

# JUST.

## Partnership Home Loans Limited

### Report and Accounts

For the year ended 31 December 2018

Company number: 05108846



**PARTNERSHIP HOME LOANS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECMEBER 2018**

**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 2018. 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 2018 were sold to a fellow group undertaking, Partnership Life Assurance Company Limited.

During the year the Company issued 450,000 ordinary shares (31 December 2017: 450,000) to Partnership Group Holdings Limited for consideration of £450,000 (31 December 2017: £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.

	2018	2017
	£	£
Loss after tax	(463,517)	(447,895)
Fee and commission income	83,663	118,339

The decision to cease selling new business following the merger has resulted in a reduction in the fee and commission income and an increased loss after tax.

### RESULTS AND DIVIDEND

The Company made a loss of £463,517 for the year as set out in the Statement of Comprehensive Income on page 7 (2017: Loss £447,895). The Directors do not recommend the payment of a dividend (2017: £nil).

### 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.

### DIRECTORS

The Directors who served the Company during 2018 and up to the date of this report were:

Paul Bishop  
David Cooper  
Ian Cormack  
Michael Deakin  
Steve Melcher  
David Richardson  
Paul Turner

## **PARTNERSHIP HOME LOANS LIMITED**

### **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. 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 £463,517, 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 2018 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 2019 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 2018 (2017: £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**

Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## **PARTNERSHIP HOME LOANS LIMITED**

### **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



Paul Waters  
Company Secretary  
23 April 2019

Registered Office:  
5<sup>th</sup> 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 2018 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 2018 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **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, including the impact of Brexit, 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 those reports 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 this report for the financial year is consistent with the financial statements; and
- in our opinion this 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, 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](http://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.

*M Wilson*

**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 2019

**PARTNERSHIP HOME LOANS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the year ended 31 December 2018**

	Note	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
Net investment income	2	782	164
Fee and commission income	3	83,663	118,339
<b>Total income</b>		<b>84,445</b>	<b>118,503</b>
Acquisition costs	4	(65,786)	(73,706)
Other operating expenses	5	(591,447)	(573,218)
<b>Total expenses</b>		<b>(657,233)</b>	<b>(646,924)</b>
<b>Loss before tax</b>		<b>(572,788)</b>	<b>(528,421)</b>
Income tax	6	109,271	80,526
<b>Total comprehensive loss for the year attributable to equity holders</b>		<b>(463,517)</b>	<b>(447,895)</b>

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 2018**

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

	<b>Share capital</b>	<b>Accumulated loss</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Year ended 31 December 2017</b>			
At 1 January 2017	765,000	(179,934)	585,066
Loss for the year	-	(447,895)	(447,895)
<b>Total comprehensive income for the year</b>	-	(447,895)	(447,895)
Capital injection	450,000	-	450,000
<b>At 31 December 2017</b>	<b>1,215,000</b>	<b>(627,829)</b>	<b>587,171</b>

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 2018**

	Note	2018 £	2017 £
<b>Assets</b>			
Receivables	9	556,367	428,712
Cash and cash equivalents	10	68,042	226,383
<b>Total assets</b>		<b>624,409</b>	<b>655,095</b>
<b>Equity</b>			
Share capital	11	1,665,000	1,215,000
Accumulated losses		(1,091,346)	(627,829)
<b>Total equity</b>		<b>573,654</b>	<b>587,171</b>
<b>Liabilities</b>			
Payables	12	50,755	67,924
<b>Total liabilities</b>		<b>50,755</b>	<b>67,924</b>
<b>Total equity and liabilities</b>		<b>624,409</b>	<b>655,095</b>

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 23 April 2019 and were signed on its behalf by:



**Paul Turner**  
Director

**PARTNERSHIP HOME LOANS LIMITED**

**STATEMENT OF CASH FLOWS**

**For the year ended 31 December 2018**

	Note	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
<b>Cash flows from operating activities</b>			
Loss before tax		(572,788)	(528,421)
Increase in receivables	9	(120,661)	(72,375)
Decrease in payables, taxation and social security costs	12	(17,169)	(184,113)
Corporation tax received		102,277	11,543
<b>Net cash outflow from operating activities</b>		<b>(608,341)</b>	<b>(773,366)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		450,000	450,000
<b>Net cash inflow from financing activities</b>		<b>450,000</b>	<b>450,000</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(158,341)</b>	<b>(323,366)</b>
Cash and cash equivalents at beginning of year		226,383	549,749
<b>Cash and cash equivalents at end of year</b>	<b>10</b>	<b>68,042</b>	<b>226,383</b>

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 £463,517, 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 2018 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 2019 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.

The following new accounting standards, interpretations and amendments to existing accounting standards have been adopted by the Company with effect from 1 January 2018.

- IFRS 9, Financial Instruments.

IFRS 9 includes comprehensive requirements relating to the classification and measurement of financial instruments, which apply to the Company. There is no impact on the Company by adopting IFRS 9.

- IFRS 15, Revenue from contracts with customers.

IFRS 15 specifies how and when an entity recognises revenue, providing a single, principles-based model to be applied to all contracts with customers, whilst requiring more informative and relevant disclosures. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There has been no change in the revenue recognition as a result of adopting IFRS 15.

The following new accounting standard, in issue, but not yet effective, has not been early adopted by the Company. Unless stated, the new and amended standard and interpretation is being assessed but is not expected to have a significant impact on the Company's financial statements.

- IFRS 16, Leases (effective 1 January 2019).

IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single accounting model, requiring lessees to recognise assets and liabilities for leases unless the term is 12 months or less, or the underlying asset has a low value. The application of IFRS 16 is not expected to have any impact on the Company's financial statements.

## PARTNERSHIP HOME LOANS LIMITED

### 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.

### 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 2018	Year ended 31 Dec 2017
	£	£
Other investment income	782	164
	<b>782</b>	<b>164</b>

## 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.

## PARTNERSHIP HOME LOANS LIMITED

### Disaggregation of revenue from contracts with customers

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	Total	Total
	£	£
<b>Product/Service</b>		
Loan origination fees	83,663	118,339
<b>Timing of revenue recognition</b>		
Products transferred at point in time	83,663	118,339
<b>Revenue from contracts with customers</b>	<b>83,663</b>	<b>118,339</b>
All revenue from contracts with customers is from the U.K.		

### 4. Acquisition costs

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	£	£
Commission	30,490	41,983
Other acquisition expenses	35,296	31,723
	<b>65,786</b>	<b>73,706</b>

### 5. Other operating expenses

Just Retirement Management Services Limited and Partnership Services Limited, 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 Partnership Services Limited and Just Retirement Management Services Limited, fellow group undertakings. Auditor remuneration of £9,000 (2017: £7,210) in respect of the audit of the Company's financial statements was incurred by Partnership Services Limited. Disclosures in respect of 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 2018	Year ended 31 Dec 2017
	£	£
<b>UK Corporation tax</b>		
Tax in respect of current period at 19% (2017: 19.25%)	(109,345)	(102,277)
Adjustments in respect of prior periods	74	21,751
<b>Total current tax</b>	<b>(109,271)</b>	<b>(80,526)</b>
<b>Total Tax</b>	<b>(109,271)</b>	<b>(80,526)</b>

The actual tax charge is computed by applying the average UK corporation tax rate of 19% for 2018 (2017: 19.25%) as follows:

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	£	£
<b>Factors affecting the tax charge</b>		
Loss before tax	(572,788)	(528,421)
Current taxation at 19% (2017: 19.25%)	(108,830)	(101,721)
Transfer pricing adjustments	(515)	(556)
Adjustments in respect of prior periods	74	21,751
<b>Income tax credit</b>	<b>(109,271)</b>	<b>(80,526)</b>

## PARTNERSHIP HOME LOANS LIMITED

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. This will reduce the company's future current tax charge accordingly, although there will be no material effect.

The Company did not have a deferred tax asset or liability at the beginning or the end of the year.

### 7. Remuneration of Directors

The Company does not employ any staff. The remuneration of the Directors, who are the key management personnel of the Company, are paid by Partnership Services Limited and Just Retirement Management Services Limited, fellow group undertakings. No emoluments are paid to Directors in relation to their services provided to the Company.

### 8. 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.

### 9. Receivables

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from group undertaking	439,384	324,800
Prepayments and accrued income	7,712	1,635
Group relief receivable	109,271	102,277
	<b>556,367</b>	<b>428,712</b>

### 10. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	68,042	226,383
	<b>68,042</b>	<b>226,383</b>

### 11. Share capital

	2018	2017
	£	£
Allotted, issued and fully paid:		
1,665,000 ordinary shares of £1 each (2017: 1,215,000)	1,665,000	1,215,000

### 12. Payables

	2018	2017
	£	£
<b>Amounts payable within one year:</b>		
Amount due to other group undertaking	11,380	11,609
Other payables and accruals	39,375	56,315
	<b>50,755</b>	<b>67,924</b>

### 13. Commitments

#### Capital commitments

The Company had no capital commitments as at 31 December 2018 (2017: nil).

### 14. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018 (2017: nil).

## PARTNERSHIP HOME LOANS LIMITED

### 15. Related parties

#### Trading transactions

During the year the Company incurred fees of £54,191 in respect of services provided by Partnership Services Limited, a fellow group undertaking, in respect of management services (2017: £49,925). £109,271 is owed to the Company in respect of group relief surrendered to a fellow group entity for the year (2017: £102,277).

During the year the Company earned income of £83,663 (2017: £118,339) in respect of fees on the sale of mortgage loans to a fellow group undertaking, Partnership Life Assurance Company Limited.

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

	2018	2017
	£	£
Partnership Services Limited	11,380	11,609

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

	2018	2017
	£	£
Partnership Life Assurance Company Limited	439,384	324,800

### 16. 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.

### 17. Post balance sheet events

In January 2019 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 2018 and the date of this report that are required to be brought to the attention of the shareholders.