

THE JUST FINANCE LOANS & INVESTMENTS PLC

CHAIRMAN'S STATEMENT

For the Unaudited Interim condensed financial statements for the 6 months ended 30 June 2017

OVERVIEW

Just Finance Loans & Investments Plc ("Company") is a member of the Just Loans Group ("Group") and was founded in order to complement the business of the Group by offering longer term loans and investment to help fill the gap on funding that is experienced today by so many UK SMEs. The Company is based and 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 Emerging Companies Market of 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 Just Loans 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 2017 show an operating loss of £305,362 earnings per share are negative, being 610.72p.

CASH FLOW AND FUNDING

In order for the Group to meet its growth targets it is necessary to raise the funds to be lent out. The Group signed a £10m facility with the US fund manager SQN Capital Management in December 2015. This facility has now been drawn down fully. In July 2017, the Group signed a further facility with SQN secured Income Fund for a further £10M facility allowing the Group to drawdown £2M per month. The Group has utilised £4M of this facility, drawing down £2M in July and August. This institutional fundraising is in addition to the continued fund raising from the sale of debenture securities which are traded on the Emerging Companies Market of the Cyprus Stock.

In addition, at the end of 2016, The Group signed an agreement with an institution, who are looking to raise via a Bond issue, £50Million, designed for institutional Investors. This is secured on a basket of loan facilities of Just Cash Flow Plc. 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 of A rating.

To date the company has received £3.3M.

OUTLOOK

In addition, at the end of 2016, The Group signed an agreement with an institution, who are looking to raise via a Bond issue, £50Million, designed for institutional Investors. To date the company has received £13.3M

For the time being the Company intends to concentrate its time and financial support on the investments that it has made and is not seeking any further equity investment unless the business is directly related to the operations of the Group.

The two principal investments are PWE Holdings Plc ("PWE") and City Oils /City Fuel Services Ltd.

The principal activity of the PWE Group is the ownership and operation of Micro Power Stations (MPS) to sell energy to its clients. The Group uses advanced energy technologies that can reduce, produce and manage the energy needs of its clients. PWE has installed 25 MPS in 17 locations and has a substantial order book for further installations. It is forecast to move into profit in the first half of 2018. PWE has commenced its own fund raising with the intention of financing its future growth and refinancing the loans made by JFLI.

City Oils /City Fuel Services Ltd ("CO Group") processes used cooking oil and contaminated diesel and petrol. The processing of contaminated diesel and petrol has made great progress in the last 6 months such that the CO Group has reached breakeven and is starting to generate profit.

The Company believes that it has helped to create substantial value in its investments which is not currently reflected in the accounts and will seek to realise some of the value as soon as the opportunity is right.

Chairman

26 September 2017

The Directors of the Issuer accept responsibility for this announcement.

FOR FURTHER INFORMATION PLEASE CONTACT:

Robert Boot
Just Finance Loans & Investments Plc
1 Charterhouse Mews
London
EC1M 6BB
Tel: +44 (0) 20 3199 6379
rboot@thejust-group.com

CSE Nominated Advisor
Nick Michaels and Jon Isaacs
Alfred Henry Corporate Finance Limited
www.alfredhenry.com
Tel: 020 7251 3762

Condensed Company Statement of Comprehensive Income
For the six months ended 30 June 2017

	Unaudited Six months ended 30 June 2017	Unaudited Six months ended 30 June 2016	Audited Year ended 31 December 2016
	£	£	£
Continuing operations			
Revenue	571,670	341,194	817,675
Administrative expenses	(176,665)	(235,445)	(9,432)
Operating Profit	<u>395,005</u>	<u>105,749</u>	<u>808,243</u>
Finance Income		-	-
Finance costs	(550,915)	(431,793)	(1,001,872)
Share of losses from investment in associate	(149,452)	(125,582)	(244,567)
Loss on ordinary activities before taxation	<u>(305,362)</u>	<u>(451,626)</u>	<u>(438,196)</u>
Income tax expense		-	-
Profit / (Loss) for the period	<u>(305,362)</u>	<u>(451,626)</u>	<u>(438,196)</u>
Profit / (Loss) attributable to:			
- Owners of the parent	<u>(305,362)</u>	<u>(451,626)</u>	<u>(438,196)</u>
Loss per share (expressed in pence per share)	<u>(610.72p)</u>	<u>(903.25p)</u>	<u>(876.39p)</u>

Condensed company statement of financial position

	Unaudited As at 30 June 2017	Unaudited As at 30 June 2016	Audited As at 31 December 2016
	£	£	£
Assets			
Non-current assets			
Investments	1	1	1
Trade and other receivables	10,707,111	7,260,692	8,874,303
	<u>10,707,112</u>	<u>7,260,693</u>	<u>8,874,304</u>
Current assets			
Trade and other debtors	123,552	-	32,052
Cash and cash equivalents	53,428	127,293	90,231
	<u>176,980</u>	<u>127,293</u>	<u>122,283</u>
Total assets	<u>10,884,092</u>	<u>7,387,986</u>	<u>8,996,587</u>
Equity and liabilities			
Equity attributable to owners of the parent			
Ordinary shares	50,000	50,000	50,000
Accumulated losses	(1,357,895)	(1,065,963)	(1,052,533)
	<u>(1,307,895)</u>	<u>(1,015,963)</u>	<u>(1,002,533)</u>
Non-controlling interests			-
Total equity	<u>(1,307,895)</u>	<u>(1,015,963)</u>	<u>(1,002,533)</u>
Liabilities			
Non-current liabilities			
Borrowings	-	6,122,726	
Trade and other payables	4,029,000	-	2,336,083
Current liabilities			
Trade and other payable	1,631,341	2,155,641	1,285,710
Borrowings	6,531,646	-	6,377,327
Total liabilities	<u>12,191,987</u>	<u>8,278,367</u>	<u>9,999,120</u>
Total equity and liabilities	<u>10,884,092</u>	<u>7,262,404</u>	<u>8,996,587</u>

Condensed Company Statement of Cash Flows
For the six months ended 30 June 2017

	Unaudited Six months ended 30 June 2017 £	Unaudited Six months ended 30 June 2016 £	Audited Year ended 31 December 2016 £
Cash flows from operating activities			
Operating Loss before taxation	395,005	105,749	808,243
Adjustments for:			
Increase in Loans and trade and other receivable	(1,924,309)	(2,145,095)	(3,953,348)
Increase/(Decrease) in trade and other payables	210,607	417,467	1,630,253
Cash (utilised) / generated from operations	(1,318,697)	(1,621,879)	(1,514,852)
Finance income received			-
Finance costs paid	(550,915)	(431,793)	(507,784)
Net cash (used) /generated from operating activities	(1,869,612)	(2,053,672)	(2,022,636)
Cash flows from investing activities			
Share of loss on associate company	-	(125,582)	-
Net cash generated from investing activities	-	(125,582)	-
Cash flows from financing activities			
Proceeds from issue of debenture and other loans	1,832,809	1,721,580	1,527,900
Net cash generated from financing activities	1,832,809	1,721,580	1,527,900
Net (decrease)/increase in cash and cash	(36,803)	(457,674)	(494,736)
Cash and cash equivalents at the beginning of the period	90,231	584,967	584,967
Cash and cash equivalents at end of period	53,428	127,293	90,231

Condensed Company Statement of Changes in Equity
For the six months ended 30 June 2017

	Attributable to owners of the parent			Total	Total Equity
	Share capital £	Other reserves £	Accumulated losses £		
As at 30 June 2016	50,000	-	(1,065,963)	(1,015,963)	(1,015,963)
Issue of share capital	-	-	-	-	-
Profit for the period	-	-	13,430	13,430	13,430
As at 31 December 2016	50,000	-	(1,052,533)	(1,002,533)	(1,002,533)
Loss for the period	-	-	(305,362)	(305,362)	(305,362)
As at 30 June 2017	50,000		(1,357,895)	(1,307,895)	(1,307,895)

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.

Notes to the condensed financial statements

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 interim condensed financial statements for the 6 months to June 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Report" and have not been audited by the external auditors of the company.

The unaudited results for period ended 30 June 2017 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 27 September 2017 examined and approved the interim condensed financial results.

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

There are no IFRS or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have material impact on the company.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have material impact on the company.

3. Loss per Share

	Unaudited	Unaudited	Audited
	Six Months	Six Months	18 months
	ended 30	ended 30	ended 31
	June	June	December
	2017	2016	2016
Loss per share:			
Basic (pence)	(610.7)	(903.25)	(876.39)
Diluted (pence)	(610.7)	(903.25)	(876.39)
Weighted average number of shares in issue	50,000	50,000	50,000

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

4. Borrowing

	Unaudited As at 30 June 2017	Unaudited As at 30 June 2016	Audited Period ended 31 December 2016
	£	£	£
<i>Non-current</i>			
Debentures and other loans	-	6,122,726	-
<i>Current</i>			
Debentures	6,531,646	-	6,377,327
	<u>6,531,646</u>	<u>6,122,726</u>	<u>6,377,327</u>

All commissions due on debentures have been deferred against the debentures they relate to and have either been shown as non-current. All non-current borrowings are wholly repayable within five years.

The debentures are secured by first floating charge over all of the assets of the group, and bear interest as per below. Interest is paid in two half yearly instalments.

	Repayment date	Annual interest
2017 Debentures	31 December 2017	8.25%

As at 30 June 2017 included within debentures and other loans is capitalised commission of £156,876.

5. Share Capital

Share capital consists of 50,000 Ordinary shares of £1.00 each.

6. Events after the reporting period

It was announced on the 24 August 2017 that Just Loans Finance Loans & Investments Plc ("JFLI"), a wholly owned subsidiary of The Just Loans Group Plc and formerly a minority shareholder and principal funder in PWE Holdings Plc ("PWE") has acquired the shares from two of the original founders. JFLI now owns 77.5% of PWE.

John Davies and Robert Boot, directors of JFLI were appointed to the Board of PWE on 14 July 2017.

Simon Wright and Paul Hale previously directors of PWE have both resigned as directors and departed from the company with effect from 9 August 2017.

Sean Fitzpatrick was appointed a director and CEO of PWE with effect from 1 September 2017.