

Registered number: 04669567
Charity number: 1106112

The Quest School
(A company limited by guarantee)

Trustees' report and financial statements
for the year ended 31 July 2021

The Quest School
(A company limited by guarantee)

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**Reference and administrative details of the Company, its Trustees/Directors and advisers
for the year ended 31 July 2021**

Trustees/Directors

I S J Martin, Chair
L M Edmans, CBE
D J Bruce
P Whiteley
A J Wheeler (resigned 19 October 2021)
P C Mepsted
P Barnett
C M Wratten
K E Wratten
M K Plange (appointed 19 May 2021)
S Conway (appointed 19 October 2021)

Company registered number

04669567

Charity registered number

1106112

Registered office

Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Principal operating office

The Hop Farm
Maidstone Road
Paddock Wood
Kent
TN12 6RP

Company secretary

A Carter-Mepsted

The Quest School

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**Reference and administrative details of the Company, its Trustees/Directors and advisers (continued)
for the year ended 31 July 2021**

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

Bankers

HSBC Bank plc
1-5 Week Street
Maidstone
Kent
ME14 1QW

The Quest School
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Trustees' report
for the year ended 31 July 2021

The Trustees present their annual report together with the audited financial statements of The Quest School for the 1 August 2020 to 31 July 2021. The Annual report serves the purposes of both a Trustees' report and a Directors' report under company law. The Trustees confirm that the Annual report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the Company qualifies as small under section 382 of the Companies Act 2006, the Strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

The objectives are to advance the education of children with autism in particular by developing, maintaining, carrying on and managing a school. The Quest School is a registered charity, started by parents in 2003, to offer specialist education for children with autism, ranging in age from 5-19. Pupils at Quest are placed and funded by local authorities. The majority of pupils at the school are severely impacted by their autism. As a result, local authorities often experience difficulty in finding appropriate placements, and therefore require, for these pupils, the degree of autism specialism that is provided at Quest.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Main activities undertaken to further the Company's purposes for the public benefit

In keeping with the aims of the charity, The Quest School successfully meets the needs of pupils who are severely impacted by autism, and for whom, as a result, local authorities experience difficulty in finding appropriate school placements.

There is significant public benefit arising from ensuring such pupils remain in a beneficial educational placement. The degree of autism specialism that is provided by Quest, and the outstanding progress made by its pupils, ensures that pupils, on leaving Quest, have a greater level of independence and appropriate functional skills for their adult lives

Furthermore, by providing appropriate local education, it avoids the need for local authorities to place pupils with complex needs in expensive residential placements, which may be located geographically distant from families. Hence a placement at Quest often means that families are kept together.

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Trustees' report (continued)
for the year ended 31 July 2021

Achievements and performance

a. Main achievements of the Company

Quest school started in 2003 with 3 pupils and has grown steadily since then. At the end of July 2021, the school had a total of 24 pupils.

The school uses an ABA (Applied Behaviour Analysis) approach, which is a specialist and research-based teaching methodology for pupils with autism. The school has a proven track record of achieving excellent outcomes for its pupils, most of whom face very significant challenges due to the severity of their autism and learning disabilities.

The school has robust processes for measuring pupil progress. These include referencing previous national standards for academic progress for pupils with Special Educational needs and utilising the school's well-developed and detailed assessment systems. Frequent and thorough analysis of the data shows that pupils at Quest consistently make excellent progress in both academic performance and behaviour.

The school places great importance on developing functional skills for pupils, in order to promote independence and increase quality of life. Pupils' individual learning programmes, will include development of skills in the following areas:

- Academic learning;
- Language & Communication;
- Social and Community Functional skills;
- Independence skills

b. Review of activities

Covid response:

The academic year 2020-21 continued to present challenges to the daily operation of the school. During periods of national school closures (Jan-March 2021), all vulnerable students and those with Education, Health Care plans (EHCPs) which is all pupils at Quest, were expected to be offered onsite school provision. Quest school therefore remained open to all children, whose parents wished them to attend. For pupils whose parents chose for them to remain at home, we implemented remote learning, using a mixture of online teaching, and online learning platforms, as well as sending home paper-based work for some students. We also maintained regular contact (typically twice per week) with parents, to check on welfare and safeguarding.

During 2020-21 the school experienced two main Covid outbreaks: in November 2020 and July 2021; on both these occasions, the school was closed for a total of 5 days. Remote learning provision (as described above) was implemented for all students.

During 2020-21, all staff worked incredibly hard to implement as many measures as possible to keep pupils and staff safe. This included: enhanced cleaning of surfaces; increased hand-washing and use of sanitizer; multiple rules to keep learning resources individual to each pupils and to maintain social distance, as much as possible between pupils and staff. The additional measures in school, the constant changes to rules, the anxiety around Covid, and the impact of staff absence when self-isolating had a cumulative effect on staff such that by the end of the year, many staff were feeling exhausted.

The school already has in place many measures to support staff well-being, including regular staff welfare checks with line managers, an Employee Assistance Programme and regular mental health workshops. There is also a staff appreciation committee, Employee of the Term awards, and an Appreciation and Retention bonus scheme (see point (e) Staff Pay Matters below).

For the year 2021-22, the school is also undertaking work to further improve strategies in alignment with the DfE Staff Well-being Charter.

Trustees' report (continued)
for the year ended 31 July 2021

Achievements and performance (continued)

c. Review of activities

Pupil Progress:

Despite all the operational challenges relating to Covid-19 disruption, pupil progress data for 2020-21 shows that pupils continued to make excellent progress. Below are some examples of individual progress.

Examples of pupil progress:

Pupil A: had previously shown high levels of non-compliant, as well as aggressive (hitting/kicking) or self-injurious (head bangs) behaviour, which could occur at a frequency of up to 14 times per day.

During the past two academic years, the consistent behaviour interventions in place at Quest have resulted in significant decreases in these behaviours. Whilst the frequency of aggressive or self-injurious behaviour decreased, so also did the severity, such that behaviour became largely non-aggressive. During this time period, it should also be noted that as behaviour improved, so the level of demand and expectation increased; thus Pupil A was successfully able to join more group lessons as well as offsite activities. During 2020-21, Pupil A exceeded all annual academic targets.

Pupil B: prior to joining Quest, pupil B had never successfully attended any school for a period of longer than a few months. The school worked hard to establish a positive relationship with parents, in order to promote good attendance. In terms 1&2 (of 2020-21) pupil B's attendance was well below 50% this increased in Terms 5&6 to 70%. As a result of improved attendance, pupil B exceeded all annual academic targets, and became fully integrated into all activities at school, including group lessons and offsite activities.

Pupil C: in addition to autism, pupil C has a diagnosis of mental health difficulties, which manifests as high anxiety. During 2020-21, pupil C developed anxieties relating to illness and death, and became highly anxious about anyone close to him becoming ill. Quest staff worked closely with pupil C's parents so that a consistent response to his anxieties could be implemented. Staff also used specific resources, designed for pupils with autism to help pupil C talk about and understand more about his concerns. This approach helped pupil C cope, when later in the year, he experienced a bereavement. School and parents together were able to support him and help him talk about and process his emotions.

Curriculum development: the school works hard to continually improve and develop the provision for its pupils; hence there is an ongoing programme of curriculum development. During 2020-21. The specific focus was on further development of the Relationships and Sex Education curriculum in line with national initiatives.

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Trustees' report (continued)
for the year ended 31 July 2021

Achievements and performance (continued)

d. Key Performance Indicators (KPI)

Ofsted Inspection March 2018

The most recent full Ofsted inspection in March 2018 judged the school to be Outstanding in every category, validating the accuracy and robustness of whole school self evaluation processes, and whole school philosophy and endeavour of excellence and continuous improvement.

The school continues with a regular cycle of self-evaluation meetings, the purpose of which is to evaluate the school's performance in each of the Ofsted categories, judging against Ofsted criteria. These meetings occur three times per year and are attended by our experienced School Improvement Partner, as well as members of the Senior Leadership Team, BoM (Board of Management) and BoT (Board of Trustees). Our self-evaluation processes find that we are still consistently reaching the criteria for Outstanding performance against Ofsted criteria in all judgement areas.

Key Performance Indicators (KPI)

The school monitors Key Performance Indicators at Senior Leadership Team meetings, and at Boards of Management and Trustees. The whole school KPI's per month, reported to regular Board of Management and Trustee meetings include:

- Pupil: Numbers on roll, Attendance, Exclusions, Pupils 'causing concern', new pupil pipeline, overall number of challenging behaviour incidents, online safety incidents, Safeguarding concerns raised/referrals made;
- Staff: Numbers, Attendance, No. of probationers, No. of staff appraisals and PDP meetings;
- Finances: Cash balances, expenditure/income against budget, Grants & fundraising;
- Regulatory: Policy review and breaches, Issues/complaints, H&S incidents, Data Protection;
- Pupil Progress Summaries: tracks progress across all learning programmes (number of targets achieved) and behaviour interventions (number of behavioural incidents) for each individual pupil. This is monitored fortnightly at Senior Leadership team meetings, and reported on at regular Board of Management & Trustee meetings.

Stakeholder surveys: At the end of the 2020-21 academic year, we undertook a survey of stakeholders, (as part of our usual 2-yearly cycle). Outcomes from this survey demonstrate consistently high levels of satisfaction from stakeholders across all aspects of our provision. This is particularly pleasing, given the operational challenges for pupils, parents and staff related to Covid during 2020 and 2021.

Safeguarding

The school has 4 fully trained Safeguarding Leads (one Lead & 3 deputies), and 4 staff trained in Safer Recruitment practices. All school staff (including office based team) undertake (at least) annual training in Safeguarding, including online safety.

One of the school's Trustees (who is a National Leader of school governance) is the designated Safeguarding Trustee, and undertakes a comprehensive annual audit of Safeguarding policy and practices. Staff are encouraged to report any safeguarding concerns, even if seemingly minor. These Record of Concerns are kept securely and confidentially, and monitored by the Safeguarding Leads. The number of concerns per month are reported to the Boards. If any subsequent action is required, such as a referral to Child Protection services, these decisions are taken by the Safeguarding Lead and Deputy. The number of referrals is also reported to the Boards. During 2020-21, reporting of Safeguarding concerns was transitioned to a secure online system, to replace the previous paper-based system.

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Trustees' report (continued)
for the year ended 31 July 2021

Achievements and performance (continued)

Pupil roll

The number of pupils on roll has been maintained, with a small number of leavers and joiners. The age profile remains positive, with greater numbers of younger pupils, likely to remain at the school for the entirety of their school life, hence providing a stable basis for continued school growth and provision.

Staffing

The school continues to employ high calibre staff as well as working with external ABA consultants, Speech & Language Therapists and Occupational Therapists on a consultancy basis, in order to enhance the learning of all pupils. Staff receive training in ABA, as well as relevant statutory training including Safeguarding, First Aid and Fire Safety Awareness. The school continued with its planned leadership succession planning, with the successful appointment of a new Lead teacher, with effect from September 2021.

The school also undertook a review of recruitment strategy, to attempt to increase staff diversity to bring more in line with that of the pupil cohort; there has been a small increase in diversity of both gender and ethnicity.

During 2020-21, in line with many others in the Special Needs Education sector, the school experienced a growing challenge in the recruitment and retention of staff. This seemed to be due to a number of factors including the record low levels of unemployment nationally. However the school appears to have lower overall turnover than many comparable schools within this sector and also benefits from a very stable and experienced senior team.

The Board of Management implemented a number of measures to help address the staffing issues, including: review of salaries, and development of the staff appreciation and retention scheme for new staff (see 'section e Staff Pay Matters' below) We are also planning to develop an overall staff well-being strategy during 2021-22.

e. Fundraising activities and income generation

During 2020-21 Quest received donations from a number of individuals, either as one-off gifts or by regular standing order payments; these donations were unrestricted. All donations have been used to enhance the educational provision and experience for Quest pupils.

Funds from some of these donations, contributed to the refurbishment of the 2 new roundels, to provide extra classroom and office space.

Financial review

a. Going concern

For the year 2020-21 there was a total income of £1,191,864 and expenditure of £1,086,632, with total funds increasing to £956,044. The income included £6,440 from fundraising and donations.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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 accounting policies.

The directors are pleased that numbers of pupils have remained healthy, with a small number of leavers and joiners during the year 2020-21, overall pupil roll increased from 21 in July 2020 to 24 pupils in July 2021.

Trustees' report (continued)
for the year ended 31 July 2021

b. Reserves policy

The directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be sufficient to cover a range of potentially adverse scenarios, including winding up the charity should this be required in extremis. This latter amount, together with an amount held for future cost increases against fixed fee levels, is currently estimated as being £418,000 this equates to approximately 4-5 months' operating expenses.

At this level, the directors feel that they would be able, in the event of a significant drop in funding, to adjust as necessary the current activities of the charity. These reserves should also be sufficient to perform a managed wind up. The Directors have identified that a slow 'wind up' of the charity would be required, given the significant needs of the pupils, and the potential difficulty in securing alternative educational provision.

The Trustees have therefore ring fenced these reserves as a 'Contingency Fund', leaving a designated fixed asset and future premises fund of £416,220. The future premises funds have been accumulated in anticipation of the development of premises, given that the current premises are nearing full capacity and approaching the end of their current lease.

The charity aims to manage any under or over provision of reserves over a rolling three year period. Any excess amounts will be deployed in benefiting the aims of the charity, namely through effective, good value educational provision for those impacted by autism

c. Material investments policy

The directors invest surplus cash in deposit funds. The policy is to utilise risk free investments which therefore do not generate significant returns but which are secure and available at notice to provide funds as and when required.

d. Principal risks and uncertainties

The school's funding comes from local authorities, on a pupil by pupil basis. Fees are set at the time of entry for each pupil and amended at each Transition stage. Additional fees are charged if pupils have extra provision specified within their EHCP, such as for provision of direct therapies. There is currently a strong pipeline of pupil referrals, and all indicators from local authority strategy plans, is that the demand for educational places for pupils with ASD is continuing to increase.

The school's main expenditure is on the teaching and support staff and these costs are determined by the number of pupils placed with the school.

As previously stated, there is a current challenge in terms of recruitment and retention of high caliber staff. This is in line with issues experienced nationally, as unemployment falls to very low levels.

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Trustees' report (continued)
for the year ended 31 July 2021

e. Financial risk management objectives and policies

The school has a risk management strategy which comprises:

- The Management Board termly review of the risks that the charity might face: action plans are followed to ensure all risks are mitigated;
- The Board regularly discusses the risks the charity may face;
- The establishment of policies, systems and procedures to mitigate those risks identified;
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The school monitors its cash flows very carefully and has prepared projections, which show that the school will have sufficient resources to meet its liabilities as they fall due over the next twelve months.

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Trustees' report (continued)
for the year ended 31 July 2021

Structure, governance and management

a. Constitution

The Quest School is registered as a charitable company limited by guarantee. The governing document is the company memorandum and articles of association as amended by special resolution dated 2nd September 2004. The day to day management of the charity vests in the Board of Management (BoM), comprising 2 Trustees, the School Principal and the Company Secretary. The BoM report to the Board of Trustees, which is responsible for ensuring that the charity is operated in accordance with the Charity Commission requirements.

The Trustees meet at least three times a year to receive reports from the BoM and also engage directly with the School through an annual cycle of purposeful targeted visits linked to different areas of the school development plan, or to formal self-evaluation monitoring meetings. The Trustees are recruited to provide a cross section of backgrounds to give a broad basis of experiences to the charity. Where required the Trustees and Board of Management take input from a range of specialist individuals and organisations including for ABA, Speech & Language, Occupational Therapy, School Improvement Partner, IT, Legal, Accountancy, Health & Safety, HR & Employment matters.

b. Methods of appointment or election of Trustees

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

A Board Effectiveness review was undertaken during 2019-20. The outcome from which concluded that there are many positive areas of Board effectiveness, however all agreed that diversity and Trustees succession were areas that needed further improvement.

A succession plan for the current Board of Trustees was also agreed, with a timeline for refreshing the Board members. The Board agreed that it would be ideal to add new Trustees before any of our current members step down; it was also agreed to pursue parental representation on the Board of Trustees; this was achieved with the appointment of Parent Trustee, Monica Plange in May 2021.

The Board also agreed that Ian Martin and Pete Mepsted should continue in their respective roles of Chair and Deputy Chair.

c. Organisational structure and decision-making policies

Policy adherence and review:

The school maintains a regular cycle, monitored by the Board of Management, of reviewing all policies to ensure they remain current. Staff regularly sign a policy adherence confirmation to acknowledge that they comply with all school policies. Where any staff member had not complied with a particular aspect of policy, a log is made and appropriate action, such as additional coaching for staff, is implemented.

d. Policies adopted for the induction and training of Trustees

Induction of the new Trustee followed our usual induction process.

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Trustees' report (continued)
for the year ended 31 July 2021

Structure, governance and management (continued)

e. Staff pay matters

Salaries for Senior staff are set with reference to the state education pay scales for specialist schools. During 2019-20, the School became a recognised 'Living Wage' employer, and has continued this policy, ensuring increases to salary for the lowest paid staff increase in line with the Living Wage.

During 2019-20, the Board also agreed to the introduction of two staff appreciation and retention initiatives: an enhanced pension contribution matching scheme and a non-contractual five year 'retention incentive' payment scheme. During 2020-21 these schemes have continued to evolve, with new staff added. These schemes remain discretionary and are non-contractual.

The Board believe these schemes will be valuable in retaining the services of our talented and committed long-serving staff upon whom Quest is dependent for the achievement of high quality pupil outcomes, and enabling such committed and loyal staff to adequately prepare for retirement. The retention of key staff is especially important as Quest transitions its leadership team.

f. Related party relationships

The charity was founded by a number of families who had children with autism, having established that the needs of their children were not being met by any facility in the area. Two of these families are still active in the charity. Ian Martin is the Chair and his wife, Anne Martin, NPQH (National Professional Qualification in Headship) is the Head Teacher. Peter Mepsted is Director/Trustee and his wife, Ashley Carter Mepsted is the Head of Development & Projects. Peter also provides services to the School in relation to his occupation as a Health and Safety Consultant. All decisions relating to remuneration and employment of connected members of staff and consultants are taken by the Board of Trustees in their absence and in the absence of their spouses. Appropriate day to day operational controls and disclosures to Trustees are in place.

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Trustees' report (continued)
for the year ended 31 July 2021

Plans for future periods

Future developments

During 2018-19, the Quest Board of Management undertook a Strategy review to evaluate the level of demand locally for autistic specific autism provision. The outcome from this review, along with the historic and expected future growth in pupil numbers and continuing demand for places, demonstrates the ongoing need for a provision such as Quest. This review was updated during 2020-21; this confirmed that projected demand within KCC for ASD provision was continuing to increase year on year.

During 2020-21, the school began to consider whether there was scope to contribute to provision of services for school leavers, with the Adult service sector. This work is still ongoing.

Premises developments

The School operates from The Hop Farm at Paddock Wood and during the year have continued their programme of ongoing redecoration and repairs to enable the continuing enhancement of the facilities for both pupils and staff.

The school reached agreement with the Hop Farm, to take additional space in the current premises, as well as to extend the lease for a further 3 years.

During 2019-20, we agreed rental terms with the Hop Farm, to take on additional classroom space in two of the extra 'roundels', attached to our current building. There were delays with obtaining planning permission, due to the impact of Covid; planning permission was finally agreed in October 2020, and the refurbishment work was completed in December 2020, ready for the new term in January 2021.

The cost of refurbishment was met from donors and fund-raising during previous years and cost £33,848 (in total for 2 roundels).

Work was also completed to install extra staff toilets and pupils' shower facilities; this cost £21,950.

The School is currently negotiating with the Landlord to extend the existing lease until September 2023 (in line with the Landlord's Head Lease) with a further extension then to 2025.

The Board of Management agreed with the Trustees, the project plan for securing a longer term property solution, given the limited additional capacity of the current premises. The first phases of the project plan were completed during 2020-21.

The Board of Management agreed with the Trustees, the project plan for securing a longer term property solution, given the limited additional capacity of the current premises. The first phases of the project plan were completed during 2020-21.

Improvements to IT infrastructure

During 2019-20, we invested in a significant improvement to the school's IT Filter/Firewall, to provide greater internet security, as well as to facilitate offsite working by providing remote access link to the school server. We continue to enhance our IT systems and security continually and have recently added enhanced anti-virus and email protection.

During 2020-21, the school moved its regular parental communication system from paper-based, to an online educational learning journal, Tapestry. The school also transitioned its safeguarding reporting to an online system.

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Trustees' report (continued)
for the year ended 31 July 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Company will continue in business.

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

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Kreston Reeves LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on 25 March 2022 and signed on their behalf by:



I S J Martin
(Trustee)

The Quest School
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Independent auditor's report to the Members of The Quest School

Opinion

We have audited the financial statements of The Quest School (the 'charitable company') for the year ended 31 July 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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Independent auditor's report to the Members of The Quest School (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Independent auditor's report to the Members of The Quest School (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Ofsted compliance, and Safeguarding. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), the Companies Act 2006 and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

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

Independent auditor's report to the Members of The Quest School (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 of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my 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 my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Chatham
Kent

25 March 2022

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

The Quest School
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 July 2021

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	-	6,440	6,440	21,569
Charitable activities	3	-	1,185,344	1,185,344	1,026,410
Investments	4	-	80	80	4,050
		-	1,191,864	1,191,864	1,052,029
Total income					
Expenditure on:					
Charitable activities	5	6,369	1,080,263	1,086,632	976,421
		6,369	1,080,263	1,086,632	976,421
Total expenditure					
Net movement in funds before other recognised gains		(6,369)	111,601	105,232	75,608
		(6,369)	111,601	105,232	75,608
Net movement in funds					
Reconciliation of funds:					
Total funds brought forward		8,740	842,072	850,812	775,204
Total funds carried forward		2,371	953,673	956,044	850,812

The Statement of financial activities includes all gains and losses recognised in the year.

All activities relate to continuing operations.

The notes on pages 21 to 35 form part of these financial statements.

The Quest School
(A company limited by guarantee)
Registered number: 04669567

Balance sheet
as at 31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	25,113	47,816
		25,113	47,816
Current assets			
Debtors	11	9,102	6,710
Investments	12	473,000	504,358
Cash at bank and in hand		501,879	323,331
		983,981	834,399
Creditors: amounts falling due within one year	13	(53,050)	(31,403)
Net current assets		930,931	802,996
Total net assets		956,044	850,812
Charity funds			
Restricted funds	14	2,371	8,740
Unrestricted funds	14	953,673	842,072
Total funds		956,044	850,812

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 25 March 2022 and signed on their behalf by:



I S J Martin
 (Chair of Trustees)

The notes on pages 21 to 35 form part of these financial statements.

The Quest School
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 July 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	147,110	111,130
Cash flows from investing activities		
Dividends, interests and rents from investments	80	4,050
Net cash provided by investing activities	80	4,050
Change in cash and cash equivalents in the year	147,190	115,180
Cash and cash equivalents at the beginning of the year	827,689	712,509
Cash and cash equivalents at the end of the year	974,879	827,689

The notes on pages 21 to 35 form part of these financial statements

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

1. Accounting policies

1.1 General information

The Quest School is a charity and a company limited by guarantee incorporated in England. The charity's registered office is Montague Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QU. The principal activity of the charity is to provide specialist, individualised education services to children with autism.

1.2 Basis of preparation of financial statements

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

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

1.3 Company Status

The charity is a company limited by guarantee. The members of the charity are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.4 Going concern

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

1.5 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fee income is accounted for on a receivable basis and consists of charges billed to local authorities for the school year 31 July 2021. Fees received for education to be provided in future years are carried forward as deferred income. Fees received in advance of education to be provided in future years under an advance fee payment scheme contract are held as interest bearing liabilities until either taken to income in the term when used or refunded.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Investment income is accounted for in the period in which the school is entitled to receipt.

Notes to the financial statements
for the year ended 31 July 2021

1. Accounting policies (continued)

1.6 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance method.

Depreciation is provided on the following bases:

Freehold property	- Over term of lease
Motor vehicles	- 20% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 33% straight line

1.8 Interest receivable

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

1.9 Debtors

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

Notes to the financial statements
for the year ended 31 July 2021

1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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

Liabilities are recognised at the amount that the Company 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.

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..

1.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.14 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Notes to the financial statements
for the year ended 31 July 2021

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Tangible fixed assets

The charity has recognised tangible fixed assets with a carrying value of £25,113 (see note 10). These assets are stated at their cost less provision for depreciation and impairment.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Critical areas of judgement:

Lease commitments

The charity has entered into a range of lease commitments in respect of property and equipment. The classification of these leases as either financial or operating leases requires the Trustees to consider whether the terms and conditions of each lease are such that the charity has acquired the risks and rewards associated with the ownership of the underlying assets.

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

2. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	5,332	5,332	7,248
Legacies	-	-	-	2,312
Grants	-	1,108	1,108	12,009
	-	6,440	6,440	21,569
Total 2020	4,000	17,569	21,569	

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	1,185,344	1,185,344	1,026,410

4. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Deposit account interest	80	80	4,050

5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Educational operations	864,810	221,822	1,086,632	976,421
Total 2020	809,662	166,759	976,421	

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

6. Direct costs

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Educational supplies and activities	90	90	3,181
Staff development and recruitment	14,152	14,152	13,740
Educational consultancy	13,126	13,126	14,444
Curriculum development	2,363	2,363	3,911
Postage and stationery	12,109	12,109	16,908
Other consultancy	27,680	27,680	23,335
Wages and salaries	702,417	702,417	650,507
National Insurance	53,350	53,350	52,576
Pension cost	39,523	39,523	31,060
	<hr/>	<hr/>	<hr/>
	864,810	864,810	809,662
	<hr/>	<hr/>	<hr/>
Total 2020	<hr/>	<hr/>	<hr/>
	809,662	809,662	
	<hr/>	<hr/>	

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

7. Support costs

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Insurance	-	7,198	7,198	7,254
Rent and rates	-	38,300	38,300	36,820
Light and heat	-	10,695	10,695	7,699
Repairs and renewals	4,000	77,428	81,428	15,757
Cleaning costs	-	12,998	12,998	9,859
Telephone	-	3,519	3,519	4,468
Postage and stationery	-	3,019	3,019	2,399
IT expenditure	-	18,819	18,819	28,359
Legal and professional	-	2,712	2,712	2,361
Statutory enquiries	-	4,816	4,816	4,922
Accountancy	-	9,818	9,818	9,708
Travel costs	-	2,655	2,655	3,017
Other support costs	-	3,142	3,142	393
Depreciation	2,369	20,334	22,703	33,743
	<u>6,369</u>	<u>215,453</u>	<u>221,822</u>	<u>166,759</u>
Total 2020	<u>2,369</u>	<u>164,390</u>	<u>166,759</u>	

During the year ended 31 July 2021, the charity incurred the following Governance costs:

£1,400 (2020 - £1,400) included within the table above under Accountancy, in respect of Accountancy fees.

£6,430 (2020 - £6,404) included within the table above under Accountancy, in respect of Audit fees.

8. Staff costs

	2021 £	2020 £
Wages and salaries	702,417	650,507
Social security costs	53,350	52,576
Contribution to defined contribution pension schemes	39,523	31,060
	<u>795,290</u>	<u>734,143</u>

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

8. Staff costs (continued)

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

	2021	2020
	No.	No.
Management	3	2
Administration	2	2
Teaching	33	32
	38	36

No employee received remuneration amounting to more than £60,000 in either year.

The total employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the charity was £141,038 (2020: £104,410), of which £11,827 (2020: £9,565) was employer national insurance contributions.

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 July 2021, no Trustee expenses have been incurred (2020 - £NIL).

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

10. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 August 2020	36,765	42,767	21,299	231,910	332,741
At 31 July 2021	36,765	42,767	21,299	231,910	332,741
Depreciation					
At 1 August 2020	31,170	33,599	21,299	198,857	284,925
Charge for the year	1,119	3,578	-	18,006	22,703
At 31 July 2021	32,289	37,177	21,299	216,863	307,628
Net book value					
At 31 July 2021	4,476	5,590	-	15,047	25,113
At 31 July 2020	5,595	9,168	-	33,053	47,816

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

11. Debtors

	2021 £	2020 £
Due within one year		
Prepayments and accrued income	9,102	6,710
	9,102	6,710

12. Current asset investments

	2021 £	2020 £
Fixed term deposit	473,000	504,358

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	27,342	-
Other taxation and social security	13,010	17,122
Other creditors	4,815	5,779
Accruals and deferred income	7,883	8,502
	53,050	31,403

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

14. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2021 £
Unrestricted funds					
Designated funds					
Designated fixed asset and property fund	320,292	-	(19,072)	115,000	416,220
General funds					
General Fund	22,327	1,191,864	(1,061,191)	(129,000)	24,000
Fundraising Fund	16,453	-	-	-	16,453
Contingency Fund	413,000	-	-	5,000	418,000
Staff retention scheme	70,000	-	-	9,000	79,000
	521,780	1,191,864	(1,061,191)	(115,000)	537,453
Total Unrestricted funds	842,072	1,191,864	(1,080,263)	-	953,673
Restricted funds					
Awards for All grant	4,740	-	(2,369)	-	2,371
The Bailey Thomas Foundation	4,000	-	(4,000)	-	-
	8,740	-	(6,369)	-	2,371
Total of funds	850,812	1,191,864	(1,086,632)	-	956,044

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

14. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 July 2020 £
Unrestricted funds					
Designated funds					
Designated fixed asset and property fund	310,000	-	(29,708)	40,000	320,292
General funds					
General Fund	59,142	1,036,529	(944,344)	(129,000)	22,327
Fundraising Fund	4,953	11,500	-	-	16,453
Contingency Fund	394,000	-	-	19,000	413,000
Staff retention scheme	-	-	-	70,000	70,000
	458,095	1,048,029	(944,344)	(40,000)	521,780
Total Unrestricted funds	768,095	-	(974,052)	-	842,072
Restricted funds					
Awards for All grant	7,109	-	(2,369)	-	4,740
The Bailey Thomas Foundation	-	4,000	-	-	4,000
	7,109	4,000	(2,369)	-	8,740
Total of funds	775,204	4,000	(976,421)	-	850,812

Notes to the financial statements
for the year ended 31 July 2021

14. Statement of funds (continued)

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

Designated fixed asset and property funds represent the funds held to support the current and future development of the school's property.

Fundraising fund are funds raised by the school and its sponsors throughout the year and are applied specifically to enrich the educational experience of its pupils.

Contingency funds are reserved as part of the charity's future planning to ensure that in the event of a significant drop in funding the reserves will be sufficient enough to perform a managed wind-up, that takes care of the significant needs of the pupils and any potential difficulties in securing an alternative educational provision.

Restricted funds comprises of grants received within the year that are to be specifically applied to the provision of educational equipment for the pupils. For the current period this includes funds held for the purchase of a new music trail for the playground.

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,371	22,742	25,113
Current assets	-	983,981	983,981
Creditors due within one year	-	(53,050)	(53,050)
Total	2,371	953,673	956,044

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	4,740	43,076	47,816
Current assets	4,000	830,399	834,399
Creditors due within one year	-	(31,403)	(31,403)
Total	8,740	842,072	850,812

Notes to the financial statements
for the year ended 31 July 2021

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	105,232	75,608
Adjustments for:		
Depreciation charges	22,703	33,743
Dividends, interests and rents from investments	(80)	(4,050)
Decrease/(increase) in debtors	(2,392)	1,021
Increase in creditors	21,647	4,808
Net cash provided by operating activities	147,110	111,130

17. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	501,879	323,331
Notice deposits (less than 3 months)	473,000	504,358
Total cash and cash equivalents	974,879	827,689

18. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	323,331	178,548	501,879
Liquid investments	504,358	(31,358)	473,000
	827,689	147,190	974,879

19. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £39,523 (2020 - £31,060). Contributions totalling £4,815 (2020 - £5,779) were payable to the fund at the balance sheet date and are included in creditors.

The Quest School
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 July 2021

20. Operating lease commitments

At 31 July 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	7,435	35,641
Later than 1 year and not later than 5 years	-	6,543
	7,435	42,184

21. Related party transactions

A E Martin spouse of I S J Martin, a trustee of the charity, received a gross salary of £35,000 - £40,000 (2020: £45,000 - £50,000), with pension benefits of £1,000 - £5,000 (2020: £1,000 - £5,000), for her role as School Principal.

A Carter-Mepsted spouse of P C Mepsted, a trustee of the charity, received a gross salary of £35,000 - £40,000 (2020: £40,000 - £45,000), with pension benefits of £1,000 - £5,000 (2020: £1,000 - £5,000), for her role as Head of Development and Projects.

L Duvall a close family member of P C Mepsted and A Carter-Mepsted, received as gross salary of £25,000 - £30,000 (2020: £25,000 - £30,000), with pension benefits of £1,000 - £5,000 (2020: £1,000 - £5,000), for her role as Finance Manager.

P Mepsted, a trustee of the charity, invoiced the charity £30,555 (2020: £25,690), for the provision of property, health and safety and other consultancy services.

P Barnett, a trustee of the charity, invoiced the charity £2,800 (2020: £1,260) for the provision of school improvement services.

All of the above transactions were approved by the Board of Trustees and are documented in the Trustees minutes.