
JTC ADVANTAGE UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2020

JTC ADVANTAGE UK LIMITED

COMPANY INFORMATION

Directors	Richard Gabelich (appointed 1 July 2019) Craig Mawdsley Marcus Traill
Company secretary	SF Asset Advisory Limited
Registered number	11230828
Registered office	38 Chancery Lane The Cursitor London WC2A 1EN
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW

JTC ADVANTAGE UK LIMITED

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JTC ADVANTAGE UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

Introduction

The principal activity of JTC Advantage UK Limited (the 'Company') is the acquisition and subsequent disposal of residential property.

Business review

The Company continues to hold long dated leasehold for apartments within a residential tower located in London which were initially acquired on 12 April 2018. During the financial year to 29 February 2020 there were no apartments sold and income of £430,905 was generated from rental activities. There were partial repayments of related party loans in the period as well as additional drawdowns.

Principal risks and uncertainties

The Company is exposed to liquidity risks due to the uncertainty of sales velocity to provide income to meet holding costs, accordingly management produces forecasts to determine any necessary cash requirements. In addition to management monitoring the cash requirements of the Company there is a commitment from MGFO-P Ltd to provide commercial and financial support, as is necessary for the Company to enable it to continue in operation and meet its liabilities. Furthermore, there is exposure to market risk noting the current UK political uncertainty surrounding Brexit and Covid-19 as an example could impact on property values and sales velocity.

Financial key performance indicators

	2020	2019
Apartments sales income in the period	£nil	£36,071,439
Apartments rental income in the period	£430,905	£nil
Percentage of debt repaid in the year	0.45%	25.4%

The measurement of apartment sales income per annum is used to test the performance of the primary objective of the entity being the resale of the assets held. In addition, a further KPI is rental income generated which is to be maximised to meet the hold costs of the investments. Finally, the percentage of debt repaid in the year is monitored to assess the return of capital generated.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020**

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Directors of the Group must act in accordance with a set of general duties. These duties are detailed in section 172(1) of the U.K. Companies Act 2006, which is summarised as follows:

A Director of a Company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

1. The likely consequences of any decision in the long term;
2. The interests of the Company's employees;
3. The need to foster the Company's business relationships with suppliers, customers and others;
4. The impact of the Company's operations on the community and the environment;
5. The desirability of the Company maintaining a reputation for high standards of business conduct; and
6. The need to act fairly as between members of the Company.

The Board consider that they have fulfilled their duties in accordance with section 172(1) of the UK Companies Act 2006 and have acted in a way which is most likely to promote the success of the Group for the benefit of its stakeholders as a whole in the following ways:

Long term benefit

Our strategy was designed to have a long-term beneficial impact on the Company and to contribute to its success in delivering excellence with regards to service to its customers and tenants whilst ensuring the long term requirements of the other stakeholders are considered.

Employees

The company aims to be a responsible employer in our approach to the pay and benefits employees receive.

Suppliers

We aim to promote collaborative engagement and to build long term partnerships with our suppliers with an objective to minimise risk and optimise costs through the full lifecycle of our relationship.

Community and environment

The Board recognises its responsibilities with regards the environment and wider community and takes actions to reduce any negative impact the provision of its services have in this area.

Culture and values

The Board actively seeks to establish and maintain a corporate culture which will attract both future employees, customers and suppliers. The Company promotes honesty, integrity and respect and all employees are expected to operate in an ethical manner in all their dealings, whether internal or external. We do not tolerate behaviour which goes against these values which could cause reputational damage to the business or create ongoing conflict or unnecessary tension internally.

JTC ADVANTAGE UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020**

This report was approved by the board on 27 November 2020 and signed on its behalf.



Richard Gabelich
Director

JTC ADVANTAGE UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 FEBRUARY 2020

The directors present their report and the financial statements for the year ended 29 February 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Results and dividends

The loss for the year, after taxation, amounted to £8,844,191 (2019 - loss £2,214,092).

Directors

The directors who served during the year were:

Richard Gabelich (appointed 1 July 2019)
Craig Mawdsley
Marcus Traill

Future developments

The company has a number of residential properties that it aims to sell over the next few years noting that following the 29 February 2020 year end one further apartment sale has completed.

JTC ADVANTAGE UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2020**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 November 2020 and signed on its behalf.



Richard Gabelich
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC ADVANTAGE UK LIMITED

Opinion

We have audited the financial statements of JTC Advantage UK Limited (the 'Company') for the year ended 29 February 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2.2 and Note 3 in the financial statements, which indicates that due to the uncertainty around property sales, the company is reliant on the continued support and of funding from group companies. As stated in Note 2.2 and Note 3 these events or conditions, along with the other matters as set forth in Note 2.2 and Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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.

JTC ADVANTAGE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC ADVANTAGE UK LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, 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.

JTC ADVANTAGE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JTC ADVANTAGE UK LIMITED (CONTINUED)

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.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Stacy Eden (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW

27 November 2020

JTC ADVANTAGE UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	Note	2020 £	2019 £
Turnover		-	36,071,439
Cost of sales		-	(31,858,144)
Gross profit		-	4,213,295
Administrative expenses		(3,809,451)	(1,396,610)
Other operating income		430,905	-
Operating (loss)/profit		(3,378,546)	2,816,685
Interest receivable and similar income		252	3,789
Interest payable and expenses		(5,686,079)	(4,814,384)
Loss before tax		(9,064,373)	(1,993,910)
Tax on loss		220,182	(220,182)
Loss for the financial year		(8,844,191)	(2,214,092)

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 14 to 22 form part of these financial statements.

JTC ADVANTAGE UK LIMITED
REGISTERED NUMBER: 11230828

BALANCE SHEET
AS AT 29 FEBRUARY 2020

	Note	29 February 2020 £	28 February 2019 £
Current assets			
Stocks		94,677,675	94,677,675
Debtors: amounts falling due within one year	10	256,353	814,554
Cash at bank and in hand	11	489,345	1,677,311
		<u>95,423,373</u>	<u>97,169,540</u>
Creditors: amounts falling due within one year	12	(954,493)	(99,383,631)
Net current assets/(liabilities)		<u>94,468,880</u>	<u>(2,214,091)</u>
Total assets less current liabilities		<u>94,468,880</u>	<u>(2,214,091)</u>
Creditors: amounts falling due after more than one year		(105,527,162)	-
Net liabilities		<u>(11,058,282)</u>	<u>(2,214,091)</u>
Capital and reserves			
Called up share capital	15	1	1
Profit and loss account		(11,058,283)	(2,214,092)
		<u>(11,058,282)</u>	<u>(2,214,091)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 November 2020.



Richard Gabelich
Director

JTC ADVANTAGE UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2020

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the year			
Loss for the year	-	(2,214,092)	(2,214,092)
Total comprehensive income for the year	-	(2,214,092)	(2,214,092)
Shares issued during the year	1	-	1
Total transactions with owners	1	-	1
At 1 March 2019	1	(2,214,092)	(2,214,091)
Comprehensive income for the year			
Loss for the year	-	(8,844,191)	(8,844,191)
At 29 February 2020	1	(11,058,283)	(11,058,282)

The notes on pages 14 to 22 form part of these financial statements.

JTC ADVANTAGE UK LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	29 February 2020 £	28 February 2019 £
Cash flows from operating activities		
Loss for the financial year	(8,844,191)	(2,214,092)
Adjustments for:		
Intercompany sales	-	(33,671,439)
Interest paid	5,686,079	4,814,384
Interest received	(252)	(3,789)
Taxation charge	(220,182)	220,182
Decrease/(increase) in stocks	-	(94,677,675)
Decrease/(increase) in debtors	372,419	(628,772)
Decrease/(increase) in amounts owed by groups	185,782	(185,782)
Increase in creditors	799,710	154,782
Net cash generated from operating activities	(2,020,635)	126,192,201
Cash flows from investing activities		
Interest received	252	3,789
Net cash from investing activities	252	3,789
Cash flows from financing activities		
Issue of ordinary shares	-	1
Loans from group companies repaid	(477,583)	-
New loans from group companies	1,310,000	127,865,722
Net cash used in financing activities	832,417	127,865,723
Net (decrease)/increase in cash and cash equivalents	(1,187,966)	1,677,311
Cash and cash equivalents at beginning of year	1,677,311	-
Cash and cash equivalents at the end of year	489,345	1,677,311
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	489,345	1,677,311
	489,345	1,677,311

Sales made to intercompany entities in 2019 have resulted in no cash receipt for the company and have been paid directly to MFGO-P Ltd to repay part of the loan.

The notes on pages 14 to 22 form part of these financial statements.

JTC ADVANTAGE UK LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 29 FEBRUARY 2020**

	At 1 March 2019 £	Cash flows £	Other non- cash changes £	At 29 February 2020 £
Cash at bank and in hand	1,677,311	(1,187,966)	-	489,345
Debt due after 1 year	-	-	(105,527,162)	(105,527,162)
Debt due within 1 year	(99,008,667)	(832,416)	99,841,083	-
	<u>(97,331,356)</u>	<u>(2,020,382)</u>	<u>(5,686,079)</u>	<u>(105,037,817)</u>

The notes on pages 14 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

1. General information

JTC Advantage UK Limited is a company limited by shares, incorporated and registered in England and Wales (registration number 11230828). The address of the registered office is given within the Company Information section. The nature of the company's operations and its principal activities are set out in the directors' report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

As required by FRS 102, when preparing financial statements, the Directors assess whether there are significant doubts about the Company's ability to continue as a going concern.

The Directors have carried out an assessment of going concern as part of the financial reporting process, taking into consideration a number of matters including forecast cash flows, medium and long-term business plans and the impact of Covid-19 on the market.

Due to the uncertainty of property sales, the company is reliant on the continued support from MGFO-P Ltd (the relationship is set out in note 15) and there is a commitment from MGFO-P Ltd to provide commercial and financial support, as is necessary for the Company to enable it to continue in operation and meet its liabilities. Confirmation has been obtained that this support will be available for a period of 12 months or greater from the date these financial statements are approved. Furthermore, the company has received confirmation that the amounts owed to related parties will not be re-called during this period. Whilst the Directors do not have the visibility over MGFO-P Ltd's financial position, they are confident that MGFO-P Ltd has the ability to provide all the necessary financial support. To date MGFO-P Ltd, has been able to provide financial support when required to support this assessment.

On the basis of this assessment, the Directors have considered that it is appropriate to prepare the financial statements on a going concern basis. Nevertheless, these conditions indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include adjustments that would result if the company was unable to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

2. Accounting policies (continued)

2.3 Turnover

Revenue represents the amounts receivable from the sale of properties or rental income during the year.

Properties are treated as sold and profits are recognised when contracts are unconditionally exchanged.

Other income

Rental income is recognised on a straight-line basis over the lease term.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key critical judgements

Valuation of stocks

This is the directors estimate that stocks are held at lower of cost and net realisable value. The directors have consulted SF Asset Advisory Limited to review comparative market data held by JLL as well as data available on HM Land Registry to appraise the value of the stock held. Consideration has been given to any indication of impairment to the stock value at the reporting date and are satisfied that there are no such indications.

Going Concern

The Directors have carried out an assessment of going concern as part of the financial reporting process. As noted in Note 2.2, due to the uncertainty of property sales, the company is reliant on the continued support and of funding from a fellow group undertaking and has obtained confirmation that this will be available for a period of 12 months or greater from the date these financial statements are signed. It is on this basis, the Directors have considered that it is appropriate to prepare the financial statements on a going concern basis.

JTC ADVANTAGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

4. Turnover

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Rental income	430,905	-
	<u>430,905</u>	<u>-</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	15,000	15,000

Fees payable to the Company's auditor and its associates in respect of:

Assistance with the preparation of the Company's annual financial statements	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

JTC ADVANTAGE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

7. Employees

	2020	2019
	£	£
Wages and salaries	192,500	-
Social security costs	18,995	-
Cost of defined contribution scheme	4,306	-
	215,801	-

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Directors	3	3
Employees	4	-
	7	3

The Directors of the company are considered to be the key management personnel. During the year there was £nil paid to Directors (2019: £nil).

8. Interest payable and similar expenses

	2020	2019
	£	£
Loans from group undertakings	5,686,079	4,814,384
	5,686,079	4,814,384

JTC ADVANTAGE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

9. Taxation

	2020 £	2019 £
Current tax on profits for the year	(220,182)	220,182
	(220,182)	220,182
Total current tax	(220,182)	220,182
Deferred tax		
Total deferred tax	-	-
Taxation on (loss)/profit on ordinary activities	(220,182)	220,182

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(9,064,373)	(1,993,910)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,722,231)	(378,843)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	177,389	599,025
Utilisation of tax losses	644,395	-
Adjustments to tax charge in respect of prior periods	(220,182)	-
Unrelieved tax losses carried forward	701,551	-
Group relief	198,896	-
Total tax charge for the year	(220,182)	220,182

Factors that may affect future tax charges

At 29 February 2020 the company had trading tax losses carried forward of approximately £644,395 (2019: £nil). No deferred tax asset has been recognised in respect of the losses carried forward as a result of the current uncertainty as to their utilisation.

JTC ADVANTAGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020

10. Debtors

	29 February 2020 £	28 February 2019 £
Amounts owed by group undertakings	-	185,782
Other debtors	19,345	-
Prepayments	237,008	628,772
	<u>256,353</u>	<u>814,554</u>

11. Cash and cash equivalents

	29 February 2020 £	28 February 2019 £
Cash at bank and in hand	489,345	1,677,311
	<u>489,345</u>	<u>1,677,311</u>

12. Creditors: Amounts falling due within one year

	29 February 2020 £	28 February 2019 £
Trade creditors	724,657	53,423
Amounts owed to group undertakings	-	99,008,667
Corporation tax	-	220,182
Other taxation and social security	7,125	-
Other creditors	29,840	-
Accruals and deferred income	192,871	101,359
	<u>954,493</u>	<u>99,383,631</u>

JTC ADVANTAGE UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2020**

13. Creditors: Amounts falling due after more than one year

	29 February 2020 £	<i>28 February 2019 £</i>
Amounts owed to group undertakings	105,527,162	-
	105,527,162	-

14. Financial instruments

	29 February 2020 £	<i>28 February 2019 £</i>
Financial assets		
Financial assets measured at fair value through profit or loss	-	185,782
Financial assets measured at amortised cost	19,345	-
Cash and cash equivalents	489,345	1,677,311
	508,690	1,863,093

Financial liabilities

Financial liabilities measured at amortised cost	106,251,819	99,163,449
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Financial assets measured at fair value through profit or loss comprise amounts owed by group companies.

Financial assets measured at amortised cost comprise of balances due from other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and amounts owed by group companies.

15. Share capital

	29 February 2020 £	<i>28 February 2019 £</i>
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	1	1

JTC ADVANTAGE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

16. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

17. Related party transactions

JTC Advantage Limited, the immediate parent company, also owns the entire share capital of JTC Nominee 1 Limited. During the year, the company made sales of £Nil (2019: £33,671,439) to JTC Nominee 1 Limited. During the year, the company recharged costs of £284,315 (2019: £185,782) to JTC Nominee 1 Limited. At the year end, the company was owed £Nil (2019: £185,782) by JTC Nominee 1 Limited for expenditure incurred on behalf of JTC Nominee 1 Limited.

MGFO-P Ltd is a related party by virtue of it being a member of the same group. During the year, the company made draw downs against its loan facilities with MGFO-P Ltd of £1,310,000 (2019: £128,134,151) and made repayments of £477,583 (2019: £Nil). At the year end, the company owed MGFO-P Ltd £105,527,162 (2019: £99,008,667).

Richard Gabelich, a director, is also a director of SF Asset Advisory Limited. During the year the company incurred asset management fees of £266,000 (2019: £Nil). At the year end, the company owed SF Asset Advisory Limited £30,161 (2019: £Nil).

18. Controlling party

The company's immediate parent undertaking is JTC Advantage Limited, a company incorporated in the British Virgin Islands. The company's ultimate parent undertaking is Jaffurs (PTC) Ltd, a company incorporated in the British Virgin Islands.

In the opinion of the directors, the company's ultimate controlling party is considered to be Harald McPike by virtue of his control of Jaffurs (PTC) Ltd.