.

The internal auditor's role includes giving advice on financial matters and other matters and performing a range of checks on the Academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- To review bank and charge card reconciliations for Play Pals to ensure that they are correctly reconciled in line with the Finance and HR Operational Manual.
- To review Trust bank reconciliations to ensure that they have been correctly prepared and authorised.
- To ensure that postings to PSF in respect of control accounts for the Trust are in line with the Scheme of Financial Administration.
- To ensure that management information is being presented to the Board of Trustees and is in line with the requirements as per the Academies Financial Handbook.
- To ensure that the opening balance journal has been correctly posted onto the accounting system.
- To agree funds brought forward to statutory accounts.
- To review the nominal ledger and ensure there is not a large miscellaneous code and that expenditure is split correctly.
- To ensure that Directors declarations of interest are updated regularly and correctly completed.

Quest (A Church of England Schools Trust)

Governance Statement (continued)

- To ensure Directors appointments and resignations are notified to Companies House.
- To ensure Finance staff are all aware of any new guidance issued by ESFA.
- To ascertain what software is used by the Academy for budgeting purposes and relevant controls are in place.
- To review a sample to ensure controls are in place and adhered to in respect of reporting related party transactions to the ESFA and approval obtained where necessary (above £20K).

On a termly basis the auditor reports to the Trust Board, through the Resources Committee, on the operation of systems of control and on the discharge of the Board of Trustees/Directors financial responsibilities and annually prepare an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

This schedule of work has been delivered as planned and actions have been taken to introduce the recommendations received.

Review of Effectiveness

As Accounting Officer, the Chief Executive officer has a responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:


- The work of the internal auditor;
- The work of the external auditor;
- The financial management and governance self-assessment process, the school resource management self-assessment tool and the SRMA visit;
- The work of the senior leaders within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address minor weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees/Directors on 8th December 2020 and signed on its behalf by



Mr. Barend Anthon
Chair of Trustees/Directors



Mrs. Sharon Bruton
Chief Executive Officer and Accounting Officer

Quest (A Church of England Schools Trust)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Keys Federation Academy Trust/QUEST I have considered my responsibility to notify the Academy Trust Board of Trustees/Directors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I, and the Academy Trust Board of Trustees/Directors, are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees/Directors and the ESFA.



Mrs. Sharon Bruton
Accounting Officer

8th December 2020

Quest (A Church of England Schools Trust)

Statement of Trustees' Responsibilities

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. 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 and the Academies Accounts Direction 2019 to 2020;
- Make judgements and accounting 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

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.

Approved by order of the members of the Board of Trustees on 8th December 2020 and signed on its behalf by:



Mr. Barend Anthon
Chair of Trustees

Quest (A Church of England Schools Trust)

Independent Auditor's Report on the Financial Statements to the Members of Quest (A Church of England Schools Trust)

Opinion

We have audited the financial statements of Quest (A Church of England Schools Trust) (the 'Academy') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Academy'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.

Other information (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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.

Quest (A Church of England Schools Trust)

Independent Auditor's Report on the Financial Statements to the Members of Quest (A Church of England Schools Trust) (continued)

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 29], the Trustees 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Quest (A Church of England Schools Trust)

Independent Auditor's Report on the Financial Statements to the Members of Quest (A Church of England Schools Trust) (continued)

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

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

Use of our report

This report is made solely to the Academy's Trustees, 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 Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
King's Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 02-12-2020

Quest (A Church of England Schools Trust)

Independent Reporting Accountant's Report on Regularity to Quest (A Church of England Schools Trust) and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Quest (A Church of England Schools Trust) during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Quest (A Church of England Schools Trust) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Quest (A Church of England Schools Trust) and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Quest (A Church of England Schools Trust) and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Board of Trustees/Directors's funding agreement with the Secretary of State for Education dated 17 December 2018 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.

Quest (A Church of England Schools Trust)

Independent Reporting Accountant's Report on Regularity to Quest (A Church of England Schools Trust) and the Education and Skills Funding Agency (continued)

- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....

Reporting Accountant

Hallidays
Chartered Accountants
and
Registered Auditors

Riverside House
King's Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 08-12-2020

Quest (A Church of England Schools Trust)

**Statement of Financial Activities for the Year Ended 31 August 2020
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2019/20 Total £
Income and endowments from:						
Donations and capital grants	2	80,373	76,657	-	126,785	283,815
Transfer from existing UTC		-	-	(145,000)	8,373,000	8,228,000
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	6,008,459	-	-	6,008,459
Other trading activities	4	154,528	-	-	-	154,528
Investments	5	9,070	-	-	-	9,070
Total		243,971	6,085,116	(145,000)	8,499,785	14,683,872
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	5,994,101	421,000	367,239	6,782,340
Net income/(expenditure)		243,971	91,015	(566,000)	8,132,546	7,901,532
Transfers between funds		(609,648)	365,425	-	244,223	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	28	-	-	269,000	-	269,000
Net movement in (deficit)/funds		(365,677)	456,440	(297,000)	8,376,769	8,170,532
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		<u>2,102,922</u>	<u>79,996</u>	<u>(2,847,000)</u>	<u>8,354,598</u>	<u>7,690,516</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>1,737,245</u>	<u>536,436</u>	<u>(3,144,000)</u>	<u>16,731,367</u>	<u>15,861,048</u>

Quest (A Church of England Schools Trust)

**Statement of Financial Activities for the Year Ended 31 August 2019
(including Income and Expenditure Account)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:						
Donations and capital grants	2	76,087	84,077	-	230,611	390,775
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,427,572	-	-	5,427,572
Other trading activities	4	204,159	-	-	-	204,159
Investments	5	3,732	-	-	-	3,732
Total		283,978	5,511,649	-	230,611	6,026,238
Expenditure on:						
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	5,604,332	292,000	457,206	6,353,538
Net income/(expenditure)		283,978	(92,683)	(292,000)	(226,595)	(327,300)
Transfers between funds		-	(46,254)	-	46,254	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	28	-	-	(759,000)	-	(759,000)
Net movement in funds/(deficit)		283,978	(138,937)	(1,051,000)	(180,341)	(1,086,300)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		1,818,944	218,933	(1,796,000)	8,534,939	8,776,816
Total funds/(deficit) carried forward at 31 August 2019		2,102,922	79,996	(2,847,000)	8,354,598	7,690,516

Quest (A Church of England Schools Trust)

**(Registration number: 09306360)
Balance Sheet as at 31 August 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	16,709,683	8,304,011
Investments	13	<u>1</u>	<u>1</u>
		<u>16,709,684</u>	<u>8,304,012</u>
Current assets			
Debtors	14	544,563	428,822
Cash at bank and in hand		<u>1,905,910</u>	<u>2,177,605</u>
		2,450,473	2,606,427
Creditors: Amounts falling due within one year	15	<u>(146,389)</u>	<u>(362,459)</u>
Net current assets		<u>2,304,084</u>	<u>2,243,968</u>
Total assets less current liabilities		19,013,768	10,547,980
Creditors: Amounts falling due after more than one year	16	<u>(8,720)</u>	<u>(10,464)</u>
Net assets excluding pension liability		19,005,048	10,537,516
Defined benefit pension scheme liability	28	<u>(3,144,000)</u>	<u>(2,847,000)</u>
Net assets including pension liability		<u>15,861,048</u>	<u>7,690,516</u>
Funds of the Academy Trust:			
Restricted funds			
Restricted general fund	17	536,436	79,996
Restricted fixed asset fund	17	16,731,367	8,354,598
Restricted pension fund	17	<u>(3,144,000)</u>	<u>(2,847,000)</u>
		14,123,803	5,587,594
Unrestricted funds			
Unrestricted general fund	17	<u>1,737,245</u>	<u>2,102,922</u>
Total funds		<u>15,861,048</u>	<u>7,690,516</u>

The financial statements on pages 35 to 67 were approved by the Trustees, and authorised for issue on and signed on their behalf by:



 Mrs S Bruton (Chief Executive and Accounting Officer)
 Trustee

Quest (A Church of England Schools Trust)

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(5,895)	265,949
Cash flows from investing activities	23	(264,056)	6,297
Cash flows from financing activities	22	<u>(1,744)</u>	<u>(1,744)</u>
Change in cash and cash equivalents in the year		(271,695)	270,502
Cash and cash equivalents at 1 September		<u>2,177,605</u>	<u>1,907,103</u>
Cash and cash equivalents at 31 August	24	<u>1,905,910</u>	<u>2,177,605</u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Asset class	Depreciation method and rate
Leasehold land	0.8% straight line
Buildings	2% straight line
Fixtures and fittings	20% straight line
Computer equipment	33.33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Investments

The Academy's shareholding in the wholly owned subsidiary, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Liabilities

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. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

Taxation

The academy trust 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 academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the Academy Trust 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 based on 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 LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. 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 net income/(expenditure) 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.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Restricted pension funds comprise all income, costs and actuarial valuations associated with the Local Government pension scheme (LGPS).

Critical accounting estimates and areas of judgement

Estimates and judgements 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.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Academy Trust 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.

The present value of the Local Government 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2019 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.

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Educational trips and visits	-	53,418	-	53,418	83,727
Capital grants	-	-	126,785	126,785	230,611
Other donations	80,373	23,239	-	103,612	76,437
	<u>80,373</u>	<u>76,657</u>	<u>126,785</u>	<u>283,815</u>	<u>390,775</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	4,702,732	4,702,732	4,540,055
Other DfE/ESFA grants	1,050,888	1,050,888	632,921
	<u>5,753,620</u>	<u>5,753,620</u>	<u>5,172,976</u>
Other government grants			
Local authority grants	254,839	254,839	254,596
Total grants	<u>6,008,459</u>	<u>6,008,459</u>	<u>5,427,572</u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

4 Other trading activities

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	35,136	35,136	49,609
Catering income	16,147	16,147	45,607
School shop sales	11,159	11,159	12,504
Recharges and reimbursements	12,578	12,578	50,460
Other income	79,508	79,508	45,979
	<u>154,528</u>	<u>154,528</u>	<u>204,159</u>

5 Investment income

	Unrestricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	6,570	6,570	1,201
Investment Income	2,500	2,500	2,531
	<u>9,070</u>	<u>9,070</u>	<u>3,732</u>

6 Expenditure

	Non Pay Expenditure			2019/20 Total £	2018/19 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	4,202,844	323,278	305,527	4,831,649	4,572,841
Allocated support costs	991,010	302,605	657,076	1,950,691	1,780,697
	<u>5,193,854</u>	<u>625,883</u>	<u>962,603</u>	<u>6,782,340</u>	<u>6,353,538</u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20	2018/19
	£	£
Operating leases - other leases	8,031	8,031
Fees payable to auditor - audit	9,250	10,450
- other audit services	8,100	5,550
Depreciation	<u>367,238</u>	<u>457,206</u>

7 Charitable activities

	Total 2020	Total 2019
	£	£
Direct costs - educational operations	4,831,649	4,572,841
Support costs - educational operations	<u>1,950,691</u>	<u>1,780,697</u>
	<u>6,782,340</u>	<u>6,353,538</u>

	Educational operations	2019/20 Total	2018/19 Total
	£	£	£
Analysis of support costs			
Support staff costs	991,010	991,010	873,380
Depreciation	43,961	43,961	64,009
Premises costs	258,644	258,644	256,898
Other support costs	639,157	639,157	547,445
Governance costs	<u>17,919</u>	<u>17,919</u>	<u>38,965</u>
Total support costs	<u>1,950,691</u>	<u>1,950,691</u>	<u>1,780,697</u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

8 Staff

Staff costs

	2019/20	2018/19
	£	£
Staff costs during the year were:		
Wages and salaries	3,708,260	3,422,875
Social security costs	319,353	296,856
Pension costs	1,158,919	822,399
	<u>5,186,532</u>	<u>4,542,130</u>
Agency staff costs	7,322	167,512
	<u>5,193,854</u>	<u>4,709,642</u>

Staff numbers

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

	2019/20	2018/19
	No	No
Teachers	75	53
Administration and support	108	95
Management	8	8
	<u>191</u>	<u>156</u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Staff (continued)

Higher paid staff

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

	2020 No	2019 No
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£160,001 - £170,000	-	1
£180,001 - £190,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £769,219 (2019: £772,554).

9 Central services

The academy trust has provided the following central services to its academies during the year:

School improvement services

- School Improvement
- Governance
- HR/Payroll
- Finance
- Leadership Support
- Estates Management
- Procurement Management

The academy trust charges for these services on the following basis:
flat percentage of General Annual Grant (GAG) income (6%), plus an amount for pooled resources.

The actual amounts charged during the year were as follows:

	2020 £
St. Peter's Church of England Primary School	204,632
Hindley Green Community Primary School	341,054
St. John's Church of England Primary School, Hindley Green	136,423
St. John's Church of England Primary School, Abram	204,632
	<u>886,741</u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Mrs S Bruton (Chief Executive and Accounting Officer) :

Remuneration: £160,000 - £165,000 (2019 - £165,000 - £170,000)

Employer's pension contributions: £35,000 - £40,000 (2019 - £30,000 - £35,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil (2019 - £97) were reimbursed or paid directly to 0 trustees (2019 - 1).

Other related party transactions involving the trustees are set out in note 29.

11 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Tenants improvements £	Total £
Cost					
At 1 September 2019	8,581,223	1,527,038	42,824	150,704	10,301,789
Additions	-	69,474	330,437	-	399,911
Transfers	8,188,000	3,000	182,000	-	8,373,000
At 31 August 2020	<u>16,769,223</u>	<u>1,599,512</u>	<u>555,261</u>	<u>150,704</u>	<u>19,074,700</u>
Depreciation					
At 1 September 2019	772,357	1,202,684	16,227	6,510	1,997,778
Charge for the year	181,163	155,802	27,260	3,014	367,239
At 31 August 2020	<u>953,520</u>	<u>1,358,486</u>	<u>43,487</u>	<u>9,524</u>	<u>2,365,017</u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12 Tangible fixed assets (continued)

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Tenants improvements £	Total £
Net book value					
At 31 August 2020	<u>15,815,703</u>	<u>241,026</u>	<u>511,774</u>	<u>141,180</u>	<u>16,709,683</u>
At 31 August 2019	<u>7,808,866</u>	<u>324,354</u>	<u>26,597</u>	<u>144,194</u>	<u>8,304,011</u>

13 Investments

The Academy owns 100% of the Ordinary shares of Play Pals Childcare Limited, a company incorporated in United Kingdom. The principal activity of the company is the provision of childcare services. Turnover for the year ended 31 August 2020 was £626,393, expenditure was £591,807 and the profit/(loss) for the year was £34,586. The assets of the company at 31 August 2020 were £552,031, liabilities were £256,535 and capital and reserves were £295,496.

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

14 Debtors

	2020	2019
	£	£
Trade debtors	1,237	-
VAT recoverable	32,801	33,295
Other debtors	211,750	291,756
Prepayments	62,797	44,352
Accrued income	235,978	59,419
	<u>544,563</u>	<u>428,822</u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

14 Debtors (continued)

Included within other debtors is amounts owed from Playpals Childcared Ltd of £211,750 (2019: £261,750) of this amount £50,000 is repayable within one year.

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Salix loan	1,744	1,744
Other taxation and social security	-	14,567
Other creditors	8,421	7,654
Accruals	9,350	180,853
Deferred income	<u>126,874</u>	<u>157,641</u>
	<u>146,389</u>	<u>362,459</u>

	2020	2019
	£	£
Deferred income		
Deferred income at 1 September 2019	157,641	170,304
Resources deferred in the period	126,874	157,641
Amounts released from previous periods	<u>(157,641)</u>	<u>(170,304)</u>
Deferred income at 31 August 2020	<u>126,874</u>	<u>157,641</u>

At the balance sheet date the Academy Trust was holding funds received in advance for Special Educational Needs, Infant Free School Meals and Residential Trips.

16 Creditors: amounts falling due after one year

	2020	2019
	£	£
Other creditors	<u>8,720</u>	<u>10,464</u>

The Academy Trust received Salix Funding in relation to Capital projects. Salix funding is an interest free loan approved by the Education and Skills Funding Agency (ESFA) repayable by equal instalments over eight years. Repayments falling due within one year are included in note 15.

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

17 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	79,996	4,702,732	(4,791,224)	365,425	356,929
Other DfE/ESFA grants	-	1,050,888	(871,381)	-	179,507
Other restricted income	-	331,496	(331,496)	-	-
	<u>79,996</u>	<u>6,085,116</u>	<u>(5,994,101)</u>	<u>365,425</u>	<u>536,436</u>
Restricted fixed asset funds					
Transfer on conversion	7,569,836	-	(311,658)	-	7,258,178
DfE/ESFA Capital grants	449,205	126,785	(23,714)	-	552,276
Capital expenditure from GAG	304,520	-	(12,537)	244,223	536,206
Transfer of UTC	-	8,373,000	(18,052)	-	8,354,948
Capital donations	31,037	-	(1,278)	-	29,759
	<u>8,354,598</u>	<u>8,499,785</u>	<u>(367,239)</u>	<u>244,223</u>	<u>16,731,367</u>
Restricted pension funds					
Pension reserve	<u>(2,847,000)</u>	<u>(145,000)</u>	<u>(421,000)</u>	<u>269,000</u>	<u>(3,144,000)</u>
Total restricted funds	5,587,594	14,439,901	(6,782,340)	878,648	14,123,803
Unrestricted funds					
Unrestricted general funds	<u>2,102,922</u>	<u>243,971</u>	<u>-</u>	<u>(609,648)</u>	<u>1,737,245</u>
Total funds	<u><u>7,690,516</u></u>	<u><u>14,683,872</u></u>	<u><u>(6,782,340)</u></u>	<u><u>269,000</u></u>	<u><u>15,861,048</u></u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

17 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	218,933	4,540,055	(4,632,738)	(46,254)	79,996
Other DfE/ESFA grants	-	632,921	(632,921)	-	-
Other restricted income	-	254,596	(254,596)	-	-
	<u>218,933</u>	<u>5,427,572</u>	<u>(5,520,255)</u>	<u>(46,254)</u>	<u>79,996</u>
Restricted fixed asset funds					
Transfer on conversion	7,966,536	-	(396,700)	-	7,569,836
DfE/ESFA Capital grants	242,893	230,611	(24,299)	-	449,205
Capital expenditure from GAG	290,075	-	(31,809)	46,254	304,520
Capital donations	35,435	-	(4,398)	-	31,037
	<u>8,534,939</u>	<u>230,611</u>	<u>(457,206)</u>	<u>46,254</u>	<u>8,354,598</u>
Restricted pension funds					
Pension reserve	(1,796,000)	-	(292,000)	(759,000)	(2,847,000)
Total restricted funds	6,957,872	5,658,183	(6,269,461)	(759,000)	5,587,594
Unrestricted funds					
Unrestricted general funds	1,818,944	283,978	-	-	2,102,922
Total funds	<u>8,776,816</u>	<u>5,942,161</u>	<u>(6,269,461)</u>	<u>(759,000)</u>	<u>7,690,516</u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

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

General Annual Grant must be used for the normal running expenses of an Academy and any amounts carried forward at the end of the financial year must be in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Education Needs and growth funding.

Other restricted funds include contributions received for educational visits and non public donations and the related expenditure.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The deficit at 1 September 19 was £2,847,000, the deficit inherited from the transfer of the UTC was £145,000, the total deficit had risen to £3,144,000 at 31 August 2020.

Restricted fixed assets funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Trustees may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Trustees.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
St. John's Church of England Primary School, Abram	389,594	363,200
Hindley Green Community Primary School	857,401	946,720
St. John's Church of England Primary School, Hindley Green	375,348	355,691
St. Peter's Church of England Primary School	313,941	324,121
University Collegiate	25,090	-
Central services	<u>312,307</u>	<u>193,186</u>
Total before fixed assets and pension reserve	2,273,681	2,182,918
Transfer on conversion	16,731,367	8,354,598
Pension reserve	<u>(3,144,000)</u>	<u>(2,847,000)</u>
Total	<u>15,861,048</u>	<u>7,690,516</u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2020 £
Hindley Green Community Primary School	1,158,992	142,745	105,182	220,840	1,627,760
St. John's Church of England Primary School, Abram	820,297	88,086	49,103	135,686	1,093,173
St. Peter's Church of England Primary School	885,693	83,990	55,294	136,579	1,161,556
St. John's Church of England Primary School, Hindley Green	685,297	62,458	37,365	118,852	903,971
University Collegiate	84,117	15,764	1,628	11,306	112,814
Central services	<u>568,448</u>	<u>234,967</u>	<u>41,048</u>	<u>250,363</u>	<u>1,094,827</u>
Academy Trust	<u>4,202,844</u>	<u>628,010</u>	<u>289,620</u>	<u>873,626</u>	<u>5,994,101</u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

17 Funds (continued)

	Total
	2019
	£
Hindley Green Community Primary School	1,618,052
St. John's Church of England Primary School, Abram	1,034,676
St. Peter's Church of England Primary School	1,155,438
St. John's Church of England Primary School, Hindley Green	794,632
University Collegiate	-
Central services	<u>1,094,827</u>
Academy Trust	<u><u>5,697,625</u></u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

18 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	16,709,683	16,709,683
Investments	-	-	1	1
Current assets	1,737,245	647,679	21,683	2,406,607
Current liabilities	-	(146,389)	-	(146,389)
Creditors over 1 year	-	(8,720)	-	(8,720)
Pension scheme liability	-	(3,144,000)	-	(3,144,000)
Total net assets	<u>1,737,245</u>	<u>(2,651,430)</u>	<u>16,731,367</u>	<u>15,817,182</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	8,203,516	8,203,516
Current assets	2,102,922	340,216	163,290	2,606,428
Current liabilities	-	(260,220)	(1,744)	(261,964)
Creditors over 1 year	-	-	(10,464)	(10,464)
Pension scheme liability	-	(2,847,000)	-	(2,847,000)
Total net assets	<u>2,102,922</u>	<u>(2,767,004)</u>	<u>8,354,598</u>	<u>7,690,516</u>

19 Capital commitments

	2020 £	2019 £
Contracted for, but not provided in the financial statements	-	151,081

20 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

20 Commitments under operating leases (continued)

	2020 £	2019 £
Amounts due within one year	8,540	10,592
Amounts due between one and five years	<u>2,561</u>	<u>11,101</u>
	<u>11,101</u>	<u>21,693</u>

21 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2019/20 £	2018/19 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	7,901,532	(327,300)
Depreciation	367,239	457,205
Capital grants from DfE and other capital income	(126,785)	(230,611)
Interest receivable	(9,070)	(3,732)
Defined benefit pension scheme cost less contributions payable	363,000	239,000
Defined benefit pension scheme finance cost	58,000	53,000
Increase in debtors	(115,741)	(54,338)
(Decrease)/increase in creditors	(216,070)	132,725
Pension deficit transferred	145,000	-
Assets transferred from UTC into trust	<u>(8,373,000)</u>	<u>-</u>
Net cash (used in)/provided by Operating Activities	<u>(5,895)</u>	<u>265,949</u>

22 Cash flows from financing activities

	2019/20 £	2018/19 £
Repayments of borrowing	<u>(1,744)</u>	<u>(1,744)</u>
Net cash used in financing activities	<u>(1,744)</u>	<u>(1,744)</u>

23 Cash flows from investing activities

	2019/20 £	2018/19 £
Dividends, interest and rents from investments	9,070	3,732
Purchase of tangible fixed assets	(399,911)	(228,046)
Capital funding received from sponsors and others	<u>126,785</u>	<u>230,611</u>
Net cash (used in)/provided by investing activities	<u>(264,056)</u>	<u>6,297</u>

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

24 Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>1,905,910</u>	<u>2,177,605</u>
Total cash and cash equivalents	<u><u>1,905,910</u></u>	<u><u>2,177,605</u></u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash	2,177,605	(271,695)	1,905,910
Loans falling due within one year	(1,744)	-	(1,744)
Loans falling due after more than one year	<u>(10,464)</u>	1,744	<u>(8,720)</u>
	<u>(12,208)</u>	<u>1,744</u>	<u>(10,464)</u>
Total	<u><u>2,165,397</u></u>	<u><u>(269,951)</u></u>	<u><u>1,895,446</u></u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

26 Contingent liabilities

During the life of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:-

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

27 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

28 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Greater Manchester Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

The TPS is an unfunded scheme to which both 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 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% 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 period amounted to £518,905 (2019: £355,128). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £339,000 (2019 - £282,000), of which employer's contributions totalled £259,000 (2019 - £217,000) and employees' contributions totalled £80,000 (2019 - £65,000). The agreed contribution rates for future years are 19.6 per cent (Quest) and 15.9 per cent (UCS) for employers and are banded from 5.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.00	3.10
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.80</u>

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates. The assumed life expectations on retirement age 65 are:

	2020	2019
Retiring today		
Males retiring today	20.50	20.60
Females retiring today	23.10	23.10
Retiring in 20 years		
Males retiring in 20 years	22.00	22.00
Females retiring in 20 years	<u>25.00</u>	<u>24.80</u>

Sensitivity analysis

	2020 £	2019 £
Discount rate -0.5%	831,000.00	701,000.00
Pension rate +0.5%	736,000.00	581,000.00
Salary rate +0.5%	<u>80,000.00</u>	<u>105,000.00</u>

The academy trust's share of the assets in the scheme were:

Quest (A Church of England Schools Trust)

**Notes to the Financial Statements for the Year Ended 31 August 2020
(continued)**

28 Pension and similar obligations (continued)

	2020	2019
	£	£
Equities	2,018,920	1,728,560
Government bonds	475,040	381,300
Property	207,830	203,360
Cash and other liquid assets	267,210	228,780
Total market value of assets	<u>2,969,000</u>	<u>2,542,000</u>

The actual return on scheme assets was (£19,000) (2019 - £110,000).

Amounts recognised in the statement of financial activities

	2019/20	2018/19
	£	£
Current service cost	(363,000)	(239,000)
Interest income	51,000	64,000
Interest cost	(109,000)	(117,000)
Total amount recognized in the SOFA	<u>(421,000)</u>	<u>(292,000)</u>

Changes in the present value of defined benefit obligations were as follows:

	2019/20	2018/19
	£	£
At start of period	5,389,000	3,975,000
Transferred in on existing academies joining the trust	292,000	-
Current service cost	622,000	400,000
Interest cost	109,000	117,000
Employee contributions	80,000	65,000
Actuarial (gain)/loss	(339,000)	805,000
Losses or gains on curtailments	-	56,000
Benefits paid	(40,000)	(29,000)
At 31 August	<u>6,113,000</u>	<u>5,389,000</u>

Quest (A Church of England Schools Trust)

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28 Pension and similar obligations (continued)

Changes in the fair value of academy's share of scheme assets:

	2019/20	2018/19
	£	£
At start of period	2,542,000	2,179,000
Transferred in on existing academies joining the trust	147,000	-
Interest income	51,000	64,000
Actuarial gain/(loss)	(70,000)	46,000
Employer contributions	259,000	217,000
Employee contributions	80,000	65,000
Benefits paid	(40,000)	(29,000)
At 31 August	<u>2,969,000</u>	<u>2,542,000</u>

29 Related party transactions

Owing to the nature of the Academy Trust 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 Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure related party transactions

Play Pals Childcare Ltd

(Play Pals Childcare Ltd - a company in which S Bruton (Director/Trustee), J Jones (Chief Operating & Finance Officer) & J Adams (Director of Academy Excellence) are directors of Play Pals Childcare Ltd.)

During the year the schools paid £4,250 to Play Pals Childcare Ltd in respect of childcare provision.

Income related party transactions

Play Pals Childcare Ltd

(Play Pals Childcare Ltd - a company in which S Bruton(Director/Trustee), J Jones (Chief Operating & Finance Officer) & J Adams (Director of Academy Excellence) are directors of Play Pals Childcare Ltd.)

The trust & its schools received £53,325 from Play Pals Childcare Ltd in respect of training, trips, meals and loan repayments.

