JUST.

Partnership Home Loans Limited

Annual Report and Accounts
for the year ended 31 December 2022

Company number: 05108846

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS

DIRECTORS' REPORT	1
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS	5
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARTNERSHIP HOME LOANS LIMITED	6
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CASH FLOWS	12
NOTES TO THE FINANCIAL STATEMENTS	13

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the financial year ended 31 December 2022.

The Company ("PHLL") 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 financial statements for the year in accordance with the small companies regime but for being a member of an ineligible group.

LEGAL FORM AND DOMICILE
The Company is a private company limited by shares, incorporated and domiciled in England and Wales with the registered number 05108846. The Company's registered office is Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP.

REVIEW OF THE BUSINESS
The Company, a subsidiary of Just Group plc ("Group" or "Just"), carries on regulated activities in the United Kingdom and is subject to regulation by the Financial Conduct Authority ("FCA").

The principal activity of the Company is the provision of lifetime mortgage ("LTM") 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 ("PLACL"). The Company was closed to new business in 2016 following the merger of Partnership Assurance Group plc and Just Retirement Group plc (the "Merger"). However, it continues to write further advances on existing policies and retains regulatory responsibilities in respect of the policies in-force. From 1 January 2022, the Company entered into a Deed of Variation Agreement with PLACL whereby all costs incurred by the Company under the Servicing Agreement and any other incidental costs incurred in respect of the portfolio are recharged to PLACL.

In 2022, notice was served by one third party mortgage administrator. The administration of this loan book has been insourced to the Group at the end of March 2023 and is now fully administered by Just Retirement Money Limited ("JRML") on behalf of PHLL.

KEY PERFORMANCE INDICATORS
The key performance indicators used by the Directors to manage the Company's operations include fee and commission income and profit/(loss) after tax on an International Financial Reporting Standard ("IFRS") basis. There are no non-financial key performance indicators.

	2022	2021
	£	£
Profit/(loss) after tax	**15,479**	(265,161)
Fee and commission income	**391,139**	14,422

The Company is regulated by the FCA and is required to maintain capital in excess of its capital requirements at all times. The Company's capital ratio as at 31 December 2022 was 363% (31 December 2021: 348%). As a result of the Deed of Variation Agreement entered into with PLACL on 1 January 2022, it is not anticipated the Company will incur losses in the foreseeable future.

RESULTS AND DIVIDEND
The Company made a profit of £15,479 for the year as set out in the Statement of Comprehensive Income on page 9 (2021: loss £265,161). The Directors do not recommend the payment of a dividend (2021: £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. Such qualifying third party indemnity provision remains in force at the date of this report. Directors' and officers' liability insurance cover was maintained throughout the year in respect of all the Company's Directors and remains in force at the date of this report.

DIRECTORS
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Michelle Cracknell (Chair)	(Appointed 5 January 2023)
Paul Bishop	(Resigned 5 January 2023)
Kathleen Byrne (known as Kathy Byrne)	(Appointed 5 January 2023)
David Cooper	(Resigned 5 January 2023)
Ian Cormack	(Resigned 5 January 2023)
Andrew Melcher (known as Steve Melcher)	(Resigned 31 December 2022)
Andrew Parsons (known as Andy Parsons)	
Mary Phibbs	(Appointed 5 January 2023)
David Richardson	(Resigned 5 January 2023)
Paul Turner	

Following a review by the Group's Nomination and Governance Committee, the Board was refreshed and the composition was reduced to three Non-Executive Directors. Michelle Cracknell, Kathleen Byrne and Mary Phibbs were appointed as Non-Executive Directors on 5 January 2023. As part of the refreshment, the Group Board's diversity and inclusion strategy was taken into consideration in addition to the balance of skills, knowledge and experience of the Directors.

As at the date of this report, female representation on the Board is 60%.

None of the Directors had any disclosable interests in the Company during the period (2021: none).

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

Purpose
Our risk management framework supports management in making decisions that balance the competing risks and rewards. This allows them to generate value for shareholders, deliver appropriate outcomes for customers and help our business partners and other stakeholders have confidence in us. Our approach to risk management is designed to ensure that our understanding of risk underpins how we run the business.

Risk Framework
Our risk framework, owned by the Group Board, covers all aspects involved in the successful management of risk, including governance, reporting and policies. Our appetite for different types of risk is embedded across the business to create a culture of confident risk-taking. The framework is continually developed to reflect our risk environment and emerging best practice. The framework has now been enhanced to facilitate the identification, assessment and reporting of risks arising from climate change ("climate risk"), with risk category definitions updated to integrate climate risk aspects. A qualitative climate risk appetite has been added to the Group's existing high-level appetites, which include reputation and capital, recognising the potential impacts of climate risk.

Risk evaluation and reporting
We evaluate our principal and emerging risks to decide how best to manage them within our risk appetite. Management regularly reviews its risks and produces management information to provide assurance that material risks in the business are being appropriately mitigated. The Risk function, led by the Group Chief Risk Officer ("GCRO"), challenges the management team on the effectiveness of its risk evaluation and mitigation. The GCRO provides the Group Risk and Compliance Committee ("GRCC") with their independent assessment of the principal and emerging risks to the business.

Company policies govern the exposure of risks to which the Company is exposed and define the risk management activities to ensure these risks remain within appetite. Our policies have been updated to draw out any climate specific considerations for risk management.

Principal risks and uncertainties

Risk description and impact	Mitigation and management action
Regulatory changes and supervision The Group monitors and assesses regulatory developments on an ongoing basis. We seek to actively participate in all regulatory initiatives which may affect or provide future opportunities for the Group. Our aims are to implement any changes required effectively and deliver better outcomes for our customers and a competitive advantage for the business. We develop our strategy by considering planned political and regulatory developments and allowing for contingencies should outcomes differ from our expectations. The financial services industry continues to see a high level of regulatory activity. This is shown in the Business Plans of the Prudential Regulation Authority ("PRA") and FCA.	**Risk Outlook** The FCA's rules for a new Consumer Duty (PS22/9 published July 2022) will set higher and clearer standards for consumer protection across financial services and require firms to put customers' needs first. Firms need to apply the Duty to new and existing products and services that are open to sale (or renewal) from 31 July 2023, and from 31 July 2024 to apply the Duty to products and services in closed books. Work is now progressing to implement within the timeframes the plans approved by the Just Boards in October 2022. New FCA regulations on operational resilience took effect in March 2022. The Regulators expect firms to be operationally resilient to ensure customers are not at a financial disadvantage or be placed at risk of financial harm. Firms have identified their most important business services and have set impact tolerances for each, with regular scenario testing and an annual Self-Assessment for Board approval.
Climate & ESG Climate change could impact the Group's financial position by impacting the value of residential properties in the lifetime mortgage portfolio. The value of properties on which lifetime mortgages are secured can be affected by: • transition risk – such as potential government policy changes related to the energy efficiency of residential properties. • Physical risks – such as increased flooding due to severe rainfall, or more widespread subsidence after extended droughts. A shortfall in property sale price against the outstanding mortgage could lead to a loss due to the no-negative equity guarantee given to customers. The lifetime mortgage lending policy will be kept under review in light of climate risk and adjustments made as required.	**Risk Outlook** The Group is proactive in pursuing its sustainability responsibilities and recognises the importance of its social purpose. Sustainability targets have been set for the Company's operations to be carbon net zero by 2025 and for properties on which lifetime mortgages are secured to be net zero by 2050. Performance against these targets is being monitored and reported.
Third Parties PHLL's mortgage books are closed to new business and are predominantly administered by third parties. The loans are therefore exposed to the risk of inappropriate actions by the third parties or failure of the third parties.	 In 2022, notice was served by one third party mortgage administrator. The administration of this loan book has been insourced to the Group at the end of March 2023 and is now fully administered by JRML on behalf of PHLL.

GOING CONCERN
After making appropriate enquiries, the Directors have formed the view, at the time of approving the financial statements, that the Company has adequate resources to continue in operational existence over the next twelve months. A Deed of Variation Agreement was entered into with PLACL on 1 January 2022, which recharges the majority of costs to the Company's parent company, and it is not anticipated that the Company will incur operating losses in the foreseeable future.

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.

OVERSEAS BRANCHES
The Company does not have any overseas branches within the meaning of the Companies Act 2006.

POLITICAL DONATIONS
No political contributions were made during the year ended 31 December 2022 (2021: £nil).

RESEARCH AND DEVELOPMENT
The Company does not undertake any research and development activities (2021: none).

EMPLOYEES
The Company had no employees during the reporting period (2021: nil).

DISCLOSURE OF INFORMATION TO AUDITORS
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, of which the external auditors are 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 Company's external auditors are 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.

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP ("PwC") has expressed its willingness to continue in office as the external auditors of the Company. Pursuant to Section 487 of the Companies Act 2006, the external auditors of the Company will be deemed to be reappointed and PwC will therefore continue in office.

EVENTS AFTER THE REPORTING DATE
There are no material post balance sheet events that have taken place between 31 December 2022 and the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 prepared the financial statements in accordance with UK-adopted international accounting standards. Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards 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 also 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 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

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 external 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 external auditors are aware of that information.

BY ORDER OF THE BOARD

Simon Watson
Company Secretary
25 April 2023

Registered Office:
Enterprise House
Bancroft Road
Reigate
Surrey
RH2 7RP

Registered in England
Number 05108846

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARTNERSHIP HOME LOANS LIMITED

Report on the audit of the financial statements

Opinion
In our opinion, Partnership Home Loans Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2022; the Statement of comprehensive income, the Statement of changes in equity and the Statement of cash flows 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.

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 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.

Directors' report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2022 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 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 in respect of the Directors' report and the financial statements, 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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, 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 posting of fraudulent journals. Audit procedures performed by the engagement team included:

- Reviewing relevant meeting minutes, including those of the Board of Directors;
- Validating the appropriateness of journal entries identified based on our fraud risk criteria; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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. 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.

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

S. Jassi

Sundash Jassi (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 April 2023

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Note	**Year ended 31 Dec 2022** **£**	Year ended 31 Dec 2021 £
Fee and commission income	2	**391,139**	14,422
Total income		**391,139**	14,422
Acquisition costs	3	**(16,975)**	(15,561)
Other operating expenses	4	**(359,407)**	(330,209)
Total expenses		**(376,382)**	(345,770)
Profit/(loss) before tax		**14,757**	(331,348)
Income tax	5	**722**	66,187
Total comprehensive profit/(loss) for the year and attributable to equity holders		**15,479**	(265,161)

The notes on pages 13 to 17 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

Year ended 31 December 2022	Share capital £	Accumulated losses £	Total £
At 1 January 2022	2,615,000	(2,267,273)	347,727
Profit for the year	-	15,479	15,479
Total accumulated profit for the year	**-**	**15,479**	**15,479**
At 31 December 2022	**2,615,000**	**(2,251,794)**	**363,206**

Year ended 31 December 2021	Share capital £	Accumulated losses £	Total £
At 1 January 2021	2,615,000	(2,002,112)	612,888
Loss for the year	-	(265,161)	(265,161)
Total comprehensive loss for the year	-	(265,161)	(265,161)
At 31 December 2021	2,615,000	(2,267,273)	347,727

The notes on pages 13 to 17 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

	Note	2022 £	2021 £
Assets			
Receivables	7	90,222	94,991
Cash available on demand	8	2,010,998	1,799,553
Total assets		2,101,220	1,894,544
Equity			
Share capital	9	2,615,000	2,615,000
Accumulated losses		(2,251,794)	(2,267,273)
Total equity		363,206	347,727
Liabilities			
Accruals and deferred income	11	4,451	-
Payables	12	1,733,563	1,546,817
Total liabilities		1,738,014	1,546,817
Total equity and liabilities		2,101,220	1,894,544

The notes on pages 13 to 17 are an integral part of these financial statements.

The financial statements on pages 9 to 17 were approved by the Board of Directors on 25 April 2023 and were signed on its behalf by:

Paul Turner
Director

STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Note	Year ended 31 Dec 2022	Year ended 31 Dec 2021
		£	£
Cash flows from operating activities			
Profit/(loss) before tax		**14,757**	(331,348)
Increase in accruals and deferred income		**4,451**	-
Decrease in receivables		**4,769**	345,670
Increase in payables		**186,746**	1,546,817
Corporation tax received		**722**	66,187
Net cash inflow from operating activities		**211,445**	1,627,326
Net increase in cash on demand		**211,445**	1,627,326
Cash available on demand at beginning of year		**1,799,553**	172,227
Cash available on demand at end of year	**8**	**2,010,998**	1,799,553

The notes on pages 13 to 17 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Significant accounting policies
General information
The Company was incorporated and registered in England and Wales on 22 April 2004 as a private company limited by shares. The Company's registered office is Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP.

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 UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities at fair value. Values are expressed to the nearest £1.

Significant accounting policies
The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2021. There are no significant judgements, estimates and assumptions made by the Company in the preparation of these financial statements.

The following new accounting standards and amendments to existing accounting standards are effective from 1 January 2022 but do not have a significant impact on the Company's 2022 financial statements:

- IAS 37, Provisions, contingent liabilities and contingent assets - Amendments in respect of costs of fulfilling a contract to clarify that such costs include both direct costs and an allocation of costs that relate directly to fulfilling the contract.

The following amendments to existing standards in issue have not been adopted by the Company and are not expected to have a significant impact on the financial statements. The amendments include clarifications that are not inconsistent with the Company's existing accounting treatment and other insignificant changes:

- IAS 1, Presentation of financial statements - Amendments in respect of the classification of liabilities as current or non-current (effective 1 January 2024, not yet endorsed);
- IAS 1, Presentation of financial statements - Amendments in respect of disclosure of accounting policies (effective 1 January 2023, not yet endorsed);
- IAS 8, Accounting policies - Amendments in respect of the definition of accounting estimates (effective 1 January 2023, not yet endorsed);
- IAS 12, Income taxes - Amendments in respect of deferred tax related to assets and liabilities arising from a single transaction (effective 1 January 2023, not yet endorsed).

1.2 Revenue from contracts with customers
Revenue is recognised at the point in time when the Company satisfies its performance obligation to act as an agent issuing further advances to existing policyholders on behalf of fellow group company PLACL. The amount invoiced and consideration received represents consideration for the services provided.

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.

Revenue is recognised for recharged expenses to fellow group company PLACL. The consideration for recharged expenses is due, and revenue is recognised, at the point in time that expenses are incurred for the activities of originating mortgages on behalf of PLACL.

1.3 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.

1.4 Other operating expenses
Other operating expenses are recognised on an accruals basis and include fees paid to third party administrators and those incurred while underwriting loans, as well as general overheads.

1.5 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 financial statements.

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.

1.6 Trade and other receivables
Trade receivables are accounted for at the invoiced amount in accordance with the practical expedient available in IFRS 9 for short-term trade receivables that do not contain a significant financing component. Expected credit losses are measured at the lifetime expected credit losses in accordance with the simplified approach available in IFRS 9. Trade receivables are all due from fellow group companies and as such management have concluded that expected credit losses are nil. This is consistent with historic experience and management's future expectations.

1.7 Cash available on demand
Cash balances are available on demand and the credit risk on cash assets is managed by imposing restrictions over the credit ratings of third parties with whom cash is deposited. The credit rating of the financial services institution, where all cash assets were held on deposit at 31 December 2022 is A.

2 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, PLACL. 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 2022 Total £	Year ended 31 Dec 2021 Total £
Product/service		
Loan origination fees	**14,757**	14,422
Expense recharges	**376,382**	-
Timing of revenue recognition		
Products transferred at point in time	**391,139**	14,422
Revenue from contracts with customers	**391,139**	14,422

Revenue is recognised at the end of the month for the services rendered, recharged expenses and set up activity performed in that month. Fees for recharges of expenses and loan set up fees represent the satisfaction of performance obligations achieved at the point when the expenditure was incurred, or the loan was set up. Acquisition and operating expenses are directly attributable to LTMs sold down to PLACL. All revenue from contracts with customers is from the United Kingdom.

3 Acquisition costs

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Commission	**5,111**	5,309
Other acquisition expenses	**11,864**	10,252
	16,975	15,561

Acquisition costs comprise commission and other acquisition expenses which relate to valuation fees paid during the year.

4 Other operating expenses
Just Retirement Management Services Limited ("JRMS"), a fellow subsidiary undertaking, has incurred all administration, staff and pension costs on behalf of the Company. The Company does not employ any staff. The Directors were not directly remunerated for their roles as Directors of the Company as the amount of time spent performing their duties was incidental to their roles as key management personnel or as Non-Executive Directors of the Just Group plc group of companies. External auditors' remuneration of £24,000 (2021: £15,000) in respect of the audit of the Company's financial statements was incurred by JRMS. There were no non-audit fees paid to the external auditors.

	Year ended 2022 £	Year ended 2021 £
Share of Group service & support costs	**28,997**	26,716
Share of Group legal fees	**28,980**	9,216
Share of Group salaries and related costs	**24,067**	19,207
Share of Group professional fees and subs	**271,487**	271,148
Other costs	**5,876**	3,922
Total other operating expenses	**359,407**	330,209

5 Income tax

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
UK Corporation tax		
Total current tax	**(722)**	(66,187)
Total Tax	**(722)**	(66,187)

The actual tax credit is computed by applying the average UK corporation tax rate of 19% for 2022 (2021: 19%) as follows:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Factors affecting the tax credit		
Profit/(loss) before tax	**14,757**	(331,348)
Current taxation at 19% (2021: 19%)	**2,804**	(62,956)
Other differences - Transfer pricing adjustments	**(3,526)**	(3,231)
Income tax credit	**(722)**	(66,187)

On 3 March 2021 the Government announced an increase in the rate of corporation tax from 19% to 25% from 1 April 2023. The change in rate was substantively enacted on 24 May 2021.

The income tax credit represents group relief recoverable by a fellow group entity and accordingly held as a balance receivable at the year end. Refer to Related parties note 16.

6 Staff costs

Staff costs are recharged from fellow group undertaking JRMS, in accordance with management services agreements. All staff are employed by JRMS and details of employee numbers are available in the financial statements of that company.

7 Receivables

	2022 £	2021 £
Amounts falling due within one year:		
Amounts due from group undertaking	**66,909**	94,955
Other debtors	**23,313**	36
	90,222	94,991

Amounts due from group undertaking relate to funds due from Just Group plc relating to tax relief and management expenses from JRMS.

Other debtors relates to amounts due from third parties that have been settled since year end.

8 Cash available on demand

	2022 £	2021 £
Cash at bank and in hand	**2,010,998**	1,799,553
	2,010,998	1,799,553

9 Share capital

	2022 £	2021 £
Allotted, issued and fully paid:		
2,615,000 ordinary shares of £1 each (2021: 2,615,000)	**2,615,000**	2,615,000

The company does not have a limited amount of authorised share capital.

10 Financial risk management
The major risks the Company is exposed to are credit and liquidity risk.

Credit risk
Credit risk arises if another party fails to perform its financial obligations to the Company, including failing to perform them in a timely manner.

Third party receivables

2022	Less than one year £
Other debtors	**23,313**

2021	Less than one year Total £
Other debtors	36

Liquidity risk
Liquidity risk is the risk of loss because the Company, although solvent, either does not have sufficient financial resources available to it in order to meet its obligations as they fall due, or can secure them only at excessive cost. Liquidity risk is managed by ensuring that assets of a suitable maturity and marketability are held to meet liabilities as they fall due. The Company holds all of its financial assets in cash available on demand.

11 Accruals and Deferred Income

	2022 £	2021 £
Amounts payable within one year:		
Amount due to other group undertaking	**4,451**	-
	4,451	-

12 Payables

	2022 £	2021 £
Amounts payable within one year:		
Amount due to other group undertaking	1,733,563	1,546,817
	1,733,563	1,546,817

Amount due to other group undertaking are funds related to LTM redemptions due to PLACL, and are non-interest bearing and repayable on demand.

13 Capital Commitments
The Company had no capital commitments as at 31 December 2022 (2021: nil).

14 Contingent liabilities
The Company had no contingent liabilities as at 31 December 2022 (2021: nil).

15 Capital
The Company is regulated by the FCA and is required to maintain capital in excess of its capital requirements at all times. The capital position at the end of each year is shown in the table below:

	2022 £	2021 £
Capital resources	**363,205**	347,727
Solvency capital requirement (unaudited)	**100,000**	100,000
Excess own funds (unaudited)	**263,205**	247,727
Solvency coverage ratio (unaudited)	**363%**	348%

The Company's capital consists of its shareholders' funds.

Capital management
The Company's objectives when managing capital are:
- to comply with the capital requirements required by the regulators and in line with its risk appetite;
- to safeguard the Company's ability to continue as a going concern; and
- to continue to provide returns for shareholders.

16 Related parties
The related parties in the tables below are all fellow group undertakings. Intercompany balances are unsecured and settled in cash on a periodic basis.

Trading transactions
During the year the Company incurred fees of £371,171 in respect of management services provided by JRMS (2021: £339,005) and £5 in respect of management services provided by Partnership Services Limited (2021: £1,068). £66,909 is owed to the Company in respect of group relief surrendered to a fellow group entity for the year (2021: £66,187).

During the year the Company earned income of £14,757 (2021: £14,422) in respect of fees on the sale of mortgage loans, in addition to the recharge of all costs incurred of £376,382 (2021: nil) under the Servicing Agreement with effect from 1 January 2022 with fellow group undertaking, PLACL.

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

	2022	2021
	£	£
Just Retirement Management Services Limited	**33,819**	-
Partnership Holdings Limited	**25**	-
Partnership Life Assurance Company Limited	**1,699,719**	1,546,817
	1,733,563	1,546,817

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

	2022	2021
	£	£
Just Retirement Management Services Limited	**-**	28,768
Group relief receivable	**66,909**	66,187
	66,909	94,955

17 Ultimate parent company
The immediate parent company of Partnership Home Loans Limited is Partnership Group Holdings Limited, a company incorporated in England and Wales. The ultimate parent company of the Group is Just Group plc, a company incorporated in England and Wales with its registered office at Enterprise House, Bancroft Road, Reigate, RH2 7RP. Just Group plc is the parent undertaking of the smallest and largest group to consolidate the financial statements of Partnership Home Loans Limited. The Annual Report and Accounts for Just Group plc can be found at www.justgroupplc.co.uk/investors/results-and-presentations