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Annual Financial Report
Just Cash Flow Plc
JCF19

Annual Financial Report

Just Cash Flow Plc announces its 2018 annual financial report.
This is included in the attachment below.
The Directors take responsibility for this announcement.

Attachment:

1. **2018 Annual Financial Report**

Non Regulated

Publication Date: 02/07/2019

Company Registration No. 08508165 (England and Wales)

JUST CASH FLOW PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

JUST CASH FLOW PLC

COMPANY INFORMATION

Directors	Mr John McLellan Mr John Davies JLG 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 2018

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 £2,274,815 (2017 - £2,043,523) for the year to 31 December 2018.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:

	2018	2017
	£	£
Turnover	5,137,005	1,884,581
Gross profit	3,971,660	1,022,476
Loss for the period	(2,274,815)	(2,043,523)
Cash and Cash equivalents	13,112,676	5,999,516

This year the Company's turnover has increased due to an increase in the credit facilities to customers. The Company's turnover is expected to increase in 2019 on the back of more additional funding.

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 Robert Boot on behalf of
JLG Group Plc
Director

27 June 2019

JUST CASH FLOW PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and financial statements for the year ended 31 December 2018.

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 11.

Future developments
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 (formerly 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 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 £22.5m 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 2018

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 Robert Boot on behalf of
JLG Group Plc
Director

27 June 2019

JUST CASH FLOW PLC

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018

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.

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

Opinion

We have audited the financial statements of Just Cash Flow Plc (for the year ended 31 December 2018 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 2018 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.

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition The Company had total revenues of £5,137,005 (2017 - £1,884,581) relating to interest income. 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. Managements' accounting policy for revenue recognition can be found in note 2.4. The key audit matter was determined to be the accuracy of the effective interest rate applied in each loan portfolio.	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. 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. For this sample we then recalculated interest to ensure the correct amount of revenue is being recognised. We traced the total revenue charged per Company's loan processing system to the accounts to ensure information is being accurately transferred. 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.
Carrying value and recoverability of loans and advances to customers Loans and advances to customers for the Company as at 31 December 2018 were £32,398,935 (2017 - £9,647,069). This balance is net of a provision for an expected credit loss of £1,157,638 (2017 - £488,141). 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.	We first discussed with management the Company's policy for recognising a provision in line with the expected loss model per IFRS 9. 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. We reviewed the general provision policy and ensured the method of calculation was reasonable given historical losses as a result of default. We recalculated the general provision to ensure accuracy.

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

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Going concern assumption The Company is dependent upon its ability to generate sufficient cash flows to meet continued operational costs and hence continue trading. The Company is also dependent upon the continued support from the Parent Company, JLG Group Plc. The going concern assumption is dependent on future growth of the current business which requires additional funding to grow the scale of the business. The going concern assumption is also dependent on the Parent Company not demanding payment of the intercompany loan.	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. Specifically we obtained, challenged and assessed management's going concern forecast and performed procedures including: • 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. 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.

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:

Overall materiality	£84,000 (31 December 2017: £168,000).
How we determined it	1.5% of revenue. (2017: Average of 1.5% of revenue, 1.0% of gross assets, and 10% of profit for the year).

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

Our application of materiality (continued)

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 £4,200 (31 December 2017: £8,400) 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.

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.

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

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.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

In addition to the audit, the firm provides tax compliance and loan book assurance services to Just Cash Flow Plc.

Our audit opinion is consistent with the additional report to the audit committee.

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

27 June 2019

JUST CASH FLOW PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Continuing operations			
Revenue	5	**5,137,005**	**1,884,581**
Cost of sales		(1,165,344)	(862,105)
Gross profit		**3,971,661**	**1,022,476**
Administrative expenses		(2,346,444)	(1,949,698)
Operating profit/(loss)	6	**1,625,217**	**(927,222)**
Finance costs	8	(3,974,086)	(1,275,347)
Loss on ordinary activities before taxation		**(2,348,869)**	**(2,202,569)**
Income tax credit	9	74,017	159,046
Loss for the year		**(2,274,852)**	**(2,043,523)**
Loss per share (expressed in pence per share)share)	10	**(45.50p)**	**(40.87p)**

The notes on pages 15 to 30 form part of these financial statements.

JUST CASH FLOW PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	As at 31 December 2018 £	As at 30 December 2017 £
Non-current assets			
Loans and advances to customers	12	11,484,295	1,259,865
Other receivables	13	335,752	404,661
		11,820,047	**1,664,526**
Current assets			
Loans and advances to customers	12	20,914,640	8,387,204
Other receivables	13	14,608,563	9,877,316
Cash and cash equivalents	14	13,112,676	5,999,516
		48,635,879	**24,264,036**
Total assets		**60,455,926**	**25,928,562**
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	(7,306,918)	(5,032,066)
Total equity		**(6,806,918)**	**(4,532,066)**
Liabilities			
Non-current liabilities			
Borrowings	18	26,121,922	20,581,630
		26,121,922	**20,581,630**
Current liabilities			
Borrowings	18	23,448,392	-
Trade and other payables	19	17,692,530	9,878,998
		41,140,922	**9,878,998**
Total liabilities		**67,262,844**	**30,460,628**
Total equity and liabilities		**60,455,926**	**25,928,562**

The notes on pages 15 to 30 form part of these financial statements
Approved by the Board and authorised for issue on 27 June 2019.

Mr 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 2018

	Ordinary Shares £	Preference Shares £	Accumulated Losses £	Total £
At 1 January 2017	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)**
Loss for the year	-	-	(2,274,852)	(2,274,852)
At 31 December 2018	**50,000**	**450,000**	**(7,306,918)**	**(6,806,918)**

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 15 to 30 form part of these financial statements.

JUST CASH FLOW PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Cash flows from operating activities			
Cash consumed in operations	**20**	(18,619,647)	(13,023,588)
Finance costs paid		(1,939,008)	(1,275,347)
R & D Tax receipt		74,017	159,046
Net cash flow from operating activities		**(20,484,638)**	**(14,139,889)**
Cash flows from financing activities			
Net Proceeds from issue of debenture and other loans		27,881,275	19,006,471
Debentures and other loans repaid		(283,477)	-
Net cash flow from financing activities		**27,597,798**	**19,006,471**
Net increase in cash and cash equivalents		**7,113,160**	**4,866,582**
Cash and cash equivalents at the beginning of the year		**5,999,516**	**1,132,934**
Cash and cash equivalents at the end of the year		**13,112,676**	**5,999,516**

The notes on pages 15 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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, JLG Group Plc (formerly 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 £83m to date of which £48.7m had been drawn as at 31 December 2018. Included in the £83m, is a £50m bond raising which has secured a credit rating of A. £23.4m of the funding matures in November 2019 which the directors are confident will be refinanced by the same or an alternative lender.

There are £1.8m of debentures which will mature in December 2019. The Group of which the Company is a part of has had five debentures mature in previous years in which the majority of investors have reinvested. The directors are therefore confident that this will be repeated if it is offered.

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 Group 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 Group'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 statement do not include any adjustments that would result if the necessary financing was not secured by the Company or if the above support by the parent company was withdrawn.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

New and amended standards adopted by the company

The Company has adopted the following new and amended IFRSs as of 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2
- Annual Improvements 2014-2016 cycle
- Interpretation 22 Foreign Currency Transactions and Advance Consideration

Following consideration of the Company's operating model, it has been concluded that there has been no material impact from the adoption of these standards.

IFRS 9 - Financial Instruments

IFRS 9 replaced the classification and measurement models for financial instruments contained in IAS 39 Financial Instruments: Recognition and Measurement and is effective for accounting periods beginning on or after 1 January 2018.

Impact of IFRS 9 – Classification of financial assets and liabilities

Classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of those financial assets.

There are three principal classification categories for financial assets: (i) amortised cost, (ii) fair value through other comprehensive income (FVOCI) and (iii) fair value through profit and loss (FVTPL). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

IFRS 9 largely retains the existing requirements in IAS 39 for classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated under the fair value option were recognised in profit or loss, under IFRS 9 fair value changes are generally presented as follows:

- the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income ("OCI"); and

- the remaining amount of change in the fair value is presented in profit or loss.

For an explanation of how the Company classifies financial assets and liabilities under IFRS 9, See Note 2.3.

Impact of IFRS 9 – Impairment

IFRS 9 also introduces a new expected credit loss impairment model, as opposed to the incurred credit loss model implemented under IAS 39 in previous years. This requires entities to account for expected credit losses at initial recognition and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

In applying IFRS 9 both in the current period and retrospectively in previous periods, there were no reclassifications in the measurement category. As a result, there has been no financial adjustment in transitioning to IFRS 9 with respect to adopting the revised measurement categories.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaces IAS 18. The core principal of the guidance is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The new guidance establishes a five-step model to achieve that core principle.

There has been no impact on the financial statements due to the adoption of IFRS 15.

Standards, interpretations and amendments to published standards that are not yet 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)
IFRS 16	Leases	Introduces a single accounting model for leases with no distinction between operating and financing leases	1 January 2019
IFRS 17	Insurance Contracts	Establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.	1 January 2021
Amendments to IFRIC 23	Uncertainty over income tax treatments	Addresses how to reflect uncertainty in accounting for income taxes.	1 January 2019

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.

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.

2 Summary of significant accounting policies (continued)

2.3 Financial Instruments (continued)

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.

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**

31 December 2017	**Amortised cost**	**Total carrying amount**
Cash and cash equivalents	5,999,516	5,999,516
Loans and advances to customers	9,647,069	9,647,069
Trade and other receivables	10,281,977	10,281,977
Total financial assets	**25,928,562**	**25,928,562**
Borrowings:	20,581,630	20,581,630
Trade and other payables	9,878,998	9,878,998
Total financial liabilities	**30,460,628**	**30,460,628**

2 Summary of significant accounting policies (continued)

2.3 Financial Instruments (continued)

The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and liabilities at 1 January 2017.

1 January 2017	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
Cash and cash equivalents	Loans and receivables	Amortised cost	1,132,934	1,132,934
Loans and advances to customers	Amortised cost	Amortised cost	6,446,693	6,446,693
Trade and other receivables	Loans and receivables	Amortised cost	2,788,035	2,788,035
Total financial assets			**10,367,662**	**10,367,662**
Borrowings	Amortised cost	Amortised cost	1,575,159	1,575,159
Trade and other payables	Amortised cost	Amortised cost	11,281,046	11,281,046
Total financial liabilities			**12,856,205**	**12,856,205**

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 Summary of significant accounting policies (Continued)

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 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.

2.7 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 Summary of significant accounting policies (Continued)

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.

2.11 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 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

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.

3 Critical accounting estimates and judgments (continued)

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

- 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.

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.

3 Critical accounting estimates and judgments (continued)

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

A reconciliation of the loss allowance for loans and advances to customers as at 31 December 2017 and movements in the year to 31 December 2018 is shown below:

	Stage 1	Stages 2 & 3	Total
Closing loss allowance as at 31 December 2017 (calculated under IAS 39)	83,377	404,764	488,141
Amounts restated through opening retained earnings	-	-	-
Opening loss allowance as at 1 January 2018 (calculated under IFRS 9)	83,377	404,764	488,141
Increase / (decrease) in allowance recognised during the year	(10,976)	680,473	669,497
Closing loss allowance as at 31 December 2018	**72,401**	**1,085,237**	**1,157,638**

For trade and other receivables, the Company has applied the simplified approach to recognise lifetime expected credit losses.

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.

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

	2018 £	2017 £
Loans and advances to customers	32,398,935	9,647,069
At 31 December	**32,398,935**	**9,647,069**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

4 Financial risk management (Continued)

4.1 Financial risk factors (Continued)

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.

6 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) is stated after charging:		
Directors emoluments	-	-
Audit fees	-	-
Operating leases	-	-

Auditors' remuneration was £nil (2017 - £nil) during the year. The audit fee for the year was borne by JLG Group Plc (formerly The Just Loans Group Plc).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

7 Employee benefit expense

Employees and Directors	2018 £	2017 £
Wages and salaries	-	-
Social security costs	-	-
	-	-

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

	2018 No.	2017 No.
Directors	2	2
Staff	-	-
	2	**2**

8 Finance costs

	2018 £	2017 £
Finance cost in relation to Debentures / Bonds	3,974,086	1,275,347
	3,974,086	**1,275,347**

9 Taxation

	2018 £	2017 £
Current tax	(74,017)	(159,046)
Total tax credit for the year	**(74,017)**	**(159,046)**
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(2,348,869)	(2,202,569)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2017 – 19.25%)	(446,285)	(423,995)
Effects of:		
Expenditure not deductible for tax purposes	23,762	62,289
Income not taxable	(28,599)	
R&D tax credits claimed	(74,017)	(159,046)
Unrecognised tax losses carried forward	451,122	361,706
Total tax credit for the year	**(74,017)**	**(159,046)**

The company has estimated tax loss of £6,500,998 (2017 - £4,122,051) available for carry forward against future trading profits.

Deferred tax assets at 31 December 2018 of £1,105,170 (2017 - £783,190) have not been recognised in the financial statements at a future tax rate of 17% (2017 - 19%) due to the uncertainty of the recoverability of the amount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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:

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

	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)

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 2018 (2017 - £nil).

12 Loans and advances to customers

	2018 £	2017 £
Non-current		
Loans and advance to customers	11,484,295	1,259,865
Current		
Loans and advance to customers	20,914,640	8,387,204
	32,398,935	**9,647,069**

Loans and advances to customers relates to the provision of revolving credit facilities to small and medium enterprises. The total balance of £32,398,935 (2017 - £9,647,069) is shown net of provision for impairment of £1,157,638 (2017 - £488,141).

13 Other receivables

	2018 £	2017 £
Non-current		
Amounts owed from group undertakings	335,752	404,661
	335,752	**404,661**
Current		
Amounts owed from group undertakings	13,582,146	8,594,912
Other receivables	1,026,417	1,282,404
	14,608,563	**9,877,316**
	14,944,315	**10,281,977**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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:

	2018	2017
	£	£
Cash and cash equivalents	13,112,676	5,999,516
	13,112,676	**5,999,516**

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

15 Ordinary share Capital

	2018	2017
	£	£
Allotted, called up and fully paid		
5,000,000 Ordinary shares of £0.01 each	50,000	50,000
	50,000	**50,000**

16 Preference shares

	2018	2017
	£	£
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.

17 Accumulated losses

	£
At 1 January 2017	(2,988,543)
Loss for the year	(2,043,523)
At 31 December 2017	**(5,032,066)**
Loss for the year	(2,274,852)
At 31 December 2018	**(7,306,918)**

18 Borrowings

	2018 £	2017 £
Non-current		
Debentures	2,472,643	3,086,877
Bonds	23,649,279	17,494,753
	26,121,922	**20,581,630**
Current		
Debentures	1,788,686	-
Bonds	21,659,706	-
	23,448,392	**-**
	49,570,314	**20,581,630**

The Company's current debentures mature on 31 December 2019. 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 8.5% interest. To date the Company has raised £25.5m on the November 2021 and £22.7m on the November 2019.

Included within borrowings is capitalised commission costs of £3,144,612 (2017: £1,565,636).

19 Trade and other payables

	2018 £	2017 £
Current		
Trade payables	67,002	2,646
Amounts owed to group undertakings	17,005,339	9,562,395
Accruals	620,189	313,957
	17,692,530	**9,878,998**

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 consumed in operations

	2018 £	2017 £
Reconciliation to cash consumed in operations		
Loss before taxation	(2,348,869)	(2,202,569)
Adjustments for:		
Finance costs	3,974,086	1,275,347
Other non-cash movement	(198,621)	-
Changes in working capital:		
- Increase in loans and other receivables	(27,414,204)	(1,402,048)
- Increase/(decrease) in trade and other payables	7,367,961	(10,694,318)
	(18,619,647)	**(13,023,588)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

21 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.

22 Related party transactions

During the year the company was advanced funds from its parent company The JLG Group Plc and also paid management fees of £180,000 (2017 - £180,000). At 31 December 2018 the balance due was £11,302,882 (2017 – owed to £7,242,767).

The company was charged management fees of £914,905 (2017 - £194,285) and £520,073 (2017 - £312,225) by its fellow subsidiaries Just Loans Group Operations Limited and Just Cash Flow (Agency) Limited respectively, these amounts were outstanding as at 31 December 2018.

£200,000 (2017: £nil) of the Company's 2020 Debentures were held by the Parent Company, JLG Group Plc.

As at 31 December 2018 the company owed the following amounts to its fellow subsidiaries;

£3,272,213 (2017 - £2,421,864) to Just Loans Group Operations Limited

£2,629,948 (2017 - £2,123,345) to Just Cash Flow (Agency) Limited

£1,483,822 (2017 - £1,360,231) to Just Cash Flow (FK) Limited.

£5,710,540 (2017 - £1,124,769) to Just Bridging Loans Plc

£32,859 (2017 - £nil) to JCF-PWE Limited

£1,727,450 (2017 - £1,099,978) to JCF (SQN) Limited

£1,388,289 (2017: - £316,793) to JCF (SQN2) Limited

£149,800 (2017 - £40,000) to Just Capital (Europe) Limited

£195,000 (2017 - £nil) to JCF 2021 Bonds Plc

£234,299 (2017 - £380,707)* to Just ABL 1 Limited

*Note – In 2017, this subsidiary owed Just Cash Flow Plc

It was owed, from its fellow subsidiaries;

£2,390,453 from JBL(SQN) Limited (2017 - £971,438)

£335,753 from Just Finance Loans & Investments Plc (2017 - £404,661)

£35,632 from JCF (SSIF) Limited (2017 – (£1,075,414)**

** Note – In 2017, this subsidiary was owed by Just Cash Flow Plc

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

The Company has raised c£10.2m of additional funding from Escher Marwick.
The Company has issued c£1.4m of additional 2019 & 2021 debentures on the Cyprus Stock Exchange.
No other material events have occurred.