

Company Registration No. 08508165 (England and Wales)

JUST CASH FLOW PLC

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE**



JUST CASH FLOW PLC

COMPANY INFORMATION

Directors:

Mr John Davies
Mr John McLellan
The Just Loans Group Plc

Secretary

Mr George Robert Boot

Registered number:

08508165 (England & Wales)

Registered office:

1 Charterhouse Mews
London
EC1M 6BB

Auditors:

Jeffreys Henry LLP
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Bankers:

Santander Bank Plc
4th Floor
100 Ludgate Hill
London
EC4M 7RE

Solicitors:

DWF Solicitors
20 Fenchurch Street
London
EC3M 3AG

John Morse Solicitors
St.Helen's House
156, Helens Road
Swansea
SA1 4DG

JUST CASH FLOW PLC

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JUST CASH FLOW PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities and fair review of the business

Just Cash Flow PLC ("the company") provides revolving credit facilities to small and medium enterprises that struggle to obtain traditional sources of funding for a variety of reasons. The company made a loss of £3,116,968 (2018 - £2,274,852) for the year to 31 December 2019. The focus of the company will be to grow its revolving credit facilities offered to struggling small and medium enterprises.

Principal risks and uncertainties

The principal risk to the business is that the borrowers will default on their interest payments or capital repayments. It is intended that the company will closely monitor the performance of the borrowers but the company will be subject to the risk of fraud by the borrower. The company also faces risks from economic factors including the effect of the Covid pandemic, fluctuations in exchange rates and the ability to secure future investments.

Whilst the directors realise that there has been cash burn in building the process and platforms of the business, they consider that the company has adequate resources for ongoing operating expenses due to the revenues now been generated from the operations. Further discussion on risk and sensitivity analysis is discussed in Note 4.

In the light of the current COVID-19 outbreak the directors are prudently protecting its cash. Its further development, duration and impact cannot be predicted but the company is well placed to meet the challenges.

Key performance indicators

The performance indicators relative to revenue and gross margin follows. There was no significant capital expenditure in the period. There are no non-financial performance indicators being used at present. Salient points are:

	2019	2018
	£	£
Turnover	10,791,560	5,137,005
Gross Profit	10,057,680	3,971,661
Loss for the period	(3,116,967)	(2,274,852)
Cash and cash equivalents	1,529,206	13,112,676

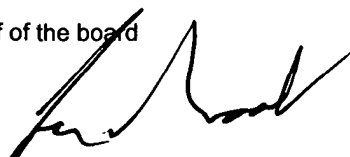
Dependence on key personnel

Whilst the company is able to rely on the continuing support of the executive team of its parent, the retention of the services of the executive directors cannot be guaranteed.

Future developments

The use of technology as a brand builder via Fintech will aim to grow the brand and the company hopes to continue providing revolving credit facilities for UK businesses which are require an injection of working capital. The revolving credit facility completely mirrors a normal bank overdraft - the most popular way companies fund their day to day business.

On behalf of the board



Mr George Robert Boot on behalf of
JLG Group PLC

Director

29/09/2020

JUST CASH FLOW PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company is as a holding company whose subsidiaries provide revolving credit facilities to small and medium enterprises that struggle to obtain traditional sources of funding for a variety of reasons.

Results and dividends

The results for the period are set out on page 12.

Future developments

These are disclosed in the strategic report.

Directors

The following directors have held office during the financial year:

Mr John McLellan

Mr John Davies

JLG Group Plc

Directors' interests

At the date of this report the company was a fully owned subsidiary of JLG Group Plc. The beneficial interest held by the directors is as disclosed in the consolidated group accounts which can be obtained from the company's website.

Financial risk and management of capital

The major balances and financial risks to which the company is exposed, and the controls in place to minimise those risks, are disclosed in Note 4. The principal current assets of the business are cash, amounts owed from group undertakings and its loan book. The principal financial instruments employed therefore by the company are cash, or cash equivalents, and the directors ensure that the business maintains surplus cash reserves to minimise liquidity risk.

A description of how the company manages its capital is also disclosed in Note 4.

The Board considers and reviews these risks on a strategic and day-to-day basis in order to minimise any potential exposure.

Financial Instruments

The company has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

In January 2017, the company signed an agreement to raise £25m for 3 years from November 2016 at a rate of 7.25% interest and a further £25m for 5 years from November 2016 at rate of 8.5% interest.

To date, the company has raised £37.0m on the November 2021 and £22.5m on the November 2019 which was subsequently fully repaid.

In November 2019, JCF 2023 Bonds terms were varied. Its maturity date was extended from 31 December 2023 to 14 November 2024. The rate of Interest increased from 6.75% to 8.00%. As of 31 December 2019 it had raised £25.2m.

JUST CASH FLOW PLC

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

Auditors

Jeffreys Henry LLP were re-appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Due to the change in nature and structure of the Group, advantage has been taken of Section 3.15 of the 2016 Ethical Standards, allowing the audit engagement partner to continue in his role for the audit for the year ending 31 December 2019.

Customers

The further development, duration and impact of the COVID-19 cannot be predicted but JLG Group is well placed to support its customers and to have a forward thinking plan when we exit this uncertain time.

In response to COVID 19, the company designed a proactive customer engagement strategy which entailed a series of questionnaires. This allowed the business to understand the customers needs at this time. Based upon this the company have followed a number of remedies, those wishing of deferring the interest payment and of extending the facility amount and term. This coupled with the Government offering of deferral of VAT payments and loans via CBIL (Coronavirus Business interruption loan scheme) has given the customers support.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. 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 Company, and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Company and Company financial statements have been prepared in accordance with IFRS as adopted by the European Union subject to any material departures disclosed and explained in the Financial Statements; 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 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. They 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.

JUST CASH FLOW PLC

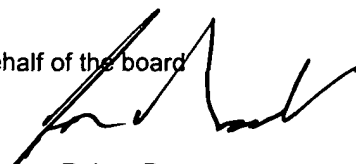
DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



Mr George Robert Boot

Director

JLG Group

29/09/2020

JUST CASH FLOW PLC

CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Board has sought to comply with a number of the provisions of the UK Corporate Governance Code ("Code") published by the Financial Reporting Council in so far as it considers them to be appropriate to company of their size and nature. They make no statement of compliance with the Code overall and do not 'explain' in detail any aspect of the Code with which they do not comply.

Audit Committee

The directors have formed an Audit Committee. The Chairman of the committee is John McLellan. The other members of the Audit Committee are John Davies and Robert Boot. The Chairman of the Audit Committee has the right to require the attendance of the Finance Director of the company at meetings of the committee.

The audit committee operates within the following terms of reference:

- to monitor the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, reviewing significant financial reporting judgements contained in them;
- to review the company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the Board itself, to review the company's internal control and risk management systems;
- to monitor and review the effectiveness of the company's internal audit function;
- to make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements; and
- to develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm, and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

As and when the company employs staff the Audit Committee is to review arrangements by which such staff may raise concerns about possible improprieties in matters of financial reporting or other matters so that a proportionate and independent investigation of such matters can take place, together with the instigation of appropriate follow up action.

The Audit Committee will also consider annually whether there is any need to put in place an internal audit function which, if put in place, is to be monitored and reviewed by the Audit Committee.

Internal controls

The Board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and company assets. The directors monitor the operation of internal controls. The objective of the system is to safeguard company assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance against material misstatement or loss.

Internal financial control procedures undertaken by the Board include:

- Review of biannual financial reports and monitoring performance.
- Prior approval of all significant expenditure/loans including all major investment decisions.
- Review and debate of treasury policy.

The Board has reviewed the operation and effectiveness of the company's system of internal control for the financial period and the period up to the date of approval of the financial statements.

JUST CASH FLOW PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

UK Corporate Governance Code

The directors have adopted the principles set out in the Code. While they acknowledge the principle of a clear division of responsibilities between the running of the Board of Directors and the executive responsibility for the running of the company's business, they consider that the company's business can best be advanced by the Board of Directors acting as one body in making investment decisions.

The Board considers that the principle in the Code relating to relations with shareholders should also apply to relations with holders of Debentures. Although the holders of Debentures will not attend general meetings of the company the Board believes that communication with holders of Debentures on a regular basis is important.

The directors have considered the provision in the Code for the appointment of one of the independent Non-Executive Directors to be the senior Independent Director. At the current time the Board is not large enough to accommodate such an appointment. The directors will however, consider the appointment of a senior Independent Director when appropriate.

JUST CASH FLOW PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUST CASH FLOW LIMITED

Opinion

We have audited the financial statements of Just Cash Flow Plc (for the year ended 31 December 2019 which comprise of the statement of comprehensive income, the statement of financial position, the statement of cash flow, the 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 the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the provisions of the Companies Act 2006.

In our opinion

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the loss for the year then ended;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements 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 as applied to listed entities, 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements which explains that the Company's ability to continue as a going concern is reliant on the Company being able to refinance its current borrowings and the continuing financial support of the parent company, JLG Group Plc (formerly The Just Loans Group Plc) so that the Company can pay its debt as and when they fall due. These events or conditions, along with other matters as set out in note 2 indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

JUST CASH FLOW PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JUST CASH FLOW LIMITED

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
<p>The Company had total revenues of £10,791,560 (2018 - £5,137,005) relating to interest income.</p> <p>Per the IFRS standards applied interest income is to be recognised using the effective interest rate method. The calculation of interest income using this method can be complex and needs to account for the varying details of each and every facility.</p> <p>Managements' accounting policy for revenue recognition can be found in note 2.4.</p> <p>The key audit matter was determined to be the accuracy of the effective interest rate applied in each loan portfolio.</p>	<p>We first understood management's process and key controls around revenue recognition by reviewing the processes in place and enquired about any changes to this process implemented during the year.</p> <p>We tested a sample of facilities for accuracy and completeness of revenue by agreeing the details in the Company's loan processing system to the underlying agreements with customers.</p> <p>For this sample we then recalculated interest to ensure the correct amount of revenue is being recognised.</p> <p>We traced the total revenue charged per Company's loan processing system to the accounts to ensure information is being accurately transferred.</p> <p>We performed an analytical review of interest income charged on the Company's loan portfolio in total on a month by month basis and compared the effective interest in total to expectations based on the facilities sampled.</p>
<p>Carrying value and recoverability of loans and advances to customers</p> <p>Loans and advances to customers for the Company as at 31 December 2019 were £42,578,505 (2018 - £32,398,935). This balance is net of a provision for an expected credit loss of £1,677,853 (2018 - £1,157,638).</p> <p>IFRS 9 requires that entities recognise a loss allowance for expected lifetime credit losses in respect of financial assets held at amortised cost. Management are required to make an assessment based on a number of complex judgments and estimates relating to customer default rates and the Company's exposure in the case of default. These assessments are based on historical results and the experience of management.</p>	<p>We first discussed with management the Company's policy for recognising a provision in line with the expected loss model per IFRS 9.</p> <p>We reviewed the specific bad debt provision policy and ensured this was being applied consistently by testing a sample of loans in default with no provision and ensured the Company had sufficient security in place to warrant no provision being made.</p> <p>Consideration was given to the impact of Covid-19 and the global economic downturn on the sufficiency of the provision, and the overall rate of default.</p> <p>We reviewed the general provision policy and ensured the method of calculation was reasonable given historical losses as a result of default.</p>

JUST CASH FLOW PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JUST CASH FLOW LIMITED

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Going concern assumption</p> <p>The Company is dependent upon its ability to generate sufficient cash flows to meet continued operational costs and hence continue trading.</p> <p>The Company is also dependent upon the continued support from the Parent Company, JLG Group Plc.</p> <p>The going concern assumption is dependent on future growth of the current business which requires additional funding to grow the scale of the business.</p> <p>The going concern assumption is also dependent on the Parent Company not demanding payment of the intercompany loan.</p>	<p>Management's going concern forecasts include a number of assumptions related to future cash flows and associated risks. Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.</p> <p>Specifically we obtained, challenged and assessed management's going concern forecast and performed procedures including:</p> <ul style="list-style-type: none">• Verifying the consistency of key inputs relating to future costs and production to other financial and operational information obtained during the audit;• Performing sensitivity analysis on managements "base case", including applying downside scenarios such as slower and restricted revenue growth and higher finance costs whilst considering the mitigating actions highlighted by management in the event that they were required.• Obtaining written assurances from the Parent Company concerning its continued support. <p>For the Company's borrowing needs we reviewed management's plans to refinance and raise additional funds. We assessed the reasonableness of these plans based on the current economic environment, the Group's future outlook, and management's previous record of refinancing short term borrowings.</p>

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

JUST CASH FLOW PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JUST CASH FLOW LIMITED

Our application of materiality (continued)

Overall materiality	£108,000 (31 December 2018: £84,000).
How we determined it	1.5% of revenue. (2018 1.5% of revenue).
Rationale for benchmark applied	We believe that revenue is the primary measure used by the shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £5,400 (31 December 2018: £4,200) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially 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.

JUST CASH FLOW PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JUST CASH FLOW LIMITED

Matters on which we are required to report by exception

In the 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

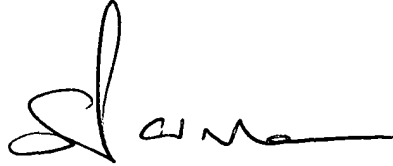
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

JUST CASH FLOW PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF JUST CASH FLOW LIMITED

Use of this 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.



Sanjay Parmar (Senior Statutory Auditor)

For and on behalf of Jeffreys Henry LLP, Statutory Auditor

Finsgate
5-7 Cranwood Street
London EC1V 9EE
29/09/2020

JUST CASH FLOW PLC

STATEMENT OF CONSOLIDATED INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

		Year ended 31 December 2019	Year ended 31 December 2018
	Notes	£	£
Continuing operations			
Revenue	5	10,791,560	5,137,005
Cost of sales		(733,880)	(1,165,344)
Gross Profit		10,057,680	3,971,661
Administrative Expenses		(5,524,673)	(2,346,444)
Operating profit / (loss)	6	4,533,007	1,625,217
Finance costs	8	(7,698,631)	(3,974,086)
Loss on ordinary activities before taxation		(3,165,624)	(2,348,869)
Income tax (charge) / credit	9	48,657	74,017
Loss for the year		(3,116,967)	(2,274,852)
Loss per share (expressed in pence per share)	10	(62.34p)	(45.50p)

The notes on pages 16 to 32 form part of these financial statements.

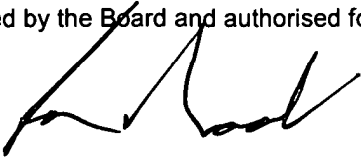
JUST CASH FLOW PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		As at 31 December 2019	As at 31 December 2018
	Notes	£	£
Non-current assets			
Right of use asset	12	36,914	-
Loans and advances to customers	13	19,022,983	11,484,295
Other receivables	14	-	335,752
		<u>19,059,897</u>	<u>11,820,047</u>
Current assets			
Loans and advances to customers	13	23,555,523	20,914,640
Other receivables	14	33,617,457	14,608,563
Cash and cash equivalents	15	1,529,206	13,112,676
		<u>58,702,186</u>	<u>48,635,879</u>
Total assets		<u><u>77,762,083</u></u>	<u><u>60,455,926</u></u>
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	16	50,000	50,000
Preference shares	17	450,000	450,000
Accumulated losses	18	(10,423,885)	(7,306,918)
Total equity		<u>(9,923,885)</u>	<u>(6,806,918)</u>
Non-current liabilities			
Lease liability	12	22,440	-
Borrowings	19	61,870,209	26,121,922
		<u>61,892,649</u>	<u>26,121,922</u>
Current liabilities			
Lease liability	12	15,912	-
Borrowings	19	1,836,781	23,448,392
Trade and other payables	20	23,940,626	17,692,530
		<u>25,793,319</u>	<u>41,140,922</u>
Total liabilities		<u><u>87,685,968</u></u>	<u><u>67,262,844</u></u>
Total equity and liabilities		<u><u>77,762,083</u></u>	<u><u>60,455,926</u></u>

The notes on pages 16 to 32 form part of these financial statements.

Approved by the Board and authorised for issue on 29 September 2020


Mr George Robert Boot on behalf of
JLG Group Plc
Director
Company Registration No. 08508165

JUST CASH FLOW PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Ordinary Shares £	Preference Shares £	Accumulated Losses £	Total £
At 1 January 2018	50,000	450,000	(5,032,066)	(4,532,066)
Loss for the year	-	-	(2,274,852)	(2,274,852)
At 31 December 2018	<u>50,000</u>	<u>450,000</u>	<u>(7,306,918)</u>	<u>(6,806,918)</u>
Loss for the year	-	-	(3,116,967)	(3,116,967)
At 31 December 2019	<u>50,000</u>	<u>450,000</u>	<u>(10,423,885)</u>	<u>(9,923,885)</u>

Share capital is the amount subscribed for shares at nominal value.

Accumulated losses represent the cumulative loss of the company attributable to equity shareholders.

The notes on pages 16 to 32 form part of these financial statements.

JUST CASH FLOW PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Cash flows from operating activities			
Cash generated from operations	22	(22,270,747)	(18,619,647)
Finance costs paid		(4,865,633)	(1,939,008)
R&D Tax receipt		48,657	74,017
Interest received		-	-
Net cash generated from operating activities		(27,087,723)	(20,484,638)
Cash flows from financing activities			
Net Proceeds from issue of debenture and other loans		26,536,087	27,881,275
Debentures and other loans repaid		(12,574,517)	(283,477)
Payment of lease liability		-	-
Net cash generated from financing activities		13,961,570	27,597,798
Net Increase in cash and equivalents		(13,126,153)	7,113,160
Cash and cash equivalents at beginning of the year		13,112,676	5,999,516
Cash and cash equivalents at end of period		(13,477)	13,112,676

The notes on pages 16 to 32 form part of these financial statements.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Just Cash Flow Plc is a company incorporated in the United Kingdom. The address of the registered office is disclosed on the company information page at the front of the annual report. The principal activities of the company are described in the directors' report.

The company is a public limited company with debentures listed on the Cyprus Stock Exchange market.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. IFRS comprises of standards issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Going concern

The parent company, JLG Group PLC, has undertaken to provide continuing financial support for the foreseeable future and in any event for the next 12 months following the date of approval of the financial statements, so that the company can pay its debts as and when they fall due. Such financial support is also pursuant to the company obtaining additional long-term funding.

The further development, duration and impact of COVID-19 cannot be predicted but the company is well placed to support its customers and to have a forward thinking plan when we exit this uncertain time.

The company has secured institutional funding of £83.0m to date of which £48.7m had been drawn as at 31 December 2019. Included in the £83.0m, is a £50.0m bond raising which has secured a credit rating of A. £23.4m of the funding matured in November 2019 which has been fully paid off.

Debentures of £1.8m which matured in December 2019 have been fully paid off and, as in previous years, the majority of investors have reinvested in the company's JCF 2021 Debentures.

The company is in discussion with a number of new funders at a significantly lower cost and the Directors are confident that new funds will be obtained not only to refinance the expiring facilities but also to finance the forecast growth for at least the next 24 months. The Directors therefore believe that the necessary funding will be available to the company to enable them to trade for the foreseeable future. However, as at the date of this report the Directors acknowledge that there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include any adjustments that would result if the necessary financing was not secured by the company or if the above support was withdrawn.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2.1 Basis of preparation (continued)

The company has adopted the following new and amended IFRSs as of 1 January 2019:

IFRS 16 Leases

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting IFRS. Further information on the impact of the new policy is disclosed in note 2.12.

The following new standards, amendments to standards and interpretations have been issued :

Improvements to IFRSs	Annual Improvements 2015-2017 Cycle1: Amendments to 2 IFRSs and 2 IASs
-----------------------	--

2 Effective for annual periods beginning on or after 1 January 2021

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the steering committee that makes strategic decisions.

2.3 Financial Instruments

i. Recognition and initial measurement

The company initially recognises loans and advances, trade and other receivables/payables and borrowings plus or minus transaction costs when and only when the company becomes party to the contractual provisions of the instrument.

Financial assets at amortised cost

The company's financial assets at amortised cost comprise trade and other receivables and loans to customers. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows.

They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise trade and other payables and debentures. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method.

The following table provides reconciliation between line items in the statement of financial position and categories of financial instruments.

	Amortised cost £	Total carrying amount £
31 December 2019		
Cash and cash equivalents	1,529,206	1,529,206
Loans and advances to customers	42,578,506	42,578,506
Trade and other receivables	33,617,457	33,617,457
Total financial assets	77,725,169	77,725,169
 Borrowings	63,706,990	63,706,990
Trade and other payables	23,940,626	23,940,626
Total financial liabilities	87,647,616	87,647,616

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.3 Financial Instruments (continued)

31 December 2018	Amortised cost £	Total carrying amount £
Cash and cash equivalents	13,112,676	13,112,676
Loans and advances to customers	32,398,935	32,398,935
Trade and other receivables	14,944,315	14,944,315
Total financial assets	60,455,926	60,455,926
Borrowings	49,570,314	49,570,314
Trade and other payables	17,692,530	17,692,530
Total financial liabilities	67,262,844	67,262,844

ii. Derecognition

Financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

iii. Impairment

In accordance with IFRS 9 an expected loss provisioning model is used to calculate an impairment provision. We have implemented the IFRS 9 approach to measuring expected credit losses ('ECL') arising from loans and advances to customers, being a lifetime expected credit loss. In the previous year the incurred loss model is used to calculate the impairment provision. Full details of the calculation of the ECL can be found in Note 3.1.

2.4 Revenue

Revenue comprises of interest income, arrangement and management fees on financial assets. Interest income is recognised using the effective interest method. Arrangement and management fees are generally recognised on the accruals basis when the service has been provided.

The effective interest method calculates the amortised cost of a financial asset and allocated the interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the company takes into account all contractual terms of the financial instrument but does not consider future credit losses.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.5 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.6 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

2.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings consist of interest bearing debentures which are quoted.

2.9 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.10 Income tax expense

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2.11 Leases

For any new contracts entered into on or after 1 January 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

At lease commencement date, the company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the company, an estimate of any costs to dismantle and remove the asset, or restore a property, at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It will also be remeasured to reflect any reassessment or modification, or if there are changes in the in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2.12 Change in accounting policies

This note explains the impact of the adoption of IFRS 16 Leases on the company's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 can be found below.

On adoption of IFRS 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8%.

The company held no assets classified as finance leases at the date of transition.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.12 Change in accounting policies (continued)

(i) Practical expedients applied

In applying IFRS 16 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review
- there were no onerous contracts as at 1 January 2019
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

	1 January 2019 £000
Operating lease commitments disclosed as at 31 December 2018	24
Discounted using incremental borrowing rate at date of initial application	21
Adjustments as a result of different treatment of termination options	30
Lease liability recognised in statement of financial position	<u>51</u>
Of which:	
Current lease liabilities	16
Non-current lease liabilities	<u>35</u>
	<u>51</u>

(iii) Measurement of right-of-use assets

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right of Use Assets – Increased by £50,757
- Lease liabilities – Increased by £50,757
- There was no net impact on retained earnings.

3 Critical accounting estimates and judgments

The company makes certain judgements and estimates which affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3.1 Impairment of loans and advances to customers and other receivables

IFRS 9 significantly overhauled the requirements and methodology used to assess credit impairments by transitioning to a forward- looking approach based on an expected credit loss model. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

After a detailed review, the Company devised and implemented an impairment methodology in line with the IFRS 9 requirements outlined, and have categorized loans to customers into the following stages:

- Stage 1—as soon as a financial instrument is originated or purchased, 12-month expected credit losses are recognised in profit or loss and a loss allowance is established. This serves as a proxy for the initial expectations of credit losses.
- Stage 2—if the credit risk increases significantly and is not considered low, full lifetime expected credit losses are recognised in profit or loss. A significant increase in credit risk is deemed to occur on:
 1. the borrower being over 12 weeks delinquent (delinquency is established when 3 weekly payment collections are missed),
 2. the borrower suffering more than 3 periods of delinquency in 12 months; or
 3. an uncorrected termination event.
- Stage 3—if the credit risk of a financial asset increases to the point that it is considered credit-impaired, lifetime expected credit losses are recognised on these financial assets. Financial assets in this stage will generally be assessed individually.

In accordance with Stage 1 of IFRS 9 and in line with our prudent commercial practices the company maintains a general provision against its loan book, recognising 0.50% Expected Credit Losses upon writing any new facilities not secured against tangible assets. The ECL was derived by reviewing the company's historical loss rate.

A difference of 0.25% in the general provision would have increased it by £58k on the value of loans to customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3.1 Impairment of loans and advances to customers and other receivables (continued)

Specific provisions are our means of accounting for stages 2 and 3 of IFRS 9.

We recognise a fundamental difference between the prospects of recovery from lending secured only by Personal Guarantees and lending secured against tangible assets (personally or of the customer or guarantors' company). We therefore set three rules for establishing a specific provision:

Provisions are sought the earlier of:

- Demonstrable evidence is obtained proving that borrowers Net Asset Value or the value of the tangible security held by the company does not cover 75% of the balance outstanding from the customer.
- Where we only benefit from Personal Guarantee security after a period of 6 months in Default.
- Where we benefit from tangible security (including all forms of charges and notices) after a period of 12 months in Default.
- The valuation assumed for a specific provision will always allow for a degree of subjectivity, as every deal and security structure is different. However, broadly, the Company operates to the following guidance:
- Where specific provision is required, the company will take to provision an amount equivalent to the difference between the provable recovery (net of costs) from known security and the balance outstanding from the customer. In the absence of provable recovery, the company will provide for the full balance. Any and all receipts from provided for accounts will be added back under changes to provisions.

Management have considered the impact of COVID-19 on both of the following:

- If the credit risk (risk of default) has increased significantly since initial recognition
- the estimate of ECL itself. This includes
 - the credit risk (risk of default) - if debtors' business is adversely impacted by COVID-19;
 - the amount at risk if the debtor defaults (exposure at default); where the debtors affected by COVID-19 might draw on existing unused borrowing facilities, or take longer than normal to pay resulting in a greater amount at risk; and
 - the estimated loss as a result of default, where with COVID-19 results in a decrease in the fair value of a non-financial asset pledged as collateral i.e personal guarantees

4 Financial risk management

4.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

a) Credit risk

The company take on exposure to credit risk, which is this risk that the counterparty will be unable to pay amounts in full when due. A formal Credit Risk Policy has been agreed by the Board who review credit risk on a monthly basis. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also maintained by obtaining collateral, the loans to customers include a deed of indemnity and personal guarantees and the directors therefore believe there is a low risk of customer default.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

The maximum exposure to credit risk for the company was as follows:

	2019 £	2018 £
Loans and advances to customers	42,578,506	32,398,935
At 31 December	42,578,506	32,398,935

b) Cash flow and Interest rate risk

The company does not have any borrowings other than its debentures which are at a fixed rate of interest exposing the company to fair value interest rate risk. The company does not manage any cash flow interest rate risk.

c) Liquidity risk

The company is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of the debentures. This applies equally to the underlying investments of the companies or projects in which the company invests.

d) Capital risk

The company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investment is closely monitored.

e) Market risk

A general economic downturn at a global level, or in one of the world's leading economies, could impact on the company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the company. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the company's operations. These risks are also applicable to most companies and the risk that company will be more affected than the majority of companies is assessed as small.

f) Price risk

The company's principal activity is provision of loans, the company does not have a diversified portfolio of services and is therefore at risk.

4.2 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the company may issue new shares or alter debt levels.

5 Segment information

The company's single line of business is the provision of loans.

All of the company's revenue arises in the UK and all of the company non-current assets are held in the UK. There are no customers who account for over 10% of revenue.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6 Operating profit/(loss)

	£	£
Operating profit/(loss) is stated after charging:		
Directors emoluments	-	-
Audit fees	-	-
	<u>-</u>	<u>-</u>

Auditors' remuneration was £nil (2018 - £nil) during the year. The audit fee for the year was borne by JLG Group Plc.

7 Employee benefit expense

	2019 £	2018 £
Wages and salaries	-	-
Social security costs	-	-
	<u>-</u>	<u>-</u>

The average monthly number of employees (including directors) during the year was:

	2019 No.	2018 No.
Directors	2	2
Staff	-	-
	<u>2</u>	<u>2</u>

8 Finance costs

	2019 £	2018 £
Finance cost in relation to Debentures / Bonds	7,695,125	3,974,086
Finance cost in relation to Leases	3,506	-
	<u>7,698,631</u>	<u>3,974,086</u>

9 Taxation

	2019 £	2018 £
Current tax	48,657	74,017
Total tax credit for the year	<u>48,657</u>	<u>74,017</u>

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9	Taxation (continued)	2019 £	2018 £
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(3,165,624)	(2,348,869)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2018 – 19%)	(601,469)	(446,285)
	Effects of:		
	Expenditure not deductible for tax purposes	72,110	23,762
	Income not taxable	-	(28,599)
	R&D tax credits claimed	(48,657)	(74,017)
	Unrecognised tax losses carried forward	529,359	451,122
	Total tax credit for the year	(48,657)	(74,017)

The company has estimated tax loss of £7,102,467 (2018 - £6,500,998) available for carry forward against future trading profits

Deferred tax assets at 31 December 2019 of £1,349,469 (2018 - £1,105,170) have not been recognised in the financial statements at a future tax rate of 19% (2018 - 19%) due to the uncertainty of the recoverability of the amount.

10 Loss per share

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period. Reconciliations are set out below:

	2018 Earnings £	2018 Weighted average Number of shares No.	2018 Loss per-share Pence
Basic and diluted loss per share Attributable to ordinary shareholders	(2,274,852)	5,000,000	(45.50)

	2019 Earnings £	2019 Weighted average Number of shares No.	2019 Loss per-share Pence
Basic and diluted loss per share Attributable to ordinary shareholders	(3,116,967)	5,000,000	(62.34)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Since the company is loss making and the company has no dilutive potential ordinary shares the diluted loss per share is the same as the basic loss per share.

11 Dividends

No dividends were paid or proposed for the year to 31 December 2019 (2018 - £nil).

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12 Leases

i) Amounts recognised in the balance sheet

	2019 £	2018 £
Lease asset		
Buildings	36,914	-
Lease liability		
Current	15,912	-
Non-current	22,440	-
	<u>38,352</u>	<u>-</u>

Future minimum lease payments as at 31 December 2019 are as follows:

Not later than one year	15,912
Later than one year and not later than five years	25,946
Later than five years	-
Total gross payments	<u>41,858</u>
Impact of finance expenses	(3,506)
Carrying amount of liability	<u><u>38,352</u></u>

Additions to the right-of-use assets during the 2019 financial year were £0

ii) Amounts recognised in the statement of profit or loss

	2019 £
Depreciation - Buildings	13,843
Interest expense (included in finance cost)	3,506
Expense relating to short term leases	-
The total cash outflow for leases in 2019 was	15,912

13 Loans and advances to customers

	2019 £	2018 £
Non-current		
Loans and advance to customers	19,022,983	11,484,295
Current		
Loans and advance to customers	23,555,523	20,914,640
	<u>42,578,506</u>	<u>32,398,935</u>

Loans and advances to customers relates to the provision of revolving credit facilities to small and medium enterprises. The total balance of £42,578,505 (2018 - £32,398,935) is shown net of provision for impairment of £3,246,784 (2018 - £1,157,638).

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

14 Other receivables

	2019 £	2018 £
Non-current		
Amounts owed from group undertakings	-	335,752
	-	335,752
Current		
Amounts owed from group undertakings	33,072,659	13,582,146
Other receivables	544,798	1,026,417
	33,617,457	14,608,563
	33,617,457	14,944,315

15 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	2019 £	2018 £
Cash and cash equivalents	1,529,206	13,112,676
	1,529,206	13,112,676

The carrying amount of cash and cash equivalents approximates to its fair value.

16 Ordinary share Capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,000,000 Ordinary shares of £0.01 each	50,000	50,000
	50,000	50,000

17 Preference shares

	2019 £	2018 £
Preference shares	450,000	450,000
	450,000	450,000

Included within other reserves are 450,000 preference shares issued to the parent company of £1 each. The preference shares are non-redeemable and pay discretionary dividends. The preference shares can be converted to ordinary shares at the discretion of the company, at a rate of one ordinary share per preference share.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18 Accumulated losses

	£
At 1 January 2018	(5,032,066)
Loss for the year	(2,274,852)
At 31 December 2018	(7,306,918)
Loss for the year	(3,116,967)
At 31 December 2019	(10,423,885)

19 Borrowings

	2019 £	2018 £
Non-current		
Debentures	3,245,281	2,472,643
Bonds	58,624,928	23,649,279
	61,870,209	26,121,922
Current		
Debentures	1,836,781	1,788,686
Bonds	-	21,659,706
	1,836,781	23,448,392
	63,706,990	49,570,314

The company's current debentures matured on 31 December 2019 and have been fully paid off and, as in previous years, the majority of investors have reinvested in the company's JCF 2021 Debentures. The company's non-current debentures mature on 31 December 2021. These debentures are listed on the Cyprus Stock Exchange.

In January 2017, via Bedford Row, the company signed an agreement to raise £25m for 3 years from November 2016 at a rate of 7.25% interest, and a further £25m for 5 years from November 2016 at a rate of 8.50% interest. To date the company has raised £37m on the November 2021 and £22.7m on the November 2019. The £22.7M has been repaid.

Included within borrowings is capitalised commission costs of £2,429,372 (2018: £3,144,612).

20 Trade and other payables

	2019 £	2018 £
Current		
Trade payables	62,043	67,002
Amounts owed to group undertakings	22,973,025	17,005,339
Accruals	905,558	620,189
	23,940,626	17,692,530

Accruals principally comprise amounts outstanding for ongoing expenses and accrued interest on issued debentures. The carrying amount of other payables approximates to its fair value.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

21 Cash consumed in operations

	2019 £	2018 £
Reconciliation to cash consumed in operations		
Loss before taxation	(3,165,624)	(2,348,869)
Adjustments for:		
Finance costs	7,698,631	3,974,086
Other non-cash movement	-	(198,621)
Right of use asset depreciation		-
Changes in working capital:		
- Increase in loans and other receivables	(28,448,166)	(27,414,204)
- Increase/(decrease) in trade and other payables	1,644,412	7,367,961
	(22,270,747)	(18,619,647)

22 Control

The ultimate parent company is JLG Group Plc (formerly The Just Loans Group Plc), the ultimate parent company has a 100% shareholding in the company.

The company is controlled by John Davies by virtue of his shareholding in JLG Group Plc.

23 Related party transactions

During the year the company was advanced funds from its parent company JLG Group PLC and also paid management fees of £149,294 (2018 - £180,000). At 31 December 2019 the balance due was £26,938,499 (2018 - £11,302,882).

The company was charged management fees of £1,577,591 (2018 - £914,905) and £378,293 (2018 - £520,073) by its fellow subsidiaries Just Loans Group Operations Limited and Just Cash Flow (Agency) Limited respectively, these amounts were outstanding as at 31 December 2019.

£nil (2018: £200,000) of the Company's 2020 Debentures were held by the parent company, JLG Group PLC.
£300,000 (2018: £nil) of the Company's 2024 Debentures were held by the parent company, JLG Group PLC.

As at 31 December 2019 the company owed the following amounts to its fellow subsidiaries;

£4,780,327 (2018 - £3,272,213) to Just Loans Group Operations Limited
£3,007,149 (2018 - £2,629,948) to Just Cash Flow (Agency) Limited
£1,483,822 (2018 - £1,483,822) to Just Cash Flow (FK) Limited.
£4,937,646 (2018 - £5,710,540) to Just Bridging Loans Plc
£3,277,821 (2018 - £1,727,450) to JCF (SQN) Limited
£1,612,758 (2018: - £1,388,289) to JCF (SQN2) Limited
£149,800 (2018 - £149,800) to Just Capital (Europe) Limited
£271,845 (2018 - £195,000) to JCF 2021 Bonds Plc
£234,299 (2018 - £234,299) to Just ABL 1 Limited
£2,917,557 to JCF (SSIF) Limited (2018 - (£35,632))

It was owed, from its fellow subsidiaries;

£3,850,657 from JBL(SQN) Limited (2018 - £2,390,453)
£nil from Just Finance Loans & Investments Plc (2018 - £335,753)
£1,787,583 (2018 - owed to JCF PWE £32,859) to JCF-PWE Limited
£495,919 (2018 - £nil) to JLG C1 Bond Plc

The loans provided to and received from other subsidiaries are at nil interest (2018: nil) and repayable on demand.

JUST CASH FLOW PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24 Contingent liabilities

The company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

25 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

26 Events after the reporting period

As at 31 December 2019, China had alerted the World Health organisation (WHO) of several cases of an unusual form of pneumonia in Wuhan. However, substantive information about what has now been identified as COVID 19 only came to light in early 2020.

In response to COVID 19, the company designed a proactive customer engagement strategy which entailed a series of questionnaires. This allowed the business to understand the customers needs at this time. Based upon this the company have followed a number of remedies, those wishing of deferring the interest payment and of extending the facility amount and term. This coupled with the Government offering of deferral of VAT payments and loans via CBIL (Coronavirus Business interruption loan scheme) has given the customers support.