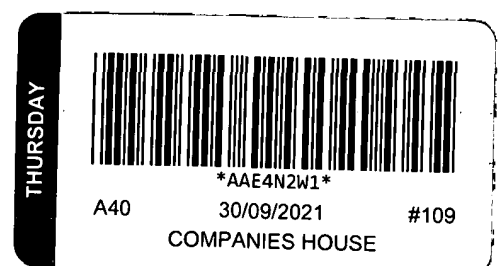


Registered Number: 5916336

THE UNITY PARTNERSHIP LIMITED

Annual report and financial statements for the year ended 31 March 2021



THE UNITY PARTNERSHIP LIMITED

Directors' report and financial statements for the year ended 31 March 2021

Contents	Page(s)
Directors and advisors	1
Strategic Report	2 - 4
Directors' Report	5 - 8
Statement of directors' responsibilities	8
Independent auditors' report	9 - 12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16 - 27

THE UNITY PARTNERSHIP LIMITED

Directors and advisors

Directors

G Shuttleworth
A Jabbar
CJ Gloster
AT Ryans

Company Secretary

C R Brittain

Registered office

Henshaw House
Cheapside
Oldham
OL1 1NY

Independent auditors

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Bankers

Barclays Bank plc
Leicester
LE87 2BB

The National Westminster Bank PLC
45 Park Street
Camberley
Surrey
GU15 3PA

THE UNITY PARTNERSHIP LIMITED

Strategic report for the year ended 31 March 2021

The Directors present their strategic report and the audited financial statements of The Unity Partnership Limited (the "Company" or "Unity") for the year ended 31 March 2021.

Principal activities and business review

The Unity Partnership Limited was originally created as a joint venture partnership between MPHBS Limited ("MPHBS") (now a subsidiary of the Kier Group plc) and Oldham Metropolitan Borough Council ("Oldham Council" and the "Council"). On 2 July 2018, the Company became wholly owned by the Council. Unity delivers property, highways, transactional services, information and communication technology, and business services. The best of private and public sector skills created an ambitious and socially aware organisation with the aims of supporting physical regeneration, creating sustainable jobs, introducing effective technology, and providing exemplary services to all clients. The Company is committed to becoming the leading property, highways and business services provider in the North West, providing regeneration services across education, housing, leisure, transportation and public building sectors.

The Company's purpose is to provide professional services to clients in the Oldham borough, as well as to provide support to other local authorities within the Greater Manchester region. On 2 July 2018 the Partnership Agreement between Oldham Council and the Kier Group ceased. The ownership of Unity Partnership transferred to Oldham Council and Unity Partnership became a 100% wholly owned Council subsidiary company and a new Partnership Agreement was entered into between Oldham Council and the Company.

The major source of revenue for the Company continues to be through this Partnership Agreement, although the Company plans to increase services provided to third parties. Over the period of the contract a number of additional services which comprised HR and Payroll, Property and Accounts Payable/ Receivable were transferred to the Company by Oldham Council.

On 27 August 2020, the Company agreed an extension with Oldham Council to 31st August 2025. This will enable the company to plan for the medium and longer terms with greater certainty over its future income generation.

The Council, as a shareholder, seeks to receive services that represent value for money and that evolve to reflect the budgetary landscape. To this end, the Company and Oldham Council engage in annual value for money reviews where the efficiency of systems and procedures, the scope of services provided by Unity and the impact of new technologies are considered and factored into future service specifications and related pricing.

Given the nature of the business, the Directors are of the opinion that analysis using key performance indicators other than EBITDA, turnover, profit before tax and net asset value is not necessary for an understanding of the development, performance or position of the business.

THE UNITY PARTNERSHIP LIMITED

Strategic report for the year ended 31 March 2021 (continued)

Key performance indicators

The Company uses a variety of performance measures to monitor and manage the business. Some of these are particularly important in monitoring progress and are therefore regarded as key performance indicators (KPIs). These measure past performance and also provide the information needed to manage the Company on an ongoing basis.

Since the acquisition by Oldham Council, it is no longer appropriate for the Company to seek to make a significant profit from its services to Oldham Council. The aim is to provide these services at a small operating margin and continue to generate ongoing revenue savings for the Council by increasing the scope of the services provided without increasing fees and charges.

KPIs include: revenue, underlying EBITDA (Earnings before interest, tax, depreciation and amortisation), underlying operating profit, underlying operating margin. Financial indicators measure the volume of work undertaken and its operating margin.

	Year ended 31 March 2021	Year ended 31 March 2020	Variance
Revenue	£21.4m	£20.9m	£0.5m
Underlying EBITDA	(0.11m)	£0.28m	(£0.39m)
Underlying operating profit	(0.09m)	£0.26m	(£0.35m)
Underlying operating margin	(0.4%)	1.2%	(1.6%)
Net asset Value	£2.2m	£2.5m	(£0.3m)

Underlying operating margin is calculated by dividing underlying operating profit by revenue.

Results and future developments

The loss for the financial year is £90,974 (2020: £204,008 profit). During the year dividends of £250,000 (2020: £250,000) were paid at £250 per share. The Company has total shareholders' funds of £2,186,909 (2020: £2,527,883). The Directors consider the state of the Company's affairs to be satisfactory and are confident of its future prospects.

The majority of Unity's turnover is from Oldham Council and local public sector organisations, including schools. The financial challenges faced by the public sector generate a demand for the transformation services provided by the Company. The Directors are confident that the Company can generate growth both with existing and new clients to manage Unity's revenue and margin position in line with forecasts.

THE UNITY PARTNERSHIP LIMITED

Strategic report for the year ended 31 March 2021 (continued)

Principal risks and uncertainties

The principal risks and uncertainties of the Company, including financial risk management, are consistent with the principal risks of Oldham Council and are not managed separately. The corporate risks for the Group, which include those of the Company, are disclosed in Oldham Council's annual accounts for the year ended 31 March 2021 and reflect the challenges faced when delivering the following corporate objectives across Oldham:

- Employment and Skills
- Housing
- Creating a Better Place
- Health and Social Care Integration
- Education and Early Years
- Balancing the budget across the Group in the light of uncertain levels of central government funding.

The Company's financial risk management policies can be found in note 2 of the notes to the financial statements.

Employees

The Company employed an average number of employees during the period and an additional number of agency staff are contracted to work on projects. Employees include a group of staff who transferred into the Company under TUPE arrangements from the Council during the period of the Contract and a group of employees who have been employed by Unity. The latter includes personnel who have been employed by the Company during its period under Mouchel Ltd and Kier Business Services Ltd as well as staff who have been employed directly by the Company in the period since the Council acquired full share ownership. These various groups of employees therefore have varying Terms & Conditions of Service depending upon their original contractual terms. However, from the 2nd July 2018 when the Company transferred into the ownership of the Council, many of the employment policies and procedures have aligned with the Council equivalent policies where possible.

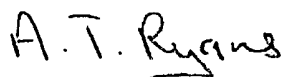
All companies within the Council Group consider applications for employment from disabled persons (having regard to their particular aptitudes and abilities) and encourages and assists, whenever practicable, the recruitment, training, career development and promotion of disabled people and the retention of, and appropriate training for, those who become disabled during their employment.

The Group and Company provide information to employees through newsletters, video addresses, the Group's intranet, social media and formal and informal meetings with various groups of employees and management. The Group also conducts engagement surveys to obtain feedback on matters of importance to employees.

Financial risk management

The major principal risks to the Company and its policies for managing these risks are set out in note 2 to the financial statements.

Approved by the Board of Directors and signed on behalf of the Board on 28 September 2021.



Director: Anne T. Ryans

THE UNITY PARTNERSHIP LIMITED

Directors' report for the year ended 31 March 2021

The Directors present their report and the audited financial statements for the year ended 31 March 2021. Future developments, financial risk management, dividends and employee information are disclosed in the Strategic Report on pages 2 - 4.

Directors

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

G Shuttleworth (appointed 19 May 2021)
A Jabbar (appointed 19 May 2021)
F Hussain (resigned 19 May 2021)
CJ Gloster
AT Ryans
C Goodwin (resigned 17 June 2020)
M Ali (appointed 17 June 2020, resigned 21 May 2021)

Corporate responsibility

Since 2011 the Council has been committed to its ambition for a cooperative future where everyone does their bit to create a confident and ambitious borough and to develop a different relationship with its citizen's partners, wholly owned companies and staff. This means being a company going forward that listens, responds and engages with a strong civic and ambitious leadership. As a member of the group the company abides by the same co-operative principles.

The Company actively participates in citizen engagement, apprenticeships, youth development including work experience and works with schools and other groups across the Oldham borough to help with community development.

Directors' liability insurance

The articles of association of the Company entitle the directors of the Company, to the extent permitted by the Companies Act 2006 and other applicable legislation, to be indemnified out of the assets of the Company in the event that they suffer any expenses in connection with certain proceedings relating to the execution of their duties as directors of the Company.

In addition, Oldham Council maintains insurance for the directors and officers to cover certain losses or liabilities to which they may be exposed due to their office.

Safety, health and environment

Unity Partnership is focused on ensuring that the health and safety of its staff, customers and contractors is embedded in the culture of the organisation. Unity Partnership manages safety by applying a systematic and documented approach. This includes the production and implementation of documentation such as H & S Policies, Safety Management Systems, Operational Procedures, Risk Assessments and Training packages.

The effectiveness of these arrangements is subject to regular management review including:

- Quarterly health & safety reports to the Leadership Team.
- Two Monthly Health & Safety Committee meetings.
- Daily & Monthly safety inspections by office safety co-ordinators across all operational areas
- Scheduled and ad-hoc safety inspections by the Unity Health and Safety Co-ordinator.
- Dynamic risk assessment process.

THE UNITY PARTNERSHIP LIMITED

Directors' report for the year ended 31 March 2021 (continued)

Allocation of adequate resources with the required competence is deployed across the business to support and monitor the safety of our operations.

Unity is included in the scope of Oldham Council's Corporate Health and Safety Group which provides the organisational control of Health and Safety across the Council and select partners to ensure a consistent approach across the various Committees.

Measurement and review of safety performance is undertaken by various means, ranging from comparison of reported accident totals against previous statistical data, interrogation of the accident recording system to identify emerging trends and monitoring and review of safety related documentation and processes to ensure their effectiveness and areas that require improvement.

The Leadership team and the Health & Safety Co-ordinator have deployed a number of strategies aimed at ensuring that staff take ownership of their areas with the aim of identifying areas for improvement and instilling a strong safety culture.

This cultural approach, coupled with regular inspection and prompt resolution of identified issues will continue to maintain the highest standards to provide a safe and secure environment within Unity departments and managed premises for all staff, members of the public and contractors.

For further information on Unity Partnership's activities with regards to SHE matters and statistical data, please contact the Health & Safety Co-ordinator, Henshaw House, Gary Turnock, Ext 4147.

Brexit

The Directors continue to assess the implications of the United Kingdom withdrawal from the European Union. There is an appreciation that there is a level of uncertainty associated however no significant impact on Unity is expected.

Going Concern and Covid 19

The Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides including the impact of COVID-19, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Specifically, the directors have considered if, in severe but plausible downside scenarios, the level of operational performance of the Company would lead to a significant reduction in income for the Company in accordance with the terms of the Company's contract with Oldham Council.

To date, taking into account the effect of Covid-19 there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of significantly reduced cashflows. As a result, the cash flow forecasts indicate that, even in downside scenarios, the Company will be able to meet its liabilities as they fall due.

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. Directors have prepared cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on its main customer continuing to meet its obligations under the Partnership Agreement which are underwritten by Oldham Council.

THE UNITY PARTNERSHIP LIMITED

Directors' report for the year ended 31 March 2021 (continued)

Statement of disclosure of information to auditors

Each of the Directors at the date of approval of this report confirms that:

- i. In so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- ii. The Director has taken all the steps that he/she ought to have taken as a director to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Reappointment of auditors

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

Approved by the Board of Directors and signed on behalf of the Board on 28 September 2021.



Director: Anne T. Ryans

THE UNITY PARTNERSHIP LIMITED

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom

Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 UNITY PARTNERSHIP LIMITED

Independent auditor's report to the members of The Unity Partnership Limited

Opinion

We have audited the financial statements of The Unity Partnership Limited (the 'company') for the year ended 31st March 2021, which comprise the Statement of Comprehensive Income, Balance sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

Other information

The other information comprises the information included in the strategic report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 course of the audit, or otherwise appears to be materially

THE UNITY PARTNERSHIP LIMITED

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 the financial statements.

THE UNITY PARTNERSHIP LIMITED

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. Based on our understanding of The Unity Partnership and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, 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 preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and 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 posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

THE UNITY PARTNERSHIP LIMITED

Use of the audit report

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.

Neil Barton

Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St. Peter's Square

Manchester

M2 3DE

Date 29 September 2021

THE UNITY PARTNERSHIP LIMITED

Statement of comprehensive income for the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	21,401,110	20,945,786
Cost of sales		(19,915,678)	(18,985,246)
Gross profit		1,485,432	1,960,540
Administrative expenses		(1,597,707)	(1,702,670)
Operating Profit/(loss)	4	(112,275)	257,870
Interest receivable and similar income	7	-	-
Profit before taxation		(112,275)	257,870
Tax on profit	8	21,301	(53,862)
Profit/(loss) for the financial year		(90,974)	204,008
Other comprehensive income		-	-
Total comprehensive Income/(expense) for the year		(90,974)	204,008

The above results relate to the continuing operations of the Company.

The notes on pages 16 to 27 are an integral part of the financial statements.

THE UNITY PARTNERSHIP LIMITED

Balance sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	<u>182,950</u>	<u>273,757</u>
		<u>182,950</u>	<u>273,757</u>
Current assets			
Debtors	10	2,866,483	3,767,957
Cash at bank and in hand		<u>3,490,301</u>	<u>599,643</u>
		6,356,784	4,367,600
Creditors: amounts falling due within one year	11	<u>(4,352,825)</u>	<u>(2,113,474)</u>
Net current assets		2,003,959	2,254,126
Total assets less current liabilities		<u>2,186,909</u>	<u>2,527,883</u>
Net assets		<u>2,186,909</u>	<u>2,527,883</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account		<u>2,185,909</u>	<u>2,526,833</u>
Total shareholders' funds		<u>2,186,909</u>	<u>2,527,883</u>

The notes on pages 16 to 27 are an integral part of the financial statements.

The financial statements on pages 13 to 27 were approved by the Board of directors on 28 September 2021 and signed on its behalf by:

A.T. Ryans

Director: Anne Ryans

Registered Number: 5916336

THE UNITY PARTNERSHIP LIMITED

Statement of changes in equity For the year ended 31 March 2021

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1 April 2019	1,000	2,572,876	2,573,876
Profit and total comprehensive income for the year	-	204,008	204,008
Dividends Paid		(250,000)	(250,000)
Balance as at 31 March 2020	<u>1,000</u>	<u>2,526,883</u>	<u>2,527,883</u>
Balance as at 1 April 2020	1,000	2,526,883	2,527,883
Profit and total comprehensive income for the year	-	(90,974)	(90,974)
Dividends Paid		(250,000)	(250,000)
Balance as at 31 March 2021	<u>1,000</u>	<u>2,185,909</u>	<u>2,186,909</u>

The notes on pages 13 to 25 are an integral part of the financial statements.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021

1 General information

The Unity Partnership Limited provides property, highways, transactional services, information and communication technology and business services.

The Unity Partnership Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Henshaw House, Cheapside, Oldham, United Kingdom, OL1 1NY.

2 Principal accounting policies

The principal accounting policies as adopted and applied consistently throughout the year are described below.

Basis of preparation

The financial statements of The Unity Partnership Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies reporting under FRS 101.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to use its judgement in the process of applying the company's accounting policies.

Reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements in IAS24 Related Party Disclosure to disclose related party transactions entered into between two or more member of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (Continued)

2 Principal accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis having regard to the Company's ability to continue trading for the foreseeable future. The Company made a loss for the financial year of £90,974 (2020: profit of £204,008) and has total shareholders' funds of £2,186,909 (2020: £2,527,883).

The Directors have prepared forecasts and budgets for the next 12 months. These forecasts and budgets demonstrate that the Company can meet its liabilities as they fall due. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the signing of these financial statements.

Under the terms of the Company's Shareholders Agreement, Oldham Council is entitled to management fees from the Company. Management fees were charged for the years ended 31 March 2020 and 31 March 2021.

Tangible fixed assets

Tangible fixed assets are stated at their historical purchase cost, together with any incidental costs of acquisition less accumulated depreciation and, where appropriate, provision for impairment. Incidental costs of acquisition include internal labour directly attributable to the development and implementation of computer systems.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised.

Depreciation is calculated so as to write off the cost of fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal economic lives used for this purpose are:

Office equipment	5 - 10 years
Computer hardware	2 - 5 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (Continued)

2 Principal accounting policies (continued)

Repairs and renewals

These costs are charged against profits as and when they are incurred.

Turnover

Turnover represents the fair value of services provided. In the case of fixed fee contracts turnover is recognised over the life of the project in proportion to time spent. In the case of time-charge work turnover is recognised on delivery of the service when the right to consideration has been earned.

Turnover recognition on outsourcing contracts is determined by reference to the proportion of the annual service delivered to date. Where cash flows on such contracts varies year on year but the underlying annual service remains the same, revenue is recognised evenly over the length of the contract with over/under amounts represented in deferred or accrued income. Where the costs of obligations in relation to the non-renewal or termination of a contract are higher in the final period of the contract, a proportion of revenue is deferred each period to meet these anticipated costs.

Turnover includes un-invoiced amounts recoverable on contracts which are included in a separate category within debtors (contract assets) and excludes invoiced amounts raised in advance of the work being performed which are included in creditors (contract liabilities).

Provision is made in full for estimated losses, if the costs of fulfilling the contract exceed the recoverable amount. Turnover is only recognised where there is no significant risk of it being reversed. Where the outcome cannot be measured reliably, turnover is recognised to the extent of costs incurred to date where it is probable that costs will be recoverable.

Where turnover that has been recognised is found not to be recoverable due to a dispute with the client, these amounts are charged against the revenue recognised. Where non-recovery is as a result of inability of a client to meet its obligations, these amounts are charged to administrative expenses.

Turnover recognition: The contract with OMBC was amended in the previous financial year to exclude incentive premiums and penalties, therefore no premium or penalty is due in respect of income earned for the year ended 31 March 2021.

Accrued income

Amounts recoverable on contracts are stated at the lower of cost and net realisable value. Cost includes a proportion of attributable overhead expenses. Net realisable value is determined by reference to the estimated cost of completion and provision for anticipated losses.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (Continued)

2 Principal accounting policies (continued)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Pension scheme arrangements

The costs of seconded staff are recharged to the Company, including pension costs. All other staff are paid by the Company.

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge disclosed in note 15 represents contributions payable by the Company to the fund.

The pension cost is recognised in the Statement of comprehensive income (see note 6).

Financial instruments

Financial instruments comprise internal cash resources and debtors and creditors arising from normal trading activities. The policy of Oldham Council is to manage the financial instruments centrally to provide both the working capital and the investment funds necessary for ongoing operations and future development.

All projects and contracts are in Pounds Sterling (£).

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(b) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

2 Principal accounting policies (continued)

(c) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(d) Financial liabilities and equity instruments

Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Foreign currency translation

The Company's functional and presentational currency is Pounds Sterling (£).

Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Financial risk management

Unity is exposed to interest rate risk, credit risk, liquidity risk and price risk in varying degrees but all have relatively low levels of risk. For this reason the Company does not undertake hedging or complex financial instruments to mitigate risks. Oldham Council finance department manage these risks within a set of policies and procedures. The policies for managing these risks are set out below:

(a) Interest rate risk

The company does not have significant interest bearing liabilities.

(b) Credit risk

The principal financial assets are cash and debtors. Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Company's customers. This risk is minimised through aligning the Company's strategy to the Oldham Council's Annual Investment Strategy, (the company's sole shareholder) which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Company.

(c) Liquidity risk

The Company has cash balances so liquidity risk is considered low

(d) Price risk

The Company does not hold any equity securities that are available for sale and does not have any exposure to commodity price risk.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

2 Principal accounting policies (continued)

Critical accounting estimates and judgements

In the process of applying the accounting policies which are described above, management has made the following judgement which had the most significant effect on the amounts recognised in the financial statements;

3 Turnover

The turnover and profit on ordinary activities before taxation are attributable to the principal activity of the Company. All turnover originated in the United Kingdom.

The Company has adopted IFRS 15 *Revenue from Contracts with Customers* from 1 April 2018 which resulted in changes in accounting policies in respect of amounts recognised in the financial statements. It has not considered comparatives for the previous financial year.

The Company mainly provides work for the Council, however, £1,876,176 of revenue relates to external revenue other than from the Council. The Company does not consider any material adjustments have resulted due to the application of IFRS 15.

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2021	2020
	£	£
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Professional services for Oldham Council	152,285	127,285

4 Operating profit

	2021	2020
	£	£
Operating profit is stated after charging:		
Employee costs	12,698,422	12,381,623
Audit fees	25,235	24,500
Amortisation	-	-
Depreciation – owned tangible fixed assets	<u>106,771</u>	<u>19,977</u>

5 Directors' emoluments

The Directors' aggregate emoluments in respect of qualifying services paid by the Company were £nil (2020: £nil).

THE UNITY PARTNERSHIP LIMITED

CJ Gloster, AT Ryans, C Goodwin, M Ali and F Hussain are remunerated by the parent organisation, Oldham Council. They do not consider it practical for the shareholders to allocate their remuneration between the organisations they work on and therefore staff costs exclude their remunerations.

6 Employees

The monthly average number of persons (including executive directors) employed by the Company during the year was:

	2021	2020
	Number	Number
Management and administrative	5	8
Technical	362	378
	<u>367</u>	<u>386</u>

Staff costs (including Directors)	2021	2020
	£	£
Wages and salaries	10,571,123	10,324,949
Social security costs	933,553	926,939
Other pension costs (note 15)	1,193,746	1,129,735
	<u>12,698,422</u>	<u>12,381,623</u>

7 Interest receivable and similar income

	2021	2020
	£	£
Bank interest receivable	-	-
Interest on intercompany loan received	-	-
Interest receivable	<u>-</u>	<u>-</u>

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

8 Tax on profit

(a) Analysis of tax charge for the year

Current tax	2021	2020
	£	£
UK Corporation tax for the year	-	-
Adjustments in respect of prior year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	(21,301)	53,862
Change in deferred tax rate	-	-
Adjustments in respect of prior years	-	-
Total deferred tax (note 9c)	(21,301)	53,862
Tax on profit on ordinary activities	(21,301)	53,862

(b) Factors affecting the tax charge for the year

The tax charge is lower (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2021 of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
(Loss)/Profit before taxation	(112,275)	257,870
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(21,332)	48,995
Expenses not deductible for tax purposes	11,405	(65,145)
Change in deferred tax rate	-	-
Adjustments in respect of prior years	(11,374)	70,012
Total tax charges	(21,301)	53,862

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

8 Tax on profit (continued)

(c) *Deferred tax*

The deferred tax asset recognised in the financial statements is £93,709 (2020: £72,408). It is expected to be utilised against future trading profits of the Company.

The deferred tax asset is made up as follows:

	2021	2020
	£	£
Accelerated capital allowances	50,709	52,218
Tax Losses c/f	26,773	16,846
Other timing differences	16,227	3,344
	<u>93,709</u>	<u>72,408</u>
1 April	72,408	126,270
Origination and reversal of temporary differences	21,301	(53,862)
Change in deferred tax rate	-	-
Adjustments in respect of prior years	-	-
Total deferred tax (charge)/credit in Statement of comprehensive income	<u>21,301</u>	<u>(53,862)</u>
At 31 March	<u>93,709</u>	<u>72,408</u>

Deferred tax at the balance sheet date is calculated on an assumed rate of 19%.

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

9 Tangible assets

	Office Equipment £	Computer Hardware & Software £	Total £
Cost			
At 1 April 2020	<u>40,340</u>	<u>387,331</u>	<u>427,671</u>
Additions	3,240	12,724	15,964
Disposals	-	(4,580)	(4,580)
At 31 March 2021	<u>43,580</u>	<u>395,475</u>	<u>439,055</u>
Accumulated Depreciation			
At 1 April 2020	<u>(34,350)</u>	<u>(119,564)</u>	<u>(153,914)</u>
Charges for the year	(3,899)	(102,872)	(106,771)
Disposals	-	4,580	4,580
At 31 March 2021	<u>(38,249)</u>	<u>(217,856)</u>	<u>(256,105)</u>
Net book amount			
At 1 April 2020	<u>5,990</u>	<u>267,767</u>	<u>273,757</u>
At 31 March 2021	<u>5,331</u>	<u>177,619</u>	<u>182,950</u>

10 Debtors

	2021 £	2020 £
Trade debtors	248,412	337,991
Corporation Tax	-	-
Amounts owed by group undertakings	1,771,461	2,718,697
Deferred taxation	93,709	72,408
Prepayments and accrued income	690,435	603,251
Other Debtors	14,565	-
Contract Assets	47,901	35,610
	<u>2,866,483</u>	<u>3,767,957</u>

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	425,810	380,032
Amounts owed to group undertakings	338,668	239,382
Corporation tax	442	442
Other taxation and social security	1,505,734	614,609
Other creditors	137,561	32,343
Accruals and deferred income	548,606	752,358
Contract Liabilities	1,396,004	94,308
	<u>4,352,825</u>	<u>2,113,474</u>

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

12 Called up share capital

	2021	2020
	£	£
Allotted and fully paid		
667 A ordinary shares of £1 each	667	667
333 B ordinary shares of £1 each	<u>333</u>	<u>333</u>
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

13 Capital commitments

The Company was not committed to any material capital expenditure at 31 March 2021 (2020: £nil).

THE UNITY PARTNERSHIP LIMITED

Notes to the financial statements for the year ended 31 March 2021 (continued)

15 Pension commitments

All staff employed by the Company as at 1 April 2007 were transferred from Oldham Council under the Transfer of Undertakings (Protection of Employment) Regulations (1981). The Company pays a fixed sum each year to the Council in respect of the pension costs for these staff. Any shortfall in pension contributions due are met by the Council and any over payment reimbursed.

The Company has no liability in respect of pensions other than the monthly recharges. It therefore accounts for pension contributions payable in respect of employed and seconded staff as if they were due to a defined contribution scheme.

Pension costs incurred during the year have been detailed in Note 6.

16 Related-party transactions

Oldham Council is the shareholder of the Company. During the year Oldham Council contributed turnover of £19,524,935 (2020: £18,989,823) to the Company's turnover. During the year the Company made purchases of £1,498,308 (2020: £1,679,232) from Oldham Council. At 31 March 2021 the Company owed £338,688 (2020: £239,382) to Oldham Council and was owed £1,771,460 (2020: £2,718,697) by Oldham Council.

17 Ultimate and immediate parent company

At the year end, the immediate parent undertaking is Oldham Council.

The ultimate parent company and controlling party of the company is Oldham Council, incorporated in England and Wales.

On 2 July 2018 Oldham Council became the owner of Unity Partnership Limited and from this date is operating as a 100% owned Teckal Company.

Oldham Council is the parent of the smallest and largest group of companies to consolidate these financial statements. The consolidated financial statements of these groups are available to the public and may be obtained from www.oldham.gov.uk and the ultimate parent's registered address:

Oldham Metropolitan Borough Council
Civic Centre
West Street
Oldham
OL1 1UT