Directors' Report and Financial Statements

Ending 31 December 2016

Just Bridging Loans PLC

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COMPANY INFORMATION

Directors	Mr George Robert Boot Mr John Davies Mr John McLellan
Secretary	Mr George Robert Boot
Company number	08508070
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 Capital House 85 King William Street London EC4N 7BL John Morse Solicitors St.Helen's House 156, Helens Road Swansea SA1 4DG

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Principal activities and fair review of the business
Just Bridging PLC ("the company") provides specialist bridging finance for commercial businesses. During the year it achieved a revenue of £446,675 (2015 - £466,612) and incurred a loss of £386,582 (2015 - loss £26,502) for the year to 31 December 2016, in line with expectations. The focus of the company is to grow its specialist bridging lending.

Principal risks and uncertainties
The principal risk to the business is that the borrowers will default on their interest payments or capital repayments. The company closely monitors 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 but the directors are confident that they will continue to be able to successfully manage such risks as far as it is possible to do so.

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 being 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:

	2016	2015
	£	£
Turnover	446,675	466,652
Gross profit/(loss) for the period	415,294	425,016
Profit/(loss) for the period	(386,582)	(26,502)
Cash and Cash equivalents	141,799	2,370

Given the prior period was 18 months the Company's turnover has increased by over 30% in the last year. Just Bridging Loans Plc are very pleased with this progress and hope a net profit will be achieved in 2017.Its cash position remains strong.

Dependences 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 allow the Company to grow the brand and the company will continue to provide specialist bridging facilities for UK property businesses.

On behalf of the board

Mr John Davies
Director

Date: 27/4/17

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and financial statements for the year ended 31 December 2016.

Principal activities
The principal activity of the company is that of the provision of loans.

Fair review of business
The company made a loss of £386,582 (2015 - loss £26,502) for the year ended 31 December 2016.The focus of the company will be to grow its bridging loan facilities offered to struggling small and medium enterprises and sole traders.

Principal risks and uncertainties
The principal risk to the business is that the borrowers will default on their interest payments or capital repayment. 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.

The directors consider that the company has adequate resources for ongoing operating expenses due to the expected revenues to be generated from the operations in the next financial period. Further discussion on risk and sensitivity analysis is discussed in Note 4.

Key performance indicators
When the company commences full operations the key performance indicator will be the return, both income and capital, that it receives from its loans.

A further key performance will be the bad debt ratio of the company and that of its borrowers.

Results and dividends
The results for the period are set out on page 8.

Future developments
The company aims to raise funds through an issue of debentures and then continue to provide finance for UK businesses.

Directors
The following directors have held office since 1 January 2016:

Mr George Robert Boot
Mr John Davies
Mr John McLellan (Appointed 01 February 2016)

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

Auditors
Jeffreys Henry LLP were 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.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of directors' responsibilities (Continued)

- 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
27/4/17

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016

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 AUDITORS' REPORT
TO THE MEMBERS OF JUST BRIDGING LOANS PLC

We have audited the financial statements of Just Bridging Loans PLC for the year ended 31 December 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. 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.

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 auditors' 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.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the results for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
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 parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JUST BRIDGING LOANS PLC(CONTD)

Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London
EC1V 9EE

Date: 27 Apr 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2016 £	18 Months ended 31 December 2015 £
Continuing operations			
Revenue	5	446,675	466,652
Cost of sales		(31,381)	(41,636)
Gross profit		415,294	425,016
Administrative expenses		(797,876)	(449,518)
Operating Loss	8	(382,582)	(24,502)
Finance costs		(4,000)	(2,000)
Loss on ordinary activities before taxation		(386,582)	(26,502)
Income tax expense	6	-	-
Profit /(Loss) for the period		(386,582)	(26,502)
Profit / (Loss) per share (expressed in pence per share	10	(773.16p)	(938.456p)

The notes on pages 12 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	As at 31 December 2016 £	As at 31 December 2015 £
Assets			
Current assets			
Loans and advances to customers	11	3,423,382	2,183,773
Other receivables	12	3,489,305	48,205
Cash and cash equivalents	13	141,799	2,370
Total assets		7,054,486	2,234,348
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	14	50,000	50,000
Accumulated losses	15	(413,084)	(26,502)
Total equity		(363,084)	23,498
Liabilities			
Non – Current Liabilities	16	3,427,250	-
Current Liabilities			
Trade and other payables	17	3,990,320	2,210,850
Total liabilities		7,417,570	2,210,850
Total equity and liabilities		7,054,486	2,234,348

The notes on pages 12 to 21 form part of these financial statements.

Approved by the Board and authorised for issue on

Mr George Robert Boot
Director

27/4/17

Company Registration No. 08508070

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 December 2016

	Notes	Share capital £	Accumulated losses / profit £	Total equity £
As at 29 April 2014		1	-	-
Shares issued on incorporation	14	49,999	-	49,999
Results for the period		-	(26,502)	(26,502)
As at 1 January 2016		50,000	(26,502)	23,498
Issue of share capital		-	-	-
Results for the period		-	(386,582)	(386,582)
As at 31 December 2016		50,000	(413,084)	(363,084)

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

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

The notes on pages 12 to 21 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2016 £	Period ended 31 December 2015 £
Cash flows from operating activities			
Cash generated from operations	21	(3,287,821)	(47,629)
Finance costs paid		-	-
Net cash generated from operating activities		(3,287,821)	-
Cash flows from financing activities			
Issue of ordinary share capital		-	49,999
Increase in loans		3,427,250	-
Net cash generated from financing activities		3,427,250	49,999
Net increase in cash and cash equivalents		139,429	2,370
Cash and cash equivalents at the beginning of the period		2,370	-
Cash and cash equivalents at end of period		141,799	2,370

The notes on pages 12 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1 General information

Just Bridging Loans PLC is a company incorporated in the United Kingdom. The address of the registered office is disclosed on the company information page at the front of the annual report. The principal activities of the company are described in the Directors' Report.

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 £11m has been drawn. Included in the £362m, 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 future.

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

The company has adopted the following new and amended IFRSs as of 31 December 2016:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2016 that would be expected to have a material impact on the company.

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 2016 and have not been early adopted:

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Standards, interpretations and amendments to published standards that are not yet effective (Continued)

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 2014-2016 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
Amendments to IFRS 12	Disclosure of interests in other entities	Amendments resulting from Annual Improvements 2014-2016 (Clarifying scope)	1 January 2017
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 2017
IFRS 16	Leases	Original Issue	1 January 2019
Amendments to IAS 7	Statement of Cash Flows	Amendments as result of the disclosure initiative	1 January 2017
Amendments to IAS 12	Income Taxes	Amendments regarding the recognition of deferred tax assets for unrealized losses	1 January 2017
Amendments to IAS 28	Investments in Associates and Joint Ventures	Amendments resulting from Annual improvements 2014-2016 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 01 January 2018.

The Group has now accessed the approach to IFRS 9 which will be 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 its 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.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership. In transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group 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 group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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.

2 Summary of significant accounting policies (Continued)

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 group 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.

2.4 Revenue

Revenue comprises of interest income, management, arrangement and commission fees on financial assets. Interest income is recognised using the effective interest method. Arrangement, management and commission 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 Cash and cash equivalents

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

2.6 Share capital

Ordinary shares are classified as equity.

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

2.7 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 group 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 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.

No impairment provision has been made against loans and advances to customers or other receivables during the period.

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:

Credit risk exposure relating to on-balance sheet assets are as follows:	2016	2015
	£	£
Loans and advances to customers	3,423,382	2,183,773
At 31 December	3,423,382	2,183,773

b) Cash flow and Interest rate risk
The company does not have any borrowings other than its loans 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
The company may operate in many different geographical markets. 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's non-current assets are held in the UK.

6 Taxation

	2016 £	**2015**
Total current tax	-	-
Factors affecting the tax charge for the period		
Profit / Losses on ordinary activities before taxation	(386,582)	(26,502)
Losses on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20%	(77,316)	(5,300)
Non-deductible expenses	1,537	119
Tax losses carried forward	75,779	5,181
Current tax charge for the period	-	-

The company has estimated tax losses of £404,809 (2015 - £25,909) available for carry forward against future trading profits.

Deferred tax assets at 31 December 2016 of £75,779 (2015 - £5,181) have not been recognised in the financial statements at future tax rate of 20% (2015 – 20%) due to the uncertainty of the recoverability of the amount.

7 Dividends

No dividends were paid or proposed for the period to 31 December 2016.

8 Operating loss

	2016 £	**2015** £
Operating loss is stated after charging:		
Audit fees	-	-
	-	-

Audit fees for the period have been borne by the ultimate parent company, The Just Loans Group Plc.

9 Employee benefit expense

Employees and Directors	**2016** £	**2015** £
Wages and salaries	-	-
Social security costs	-	-
Directors fees	-	-
	-	-

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

	2016 No.	**2015** No.
Directors	2	2
Staff	-	-
	2	2

10 Earnings per share

	2016	2015
Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:		
Profit / Loss after tax attributable to equity holders of the company	(386,582)	(26,502)
Weighted average number of ordinary shares	50,000	(2,824)
Basic and diluted loss per share	(773.16p)	(938.456p)

49,999 additional shares were allotted on 1 December 2015, making the total number of shares allotted for the company at 50,000 shares. The weighted average number of shares for the period is 50,000.

11 Loans and advances to customers

	2016 £	2015 £
Loans and advances to customers	3,423,382	2,183,773
	3,423,382	2,183,773

Loans and advances to customers relates to provision of revolving credit facilities to small and medium enterprises.

12 Other receivables

	2016 £	2015 £
Prepayments and accrued income	13,448	13,205
Amounts owed from Group undertakings	3,475,857	35,000
	3,489,305	48,205

13 Cash and cash equivalents

	2016 £	2015 £
Cash and bank balances	141,799	2,370
	141,799	2,370

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

14 Ordinary share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	50,000	50,000
	50,000	50,000

15 Accumulated Reserves

	2016 £
At July 2015	-
Loss for the period	(26,502)
At 1 January 2016	(26,502)
Loss for the period	(386,582)
At 31 December 2016	(413,084)

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Non – Current Liabilities

	2016 £	2016 £
Borrowings – Loans > 1 Year	3,427,250	-
	3,427,250	-

All commissions paid have been included within borrowings. All non-current borrowings are wholly repayable within five years.

The loans are secured by first floating charge over all of the assets of the company which bears interest at 8.75% per annum, paid in two half yearly installments. The debenture will expire on the 31st December 2020 and are due for repayment on this date.

Included within debentures is capitalized commission of £317,510 (2015 - £nil) which is being released to the income statement over the life of the debenture.

17 Trade and other payables

	2016 £	2015 £
Current		
Trade and other payables	6,986	271,274
Amounts owed to group undertakings	3,983,334	1,939,576
	3,990,320	2,210,850
Total trade and other payables	3,990,320	2,210,850

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

18 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 51.67% shareholding in The Just Loans Group Plc at the period end.

19 Contingent liabilities

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

20 Capital commitments

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

21 Cash generated from operations

	2016 £	2015 £
Reconciliation to cash generated from operations		
Profit /(Loss) before taxation	(386,582)	(26,502)
Changes in working capital:		
- Increase in other receivables and loans advanced	(4,680,709)	(2,231,977)
- Increase/(Decrease) in trade and other payables	1,779,470	2,210,850
	(3,287,821)	(47,629)

22 Related party transactions

The company was charged a management fee of £244,539 and £193,443 by its fellow subsidiaries, Just Loans Group Operations Limited and Just Cash Flow (Agency) Limited respectively, those amounts were outstanding as at 31st December 2016.

At the end of the period the company was owed £2,256,727 (2015 it owed - £1,033,095) by its parent company The Just Loans Group PLC. At the end of the period the company was also owed £725,000 (2015 - £35,000) from its fellow subsidiary Just Finance Loans & Investments Limited and £494,128 (2015 – £nil) by Just Capital (Europe) Limited.

It also owed £177,645 to Just Cash Flow Limited (2015 - £2,428), £480,371 (2015 - £235,831) to Just Loans Group Operations Limited, £379,851 (2015 - £186,408) to Just Cash Flow (Agency) Limited, £481,667 (2015 - £481,667) by Just ABL 1 Limited and £2,463,800 to JBL (SQN) Limited.

The loans are at £nil interest and repayable on demand.

23 Events after the reporting period

There were no events after the reporting period that required disclosure.

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