

11 November 2025



**QUEST (A Church of England Schools Trust) and Play Pals Childcare Limited (collectively referred to as the “group”)**

# **External Audit Findings Report**

## **For the year ended 31st August 2025**

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Simon Leitch-Devlin

simon.devlin@xeinadin.com

0161 476 8276



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# Status and approach

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## **This report has been prepared for the board of trustees of QUEST (A Church of England Schools Trust) and Play Pals Childcare Limited.**

This report summarises the principle matters that have arisen from our audit of the accounts and regularity assurance engagement for the year ended 31<sup>st</sup> August 2025.

At the date of this report we anticipate no modifications to the audit report or the regularity assurance report.

## **Approach**

Our audit procedures were carried out in accordance with International Standards on Auditing (UK and Ireland).

Our audit work was carried out at 682 Atherton Road, wigan, WN2 4SQ and our office in accordance with our audit plan and in response to the perceived audit risks, no reasons or significant issues were identified which required us to change our approach and no additional risks were identified.

We consider the approach adopted will provide the trustees with the required confidence that a thorough and robust financial statement audit has been carried out.

## **Materiality**

The concept of materiality is fundamental to the preparation of the financial statements and to the audit process. We have set our materiality level at £145,000 for the group, with materiality for QUEST (A Church of England Schools Trust) and Play Pals Childcare Limited being £130,000 and £31,000 respectively.

For audit purposes £7,250 is deemed as merely trivial for the group.

# Status and approach

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## Status of audit

Subject to no significant post balance sheet events, we anticipate issuing clean audit and regularity reports.

Please note that this report has been prepared for the sole use of QUEST (A Church of England Schools Trust) and Play Pals Childcare Limited. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

## Acknowledgements

We would like to take the opportunity to express our thanks to your team for their assistance during the course of our audit.

# Status and approach continued ...

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## Independence

In accordance with the requirements of Auditing Standards and to assist you in reviewing the nature and extent of audit and non-audit services provided by Xeinadin Audit Ltd and its associates, we are writing to set out relevant matters.

The firm provides audit and regularity services in accordance with the terms of our engagement letter. All adjustments to the statutory accounts are discussed with Tonianne Hewitt (Chief Finance Officer) for approval.

Xeinadin North (a network firm) provides accounting, certification, corporation tax and payroll services. All estimates and judgements involved in these non audit services are discussed with Tonianne Hewitt (Chief Finance Officer).

It is the responsibility of the trustees to prepare the accounts on a going concern basis (unless it is inappropriate to prepare them on this basis), additionally the trustees must ensure that the financial statements present a true and fair view and that management go through an appropriate process to arrive at the necessary estimates and judgements.

We confirm that, in our professional judgement, we are independent of QUEST (A Church of England Schools Trust) and Play Pals Childcare Limited and the objectivity of the audit engagement partner and audit staff is not impaired.

## Legal and regulatory requirements

Our audit work complies with the following relevant legal and regulatory requirements:

- Financial Reporting Standards Applicable in the UK and Republic of Ireland (FRS102)
- the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102))
- the Charities Act 2011
- the Companies Act 2006
- the Academies Accounts Direction 2024-25 issued by the Department for Education (DfE)

# Audit and Regularity opinions and comments

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**Our anticipated audit opinion will be a clean audit opinion. Our anticipated regularity opinion will be a clean regularity opinion.**

We have no comments to make concerning the qualitative aspects of the entity's accounting practices and financial reporting. Notwithstanding this, there are some weaknesses in the internal controls which are outlined on pages 7 to 9.

We did not encounter any significant difficulties during the audit. Adjustments have been made as a result of the audit process and are listed on Appendix 1, 2 and Appendix 4 relating to disclosures.

Unadjusted misstatements noted in the audit process are included in Appendix 3.

A draft of our proposed letters of representation are attached appendix 5 and 6 (QUEST) and appendix 7 (Play Pals). There are two specific representations in Appendix 5 to which we draw your attention, paragraph 7 related parties and paragraph 19 LGPS. There is one specific representation included in appendix 7 relating to the distribution made to QUEST for the year ended 31<sup>st</sup> August 2025.

## Significant accounting policies, disclosures and estimates

There were no significant accounting policies or estimates used, other than the LGPS valuation which is covered later in this report, that need to be brought to your attention.

## Independence

We have discussed with you the fact that Xeinadin North provide accounting, certification, corporation tax and payroll services to the group and Xeinadin Audit Limited act as auditors. Both are members of the Xeinadin Group. We wish to confirm to you that in our opinion the provision of such services by Xeinadin North do not affect our independence as:

The additional services provided are of a routine compliance nature and the Board takes any decisions where judgement is required;

Accountancy, taxation and payroll services are undertaken by separate teams to the audit.

The firm and the audit engagement team have therefore complied with relevant ethical requirements concerning independence.

# Internal Controls

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The purpose of an audit it is to express an opinion on the financial statements.

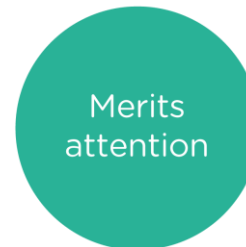
Our audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters being reported here are limited to those deficiencies that we have identified during the course of our audit and regularity review and we have concluded are of sufficient importance to merit being reported to you in accordance with ISA 265.

It is not meant to be a full and accurate reflection of all weaknesses that may be present in your system.

In making our recommendations, we have considered the size of your company and the number of staff you employ. We shall be glad if you will let us know what steps have been taken in connection with the above.

The following weaknesses were identified, together with their consequences and suggested course of action. They have been categorised as follows...



The business is subject to levels of fundamental risk where immediate action should be taken. The risk is so great that it could seriously damage the reputation of the business, increase the risk of fraud or cast doubt on the ability of the business to continue to be a going concern.


A weakness that presents a significant risk to the business, but would not be so serious as to be fundamental. Usually arisen from a key control which would be expected is not in place, or a major control failure. Attention is to be given to resolving the position.

These are relatively minor issues. Where a procedure has not been complied with but the non-compliance has not exposed the business to a significant level of risk or financial loss. Usually housekeeping issues where desirable improvements to be made to improve or implement the internal controls.

# Internal Controls

Status	Weakness	Consequence	Recommendations	Ref	B/fwd	Management Response
Merits attention	<p>Per Appendix 5 of the Scheme of Financial Administration (SOFA) listing authorised signatories, 'no one person is allowed to authorise an order and certify the invoice for payment'. The current working practice is that the CFO approves the purchase order and certifies the purchase invoice for payment. For three expenditure items reviewed, which relate to the Trust the purchase requisition, purchase order and purchase invoice were all approved by the CFO.</p>	<p>Expenditure items may not be authorised in line with the expectations of the Board. There may be fewer segregation of duties for Trust transactions rather than transactions occurring at school level.</p>	<p>Review the procedure for approval of requisition, purchase order and purchase invoice for Trust level transactions to determine whether the current policy is appropriate. Ensure that any changes to policies are approved by the Board.</p>	S200	N	SOFA amended to reflect CFO authorisation.
Merits attention	<p>Section 14 of the SOFA states that the CFO can authorise mileage claim forms for the CEO. However, section 12 of the SOFA states that CEO mileage claim forms must be approved by the Chair of Trustees. The CFO confirmed that the current working practice is that the CEO's monthly claim forms are approved by the CFO.</p>	<p>Expenditure being incurred by the Trust may not be approved in line with the expectations of the Board.</p>	<p>Ensure that the policy for CEO expenses is reviewed and clarified in the SOFA.</p>	D200/R300	N	Trustees agreed CFO to authorise mileage which was updated in the SOFA however section 12 had not been amended, this is now reflected correctly in the SOFA.

# Internal Controls

Status	Weakness	Consequence	Recommendations	Ref	B/fwd	Management Response
	<p><b>Play Pals</b> For one employee of the fourteen reviewed, we identified that the approved back pay was not fully processed resulting in an underpayment across three months totaling £374 being made to the employee. This was initially identified by the Play Pals Manager who raised a query with the third party payroll provider. The payroll provider did not fully process the back pay, and this had not been identified by the Play Pals Manager as part of the subsequent monthly review and sign off process.</p>	<p>An underpayment of payroll costs to the employee has occurred.</p>	<p>Ensure that any amendments to payroll are evidenced as checked against expectations ahead of the monthly payroll being processed.</p>	<p>R300</p>	<p>N</p>	<p>Area Manager to continue to review payroll and promptly raise any discrepancies with payroll provider.</p>

# Findings relating to planned risk areas: Significant risks

	Resolution
<p><b>Fraud concerning revenue recognition (non-DfE/LA)</b> Review minutes of the governing body to identify material streams of income Discussions with the senior management team. Detailed testing of non-grant income</p>	<ul style="list-style-type: none"> <li>We have not identified any indications of fraud concerning revenue recognition</li> </ul>
<p><b>Management override</b> Review audit trail and journal entries posted within the period and maintain professional scepticism.  Consideration of large and unusual transactions.</p>	<ul style="list-style-type: none"> <li>We have seen no evidence of management override.</li> </ul>
<p><b>Areas of management estimates –Local Government Pension Scheme (LGPS).</b> We obtained and reviewed a copy of the FRS 102 actuarial valuation prepared by the actuary and undertook procedures to determine our ability to rely on their work.  We confirmed that the Employee and Employer rates on the payroll records are in line with the contributions required under the scheme.  We reviewed the disclosure made in line with information we obtained for other school clients and publicly available information on the internet and via the Academy Auditors Forum.</p>	<ul style="list-style-type: none"> <li>We have reviewed the actuarial assumptions and they are deemed appropriate.</li> <li>We are satisfied that the accounting treatment and contributions are in line with expectations.</li> <li>We have made one adjustment in in respect of the total market value of assets disclosure which is included on Appendix 4.</li> </ul>

# Findings relating to planned risk areas: Significant risks

	Resolution
<p><b>Completeness of provisions/ accruals</b> We reviewed the provisions and accruals in the financial statements against primary documentation and post year end events.</p>	<ul style="list-style-type: none"> <li>• We have not identified any material omission from provisions and accruals.</li> <li>• Appendix 3 includes immaterial findings in relation to accruals.</li> </ul>
<p><b>Related Party Transactions potentially not included/ at cost principles not applied (regularity)</b> We reviewed the minutes, declarations of interests and discussed with management to identify any related parties</p> <p>We carried out checks in the nominal ledger to identify transactions and balances with related parties</p> <p>Where related parties are identified, we checked that they were conducted in accordance with the Academies Trust Handbook 2024</p>	<ul style="list-style-type: none"> <li>• We have not identified any non-compliance with the laws and regulations that could give rise to a material misstatement in the financial statements.</li> </ul>
<p><b>Capital Funding</b></p> <p>We reviewed publicly available information for details of the school capital funding allocation.</p> <p>We reviewed the minutes and publicly available information for details of larger capital projects and grants applied for.</p> <p>We reviewed the documentation relating to capital grants.</p> <p>We reviewed the bank statements after the year end to identify capital grant/SALIX loan funding receipts.</p> <p>We reviewed purchase invoices after date for large capital items.</p>	<ul style="list-style-type: none"> <li>• We are satisfied that capital grants have been identified and recorded in full.</li> <li>• We are satisfied that no SALIX loans have been identified</li> </ul>

# Fees, non-audit services and independence

We have considered whether non-audit services might be perceived as a threat to our independence as the company’s auditor and have ensured that appropriate safeguards are put in place.

The below non-audit services are consistent with the Board’s policy on the allotment of non-audit work to your auditors.

Ethical standards and ISA UK 260 require us to give you full and fair disclosure of matters relating to our independence. In this context: We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We have complied with the FRC’s Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the FRC’s Ethical Standards.

For the purposes of our audit we have made enquiries of all the Xeinadin Audit Limited Network providing services to QUEST (A Church of England Schools Trust) and Play Pals Childcare Limited. The table summarises all non-audit services which were identified.

During the year the fees for non-audit services totalled £19,485.

Non-audit service provided	Service provided by	Threat	Safeguard
Statutory accounts production	Xeinadin North (Network firm)	Yes	Separate team
Academies Accounts Return production and certification	Xeinadin North (Network firm)	No	N/A
Teachers Pension Scheme – End of Year Certificate audit	Xeinadin North (Network firm)	No	N/A
Corporation tax return – Play Pals Limited	Xeinadin North (Network firm)	Yes	Separate team



## Supporting You

We know the importance of regular contact and our client care programme enables us to keep up to date with your challenges and offer an opportunity to share best practice.



## Fixed Fee

All fees will be agreed and fixed up front. Any extra work will not be undertaken without your approval. We also offer a unique money back guarantee if you're ever unhappy with our service.



## Strategic Hurdles

We will guide and support you through the legal, financial and regulatory responsibilities, which means you can concentrate on the strategic development of your practice.



## Delivering Results

We aim is to become part of your team. We'll get to know your practice inside out; this means we can be a true business partner that easily identifies problems and spots opportunities.



## High Quality

Our clients' needs have been placed at the heart of our growth. As part of our commitment to help you, we will always share best practice with you.

# Why choose Xeinaadin?



## Our Culture

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Hallidays – Xeinadin Group is a modern and innovative practice with roots dating back to 1843. We are your ideal business partner and will work with you to achieve your goals.

## Vision

To be the business partner that supports and inspires you to grow and achieve your ambitions.

## Mission

Supporting and inspiring you to grow and achieve your goals.

## Values

Support, Inspire, Grow.

# Thank you!

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[www.xeinadin.co.uk](http://www.xeinadin.co.uk)





QUEST (A CHURCH OF ENGLAND SCHOOLS TRUST)  
SCHEDULE OF UNADJUSTED ERRORS  
GROUP MATERIALITY £145,000 ,clearly trivial if below £7,250  
FOR THE YEAR ENDED 31ST AUGUST 2025

Appendix 3

No	ENTITY	FILE REFERENCE		EXTRAPOLATED ERRORS		ACTUAL ERRORS		P & L A/C		Balance Sheet	
				Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
1	QUEST	J100	Trade debtors Non grant income <b>Being duplicate sales invoice raised for Arch English Hub</b>			18,000	18,000	18,000			18,000
2	QUEST	J300	Prepayments Direct technology costs <b>Being understatement of prepayments relating to annual licences for Bromcom and Showbie</b>			35,443	35,443		35,443		35,443
3	QUEST	L100-2	Expenditure - Premises and other support VAT Trade Creditors <b>Being understatement of trade creditors at 31st August 2025</b>	10,496 2,099		31,883 6,377		42,379			8,476 50,854
4	QUEST	L200	Expenditure - Premises and other support VAT Trade Creditors <b>Being understatement of trade creditors at 31st August 2025</b>	21,042 4,208		3,833 767		24,874			4,975 29,849
5	QUEST	L200	Expenditure Accruals <b>Being understatement of accruals</b>	13,705	13,705	3,296	3,296	17,001			17,001
6	QUEST	U1	VAT recoverable Expenditure <b>Being difference between VAT 126 claim and VAT recoverable</b>			6,897	6,897		6,897		6,897
7	QUEST	W1	Repairs and maintenance Donations <b>Being PlayPals donation to HGCP in respect of gates recognised in repairs and maintenance rather than donations HGSI 44. Removed on consolidation</b>			16,000	16,000	16,000	16,000		
8	Play Pals	L200	Supply costs Trade creditors <b>Being potential understatement of trade creditors due to Reeson Education invoices relating to 2024/25 being omitted</b>	6,872	6,872			6,872			6,872
9	Play Pals	R300	Payroll expense Payroll creditor <b>Being understatement of payroll costs</b>	6,436	6,436	412	412	6,848			6,848
10	Play Pals	J200	Bad debt provision - P&L Trade debtors bad debt provision <b>Being potential bad debt provision required</b>			5,601	5,601	5,601			5,601
				<u>64,858</u>	<u>64,858</u>	<u>128,508</u>	<u>128,508</u>	<u>137,576</u>	<u>58,340</u>	<u>55,791</u>	<u>135,026</u>
<b>Unadjusted increase (decrease) in surplus at 31 August 2025</b>									<b>79,236</b>	<b>(79,236)</b>	

QUEST (A CHURCH OF ENGLAND SCHOOLS TRUST)

SCHEDULE OF DISCLOSURE ADJUSTMENTS - Final Materiality £130,000 clearly trivial if below £6,500  
FOR THE YEAR ENDED 31ST AUGUST 2025

Appendix 4

No	FILE REFERENCE			Status
		Note 29	Revised	
1	X100			
	Being related party income disclosure for Epworth Trust	2,553	3,515	Adjusted
2	N100			
	Equities	583,000	4,450,000	Adjusted
	Government bonds	152,000	1,164,000	
	Property	81,000	617,000	
	Cash and other liquid assets	81,000	617,000	
	Total market value of assets	897,000	6,848,000	

Being the total market value of assets per FRS 102 reports at 31st August 2025