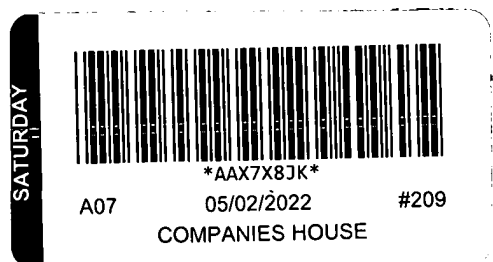


Registration number: 06391183

# Hackney Schools for the Future Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2021



## **Hackney Schools for the Future Limited**

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## **Hackney Schools for the Future Limited**

### **Company Information**

<b>Directors</b>	Anntoinette Bramble Jacqueline Moylan Peter Seddon Ian Williams (alternate director) Clive Thomas Olukemi Afanu (alternate director) Paul Dixon (alternate director) Jayne Hettle
<b>Company secretary</b>	Jaime Tham
<b>Registered office</b>	2nd Floor Optimum House Clippers Quay Salford M50 3XP
<b>Independent Auditors</b>	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 2021**

The directors present their strategic report for Hackney Schools for the Future Limited (the "Company") for the year ended 30 June 2021.

#### **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 originally signed in November 2008 has recently been extended to November 2023.

#### **Fair review of the business**

	<b>Year ended</b>	<b>Year ended</b>
	<b>Unit 30 June 2021</b>	<b>30 June 2020</b>
Revenue	£ 000 1,845	7,245
Result for the financial year	£ 000 -	-

The revenue reduced by £5m 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 £643,000 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.

#### **Health and safety**

Principal risk: failure to maintain a safe working 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.

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.

## **Hackney Schools for the Future Limited**

### **Strategic Report for the Year Ended 30 June 2021 (continued)**

#### **Mitigating actions:**

- Minimise the operational impact of relaxing restrictions in the workplace and community;
- Continued focus on the five basics of SHE risk management; and
- 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.

#### **Legislation and regulation**

Principal risk: failure to comply with and manage effectively current legislation and regulation and any changes to them.

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

#### **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:**

- Appropriate policies that are regularly reviewed and relevant training to support policy implementation;
- 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 financial liquidity and/or comply with financial covenants.

Failure to maintain adequate financial liquidity and/or comply with financial covenants resulting in an inability to execute the Company's strategy effectively.

#### **Potential impact:**

- The loss of confidence by other stakeholders (for example, investors, clients, subcontractors and employees);
- Conducting existing business becomes increasingly challenging; and
- The loss of future business.

#### **Mitigating actions:**

- During the period, the Kier Group completed a capital raise, which together with the sale of Kier Living raised over £351m of gross proceeds for the Group. In support of the capital raise the Group secured an extension of a significant proportion of its committed funding to 31 January 2025 providing the Group with financial and operational flexibility to continue to pursue its strategic objectives.
- Effective cash forecasting and working capital management in combination with continued monitoring and prudent financial planning to ensure covenant compliance is maintained; and
- Continued collaborative engagement with customers, suppliers, HMRC, pension scheme trustees, banks, lenders and sureties.

#### **Contract management of changes**

Principal risk: failure to manage contracts effectively at each stage of a project's lifecycle. The business suffers a significant loss as a result of failing to follow the contract administration.

The Company has a large number of contracts in progress at any one time. Changes to contracts may lead to additional costs being incurred, delays and delayed receipt of cash.

## **Hackney Schools for the Future Limited**

### **Strategic Report for the Year Ended 30 June 2021 (continued)**

#### **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:**

- To update the Company's standards for contract amendments;
- To cascade the Commercial Handbook into the business through webinars; and
- To implement the new Commercial Standards across the Company.

#### ***Strategy***

Principal risk: Failure to deliver the Company's strategy.

The Company fails to deliver its strategy in terms of medium-term strategic objectives.

#### **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 the balance sheet strategy;
- Delivery of our Performance Excellence culture;
- Continued focus on cash management; and
- Effective communication with stakeholders.

#### ***Cyber, IT security and data protection***

Principal risk: The Company is exposed to cyber, IT security or data protection breaches.

Failure to keep up to date with modern attack landscape as well as protecting from current conventional cyber risks could cause heavy reputational damage or financial fines.

#### **Potential impact:**

- Operational impact - e.g. delivery of projects, key systems outage, failure to win work, loss of confidential and/or other data;
- Financial impact - regulatory fines/prosecutions; and
- Reputational/brand damage.

#### **Mitigating actions:**

- Vulnerabilities are understood and mitigated;
- Certification to the Government's Cyber Essentials Plus Scheme and ISO 27001;
- Privileged access to all core systems subject to multi-factor authentication; systems run security agents for additional monitoring; and
- Advanced use of Microsoft Office 365, cloud and collaboration services.

## **Hackney Schools for the Future Limited**

### **Strategic Report for the Year Ended 30 June 2021 (continued)**

#### ***Climate change***

Principal risk: Failure to identify and effectively manage climate change risks and opportunities.

The Company's operations are subject to physical and financial climate change risks, while climate resilience measures offer opportunities to innovate and expand/enhance capabilities.

Potential impact:

- Failure to meet client and investor expectations or regulatory requirements; and
- Loss of opportunity to contribute to UK climate action policy and direction;
- Reputational damage;
- Failure to prepare/plan for physical and financial impacts of more extreme and frequent weather conditions affecting operations and supply chain.

Mitigating actions:

- Implementing the Kier Group's new sustainability framework, 'Building for a Sustainable World', particularly:
  - Net Zero Carbon pathway and Science Based Targets
  - Zero Avoidable Waste strategy
  - Sustainable Procurement strategy
- Sustainability Leadership Forum ('SLF'); chaired by Kier's CEO and supported by business stream SLFs that are led by a managing director or commercial director;
- Developing the climate risk and opportunities register and net zero management system to align with The Task Force on Climate-related Financial Disclosures ('TCFD') reporting and managing the financial risk of climate change; and
- Embracing modern methods of construction and product innovation to deliver low-carbon solutions for climate resilience.

#### ***Brexit***

The new UK-EU Trade and Cooperation Agreement ('TCA') removed the uncertainty of a no-deal Brexit. While this has reduced the Brexit risk, uncertainty remains around the full effect of Brexit, and the ongoing impact this will have on our trading relationships.

The Group continues to work with its supply chain to maintain plans to ensure continuity of potentially critical supplies and continues to monitor and refresh its contingency plans for potential risk areas such as the workforce. We continue to work with, and update customers, by providing up to date analysis on availability and mitigation strategies of any resources that are becoming under pressure.

## **Hackney Schools for the Future Limited**

### **Strategic Report for the Year Ended 30 June 2021 (continued)**

#### ***COVID-19***

The focus of the Kier Group's management, and our colleagues, throughout the unprecedented COVID-19 pandemic was ensuring that, wherever it was safe to do so, the Group's activities remained safe and operational.

The pandemic highlighted the need to be agile and flexible in the way we operate and has brought about a fundamental shift in the way we work. As a result of the lessons learnt during this time, we have introduced the Kier way of working. In spite of the significant challenge of the pandemic, the Group has delivered well and has made significant progress on the 2019 operational and financial turnaround strategy.

Whilst the COVID-19 pandemic has a continued negative effect on the Group's results and operations, the impact has been effectively managed across our operations through contractual arrangements and extensive stakeholder engagement and communication.

The impact of the pandemic continues to be closely monitored by the Kier Group's Board and the Executive Committee with particular focus on maintenance of a safe working environment, supply chain, materials continuity and availability of critical workforce. We continue to be at the forefront of the sector approach to Site Operating Procedures and safe working practices.

We will respond to any ongoing Government restrictions and requirements and any further re-occurrence of the pandemic to ensure continued compliance. We are maintaining a watching brief of the extent and duration of lockdowns in Europe and will react accordingly.

#### ***Emerging risks***

The Company has identified the following as principal, emerging risks:

- Global recession;
- On-going COVID-19 bottlenecks and recovery impact;
- Continued development of the climate change risk agenda;
- Modern construction methods ('MCM') - embracing fast-paced changes in construction methods, linked to digital pace of change; and
- Short-term concerns regarding the volatility of key commodity prices.

#### ***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 including the annual schools capital investment programme and contract administration services for the Britannia development project. Following recent extension of the strategic partnering agreement with the London Borough of Hackney to November 2023, 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 31 January 2022 and signed on its behalf by:



.....  
Peter Seddon  
Director



## **Hackney Schools for the Future Limited**

### **Directors' Report for the Year Ended 30 June 2021**

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 2021.

#### **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

Ian Meredith (resigned 31 January 2021)

Jacqueline Moylan

Peter Seddon

Ian Williams (alternate director)

Clive Thomas

Olukemi Afanu (alternate director)

Paul Dixon (alternate director) (appointed 24 February 2021)

Jayne Hettle (appointed 24 February 2021)

#### **Dividends**

No interim or final dividends were declared or paid in the financial year ended 30 June 2021. There were also no interim or final dividends declared or paid in the previous financial year ended 30 June 2020.

#### **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.

## **Hackney Schools for the Future Limited**

### **Directors' Report for the Year Ended 30 June 2021 (continued)**

#### ***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.

#### **Engagement with suppliers, customers and others**

Information on the Group's engagement with suppliers, customers and others during the financial year can be found on pages 64 and 68 and on pages 83 to 85 of the 2021 Annual Report of Kier Group plc (available at [www.kier.co.uk](http://www.kier.co.uk)).

#### **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.

## **Hackney Schools for the Future Limited**

### **Directors' Report for the Year Ended 30 June 2021 (continued)**

#### **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.

#### **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 31 January 2022 and signed on its behalf by:



.....  
Peter Seddon  
Director

## **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 2021 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 2021; 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**

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 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.

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

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

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

##### **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.

## **Hackney Schools for the Future Limited**

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

#### **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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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, 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.

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.

## **Hackney Schools for the Future Limited**

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the General Data Protection Regulation (GDPR), Anti-Money Laundering Legislation, and UK tax and regulations, and 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 financial statements such as the Companies Act 2006. We evaluated 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 were related to the manipulation of financial statement line items through manual journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management, including consideration of known or suspected instances of non compliance with laws and regulations and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Reviewing board minutes and details of legal expenses incurred in the year;
- Reviewing the financial statement disclosures and agreeing to underlying supporting documentation; and
- Identifying and testing journal entries meeting certain risk criteria, in particular any entries posted with unusual account combinations, unexpected users, unusual words, backdated and post- closing journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *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.

## **Hackney Schools for the Future Limited**

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

#### **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 obtained 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 (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

31 January 2022

## **Hackney Schools for the Future Limited**

### **Profit and Loss Account for the Year Ended 30 June 2021**

		<b>Year ended 30 June 2021 £ 000</b>	<b>Year ended 30 June 2020 £ 000</b>
	<b>Note</b>		
Turnover	4	1,845	7,245
Cost of sales		<u>(1,845)</u>	<u>(7,245)</u>
Operating result		-	-
Tax on result	8	<u>-</u>	<u>-</u>
Result for the financial year		<u>-</u>	<u>-</u>

The above results were derived from continuing operations.



**Hackney Schools for the Future Limited**

**Statement of Comprehensive Income for the Year Ended 30 June 2021**

	<b>Year ended 30 June 2021 £ 000</b>	<b>Year ended 30 June 2020 £ 000</b>
Result for the financial year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u><u>-</u></u>	<u><u>-</u></u>

# Hackney Schools for the Future Limited

(Registration number: 06391183)

## Balance Sheet as at 30 June 2021

		30 June 2021 £ 000	30 June 2020 £ 000
	Note		
<b>Current assets</b>			
Debtors	10	121	160
Cash at bank and in hand	11	643	440
		764	600
<b>Creditors: Amounts falling due within one year</b>	12	(714)	(550)
<b>Net assets</b>		50	50
<b>Capital and reserves</b>			
Called up share capital	14	50	50
<b>Total equity</b>		50	50

The financial statements on pages 14 to 26 were approved by the Board of Directors on 31 January 2022 and signed on its behalf by:



.....  
Peter Seddon  
Director

**Hackney Schools for the Future Limited**

**Statement of Changes in Equity for the Year Ended 30 June 2021**

	<b>Share capital £ 000</b>	<b>Total equity £ 000</b>
At 1 July 2020	<u>50</u>	<u>50</u>
At 30 June 2021	<u><u>50</u></u>	<u><u>50</u></u>
	<b>Share capital £ 000</b>	<b>Total equity £ 000</b>
At 1 July 2019	<u>50</u>	<u>50</u>
At 30 June 2020	<u><u>50</u></u>	<u><u>50</u></u>

## **Hackney Schools for the Future Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021**

#### **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:

2nd Floor  
Optimum House  
Clippers Quay  
Salford  
M50 3XP

#### **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.

##### **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.

## **Hackney Schools for the Future Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **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.

##### **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.

## **Hackney Schools for the Future Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **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.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

## **Hackney Schools for the Future Limited**

### **Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)**

#### **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:

	<b>Year ended 30 June 2021 £ 000</b>	<b>Year ended 30 June 2020 £ 000</b>
Rendering of services	<u>1,845</u>	<u>7,245</u>

#### **5 Staff costs**

The Company did not employ any staff during the year (year ended 30 June 2020: 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 2020: £Nil), nor was there any compensation for loss of office in the year (year ended 30 June 2020: £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.

## Hackney Schools for the Future Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 7 Auditors' remuneration

	Year ended 30 June 2021 £ 000	Year ended 30 June 2020 £ 000
Audit of the financial statements	<u>12</u>	<u>18</u>

Audit fees are paid to PricewaterhouseCoopers LLP by another entity Kier Education Services Limited.

#### 8 Tax on result

There is no tax charge for the current year (year ended 30 June 2020: £Nil). There are no amounts of provided or un-provided deferred tax (year ended 30 June 2020: £Nil).

#### 9 Investments

##### Details of undertakings

The Company's directly owned undertaking, with an investment of £10 (30 June 2020: £10) is:

Undertaking	Registered office and country of registration	Holding	Proportion of voting rights and shares held	
			30 June 2021	30 June 2020
Hackney Schools for the Future 2 Limited	2nd Floor, Optimum House, Clippers Quay, Salford, M50 3XP 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.



## Hackney Schools for the Future Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 10 Debtors

	30 June 2021 £ 000	30 June 2020 £ 000
Amounts due from related parties	32	5
Other debtors	55	-
Prepayments and accrued income	34	155
	<u>121</u>	<u>160</u>

Amounts owed by related parties are unsecured, non interest bearing and payable on demand.

#### 11 Cash at bank and in hand

	30 June 2021 £ 000	30 June 2020 £ 000
Cash at bank	<u>643</u>	<u>440</u>

#### 12 Creditors: Amounts falling due within one year

	30 June 2021 £ 000	30 June 2020 £ 000
<b>Due within one year</b>		
Trade creditors	168	58
Amounts owed to related parties	491	427
Other creditors	-	3
Accruals and deferred income	55	62
	<u>714</u>	<u>550</u>

Amounts owed to related parties are unsecured, interest free and repayable on demand.

## Hackney Schools for the Future Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 13 Financial instruments

##### Categorisation of financial instruments

	30 June 2021 £ 000	30 June 2020 £ 000
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>32</u>	<u>5</u>
	<u>32</u>	<u>5</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(714)</u>	<u>(550)</u>
	<u>(714)</u>	<u>(550)</u>

Financial assets that are debt instruments measured at amortised cost comprise of amounts due from related parties, other debtors and accrued income.

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

#### 14 Called up share capital

##### Allotted, called up and fully paid shares

	2021		2020
No.	£ 000	No.	£ 000
Ordinary Shares of £1 each	<u>50,000</u>	<u>50</u>	<u>50,000</u>
			<u>50</u>

## Hackney Schools for the Future Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 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

	<b>Entities with joint control or significant influence £ 000</b>
<b>2021</b>	
Receipt of services	1,845
Amounts receivable from related party	32
	<b>Entities with joint control or significant influence £ 000</b>
<b>2020</b>	
Receipt of services	7,245
Amounts receivable from related party	5

## Hackney Schools for the Future Limited

### Notes to the Financial Statements for the Year Ended 30 June 2021 (continued)

#### 15 Related party transactions (continued)

##### Expenditure with and payables to related parties

	Entities with joint control or significant influence £ 000	Other related parties £ 000
<b>2021</b>		
Rendering of services	-	264
Amounts payable to related party	419	72
	Entities with joint control or significant influence £ 000	Other related parties £ 000
<b>2020</b>		
Rendering of services	-	6,161
Amounts payable to related party	407	20

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.