Company Registration No. 08508165 (England and Wales)

JUST CASH FLOW PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

JUST CASH FLOW PLC

COMPANY INFORMATION

Directors	Mr John McLellan Mr John Davies The Just Loans Group Plc
Secretary	Mr George Robert Boot
Company number	08508165
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 3AE
	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 2017

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 £2,043,523 (2016 - £757,030) for the year to 31 December 2017. 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, 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.

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:

	2017	2016
	£	£
Turnover	1,884,581	1,121,705
Gross profit	1,022,476	874,980
Loss for the year	(2,043,523)	(757,030)
Cash and Cash equivalents	5,999,516	1,132,934

This year the Company's turnover has decreased as a number of its loans were novated to other Group entities. This is reflected in the strong cash position due to this assignment of the loans for cash. The Company's turnover is expected to increase in 2018 on the back of more additional funding.

Dependence on key personnel
Whilst the company intends to enter into contractual arrangements with the aim of securing the services of its executive directors, the retention of their services 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
Director

30 April 2018

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and financial statements for the year ended 31 December 2017.

Principal activities
The principal activity of the company is that of the provision of commercial loans. The company provides 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 year are set out on page 10.

Future developments
Are disclosed in the strategic report.

Directors
The following directors have held office during the financial year:

Mr George Robert Boot
Mr John McLellan
Mr John Davies
The Just Loans Group Plc

Directors' interests

At the date of this report the company was a fully owned subsidiary of The Just Loans Group Plc. The beneficial interest held by the directors is as disclosed in the consolidated group accounts which can be obtained on 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 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, via Bedford Row, the Company signed an agreement to raise £25m for a 3 year from November 2016 at 7.25% coupon and a further £25m for a 5 year from November 2016 at 8.5% coupon.

To date the company has raised £5.9m on the November 2021 and £22.7m on the November 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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 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 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.;
- 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.

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

30 April 2018

JUST CASH FLOW PLC

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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 AUDITORS' REPORT
TO THE MEMBERS OF JUST CASH FLOW PLC

Opinion

We have audited the financial statements of Just Cash Flow Plc (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statements of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of the company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JUST CASH FLOW PLC(contd)

Opinion 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 year for which the financial statements are prepared are consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group nd the parent 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 where 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 group's and 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JUST CASH FLOW PLC(contd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Chartered Accountants, Statutory Auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Dated :30 April 2018

JUST CASH FLOW PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Continuing operations			
Revenue	5	1,884,581	1,121,705
Cost of sales		(862,105)	(246,725)
Gross profit		1,022,476	874,980
Administrative expenses		(1,949,698)	(1,647,177)
Operating loss	6	(927,222)	(772,197)
Finance costs	8	(1,275,347)	(28,622)
Loss on ordinary activities before taxation		(2,202,569)	(800,819)
Income tax credit	9	159,046	43,789
Loss for the year		(2,043,523)	(757,030)
Loss per share (expressed in pence per share)	10	(40.87p)	(15.14p)

The notes on pages 13 to 25 form part of these financial statements.

JUST CASH FLOW PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	As at 31 December 2017 £	As at 30 December 2016 £
Non-current assets			
Loans and advances to customers	12	1,259,865	917,900
Other receivables	13	404,661	-
		1,664,526	917,900
Assets			
Loans and advances to customers	12	8,387,204	5,528,793
Other receivables	13	9,877,316	2,788,035
Cash and cash equivalents	14	5,999,516	1,132,934
Total assets		**25,928,562**	**10,367,662**
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	15	50,000	50,000
Preference shares	16	450,000	450,000
Accumulated losses	17	(5,032,066)	(2,988,543)
Total equity		(4,532,066)	(2,488,543)
Liabilities			
Non-current liabilities			
Borrowings	18	20,581,630	1,575,159
Current liabilities			
Borrowings	18	-	-
Trade and other payables	19	9,878,998	11,281,046
Total liabilities		30,460,628	12,856,205
Total equity and liabilities		**25,928,562**	**10,367,622**

The notes on pages 13 to 25 form part of these financial statements
Approved by the Board and authorised for issue on 26 April 2018

Mr George Robert Boot
Director

Company Registration No. 08508165

JUST CASH FLOW PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Ordinary Shares £	Preference Shares £	Accumulated Losses £	Total £
As at 1 January 2016	50,000	450,000	(2,231,513)	(1,731,513)
Loss for the year	-	-	(757,030)	(757,030)
As at 31 December 2016	50,000	450,000	(2,988,543)	(2,488,543)
Loss for the year	-	-	(2,043,523)	(2,043,523)
At 31 December 2017	50,000	450,000	(5,032,066)	(4,532,066)

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

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

The notes on pages 13 to 25 form part of these financial statements.

JUST CASH FLOW PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Cash flows from operating activities			
Cash generated from operations	20	(13,023,588)	15,596
Finance costs paid		(1,275,347)	(28,622)
Income tax repaid		159,046	43,789
Net cash generated from operating activities		(14,139,889)	30,763
Cash flows from financing activities			
Proceeds from issue of bonds		17,494,753	-
Repayment of debenture loans		-	(525,890)
Proceeds from issue of debenture loans		1,511,718	1,575,159
Net cash generated from financing activities		19,006,471	1,049,269
Net increase in cash and cash equivalents		4,866,582	1,080,032
Cash and cash equivalents at the beginning of the year		1,132,934	52,902
Cash and cash equivalents at the end of the year		5,999,516	1,132,934

The notes on pages 13 to 25 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 General information

Just Cash Flow Plc is a company incorporated in 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, The Just Loans 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 group obtaining additional long-term funding.

The group has secured institutional funding of £62m to date of which £28.7m has been drawn. Included in the £62m, is a £50m bond raising which has secured a credit rating of A. The company will continue to seek additional long-term financing via sale of debentures and further institutional funding. The Directors believe that the necessary funding will be available to the group to enable them to trade for the foreseeable

The financial statements do not include any adjustments that would result if the above support was withdrawn.

New and amended standards adopted by the company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2017 that would be expected to have a material impact on the company.

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (continued)

New Standards, amendments and interpretations issued but not effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 January 2018 and have not been early adopted:

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
Amendments to IFRS1	First-time Adoption of International Financial Reporting Standards	Amendments resulting from Annual Improvements 2014-2017 Cycle (removing short-term exemptions:	1 January 2018
Amendments to IFRS 2	Share-based Payment	Amendments to clarify the classification and measurement of share based payment transactions	1 January 2018
Amendments to IFRS 4	Insurance Contracts	Amendments regarding the interaction of IFRS 4 and IFRS 9	1 January 2018
IFRS 9	Financial instruments	Requirements on the classification and measurement of financial assets and liabilities and includes an expected credit losses model which replaces the current incurred loss impairment model. Also includes the hedging amendment that was issued in 2013	1 January 2018
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more information and relevant disclosures.	1 January 2018
IFRS 16	Leases	IFRS 16 replaces IAS 17..The objective is to report information that (a) faithfully represents lease transactions and (b)provides a basis for users of financial statements to asses the amount, timing and uncertainty of cash flows arising from leases	1 January 2019
Amendments to IAS 28	Investments in Associates and Joint Ventures	Amendments resulting from Annual improvements 2014-2017 cycle (Clarifying certain fair value measurements	1 January 2018
Amendments to IAS 39	Financial Instruments: recognition and measurement	Amendments to permit entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own use' scope exception	1 January 2018
Amendments to IAS 40	Investment Property	Amendments to clarify transfers or property to, or from investment property	1 January 2018

The Directors anticipate that the adoption of these standard and the interpretations in future period will have no material impact on the financial statements of the company. However, the adoption of the IFRS 9 may have a material impact as it moves from the incurred loss approach to the expected loss model. The group is still to assess the impact of this and will adopt the IFRS 9 from 1 January 2018.

The Group has now assessed its approach to IFRS 9, using the loss stage approach. This approach will pool like debts and apply a loss rate.

It will assess the various risks of the differing clients. This will emphasise the fair value accounting for the financial assets as per the standard.

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 assets and liabilities

The company classifies it financial assets at fair value through profit and loss or as loans and receivables and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction cost that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans are recognised when the funds are advanced to customers. Loans and receivables are carried at amortised cost using the effective interest method (see below).

(b) Other financial liabilities
Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments. Other financial liabilities are recognised when cash is received from the depositors. Other financial liabilities are carried at amortised cost using the effective interest method. The fair value of other liabilities repayable on demand is assumed to be the amount payable on demand at the Statement of Financial Position date.

Amortised cost measurement
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the company establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

2 Summary of significant accounting policies (Continued)

2.3 Financial assets and liabilities (Continued)

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all of the risks and rewards of ownership. In transaction in which the company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The company derecognises a financial liability when its contractual obligations are discharged cancelled or expire.

Impairments
The company assesses at each financial position date whether there is objective evidence that a financial asset or company of financial assets is impaired. If there is objective experience (such as significant financial difficulty of obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition).The carrying amount of the asset is reduced through use of an allowance account. The amount of loss is recognised in the Statement of Comprehensive Income.

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.

2.5 Leases

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.5 Cash and cash equivalents

In the consolidated 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 Summary of significant accounting policies (Continued)

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2 Summary of significant accounting policies (Continued)

2.11 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 consolidated 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.

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.

3.1 Impairment of loans and advances to customers and other receivables

The company reviews its portfolio of receivables to assess impairment at least on a half-yearly basis. The basis for evaluating impairment losses is determining whether a loss event has occurred, the criteria used (but which is not limited to) is:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experience by the borrower; and
- Initiation of liquidation proceedings.

In determining whether an impairment loss should be recognised the company makes judgements as to whether there a loss event indicates that there is a measurable decrease in the estimated future cash flows of the respective receivable.

Impairment provision has been included in the accounts as per accounting standards.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

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.

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

	2017 £	2016 £
Loans and advances to customers	9,647,069	6,446,693
At 31 December	9,647,069	6,446,693

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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.

6 Operating loss

	2017	2016
	£	£
Operating loss is stated after charging:		
Directors emoluments	-	74,619
Audit fees	-	-
Operating leases	-	-

Auditors' remuneration was £ nil (2016 - £nil) during the year. The audit fee for the period was borne by The Just Loans Group Plc.

7 Employee benefit expense

Employees and Directors	2017	2016
	£	£
Wages and salaries	-	66,000
Social security costs	-	8,619
	-	74,619

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

	2017	2016
	No.	No.
Directors	2	2
Staff	-	-
	2	2

8 Finance costs

	2017	2016
	£	£
Finance cost in relation to debentures	1,275,347	28,622
	1,275,347	28,622

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation

	2017 £	2016 £
Total current tax	(159,046)	(43,789)
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(2,202,569)	(800,819)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016-20%)	(423,995)	(160,164)
Effects of:		
Non-deductible expenses	62,289	11,876
Nontrade loan relationship	(935)	102
Tax losses carried forward	362,641	148,186
R & D tax credit	(159,046)	(43,789)
Current tax credit for the year	(159,046)	(43,789)

The company has estimated tax loss of £4,343,991 (2016 - £1,835,233) available for carry forward against future trading profits.

Deferred tax assets at 31 December 2017 of £825,358 (2016 - £446,196) have not been recognised in the financial statements at future tax rate of 19% (2016 - 20%) 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:

	2016 Earnings £	2016 Weighted average Number of shares No.	2016 Loss per-share Pence
Basic and diluted loss per share Earnings attributable to ordinary shareholders	(757,030)	5,000,000	(15.14)

	2017 Earnings £	2017 Weighted average Number of shares No.	2017 Loss per-share Pence
Basic and diluted loss per share Earnings attributable to ordinary shareholders	(2,043,523)	5,000,000	(40.87)

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 2017 (2016 - £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

12 Loans and advances to customers

	2017	2016
	£	£
Non-current assets		
Loans and advance to customers	1,259,865	917,900
Current		
Loans and advance to customers	8,387,204	5,528,793

Loans and advances to customers relates to the provision of revolving credit facilities to small and medium enterprises. The total balance of £9,647,069 (2016 - £6,446,693) is shown net of provision for impairment of £635,042 (2016 - £181,170)

13 Other receivables

	2017	2016
	£	£
Non-current assets		
Amounts owed from group undertakings	404,661	-
Current		
Amounts owed from group undertakings	8,594,912	2,771,452
Other receivables	1,282,404	16,583
	10,281,977	2,788,035

14 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:

	2017	2016
	£	£
Cash and cash equivalents	5,999,516	1,132,934

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

15 Ordinary share Capital

	2017	2016
	£	£
Allotted, called up and fully paid		
5,000,000 Ordinary shares of £0.01 each	50,000	50,000

On incorporation the company issued 1 ordinary shares of £1.

On 28 November 2013 the company's 1 ordinary share was subdivided into 100 shares of £0.01 each and the Company issued a further 4,999,900 Ordinary shares of £0.01 each.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

16 Preference shares

	2017	2016
	£	£
Preference shares	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.

17 Accumulated losses

	Accumulated losses
	£
At 1 January 2016	(2,231,513)
Loss for the year	(757,030)
At 31 December 2016	(2,988,543)
Loss for the year	(2,043,523)
At 31 December 2017	(5,032,066)

18 Borrowings

	2017	2016
	£	£
Non-current		
Debentures	3,086,877	1,575,159
Bonds	17,494,753	
Current		
Debentures	-	-
	20,581,630	1,575,159

The 2017 Debentures, due 31 December were exchanged for 3 and 5-year Debentures in The Just Loans Group Plc, its parent company, at interest rates of 8.25% and 8.75% respectively. Included within debentures is capitalised commission of £158,875.

In January 2017, via Bedford Row, the Company signed an agreement to raise £25m for a 3-year bond from November 2016 at 7.25% coupon and a further £25m for a 5-year bond from November 2016 at 8.5% coupon. To date the Company has raised £5.9m on the November 2021 and £22.7m on the November 2019. The securities are a pool of loans held in Just Cash Flow Plc.

19 Trade and other payables

	2017	2016
	£	£
Current		
Trade payables	2,646	-
Amounts owed to group undertakings	9,562,395	11,244,037
Accruals	313,957	37,009
	9,878,998	11,281,046
Total trade and other payables	9,878,998	11,281,046

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.

20 Cash generated from operations

	2017	2016
	£	£
Reconciliation to cash generated from operations		
Loss from operations	(927,222)	(772,197)
Adjustments for:		
Changes in working capital:		
- Increase in loans and other receivables	(1,402,048)	(4,102,925)
- Increase/(decrease) in trade and other payables	(10,694,318)	4,890,718
	(13,023,588)	15,596

21 Control

The ultimate parent company is 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 The Just Loans Group Plc.

22 Related party transactions

During the year the company was advanced funds from its parent company The Just Loans Group Plc and also paid management fees of £180,000 (2016 - £189,000). At 31 December 2017 the balance due was £7,242,767(2016 – owed to £6,028,539).

The company was charged management fees of £194,285 (2016 - £629,210) and £312,225 (2016 - £497,737) by its fellow subsidiaries Just Loans Group Operations Limited and Just Cash Flow (Agency) Limited respectively, these amounts were outstanding as at 31 December 2017.

As at 31 December 2017 the company owed the following amounts to its fellow subsidiaries; £2,421,864 (2016 - £2,078,470) to Just Loans Group Operations Limited, £2,123,345 (2016 - £1,755,539) to Just Cash Flow (Agency) Limited, £1,360,231 (2016 - £1,183,024) to Just Cash Flow (FK) Limited., £1,124,769 (2016 - £177,645) to Just Bridging Loans Plc.

Due from its fellow subsidiaries; £971,438 from JBL(SQN) Limited (2016 - £1,743,485), £380,707 from Just ABL Limited (2016-£560,672), £404,661 from Just Finance Loans & Investments Plc (2016-£289,000).

The loans provided to and received from other subsidiaries are at £nil interest and repayable on demand

23 Contingent liabilities

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

24 Capital commitments

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

25 Events after the reporting period

No material events occurred.