Company Registration Number: 07410551

Partner Construction Limited

Annual report and financial statements
for the year ended 31 March 2023

Partner Construction Limited

Contents

Partner Construction Limited

Officers and professional advisers

Directors

N P Armstrong
C V Bray
C V L Lewis
O Pugholm
D M Rooney
K Shergill

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Swanley
Kent
BR8 8HU
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Banker

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102 Grey Street
Newcastle upon Tyne
NE1 6AG
United Kingdom

Auditor

KPMG LLP
Statutory Auditor
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Strategic report

The directors present their strategic report, together with the directors' report, the audited financial statements and auditor's report for the year ended 31 March 2023.

The Group consists of Partner Construction Limited and its wholly owned subsidiary Partner Contracting Limited.

Principal activities

The principal activity of the group and company is that of a construction contractor in the development of single-family residential schemes, principally for Housing Associations and Registered Providers. There have not been any significant changes in the company's principal activities in the year under review.

The directors are not aware at the date of this report of any likely major changes in the company's activities in the next year.

Business review

The Directors are satisfied with the outcome for the year ended 31 March 2023. Turnover of the group for the year was £51.0m (2022: £57.0m) which generated an adjusted EBITDA of £1.2m (2022: £1.9m) and operating profit after exceptional items of £1.0m (2022: £1.8m). Cash balances at 31st March 2023 were £3.3m (2022: £5.0m).

Key performance indicators

To assist the board's management and governance of the business and to provide demonstrable evidence of achieving the Company strategy, there are a number of financial and non-financial key performance indicators (KPIs) which the business monitors. These, along with a consolidated monthly reporting pack are presented at monthly board meetings.

The monthly report pack includes profit and loss account, balance sheet and cash flow statements. The key financial metrics used in assessing business performance are Revenue, Gross Profit %, Adjusted EBITDA, and Cash Balance.

Adjusted EBITDA is operating profit excluding exceptional items, before interest, taxation, depreciation and amortisation. This is the key profit measure used to reflect the continuing trading performance of the business.

The key financial performance indicators and financial position of the group for the current and preceding year are as follows:

Financial year ended:	**March 2023**	March 2022
£'000		
Turnover	**50,953**	57,030
Gross profit	**4,443**	4,775
Gross profit %	***8.7%***	*8.4%*
Adjusted EBITDA	**1,175**	1,900
Cash at bank and in hand	**3,336**	4,958

The key non-financial metrics reported on a monthly basis are related to health and safety and demonstrate the importance of health and safety across the Company. The board continues to develop and improve the health and safety strategy and invest in training. Providing the Company's employees with a safe working environment remains paramount.

Principal risks and uncertainties

The group's operations expose it to a variety of business and financial risks.

Safety, health and environment & quality – Safety, Health, Environment & Quality (SHEQ) is a top priority within the company and across the Group. The Group has further embedded its Zero Harm strategy which is proactively focussed on preventing incidents and harm, enhancing the environment for future generations and creating high quality, sustainable infrastructure and places to live. The group has established and maintains SHEQ management systems which are certified to ISO 45001 (Health & Safety), ISO 14001 (Environment) and ISO 9001 (Quality) to ensure legal compliance. The Group uses leading KPI's such as Leadership and Management Inspections, Close Call reporting and Action Management to ensure the highest standards are met and continual improvement is achieved. The Group actively encourages colleague engagement through its various SHEQ forums and heavily invests in its people to ensure a trained and competent workforce. As a result of our Zero Harm strategy we have seen over a 50% reduction in our accident frequency rate (AFR) which finished the FY at 0.06. The Group is strongly committed to reducing its environmental impact and is focussed on reducing carbon emissions to net zero, zero waste and elimination of single use plastics by 2030.

Competition risk – The company partners with blue chip clients via mid to long term contractual agreements. These contracts are subject to periodic competitive tender processes. The company mitigates downside risk by working closely with its clients to deliver an excellent service, whilst actively seeking opportunities to grow and diversify the customer base both organically and through acquisition.

Regulatory risk – The company operates within highly regulated industries and as such is committed to continuous investment in compliance and governance structures. Our approach focuses our obligations on quality of service to customers, ensures the safe operation of maintenance activities and that we carry out our activities in an efficient, responsible manner, without compromise to compliance. We continue to review our systems and processes working alongside our clients to enable us to anticipate and react to future changes in regulatory environments.

Liquidity risk – The company monitors cash flow as part of its day-to-day procedures and the board regularly considers cashflow projections and ensures the company maintains a prudent level of liquid assets and appropriate facilities are available to be drawn on as necessary. The group maintains strong cash balances and actively monitors cash flows to ensure appropriate liquidity levels.

Interest rate risk – The company had no outstanding external loans at 31 March 2023. During the year, the company did not borrow any short-term debt. As discussed below in the context of going concern the company expects to be able to continue to rely on cash from operations to meet its financing requirements.

Credit risk – The company's credit risk is primarily attributable to its trade receivables with key customers. The financial reliability of customers is assessed periodically. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where this is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the receivables.

Information technology/data risk – Loss of the IT network or data held within it could result in significant reputational and financial damage. The group has a dedicated IT function, with skill and experience in maintaining and monitoring the IT infrastructure. Business data is regularly backed up and stored in a secure off-site location. Email and internet filtering technology and firewall software is in place to restrict the impact of cyber-attacks. Regular notifications are sent to staff regarding the importance of remaining vigilant of phishing emails.

Tax risk – All transactions undertaken by the company have a business purpose and a commercial rationale. The company does not engage in any aggressive tax planning and does not implement structures purely for tax planning purposes. In relation to tax compliance, it is the policy of the company to fully comply with all applicable tax rules, regulations and disclosure requirements; submit all tax returns by their due dates and pay all applicable taxes as they fall due. The company uses appropriately qualified and trained employees to look after the company's tax affairs and uses external advisors as appropriate.

Economic risk – The directors have considered the market in which the company operates, its supply chain and workforce, and believes that the company has the necessary steps in place to regularly monitor, react and implement processes to mitigate the exposure to these macroeconomic impacts, and will be resilient should any adverse market affects arise. This specifically includes material and labour shortages (although both are currently easing), inflationary pressures, and risks associated with a possible UK recession, hereunder the current instability in the construction

Principal risks and uncertainties – (continued)

Economic risk – (continued)

industry. The directors will continue to monitor the potential impact on our business and assess the risks through the coming year and will consider political and economic developments as they arise.

Future developments

There are significant opportunities for the business to grow and expand its range of operations in terms of offering different house type and following different routes to market. However, the directors key focus will be on projects that offer acceptable target returns for our shareholders whilst ensuring that developments are successfully completed on time and budget for our customers.

Going concern

The Directors have prepared cashflow forecasts, which take into account reasonable sensitivities, in order to assess the future funding requirements of the Group and its committed finance facilities. After making appropriate enquiries, the Directors have reasonable expectation that the Company and the Group have adequate resources to continue in operating existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Section 172 statement

The directors of Partner Construction Limited recognise the importance of their duty under s172 of the Companies Act 2006 to act in good faith and in a manner that promotes the success of the group for the benefit of all its members.

The board of directors utilise their wide range of technical and industry knowledge and experience when making decisions, supported by management and senior staff. They consider the short- and long-term consequences these decisions have on stakeholders, employees and clients, as well as the impact of the group's operations on the community and the environment. The board continually strive for high standards of business conduct throughout the group and aim to deliver effective corporate governance to support the long-term success of the business.

Approved by the Board of Directors and signed on behalf of the Board

Ole Pugholm
Director
19 January 2024

Partner Construction Limited

Directors' report

The directors present their annual report on the affairs of the group, together with the audited financial statements and auditor's report, for the year ended 31 March 2023.

Details of future developments, principal risks and uncertainties and going concern are provided within the strategic report and form part of this report by cross reference.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors, who served throughout the year and to the date of this report except as noted, were as follows:

N P Armstrong	
C V Bray	
R J Brennan	(resigned 31 May 2022)
I Craggs	(resigned 31 May 2022)
P A Hunter	(resigned 05 October 2023)
C V L Lewis	(appointed 01 June 2022)
F J Lincoln	(resigned 31 May 2022)
O Pugholm	
D M Rooney	(appointed 01 June 2022)
K Shergill	

The group has made no qualifying third-party indemnity provisions for the benefit of its directors.

Political contributions

There were no political donations made during the period.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and the group newsletter. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Streamlined energy and carbon reporting

Partner Construction Limited is a fully owned subsidiary with the same financial year as its parent company United Living Group Holdings Limited. Partner Construction Limited has taken advantage of disclosure exemptions available to it in regard to SECR and included its figures in the Directors' report of United Living Group Holdings Limited. The group report complies with the relevant obligations to report the energy and carbon information for United Living Group Holdings Limited and all its subsidiaries and the report covers the year to 31 March 2023.

Partner Construction Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the board and signed on its behalf by:

Ole Pugholm
Director
19 January 2024

Media House
Azalea Drive
Swanley
Kent
BR8 8HU
United Kingdom

Partner Construction Limited

Statement of Directors' responsibilities in respect of the Annual report and the financial statements

The directors are responsible for preparing the Annual Report and the group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 Group and Parent Company and of the Groups profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Independent auditor's report to the members of Partner Construction Limited

Opinion

We have audited the financial statements of Partner Construction Limited ("the Company") for the year ended 31 March 2023 which comprise the consolidated profit and loss account, the consolidated and company balance sheet, the consolidated and company statement of changes in equity and the consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.

Independent auditor's report to the members of Partner Construction Limited (continued)

- Considering remuneration incentive schemes and performance targets.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates such as the stage of completion and margin recognition on turnover related to long term service/construction contracts.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts linked to revenue accounts, cash and borrowing accounts , intercompany accounts and investment accounts.
- Assessing significant accounting estimates for bias.
- Substantive testing of long-term turnover amounts throughout the period.
- Substantive testing of costs throughout the period.
- Substantive testing of forecast costs to complete and margin recognition on the assessed population of high-risk long-term contracts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, laws surrounding the contractual agreements with customers recognising the nature of the Group's activities, building regulations and fire safety regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report to the members of Partner Construction Limited (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of Partner Construction Limited (continued)

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

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

David Mitchell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

19 January 2024

Partner Construction Limited

Consolidated profit and loss account
For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Turnover	3	**50,953**	57,030
Cost of sales		**(46,510)**	(52,255)
Gross profit		**4,443**	4,775
Administrative expenses		**(3,476)**	(3,021)
Operating profit		**967**	1,754
Analysed as:			
Adjusted EBITDA		**1,175**	1,900
Depreciation and amortisation		**(38)**	(31)
Exceptional costs	5	**(170)**	(115)
Operating profit		**967**	1,754
Net finance income	4	**110**	42
Profit before taxation		**1,077**	1,796
Tax charge on profit	8	**(200)**	(282)
Profit and total comprehensive profit for the year		**877**	1,514

All operations are continuing.

There are no items of other comprehensive income in the financial period other than as stated in the profit and loss account.

Partner Construction Limited

Consolidated balance sheet
At 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9	**46**	84
		46	84
Current assets			
Stocks	11	**2,237**	2,250
Debtors (including £838k (2022: £1,428k) due after more than one year)	12	**10,620**	9,789
Cash at bank and in hand		**3,336**	4,958
		16,193	16,997
Creditors: amounts falling due within one year	13	**(13,315)**	(15,034)
Net current assets		**2,878**	1,963
Total assets less current liabilities		**2,924**	2,047
Net assets		**2,924**	2,047
Capital and reserves			
Called-up share capital	15	**-**	-
Profit and loss account	15	**2,924**	2,047
Shareholders' funds		**2,924**	2,047
Total capital employed		**2,924**	2,047

The notes on pages 18 to 31 form an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 19 January 2024.

They were signed on its behalf by:

Ole Pugholm
Director
Partner Construction Limited
Company registration number: 07410551 (England & Wales)

Partner Construction Limited

Company balance sheet
At 31 March 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Tangible assets	9	**46**	84
Investments	10	**118**	118
		164	202
Current assets			
Stocks	11	**2,237**	2,250
Debtors (including £838k (2022: £1,428k) due after more than one year)	12	**10,620**	9,682
Cash at bank and in hand		**3,335**	4,957
		16,192	16,889
Creditors: amounts falling due within one year	13	**(13,526)**	(15,133)
Net current assets		**2,666**	1,756
Total assets less current liabilities		**2,830**	1,958
Net assets		**2,830**	1,958
Capital and reserves			
Called-up share capital	15	-	-
Profit and loss account	15	**2,830**	1,958
Shareholders' funds		**2,830**	1,958

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company. The profit for the period dealt with in the financial statements of the parent company was £0.9m (2022:£1.5m).

These financial statements were approved by the board of directors and authorised for issue on 19 January 2024.

They were signed on its behalf by:

Ole Pugholm
Director
Partner Construction Limited
Company registration number: 07410551 (England & Wales)

Partner Construction Limited

Consolidated statement of changes in equity
For the year ended 31 March 2023

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2021	-	533	533
Total comprehensive income for the year			
Profit for the year	-	1,514	1,514
Balance as at 31 March 2022	-	**2,047**	**2,047**
Balance at 1 April 2022	-	2,047	2,047
Total comprehensive income for the year			
Profit for the year	-	877	877
Balance as at 31 March 2023	-	**2,924**	**2,924**

Partner Construction Limited

Company statement of changes in equity
For the year ended 31 March 2023

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 April 2021	-	459	459
Total comprehensive income for the year			
Profit for the period	-	1,499	1,499
Balance as at 31 March 2022	-	**1,958**	**1,958**
Balance at 1 April 2022	-	1,958	1,958
Total comprehensive income for the year			
Profit for the period	-	872	872
Balance as at 31 March 2023	-	**2,830**	**2,830**

Partner Construction Limited

Consolidated cash flow statement
For the year ended 31 March 2023

	Note	**2023 £'000**	2022 £'000
Cash flows from operating activities			
Operating profit		**967**	1,754
Adjustments for:			
Depreciation and amortisation	9	**38**	31
Operating cash flow before movement in working capital		**1,005**	1,785
Decrease/(increase) in stock		**13**	(206)
(Increase)/decrease in debtors		**(2,846)**	156
Increase/(decrease) in creditors		**(1,566)**	1,233
Cash (used) / generated in operating activities		**(3,394)**	2,968
UK corporation tax (paid) / received		**(338)**	581
Net cash (outflow)/ inflow from operating activities		**(3,732)**	3,549
Cash flows from investing activities			
Acquisition of tangible fixed assets	9	**-**	(77)
Net cash flows used in investing activities		**-**	(77)
Cash flows from financing activities			
Net interest received		**110**	42
Movement in intercompany loans		**2,000**	(3,445)
Net cash inflow /(outflow) from financing activities		**2,110**	(3,403)
Net (decrease) / increase in cash and cash equivalents		**(1,622)**	69
Cash and cash equivalents at beginning of year		**4,958**	4,889
Cash and cash equivalents at end of year		**3,336**	4,958

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

a. General information and basis of accounting

Partner Construction Limited (the company) is a company incorporated in England and Wales under the Companies Act.

The company is a private company limited by shares and is registered in England and Wales (registration number 07410551). The company is domiciled in the United Kingdom and its registered address is Media House, Azalea Drive, Swanley BR8 8HU.

The principal activities of the company and its subsidiaries (the group) and the nature of the group's operations are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Partner Construction Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling.

Partner Construction Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, intra group related party transactions, presentation of a company cash flow statement and remuneration of key management personnel.

b. Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Going concern

Going concern is initially considered at a Group level. The Group has been profitable at an operating level and cash generative during the year ended 31st March 2023, and has continued to generate robust operating profits in the period to the approval of these financial statements. The Directors have assessed the principal risks facing the Group and determined that there are no material uncertainties to disclose.

The Group continues to meet its day to day working capital requirements. At the balance sheet date the Group had a cash balance of £55.8m, a revolving credit facility of £15.1m (£10m of which was fully drawn at the year-end) and a combination of facilities with external lenders and the ultimate owners of the business of £137.5m. Whilst the balance sheet at 31 March 2023 has net current liabilities of £5.0m this does not present a concern given the post year end refinancing and the strong cash generation of the Group at an operating level.

Subsequent to the year end, on 1st August 2023, 100% of the issue share capital of United Living Holdings Limited was acquired by UL BidCo Limited, an intermediate holding company in the new group structure. The above senior loan notes were repaid and new senior debt of £168m was put in place. This loan will be reported within the consolidated accounts prepared for the new group going forward, with companies reported in these financial statements being guarantors to the loan facility. Management gave due consideration to the ability of the Group to meet the cash flow and covenant obligations introduced by this loan prior to raising the debt and remain comfortable that the Group's cash flow forecast

Notes to the financial statements (continued)
For the year ended 31 March 2023

1. Accounting policies (continued)

c. Going concern (continued)

show sufficient headroom on its ability to make payments as they fall due. The revolving credit facility was also replaced by a new £30m rolling credit facility which is committed until February 2030. This acquisition had no direct impact on the financial performance of the Group as reported in these financial statements.

In their assessment of going concern the Directors have prepared cashflow forecasts for the Group for the period to March 2028 (which include the activities and working capital requirements of the company), showing a base case and a sensitised case reflecting a severe but plausible downside scenario.

The key assumptions in the base case relate to revenue, the level of margin generated from secured contracts and revenue and margin from assumed new contract wins, and the working capital requirements associated with these assumptions. The base case demonstrates comfortable levels of cash resources and covenant compliance throughout the review period. Performance during 2023 to date is in line with the base case. The downside scenario demonstrates the effect of lower revenue and reduced margin. The downside scenario was designed to demonstrate a pessimistic downside and shows that sufficient cash headroom and covenant compliance can be maintained throughout the review period. The Group continues to present a strong cash position and the Group's cash flow forecast support the Directors' expectations that the business will be able to meet its obligations as they fall due. As a result, at the time of approving these financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and to remain covenant compliant under the terms of the new debt facility for at least 12 months from the date of approval of these financial statements, and for the foreseeable future thereafter. Consequently, they have continued to adopt the going concern basis of accounting in preparing these financial statements.

The Company is expected to be cash generative at an operating level and has no external debt. Whilst the Company does not expect to rely on financial support from its ultimate parent undertaking or any of its fellow subsidiaries, the directors of United Living Holdings Limited have indicated that it will make available such funds as needed by the Company and will not seek repayment of amounts due at the balance sheet date for at least 12 months from the date of approval of these financial statements. As with any entity placing reliance on other Group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so. 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.

d. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	25%, 33% and 50% straight line or term of lease
Fixtures & Fittings	20%, 25% and 33% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

e. Stocks

Work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

1. Accounting policies (continued)

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ("CGU") of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Notes to the financial statements (continued)
For the year ended 31 March 2023

1. Accounting policies (continued)

h. Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

i. 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 substantively 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. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

j. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. The company generates its revenue from short term service provision contracts and longer construction contracts.

1. Accounting policies (continued)

j. Turnover (continued)

Turnover from the supply of services represents the value of services provided to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a service contract has only been partially completed at the balance sheet date, and the outcome of that service can be estimated reliably, turnover represents the fair value of the service provided to date based on the stage of completion of that service at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Accrued income is recognised where revenue is recognised ahead of invoicing.

k. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. Where a contract spans the balance sheet date, revenue is normally measured at a valuation of work performed to date supported by quantity surveyor certified works valuation certificates, which are customer verified. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Accrued income is recognised where revenue is recorded ahead of invoicing.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Pre-contract development costs are capitalised on the Balance Sheet so long as there is a reasonable expectation of future recovery against an ultimate contract.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

l. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

m. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

n. Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Notes to the financial statements (continued)
For the year ended 31 March 2023

1. Accounting policies (continued)

n. Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key areas that include critical accounting judgements and estimates are:

Revenue recognition

Revenue is recognised as the fair value of the service provided to date based on the stage of completion of the contract activity. For service contracts, there is limited estimation uncertainty as revenue recognised to date is largely supported by customer verified works valuation certificates. For longer term construction contracts, there is again limited revenue estimation uncertainty as revenue is largely driven by customer certified works valuation certificates.

The certificates are payable within 21 – 28 days of invoice and the group has no history of bad or doubtful debts. The group is also not over reliant on any one Registered Provider.

Margin recognised on these contracts where the contract is incomplete involves the estimation of overall contract margin which considers the costs incurred to date, estimated costs to complete, risks associated with the contract and past experience of similar contracts. The consequent estimates and underlying assumptions of amounts recoverable on contracts and deferred income at the balance sheet date are reviewed on an ongoing basis.

3. Turnover

An analysis of the group's turnover by class of business is set out below.

Turnover:	**2023** **£'000**	2022 £'000
Property development	**50,953**	57,030
	50,953	57,030

All of the group's turnover is generated in the United Kingdom.

4. Net finance income/(expense)

	2023 **£'000**	2022 £'000
Interest due from group undertakings	**109**	57
Interest payable on group borrowings	**-**	(14)
Other interest payable	**1**	(1)
	110	42

Notes to the financial statements (continued)
For the year ended 31 March 2023

5. Operating profit

Operating profit is stated after charging:

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets (note 9)	**38**	31
Operating lease rentals		
- Land and buildings	**71**	69
- Plant and machinery	**31**	70
Exceptional costs	**170**	115

The directors have identified costs of £170,000 (2022: £115,000) that are exceptional due to their magnitude and non-recurring nature. Exceptional costs in the year relate to restructuring costs following a review into the organisational structure and downtime incurred due to the Queens funeral.

In order to truly reflect the continuing performance of the business, these costs have been separately disclosed.

The analysis of the auditor's remuneration is as follows:

	2023 £'000	2022 £'000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	**34**	29
The audit of the company's subsidiaries and consolidation	**7**	7
Total audit fees	**41**	36
Taxation compliance services	-	-
Other services	-	-
Total non-audit fees	-	-

No services were provided pursuant to contingent fee arrangements.

6. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2023 Number	2022 Number
Operations	**24**	24
Administration	**25**	38
	49	62

Notes to the financial statements (continued)
For the year ended 31 March 2023

6. Staff numbers and costs (continued)

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	**3,247**	3,467
Social security costs	**357**	362
Pension costs	**118**	144
	3,722	3,973

Pension costs are included within operating costs and relate to defined contribution pension schemes.

7. Directors' remuneration and transactions

	2023 £'000	2022 £'000
Directors' remuneration		
Emoluments	**244**	248
Company contributions to defined contribution pension scheme	**8**	34
	252	282

	Number	Number
The number of directors who:		
Are members of a defined contribution pension scheme	**2**	2

	2023 £'000	2022 £'000
Remuneration of the highest paid director:		
Emoluments	**100**	140
Company contributions to defined contribution pension schemes	**7**	22
	107	162

The highest paid director is a member of the company's defined contribution pension scheme. All other directors are remunerated by other group companies headed by United Living Holdings Limited.

Company contributions into a defined contribution pension scheme in the year totalled £8,000 (2022: £34,000).

8. Taxation

The tax charge comprises:

	2023 £'000	2022 £'000
Current tax		
UK corporation tax	**215**	258
Group relief paid	**-**	83
Adjustments in respect of prior years	**2**	-
Other	**-**	(33)
Total current tax	**217**	308
Deferred tax		
Origination and reversal of timing differences	**(11)**	1
Adjustments in respect of prior years	**(2)**	(1)
Effect of changes in tax rates	**(4)**	(26)
Total deferred tax (see note 14)	**(17)**	(26)
Taxation charge for the period	**200**	282

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021. The deferred tax balances at the balance sheet date have been calculated at the tax rate that is expected to apply to the reversal of the related difference.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2023 £'000	2022 £'000
Group profit before tax	**1,077**	1,796
Tax on group profit at standard UK corporation tax rate of 19% (2022: 19%)	**205**	341
Effects of:		
- Expenses not deductible for tax purposes	**1**	2
- Adjustments to tax charge in respect of previous periods	**(2)**	(35)
- Tax rate changes	**(4)**	(26)
Group total tax charge for the period	**200**	282

9. Tangible fixed assets

Group and Company	Fixtures & fittings £'000	Leasehold improvements £'000	Total £'000
Cost or valuation			
At 31 March 2022	173	9	182
Additions	-	-	-
Disposals	(79)	(6)	(85)
At 31 March 2023	**94**	**3**	**97**
Depreciation			
At 31 March 2022	91	7	98
Charge for the year	37	1	38
Disposals	(79)	(6)	(85)
At 31 March 2023	**49**	**2**	**51**
Net book value			
At 31 March 2023	**45**	**1**	**46**
At 31 March 2022	82	2	84

10. Investments in subsidiary undertakings

	Group 2023 £'000	**Company 2023 £'000**	Group 2022 £'000	Company 2022 £'000
Subsidiary undertakings	-	**118**	-	118

The parent company and the group have investments in the following subsidiary undertakings:

	Registration No.	**Principal activity**	**Percentage of shares held**
Subsidiary undertakings			
Partner Contracting Limited	03512999	Residential development	100%

The registered office of the above subsidiary undertakings is Media House, Azalea Drive, Swanley, Kent, BR8 8HU. The above subsidiary undertakings are incorporated in England and Wales.

11. Stock

	Group 2023 £'000	**Company 2023 £'000**	Group 2022 £'000	Company 2022 £'000
Work in progress	**2,237**	**2,237**	2,250	2,250

Notes to the financial statements (continued)
For the year ended 31 March 2023

12. Debtors

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Amounts falling due within one year:				
Trade debtors	**3,375**	**3,375**	3,136	3,136
Other debtors	**438**	**438**	383	383
Amounts recoverable on contracts	**6,246**	**6,246**	3,975	3,975
Amount due from group undertakings	**73**	**73**	2,006	2,006
Prepayments	**152**	**152**	66	66
VAT	**212**	**212**	-	-
Corporation tax	-	-	107	-
Deferred tax asset	**124**	**124**	116	116
	10,620	**10,620**	9,789	9,682

Group and company

£838,000 (2022: £1,428,000) of trade debtors relates to retentions that are not expected to be recovered until more than one year.

Included in the amounts owed by group undertakings are loans to a parent company totalling £nil (2022: £2,000,000) that are unsecured, repayable on demand and attract interest at 4% above Lloyds Bank plc base rate. The remaining balance is repayable on demand and attracts no interest, but which is expected to be settled after more than one year.

All financial assets are measured at amortised cost.

13. Creditors – amounts falling due within one year

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Trade creditors	**8,472**	**8,120**	6,120	5,507
Amounts due to group undertakings	**1,114**	**1,558**	613	1,325
Social security and other taxes	**141**	**141**	127	127
Other payables	**1,976**	**1,976**	1,167	1,167
Corporation Tax	**75**	**194**	246	246
Deferred Tax	-	-	9	9
Accrued expenses	**1,537**	**1,537**	6,752	6,752
	13,315	**13,526**	15,034	15,133

All financial liabilities are measured at amortised cost.

14. Deferred tax assets and liabilities

Deferred taxation
Deferred tax is provided as follows:

	Deferred tax liability £'000	Deferred tax asset £'000	Total £'000
At start of period	(9)	116	107
Deferred tax credited to profit and loss account	9	8	17
Deferred tax asset	-	**124**	**124**

	2023 £'000	2022 £'000
Group		
Accelerated capital allowances	1	(9)
Timing differences	123	116
Deferred tax asset	**124**	107

Deferred tax assets and liabilities are offset only where the group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the group.

15. Called-up share capital and reserves

Shares classified as equity	2023 £	2022 £
Allotted, called-up and fully paid		
1 ordinary share of £1 each	1	1
	1	1

Ordinary shares

The company has one class of ordinary shares which carry no right to fixed income.

Profit and loss reserve

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

16. Financial commitments

There were no capital commitments that were contracted for but not provided in the financial statements at 31 March 2023.

The company is party to a cross guarantee and debenture with other group companies in respect of bank facilities. The directors do not expect any loss to arise as a result of this arrangement.

16. Financial commitments (continued)

Certain group undertakings have entered into performance guarantees in the normal course of business. Partner Construction Limited is party to a deed of indemnity in respect of these guarantees. In the opinion of the directors no loss will arise.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings 2023 £'000	**Other 2023 £'000**	Land and buildings 2022 £'000	Other 2022 £'000
Group and company				
- Within one year	**81**	**24**	52	17
- Between one and five years	**181**	**18**	262	11
- After five years	**-**	**-**	-	-
	262	**42**	314	28

17. Employee benefits

Defined contribution schemes

The group operates defined contribution retirement benefit schemes for all qualifying employees in the United Kingdom. The total expense charged to profit or loss in the period ended 31 March 2023 was £118,000 (2022: £144,000).

18. Related party transactions

The company and group are exempt from disclosing any transactions or balances with other members of the group headed by United Living Holdings Limited.

19. Controlling party

Partner Group UK Limited, incorporated in England and Wales, is regarded by the directors of the company as the immediate parent company and United Living Holdings Limited, incorporated in England and Wales, is regarded as the ultimate parent company as at 31 March 2023. During the year, and as at the 31 March 2023, the group was controlled by Elysian Capital II LP of 1 Southampton Street, London, WC2R 0LR, on the basis that it controlled a controlling interest in the voting rights of the share capital of United Living Holdings Limited.

On the 1st August 2023 United Living Holdings Limited, the ultimate parent company, was acquired by UL BidCo Limited. Following the acquisition, the ultimate parent company is now UL TopCo Limited which is registered and incorporated in Jersey.

The smallest group in which the results of Partner Construction Limited are consolidated is that headed by the company. The financial statements of Partner Construction Limited may be obtained from Media House, Azalea Drive, Swanley, Kent, BR8 8HU.

The largest group in which the results of Partner Construction Limited are consolidated is that headed by United Living Holdings Limited, a company incorporated in England and Wales. The financial statements of United Living Holdings Limited may be obtained from Media House, Azalea Drive, Swanley, Kent, BR8 8HU.

At the date of approval of these financial statements the Company is ultimately controlled by funds managed by Apollo Impact Mission Fund, L.P. a Delaware Limited Partnership.

Notes to the financial statements (continued)
For the year ended 31 March 2023

20. Post balance sheet events

On 1st August 2023, 100% of the issued share capital of United Living Holdings Limited (the ultimate parent company of Partner Construction Limited) was acquired by UL BidCo Limited. The new ultimate parent undertaking is UL TopCo Limited, a Company incorporated in Jersey.

The acquisition was partially funded via a term loan taken out by UL BidCo Limited. This loan will be reported within the consolidated accounts prepared for the new Group going forwards with the company being a guarantor to the loan facility.