Just Cashflow
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JUST CASH FLOW PLC

CHAIRMANS INTERIM 2019 STATEMENT

For the 6 months ended 30 June 2019

CHAIRMAN'S STATEMENT

For the Unaudited Interim condensed financial statements for the 6 months ended 30 June 2019

OVERVIEW

Just Cash Flow Plc ("the Company") is a member of the JLG Group of companies formerly known as The Just Loans Group ("Group"). It provides Revolving Credit Facilities (RCF) to Small and Medium Enterprises that struggle to obtain traditional sources of funding for a variety of reasons. The Company is based in the United Kingdom and is incorporated in the United Kingdom. The Company is a public limited company and its debentures are listed on the Emerging Companies Market of the Cyprus Stock Exchange. Some other members of The Group also have debentures that are listed on the Cyprus Stock Exchange.

In June 2016 the UK voted in a referendum to leave the EU – the term 'Brexit' was adopted. We live in uncertain times, Brexit, political upheaval in the UK and in the USA and elsewhere in the world; but the World of the JLG Group remains constant. The company and the Group currently only operate in the United Kingdom and deal exclusively with the exciting and growing SME market.

FINANCIAL RESULTS

The unaudited financial results for the period to 30 June 2019 show an operating profit of £2,696,787 compared to an operating profit of £1,323,078 in the same 6 months of last year, a tremendous increase of 104%. Finance costs increased from £1,943,239 to £3,551,213 as a result of the increase in facilities drawn down at the end of 2018 and in the first quarter of 2019. The result was a loss of £854,426 with earnings per share being (17.08p). The total RCF facilities outstanding at 30 June 2019 was £55M, a 129% increase on the June 2018 figure of £24M and a 62% increase compared with December 2018 at £34m.

CASH FLOW AND FUNDING

Fund Raising

A. The remaining £4m of the facility with SQN Group was drawn in the first quarter of 2019 taking us to the £24m facility .

B. At the end of 2016, The Company signed a facility agreement with an institution, who are looking to raise £50m via a Bond issue designed for institutional Investors. The proceeds of this Bond issue will be loaned to the Company and the Bond issue is secured on a basket of loan facilities of the Company. The processes and procedures of Just Cash Flow were rated by an independent rating authority for the purpose of the Bond which was awarded an Investment Grade A with stable outlook. By the end of June 2019 the Company had received £59m (December 2018 £48m and June 2018 £28.6m)

C. The Group has recently raised an additional £10m on a 364 day listed Bond on GEM,the Irish stock exchange.

The Directors realise that there has been a major cash burn in building the process and platforms of the business and utilised by the Company, but they consider that the Group has adequate resources for ongoing operating expenses due to the revenues now being generated from its operations. The Group focus will be on ensuring additional fundraising is in place to ensure the main trading subsidiaries can achieve the necessary growth for the Group to reach and pass breakeven. Given the substantial demand for the Company's offerings and the additional funds referred to above the Company is targeted to achieve the critical mass necessary to achieve and pass monthly breakeven during 2019.

The Company aims to raise funds through issue of bonds, principally from institutional investors, and then continue to provide finance for UK SME businesses. The additional finance available to the Company was virtually fully deployed by the end of August and the Company had achieved the critical mass necessary for overall breakeven a few months earlier. It is anticipated that the total Group facilities outstanding at the end of the year will be around £100m compared with the current £82m.

Chairman

26 September 2019

The Directors of the Issuer accept responsibility for this announcement.

FOR FURTHER INFORMATION PLEASE CONTACT:

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For the six months ended 30 June 2019

	Unaudited Six months ended 30 June 2019 £	Unaudited Six months ended 30 June 2018 £	Audited Year ended 31 December 2018 £
Continuing operations			
Revenue	4,977,362	1,915,154	5,137,005
Cost of sales	(369,432)	(426,469)	(1,165,344)
Gross profit	4,607,930	1,488,685	3,971,661
Administrative expenses	(1,911,143)	(165,607)	(2,346,444)
Operating Profit	2,696,787	1,323,078	1,625,217
Finance costs	(3,551,213)	(1,943,239)	(3,974,086)
Loss on ordinary activities before taxation	(854,426)	(620,161)	(2,348,869)
Income tax expense	-	-	74,017
(Loss) for the period	(854,426)	(620,161)	(2,274,852)
Profit / (Loss) attributable to:			
- Owners of the parent	(854,426)	(620,161)	(2,274,852)
	(854,426)	(620,161)	(2,274,852)
Loss per share (expressed in pence per share)	(17.09)p	(12.40)p	(45,50)p

	Unaudited As at 30 June 2019 £	Unaudited As at 30 June 2018 £	Audited As at 31 December 2018 £
Assets			
Non-current assets			
Loans and advances to customers	20,327,978	5,740,774	11,484,295
Other receivables	334,702	-	335,752
	20,662,680	5,740,774	11,820,047
Current assets			
Loans and advances to customers	32,950,625	18,099,501	20,914,640
Other receivables	19,234,439	8,592,301	14,608,563
Cash and cash equivalents	2,451,236	9,137,158	13,112,676
	54,636,300	35,828,960	48,635,879
Total assets	75,298,980	41,569,734	60,455,926
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	50,000	50,000	50,000
Preference shares	450,000	450,000	450,000
Accumulated losses	(8,161,344)	(5,652,227)	(7,306,918)
Total equity	(7,661,344)	(5,152,227)	(6,806,918)
Liabilities			
Non-current liabilities			
Borrowings	36,961,992	34,415,024	26,121,922
Current liabilities			
Trade and payables	21,975,642	12,306,937	17,692,530
Borrowings	24,022,690	-	23,448,392
Total liabilities	82,960,324	46,721,961	67,262,844
Total equity and liabilities	75,298,980	41,569,734	60,455,926

For the six months ended 30 June 2019

	Unaudited Six months ended 30 June 2019	Unaudited Six months ended 30 June 2018	Audited Year ended 31 December 2018
	£	**£**	**£**
Cash flows from operating activities			
Cash generated from operations	(19,107,042)	(9,170,798)	(18,619,647)
R&D Tax receipt	-	-	74,017
Finance costs paid	(3,368,766)	(1,943,329)	(1,939,008)
Net cash generated from operating activities	(22,475,808)	(11,114,127)	(20,484,638)
Cash flows from investing activities			
Payments to acquire intangible assets	-	-	-
Net cash generated from investing activities	-	-	-
Cash flows from financing activities			
Proceeds from issue of debenture and other loans	11,814,368	14,251,769	27,881,275
Debentures and other loans repaid		-	(283,477)
Net cash generated from financing activities	11,814,368	14,251,769	27,597,798
Net (decrease)/increase in cash and cash equivalents	(10,661,440)	3,137,642	7,113,160
Cash and cash equivalents at the beginning of the period	13,112,676	5,999,516	5,999,516
Cash and cash equivalents at end of period	2,451,236	9,137,158	13,112,676

For the six months ended 30 June 2019

	Attributable to owners of the parent				Total Equity
	Share capital	Preference Shares	Accumulated losses	Total	
	£	£	£	£	£
As at 30 June 2018	50,000	450,000	(5,652,227)	(5,152,227)	(5,152,227)
Issue of share capital	-	-	-	-	-
Loss for the period	-	-	(1,654,691)	(1,654,691)	(1,654,691)
As at 31 December 2018	50,000	450,000	(7,306,918)	(6,806,918)	(6,806,918)
Loss for the period	-	-	(854,426)	(854,426)	(854,426)
As at 30 June 2019	50,000	450,000	(8,161,344)	(7,661,344)	(7,661,344)

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

Other reserves represent the expenses recognised for share-based payments.

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

1. Basis of accounting

This interim report, which incorporates the financial information of the company, has been prepared using the historical cost convention, on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The same accounting policies and methods are used in the interims as compared with the most recent annual financial statements.

The unaudited results for period ended 30 June 2019 do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Board of Directors of the company at its meeting on 26 September 2019 examined and approved the interim condensed financial results.

2. Standards and Interpretations adopted with no material effect on financial statements

IFRS 16: Leases came into effect on 1 January 2019. The main impact of the standard is for the Group to capitalise it's operating leases as "right-of-use assets" within Property, Plant and Equipment on the Statement of Financial Position, with corresponding liabilities representing the commitment to fulfil those lease obligations. These assets are then depreciated over the life of the lease and a notional interest charge is made against the liability. The standard allows for different transition options and the Group has adopted the Modified Retrospective approach resulting in the Group adopting the standard from 1 January 2019 with no adjustment to reserves or comparative numbers. On adoption, the Group had no material operating leases to capitalise and therefore there has been no impact of the new standard.

3. Loss per Share

	Unaudited Six Months ended 30 June 2019	**Unaudited Six Months ended 30 June 2018**	**Audited Year ended 31 December 2018**
Loss per share:			
Basic (pence)	(17.09)	(12.40)	(45.50)
Diluted (pence)	(17.09)	(12.40)	(45.50)
Weighted average number of shares in issue	5,000,000	5,000,000	5,000,000

Loss per ordinary share on the Company's loss for the financial period within the Condensed Company Statement of Financial Position.

	Unaudited As at 30 June 2019	Unaudited As at 30 June 2018	Audited As at 31 December 2018
	£	£	£
Non-current			
Debenture/Bonds	36,961,992	34,415,024	26,121,922
Current			
Debentures/Bonds	24,022,690	-	23,448,392
Total	60,984,682	34,415,024	49,570,314

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 £36.9m on the November 2021 and £22.7m on the November 2019.

As at 30 June 2019 Included within debentures and other loans is capitalised commission of £3,546,379(2018:£2,407,278)

5. Share Capital

Share capital consists of 5,000,000 Ordinary shares of £0.01 each.

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