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Partnership Home Loans Limited

Report and Accounts

For the year ended 31 December 2019



PARTNERSHIP HOME LOANS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

CONTENTS

DIRECTORS' REPORT.....	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	4
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERSHIP HOME LOANS LIMITED.....	5
STATEMENT OF COMPREHENSIVE INCOME.....	7
STATEMENT OF CHANGES IN EQUITY.....	8
STATEMENT OF FINANCIAL POSITION.....	9
STATEMENT OF CASH FLOWS.....	10
NOTES TO THE FINANCIAL STATEMENTS.....	11

PARTNERSHIP HOME LOANS LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2019. The Company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 from the requirement to prepare a strategic report on the basis that it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

REVIEW OF THE BUSINESS

The principal activity of the Company is the provision of lifetime mortgage products. The Company generates sales through independent financial advisors and earns loan origination fees on mortgages sold to a fellow group undertaking, Partnership Life Assurance Company Limited. The Company was closed to new business in 2016 following the merger of Partnership Assurance Group plc and Just Retirement Group plc, however, it continues to write further advances on existing policies and retains regulatory responsibilities in respect of the policies in force.

The Company carries on regulated activities in the United Kingdom and is subject to regulation by the Financial Conduct Authority.

The beneficial interest in all of the further advances completed during 2019 were sold to a fellow group undertaking, Partnership Life Assurance Company Limited.

During the year the Company issued 450,000 ordinary shares (31 December 2018: 450,000) to Partnership Group Holdings Limited ('PGHL') for consideration of £450,000 (31 December 2018: £450,000).

KEY PERFORMANCE INDICATORS

The key performance indicators used by the Directors to manage the Company's operations include fee and commission income and profit after tax on an IFRS basis.

	2019	2018
	£	£
Loss after tax	(467,796)	(463,517)
Fee and commission income	52,658	83,663

The decision to cease selling new business following the merger resulted in a reduction in the fee and commission income and the company becoming loss making due to a largely fixed cost base.

RESULTS AND DIVIDEND

The Company made a loss of £467,796 for the year as set out in the Statement of Comprehensive Income on page 7 (2018: Loss £463,517). The Directors do not recommend the payment of a dividend (2018: £nil).

POST BALANCE SHEET EVENT - CORONAVIRUS PANDEMIC ('COVID-19')

The U.K. along with much of the rest of the world is currently in the middle of a pandemic caused by Covid-19. The U.K. Government has introduced unprecedented measures to restrict the spread of the virus including closing down whole sectors of the economy and requiring most people, other than essential workers, to stay at home. The Company is continuing to operate with the majority of staff working at home. As of the date of this report it remains uncertain as to how long the pandemic will last and what other impacts will arise afterwards. As the Company is closed to new business, the disruption caused by the pandemic is not likely to have a significant impact. The Company is regulated by the FCA and it is required to maintain a surplus of capital to cover its regulatory capital requirement. The Company's parent, PGHL, is expected to inject further capital if this becomes necessary.

DIRECTORS' INDEMNITIES

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Directors' and officers' liability insurance cover is in place in respect of all of the Company's Directors.

PARTNERSHIP HOME LOANS LIMITED

DIRECTORS

The Directors who served the Company during 2019 and up to the date of this report were:

Paul Bishop	Chair
David Cooper	
Ian Cormack	
Michael Deakin	Passed away 15 July 2019
Steve Melcher	
David Richardson	
Paul Turner	
Andy Parsons	Appointed 13 February 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is not materially exposed to any financial risk, other than credit risk, to fellow Group companies for recovery of fees charged and interest rate risk in relation to cash positions and bank overdrafts. All risks and rewards associated with lifetime mortgages are transferred to Partnership Life Assurance Company Limited as they are sold at the point of origination. The Company is a subsidiary undertaking of Just Group plc and credit risk is managed on a Group wide basis. Periodic cash settlement of intra-group balances is carried out. The cash requirements of the Company are monitored on a daily basis and managed accordingly. In addition to financial risk, the Company is exposed to operational risk, including those related to the ongoing Covid-19 pandemic. Operational risk arises from inadequate or failed internal processes, people and systems or from external events. The Company maintains a suite of risk management tools to help manage its operational risks including facilitated risk and control self-assessments, risk event management and loss reporting. Underlying and informing the operation of these tools is a framework of formal policies and controls which govern the management and oversight of the risks faced by the Company. These include business continuity and disaster recovery arrangements. There have been no significant changes to the principal risks during the year and the risk outlook for each of the risks described above is expected to remain stable.

GOING CONCERN

Notwithstanding a loss for the year of £467,796 and any potential impacts from the ongoing Covid-19 pandemic, which are not expected to be significant, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors consider that the Company will have sufficient funds, through funding from its ultimate parent company, Just Group plc, to meet its liabilities as they fall due for that period.

Just Group plc has indicated through a letter of support its intention to continue to make available such funds as are needed by the Company. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Additionally, during 2019 Partnership Group Holdings Limited made an investment of £450,000 in return for Share Capital of 450,000 ordinary shares of £1 each, and a further investment in January 2020 of £150,000 in return for Share Capital of 150,000 ordinary shares of £1 each (noted under post balance sheet events).

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

POLITICAL DONATIONS

No political contributions were made during the year ended 31 December 2019 (2018: £nil).

DISCLOSURE OF INFORMATION TO AUDITOR

Each person who was a Director of the Company on the date that this report was approved confirms that, so far as he or she is aware, there is no relevant audit information, being information needed by the Auditor in connection with preparing their report, of which the Auditor is unaware. Each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant information and to establish that the Auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

The Company's auditors, KPMG LLP, have confirmed their intention not to seek reappointment as auditors of the Company and the other companies in its Group when their present term in office expires. On this basis the auditors will not be deemed reappointed under section 487 of the Companies Act 2006. It is intended that KPMG LLP will resign as auditor of the Company following the completion of the audit of the Company's accounts. Just Group plc, the ultimate parent company of the group of companies of which the Company is a part, has appointed PwC LLP as auditor for the year ending 31 December 2020, subject to shareholder approval at the Just Group plc Annual General Meeting. It is intended that PwC LLP be appointed as auditor of the Company by ordinary resolution of the shareholder of the Company in accordance with section 485(4) of the Companies Act 2006 during the next period for appointing auditors in accordance with section 485(2) of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE BOARD



Simon Watson
Company Secretary

24 April 2020

Registered Office:
5th Floor
110 Bishopsgate
London
EC2N 4AY
Company Registered Number: 05108846

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERSHIP HOME LOANS LIMITED

Opinion

We have audited the financial statements of Partnership Home Loans Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at

www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mostyn Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 KPMG LLP
 15 Canada Square
 London
 E14 5GL
 24 April 2020

PARTNERSHIP HOME LOANS LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Note	Year ended 31 Dec 2019 £	Year ended 31 Dec 2018 £
Net investment income	2	967	782
Fee and commission income	3	52,658	83,663
Total income		53,625	84,445
Acquisition costs	4	(26,934)	(65,786)
Other operating expenses	5	(610,698)	(591,447)
Total expenses		(637,632)	(657,233)
Loss before tax		(584,007)	(572,788)
Income tax	6	116,211	109,271
Total comprehensive loss for the year attributable to equity holders		(467,796)	(463,517)

The notes on pages 11 to 15 are an integral part of these financial statements.

PARTNERSHIP HOME LOANS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital	Accumulated loss	Total
	£	£	£
Year ended 31 December 2019			
At 1 January 2019	1,665,000	(1,091,346)	573,654
Loss for the year	-	(467,796)	(467,796)
Total accumulated losses for the year	-	(467,796)	(467,796)
Capital injection	450,000	-	450,000
At 31 December 2019	2,115,000	(1,559,142)	555,858

	Share capital	Accumulated loss	Total
	£	£	£
Year ended 31 December 2018			
At 1 January 2018	1,215,000	(627,829)	587,171
Loss for the year	-	(463,517)	(463,517)
Total accumulated losses for the year	-	(463,517)	(463,517)
Capital injection	450,000	-	450,000
At 31 December 2018	1,665,000	(1,091,346)	573,654

The notes on pages 11 to 15 are an integral part of these financial statements.

PARTNERSHIP HOME LOANS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019	2018
		£	£
Assets			
Receivables	8	683,776	556,367
Cash and cash equivalents	9	112,139	68,042
Total assets		795,915	624,409
Equity			
Share capital	10	2,115,000	1,665,000
Accumulated losses		(1,559,142)	(1,091,346)
Total equity		555,858	573,654
Liabilities			
Payables	11	240,057	50,755
Total liabilities		240,057	50,755
Total equity and liabilities		795,915	624,409

The notes on pages 11 to 15 are an integral part of these financial statements.

The Financial Statements were approved by the Board of Directors on 24 April 2020 and were signed on its behalf by:



Paul Turner
Director

PARTNERSHIP HOME LOANS LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Note	Year ended 31 Dec 2019	Year ended 31 Dec 2018
		£	£
Cash flows from operating activities			
Loss before tax		(584,007)	(572,788)
Increase in receivables	8	(120,469)	(120,661)
Increase/(decrease) in payables	11	189,302	(17,169)
Corporation tax received		109,271	102,277
Net cash outflow from operating activities		(405,903)	(608,341)
Cash flows from financing activities			
Proceeds from issue of share capital		450,000	450,000
Net cash inflow from financing activities		450,000	450,000
Net increase/(decrease) in cash and cash equivalents		44,097	(158,341)
Cash and cash equivalents at beginning of year		68,042	226,383
Cash and cash equivalents at end of year	9	112,139	68,042

The notes on pages 11 to 15 are an integral part of these financial statements.

PARTNERSHIP HOME LOANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") effective for accounting periods commencing on or before 1 January 2017 and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Values are expressed to the nearest £1.

Notwithstanding a loss for the year of £467,796 and any potential impacts from the ongoing Covid-19 pandemic which are not expected to be significant, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors consider that the Company will have sufficient funds, through funding from its ultimate parent company, Just Group plc, to meet its liabilities as they fall due for that period.

Just Group plc has indicated through a letter of support its intention to continue to make available such funds as are needed by the Company. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Additionally, during 2019 Partnership Group Holdings Limited made an investment of £450,000 in return for Share Capital of 450,000 ordinary shares of £1 each, and a further investment in January 2020 of £150,000 in return for Share Capital of 150,000 ordinary shares of £1 each (noted under post balance sheet events).

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

During the year the Company has adopted IFRS 16, Leases, effective from 1 January 2019. This has no impact on the Company.

Significant accounting policies and the use of judgements, estimates and assumptions

1.2 Net investment income

Interest income is accounted for on a receivable basis. Interest income is accrued up to the statement of financial position date.

1.3 Revenue from contracts with customers

Fee and commission income consists of amounts received from fellow Group undertakings for originating loans provided under the terms of the Company's management services agreements. Loan origination fees are the only revenue stream, and comprise fees which are recognised when the lifetime mortgage is sold onwards.

1.4 Acquisition Costs

Acquisition costs comprise direct costs such as commission and indirect costs of obtaining and processing advances on lifetime mortgages, and are recognised as incurred.

1.5 Other operating expenses

Other operating expenses are recognised on an accruals basis and include fees paid to third party administrators and also those incurred in the course of underwriting loans, as well as general overheads.

PARTNERSHIP HOME LOANS LIMITED

1.6 Taxation

The current tax expense is based on the taxable profits for the year, using tax rates substantively enacted at the statement of financial position date, and after any adjustments in respect of prior years. Tax, including tax relief for losses applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity as appropriate losses.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The principal temporary differences arise from the revaluation of certain financial assets and liabilities, including technical provisions and other insurance items and tax losses carried forward, and include amortised transitional tax adjustments resulting from changes in tax basis.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held in call with banks and other short term highly liquid investments with original maturities of 90 days or less. Banks overdrafts are included in cash and cash equivalents.

2. Net investment income

	Year ended 31 Dec 2019	Year ended 31 Dec 2018
	£	£
Interest income	967	782
	967	782

3. Fee and commission income

Loan origination fees are the only revenue from contracts with customers, and comprise fees which are recognised when the lifetime mortgage is sold to a fellow group undertaking, Partnership Life Assurance Company Limited.

The Company sells the beneficial title of the equity release mortgage loans that it originates. The proceeds of sale include the value of the equity release mortgage advanced and a loan origination fee. Proceeds of sale are received at the same point that equity release mortgage loans are advanced. Loan origination fees are equal to the difference between the proceeds of sale and equity release mortgage loan. Loan origination fees are received and recognised at the same point that mortgage loans are advanced and simultaneously sold on.

Disaggregation of revenue from contracts with customers

	Year ended 31 Dec 2019	Year ended 31 Dec 2018
	Total	Total
	£	£
Product/Service		
Loan origination fees	52,658	83,663
Timing of revenue recognition		
Products transferred at point in time	52,658	83,663
Revenue from contracts with customers	52,658	83,663

All revenue from contracts with customers is from the U.K.

PARTNERSHIP HOME LOANS LIMITED

4. Acquisition costs

	Year ended 31 Dec 2019	Year ended 31 Dec 2018
	£	£
Commission	17,423	30,490
Other acquisition expenses	9,511	35,296
	26,934	65,786

5. Other operating expenses

Just Retirement Management Services Limited ("JRMS") and Partnership Services Limited ("PSL"), fellow subsidiary undertakings, have incurred all administration, staff and pension costs on behalf of the Company. The Company does not employ any staff. The remuneration of the Directors, who are the key management personnel of the Group, are paid by PSL and JRMS. Auditor remuneration of £10,449 (2018: £9,000) in respect of the audit of the Company's financial statements was incurred by PSL. Non-audit fees paid to the auditor have not been disclosed in these financial statements because the group financial statements of the Company's parent, Just Group plc, contain on a group wide basis the non-audit fee disclosures required by the Regulations.

6. Income tax

	Year ended 31 Dec 2019	Year ended 31 Dec 2018
	£	£
UK Corporation tax		
Tax in respect of current period at 19% (2018: 19%)	(116,211)	(109,345)
Adjustments in respect of prior periods	-	74
Total current tax	(116,211)	(109,271)
Total Tax	(116,211)	(109,271)

The actual tax charge is computed by applying the average UK corporation tax rate of 19% for 2019 (2018: 19%) as follows:

	Year ended 31 Dec 2019	Year ended 31 Dec 2018
	£	£
Factors affecting the tax charge		
Loss before tax	(584,007)	(572,788)
Current taxation at 19% (2018: 19%)	(110,961)	(108,830)
Transfer pricing adjustments	-	(515)
Adjustments in respect of prior periods	-	74
Expenses not deductible for tax purposes	(5,250)	-
Income tax credit	(116,211)	(109,271)

Changes to the UK corporation tax rates reducing the main rate to 17% from 1 April 2020 were substantively enacted on 6 September 2016.

On 11 March 2020 the Chancellor of the Exchequer announced that the main rate of corporation tax, effective from 1 April 2020, will remain at 19%. This measure was substantively enacted on 17 March 2020. This change does not affect the amounts of current taxes recognised at 31 December 2019.

PARTNERSHIP HOME LOANS LIMITED

7. Staff costs

Staff costs are recharged from fellow Group undertakings Just Retirement Management Services Limited or Partnership Services Limited, in accordance with management services agreements. All staff are employed by Just Retirement Management Services Limited or Partnership Services Limited and details of employee numbers are available in the financial statements of these companies.

8. Receivables

	2019	2018
	£	£
Amounts falling due within one year:		
Amounts due from group undertaking	566,907	439,384
Prepayments and accrued income	658	7,712
Group relief receivable	116,211	109,271
	683,776	556,367

9. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	112,139	68,042
	112,139	68,042

10. Share capital

	2019	2018
	£	£
Allotted, issued and fully paid:		
2,115,000 ordinary shares of £1 each (2018: 1,665,000)	2,115,000	1,665,000

11. Payables

	2019	2018
	£	£
Amounts payable within one year:		
Amount due to other group undertaking	240,057	11,380
Other payables and accruals	-	39,375
	240,057	50,755

12. Capital Commitments

The Company had no capital commitments as at 31 December 2019 (2018: nil).

13. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019 (2018: nil).

14. Related parties

Trading transactions

During the year the Company incurred fees of £550,321 in respect of management services provided by Just Retirement Management Services Limited (2018: £nil) and £2,269 in respect of management services provided by Partnership Services Limited (2018: £54,191). £116,211 is owed to the Company in respect of group relief surrendered to a fellow group entity for the year (2018: £109,271).

During the year the Company earned income of £52,658 (2018: £83,663) in respect of fees on the sale of mortgage loans to a fellow group undertaking, Partnership Life Assurance Company Limited.

PARTNERSHIP HOME LOANS LIMITED

The following balances in respect of related parties were owed by the Company at the end of the year:

	2019	2018
	£	£
Just Retirement Management Services Limited	240,057	-
Partnership Services Limited	-	11,380
	240,057	11,380

The following balances in respect of related parties were owed to the Company at the end of the year:

	2019	2018
	£	£
Partnership Services Limited	129,174	-
Partnership Life Assurance Company Limited	437,733	439,384
	566,907	439,384

15. Ultimate parent company

The Company's immediate parent company is Partnership Group Holdings Limited, registered in England and Wales. The ultimate parent company of the group in which the results of Partnership Home Loans Limited are consolidated is Just Group plc, a company incorporated in England and Wales.

16. Post balance sheet events

The U.K. along with much of the rest of the world is currently in the middle of a pandemic caused by Covid-19. The Directors' Report contains an update on the potential impacts on the Company (see page 2).

In January 2020 Partnership Group Holdings Limited made an investment of £150,000 in return for Share Capital of 150,000 ordinary shares of £1 each.

There are no other post balance sheet events that have taken place between 31 December 2019 and the date of this report that are required to be brought to the attention of the shareholders.