Registration number: 06391183

Hackney Schools for the Future Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2020

Hackney Schools for the Future Limited

Contents

Hackney Schools for the Future Limited

Company Information

Directors	Anntoinette Bramble
	Jayne Hettle (alternate director)
	Ian Meredith
	Jacqueline Moylan
	Peter Seddon
	Ian Williams (alternate director)
	Clive Thomas
	Olukemi Afanu (alternate director)
Company secretary	Philip Higgins
Registered office	81 Fountain Street Manchester M2 2EE
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Hackney Schools for the Future Limited

Strategic Report for the Year Ended 30 June 2020

The directors present their strategic report for Hackney Schools for the Future Limited (the "Company") for the year ended 30 June 2020.

Principal activities
The principal activity of the Company is the delivery of the Building Schools for the Future programme for the London Borough of Hackney.

The Company was created as a means by which the capital investment made available from the Building Schools for the Future programme can be effectively deployed by the London Borough of Hackney into the secondary school estate over a ten year period. The strategic partnering agreement between the London Borough of Hackney and Hackney Schools for the Future Limited was signed in November 2008.

Fair review of the business

	Unit	Year ended 30 June 2020	Year ended 30 June 2019
Revenue	£'000	7,245	15,186
Result for the financial year	£'000	-	-

The revenue reduced by £8m in comparison with the prior year due to the reduction in London Borough of Hackney's capital investment programme and transfer of the Facilities Management Service back to the London Borough of Hackney in January 2020.
In line with expectations the company has made zero profit as shown in the Profit and Loss Account on page 14. The company's net assets are £50,000 with a strong cash balance of £440,000 as detailed in the Balance Sheet on page 16.

Principal risks and uncertainties
The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at the level of Kier Group plc ("Kier"), the ultimate parent company of Kier Education Investments Limited, the holder of the majority of the issued ordinary shares of the Company, by independent challenge and review by the Kier Risk Manager and the Kier Audit and Risk Committee.

The key risks and uncertainties affecting the Company are considered to be related to its exposure to supply chain performance and project delays. The directors manage this risk by meeting on a regular basis to discuss these risks.

Safety, health and sustainability
Principal risk: failure to maintain a safe and sustainable environment and prevent a major incident.

The Company's operations are inherently complex and potentially hazardous and require the continuous management of safety, health and sustainability issues.

COVID-19 impact: high.

During COVID-19, the Company has worked closely with its people, clients and suppliers to ensure that its sites and offices are able to continue to operate safely and in accordance with Government guidelines.

Potential impact:
• An increase in safety or environmental incidents on site;
• The failure to meet clients' expectations, adversely affecting the ability to bid for and win new work; and
• Financial penalties arising from fines, legal action and project delays.

Mitigating actions:
• Continued focus on the five basics of SHE risk management;
• Implementing the Kier Group's new sustainability framework, 'Building for a Sustainable World'; and
• Setting a tone from the top through activities such as senior management visible leadership tours.

Regulation
Principal risk: failure to manage effectively changes in legislation and regulation.

The sectors in which the Company operates are subject to increasing scrutiny from stakeholders, oversight from regulators and requirements introduced by new legislation or regulation.

COVID-19 impact: no material impact.

Potential impact:
• Penalties for failing to adhere to legislation or regulation;
• Increased operating costs of compliance; and
• The loss of business and resultant reputational damage.

Mitigating actions:
• Regular engagement with Government and Government agencies with respect to the Company's performance;
• Monitoring of, and planning for, the impact of new legislation and regulations; and
• Collaborative engagement with external stakeholders.

Funding
Principal risk: failure to maintain adequate funding or liquidity.

Reduced availability of financing options resulting in an inability to maintain adequate funding or financial liquidity and an inability to execute the Company's strategy effectively.

COVID-19 impact: medium.

The Group has worked with its clients and supply chain to maintain liquidity during COVID-19. The Kier Group has agreed waivers and revised financial covenants with its lenders and worked with other stakeholders to ensure sufficient flexibility under its principal finance facilities remains available.

Potential impact:
• The loss of confidence by other stakeholders (for example, investors, clients, subcontractors and employees);
• Conducting existing business becomes increasingly challenging;
• May adversely affect the Company's ability to raise equity; and
• The loss of future business.

Mitigating actions:
• Effective cash forecasting and working capital management;
• Following COVID-19, the Kier Group has agreed waivers with its lenders in respect of the financial covenants for the test period ended 30 June 2020 and has agreed revised financial covenants which will apply for the going concern period;
• Collaborative engagement with customers, HMRC, pension scheme trustees, banks, lenders and sureties; and
• Exit, substantial exit or restructuring of non-core businesses to reduce net debt.

Contract management
Principal risk: failure to manage contracts effectively at each stage of a project's lifecycle.

The Company has a number of large and complex contracts in progress at any one time. Failure to manage the risks associated with these contracts could materially and adversely affect the Company's financial performance.

COVID-19 impact: medium.

COVID-19 has resulted in certain projects being delayed or suspended and the Company incurring additional costs as a result.

Potential impact:
• A failure to manage project delivery and WIP and, ultimately, to meet the Company's financial targets;
• The Company incurring losses on individual contracts; and
• The Company failing to win new work.

Mitigating actions:
• Adhere to the Kier Group's contract risk governance framework;
• Identify early warnings of under-performing contracts; and
• Timely and accurate reporting of contract performance.

Strategy
Principal risk: The Company fails to deliver its strategy.

The delivery of the Company's strategy is of fundamental importance to its future performance.

COVID-19 impact: low.

The Company believes that COVID-19 has affected its short-term performance, rather than the longer-term delivery of its strategy.

Potential impact:
• An adverse impact on the Company's net debt and liquidity;
• Failure to secure positions on national and regional frameworks; and
• Failure to meet stakeholders' expectations may lead to a decline in confidence in the Company.

Mitigating actions:
• Delivery of our Performance Excellence culture;
• Continued focus on cash management; and
• Effective communication with stakeholders.

Brexit
The UK left the EU on 31 January 2020, with a transition period currently running to 31 December 2020. Currently, the UK's long-term relationship with the EU remains unclear.

The Group has identified potential risks relating to, for example, the supply chain, the workforce and the supply and cost of materials and has set up contingency plans in respect of these risks. The Group keeps these plans under review, in the light of political developments. In particular, the Group continues to work with its supply chain to develop plans to ensure continuity of potentially critical supplies and has developed plans with respect to those members of its workforce who are nationals of EU member states and wish to continue to work in the UK.

COVID-19
The COVID-19 pandemic has had, and may continue to have, a material and adverse effect on the Company's results of operations and a number of the Company's stakeholders, including its employees, clients and supply chain. The extent of the effect of COVID-19 on the Company and its stakeholders depends on a range of factors, including its effect on the wider economy in general, measures taken by Government in response to it, including the proposed increase in UK infrastructure investment, and the effects of any re-occurrence of the pandemic.

As the UK continues its exit from lockdown, Government restrictions and requirements are closely monitored so as to ensure continued compliance. Particular areas of focus include:
• Compliance with the Company's operating site procedures;
• Ensuring the continued supply of materials and availability of the supply chain, wherever possible; and
• Supporting the Company's workforce to continue to operate as effectively as possible in the circumstances.

Emerging risks
The Company has identified the following as principal, emerging risks:
• The continued impact of COVID-19 on the Company's sites and operations;
• The UK's recession, following COVID-19; and
• The operational, financial and commercial effects of climate change disruption on the Company.

Future developments

The directors are confident about the future trading prospects of the Company due to its current order book and market opportunities. Following the transfer of the Facilities Management Services back to the London Borough of Hackney, the business retains a number of contracts, these include: management of ICT managed services to a number of schools, the annual schools capital investment programme and contract administration services for the Britannia development project. We also remain a viable procurement vehicle for the London Borough of Hackney to commission future major capital developments. The directors have prepared detailed budgets and forecasts that show this income stream should allow the Company to repay its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements. As such the financial statements have been prepared on a going concern basis.

Approved by the Board on 26 November 2020 and signed on its behalf by:

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Peter Seddon

Director

Hackney Schools for the Future Limited

Directors' Report for the Year Ended 30 June 2020

The directors of Hackney Schools for the Future Limited (the "Company") present their report and the audited financial statements for the year ended 30 June 2020.

Directors of the Company
The directors who held office during the year and up to the date of signing these financial statements were as follows:

Anntoinette Bramble

Michael Coleman (alternate director) (resigned 5 March 2020)

Lee Howard (resigned 1 October 2019)

Jayne Hettle (alternate director)

Ian Meredith

Jacqueline Moylan

Peter Seddon

Ian Williams (alternate director)

Clive Thomas (appointed 1 October 2019)

Olukemi Afanu (alternate director) (appointed 5 March 2020)

Dividends
No interim or final dividends were declared or paid in the financial year ended 30 June 2020. There were also no interim or final dividends declared or paid in the previous financial year ended 30 June 2019.

Review of business and future developments
Information on the review of the business and future developments of the Company can be found in the Strategic Report.

Financial instruments

Objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance departments. The department has a policy and procedures manual that sets out specific guidelines to allow it to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk:
The Company is exposed to price risk as a result of its operations. This risk is mitigated by specific functions which assess pricing in respect of both selling and procurement activities. The Company has no exposure to equity securities price risks as it holds no listed equity investments.

Credit risk:
The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors existing customer accounts on an on-going basis and takes appropriate action where necessary to minimise any potential credit risk. Cash and bank balances are held with banks that have been assigned satisfactory credit ratings by international credit rating agencies.

Liquidity risk:
The Company retains access to pooled cash resources to ensure it has sufficient available funds for operations. The Company also has access to longer term funding from its shareholders if required.

Interest rate cash flow risk
The Company has both interest-bearing assets and interest-bearing liabilities. The interest-bearing assets earn interest at a fixed rate, with the exception of interest earned on cash balances which accrue interest at a floating rate. Interest-bearing liabilities accrue interest at a floating rate. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Safety policy
The Company recognises the promotion of health and safety at work as an important objective. It is Company policy to take steps to ensure, as far as reasonably practical, the health, safety and welfare of the employees of the Company.

Environment
The Company recognises its responsibility to minimise so far as reasonably possible the potential for adverse impacts from its operations. It aims to achieve the highest standards in environmental management and seek accreditation to appropriate standards where appropriate.

The Company has developed and implemented an environmental policy to ensure that the impact of its activities on the environment is limited to the minimum practicable level.

Directors' liability insurance
The Company maintains liability insurance for its directors and others. Following shareholders approval in November 2008, the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

The third party indemnity provision was in force during the financial year and also at the date of approval of the financial statements.

Reappointment of independent auditors
Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Disclosure of information to the auditors
In the case of each director in office at the date the Directors' Report is approved:

• so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
• they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 26 November 2020. and signed on its behalf by:

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Peter Seddon
Director

Hackney Schools for the Future Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard," and applicable law). Under company law the directors 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 the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Hackney Schools for the Future Limited

Independent Auditors' Report to the Members of Hackney Schools for the Future Limited

Report on the audit of the financial statements

Opinion
In our opinion, Hackney Schools for the Future Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2020; the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the Notes to the Financial Statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Reporting on other information (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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent Auditors' Report to the Members of Hackney Schools for the Future Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Diane Walmsley

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Diane Walmsley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 November 2020

Hackney Schools for the Future Limited

Profit and Loss Account for the Year Ended 30 June 2020

	Note	Year ended 30 June 2020 £ 000	Year ended 30 June 2019 £ 000
Turnover	4	7,245	15,186
Cost of sales		(7,245)	(15,186)
Operating result		-	-
Tax on result	8	-	-
Result for the financial year		-	-

The above results were derived from continuing operations.

Hackney Schools for the Future Limited

Statement of Comprehensive Income for the Year Ended 30 June 2020

	Year ended 30 June 2020 £ 000	Year ended 30 June 2019 £ 000
Result for the financial year	-	-
Total comprehensive income for the year	-	-

The notes on pages 18 to 25 form an integral part of these financial statements.

Hackney Schools for the Future Limited

(Registration number: 06391183)
Balance Sheet as at 30 June 2020

	Note	30 June 2020 £ 000	30 June 2019 £ 000
Current assets			
Debtors	10	160	1,743
Cash at bank and in hand	11	440	740
		600	2,483
Creditors: Amounts falling due within one year	12	(550)	(2,433)
Net assets		50	50
Capital and reserves			
Called up share capital	14	50	50
Total equity		50	50

The financial statements on pages 14 to 25 were approved by the Board of Directors on 26 November 2020 and signed on its behalf by:

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Peter Seddon

Director

Hackney Schools for the Future Limited

Statement of Changes in Equity for the Year Ended 30 June 2020

	Share capital £ 000	Total equity £ 000
At 1 July 2019	50	50
At 30 June 2020	50	50

	Share capital £ 000	Total equity £ 000
At 1 July 2018	50	50
At 30 June 2019	50	50

1 General information

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England.

The address of its registered office is:
81 Fountain Street
Manchester
M2 2EE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements of Hackney Schools for the Future Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

Basis of preparation
These financial statements are prepared on a going concern basis and under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The presentation currency used in these financial statements is GB Pound sterling and figures are quoted to the nearest £1,000.

Summary of disclosure exemptions
The Company has taken advantage of the disclosure exemption in FRS 102 paragraph 7.1B from preparing a Cash Flow Statement as it is a small company.

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Going concern
After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

2 Accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered net of value added tax.

Revenue is recognised when the amount of revenue can be reliably measured.

Rendering of services:
Revenue from services rendered is recognised by reference to the stage of completion of the transaction. Revenue from services provided on a short-term or one-off basis is recognised when the service is complete. The provision of services over a long-term period is treated as set out below.

Long-term contracts:
Revenue from construction contracts, including long-term service provision contracts, is recognised by reference to the stage of completion of the contract. The stage of completion is determined by the costs incurred on the contract to date, to the extent that such costs represent progress made on the project. Amounts due from customers for contract work are disclosed within debtors and payments received on account are disclosed within creditors.

Deferred and accrued income:
The timing of billings to the customer does not always reflect the pattern of revenue recognition. Where amounts invoiced to the customer exceed the amount that has been recognised as Turnover within the profit and loss account the difference is held as a liability on the balance sheet in deferred income to the extent that the cash has been received from the customer. Where the amount that has been recognised as Turnover within the profit and loss account exceeds the amounts invoiced to the customer the difference is held as an asset on the balance sheet in accrued income to the extent that the cash has not been received from the customer.

2 Accounting policies (continued)

Financial Instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets:
Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities:
Basic financial liabilities, including trade and other payables and amounts owed to group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Critical accounting estimates and judgements

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.

1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates 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 addressed below.

(a) Impairment of trade debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of trade and other debtors.

2. Critical judgements in applying the entity's accounting policies

Management does not believe that any material critical judgements are made in applying the company accounting policies.

4 Turnover

The analysis of the Company's turnover for the year from continuing operations is as follows:

	Year ended 30 June 2020 £ 000	Year ended 30 June 2019 £ 000
Rendering of services	7,245	15,186

5 Staff costs

The Company did not employ any staff during the year (year ended 30 June 2019: none).

6 Directors' remuneration

The directors did not receive any remuneration from the Company for their services during the financial year (year ended 30 June 2019: £Nil), nor was there any compensation for loss of office in the year (year ended 30 June 2019: £Nil). The remuneration of the directors is paid by other group companies which make no recharge to the company. The directors are directors of a number of group companies, and it is not possible to make an accurate apportionment of their remuneration in respect of each of the group companies.

7 Auditors' remuneration

	Year ended 30 June 2020 £ 000	Year ended 30 June 2019 £ 000
Audit of the financial statements	18	25

Audit fees are paid to PricewaterhouseCoopers LLP by another entity, Kier Education Services Limited, and are disclosed on a proportionate basis.

8 Tax on result

There is no tax charge for the current year (year ended 30 June 2019: £Nil). There are no amounts of provided or un-provided deferred tax (year ended 30 June 2019: £Nil).

9 Investments

Details of undertakings

The Company's directly owned undertaking, with an investment of £10 (30 June 2019: £10) is:

Undertaking	Registered office and country of registration	Holding	Proportion of voting rights and shares held 2020	2019
Hackney Schools for the Future 2 Limited	81 Fountain Street, Manchester, M2 2EE England and Wales	Ordinary shares	10%	10%

The principal activity of Hackney Schools for the Future 2 Limited is the delivery of the Building Schools for the Future programme for the London Borough of Hackney.

10 Debtors

	30 June 2020 £ 000	30 June 2019 £ 000
Trade debtors	5	1,107
Other debtors	-	24
Prepayments and accrued income	155	612
	160	1,743

11 Cash at bank and in hand

	30 June 2020 £ 000	30 June 2019 £ 000
Cash at bank	440	740

12 Creditors: Amounts falling due within one year

	30 June 2020 £ 000	30 June 2019 £ 000
Due within one year		
Trade creditors	58	299
Amounts owed to group undertakings	20	1,233
Other creditors	410	341
Accruals and deferred income	62	560
	550	2,433

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

13 Financial instruments

Categorisation of financial instruments

	30 June 2020 £ 000	30 June 2019 £ 000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5	1,743
	5	1,743
Financial liabilities		
Financial liabilities measured at amortised cost	(550)	(2,433)
	(550)	(2,433)

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

14 Called up share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	**£ 000**	**No.**	**£ 000**
Ordinary Shares of £1 each	50,000	50	50,000	50

15 Related party transactions

During the financial year transactions were carried out with Kier Education Services Limited (related by virtue of common shareholders with Kier Education Investments Limited), Kier Education Investments Limited (shareholder holding 80% of the issued share capital), London Borough of Hackney (shareholder holding 20% of the issued share capital) and Hackney Schools for the Future 2 Limited (of which the Company owns 10% of the issued share capital).

Income and receivables from related parties

2020	**Entities with joint control or significant influence £ 000**
Receipt of services	7,245
Amounts receivable from related party	5

2019	**Entities with joint control or significant influence £ 000**
Receipt of services	15,186
Amounts receivable from related party	1,107

15 Related party transactions (continued)

Expenditure with and payables to related parties

2020	Entities with joint control or significant influence £ 000	Other related parties £ 000
Rendering of services	-	6,161
Amounts payable to related party	407	20

2019	Entities with joint control or significant influence £ 000	Other related parties £ 000
Rendering of services	-	10,682
Amounts payable to related party	341	1,233

All dealings with related parties are conducted on an arm's length basis. As noted in notes 5 and 6 no remuneration was paid to key management personnel.

16 Parent and ultimate parent undertaking

Hackney Schools for the Future Limited is an 80 / 20 joint venture between Kier Education Investments Limited and London Borough of Hackney. The shareholders agreement of the Company requires unanimous approval from both shareholders therefore in the opinion of the current directors the Company is jointly controlled in the current and proceeding periods. Given the Company is jointly controlled under the terms of the shareholder agreement, no immediate or ultimate parent company is considered to exist and accordingly no such disclosure has been made.