



Just Retirement (Holdings) Limited

Report and Accounts
For the Year Ended 31 December 2019



JUST RETIREMENT (HOLDINGS) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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JUST RETIREMENT (HOLDINGS) LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2019. The Company has taken advantage of the exemption in section 414A(2) of the Companies Act 2006 from the requirement to prepare a strategic report on the basis that it would be entitled to prepare accounts for the year in accordance with the small companies regime but for being a member of an ineligible group.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is that of an intermediary holding company of an insurance group. The Directors consider that this will continue into the foreseeable future.

KEY PERFORMANCE INDICATORS

The Directors have not set any KPIs for the Company as it is a holding company. KPIs are set and measured for its subsidiary undertakings as relevant to those entities.

RESULTS AND DIVIDEND

The financial result of the Company for the year ended 31 December 2019 is a loss after tax of £11,939,000 (2018: loss of £648,000). The Directors do not propose paying a dividend in respect of the year to 31 December 2019 (2018: £nil).

POST BALANCE SHEET EVENT - CORONAVIRUS PANDEMIC ('COVID-19')

The U.K. along with much of the rest of the world is currently in the middle of a pandemic caused by Covid-19. The U.K. Government has introduced unprecedented measures to restrict the spread of the virus including closing down whole sectors of the economy and requiring most people, other than essential workers, to stay at home. The Company is continuing to operate with the majority of staff working at home. As of the date of this report it remains uncertain as to how long the pandemic will last and what other impacts will arise afterwards. At present there has only been a limited impact on the Company.

PRINCIPAL RISKS, UNCERTAINTIES AND FINANCIAL INSTRUMENTS

The Company is exposed to credit risk through the financial investments it holds. The Company is a subsidiary of the Just Group plc group and Credit risk is managed on a Group wide basis. There have been no other significant changes to the principal risks during the year, other than preparing against any Brexit impact, and the risk outlook for each of the risks described above is expected to remain stable.

GOING CONCERN

After making enquiries the Directors have formed the view, at the time of approving the financial statements, that the Company has adequate resources to continue in operational existence for the foreseeable future. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). For this reason the Directors have adopted the going concern basis in preparing these financial statements.

DIRECTORS

The Directors who held office during the year and at the date of this report are listed below:

Andy Parsons (appointed 18 February 2020)

David Richardson

Jason Causer (appointed 21 May 2019)

Rodney Cook (resigned 30 April 2019)

DIRECTORS' INDEMNITIES

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Directors' and Officers' liability insurance cover was maintained throughout the year and remains in force at the date of this report.

POLITICAL DONATIONS

No political contributions were made during the year ended 31 December 2019 (31 December 2018: £nil).

AUDITOR

The Company's auditors, KPMG LLP, have confirmed their intention not to seek reappointment as auditors of the Company and the other companies in its Group when their present term in office expires. On this basis the auditors will not be deemed reappointed under section 487 of the Companies Act 2006. It is intended that KPMG LLP will resign as auditor of the Company following the completion of the audit of the Company's accounts. Just Group plc, the ultimate parent company of the group of companies of which the Company is a part, has appointed PwC LLP as auditor for the year ending 31 December 2020. It is intended that PwC LLP be appointed as auditor of the Company by ordinary resolution of the shareholder of the Company in accordance with section 485(4) of the Companies Act 2006 during the next period for appointing auditors in accordance with section 485(2) of the Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

Each person who was a Director of the Company on the date that this report was approved confirms that, so far he or she is aware, there is no relevant audit information, being information needed by the Auditor in connection with preparing their report, of which the Auditor is unaware. Each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant information and to establish that the Auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section pursuant 418 of the Companies Act 2006.

JUST RETIREMENT (HOLDINGS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

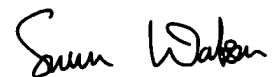
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD



Simon Watson
Company Secretary
2 June 2020

Registered Office:
Enterprise House
Bancroft Road
Reigate
Surrey
RH2 7RP

Registered in England
Number 05078978

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUST RETIREMENT (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Just Retirement (Holdings) Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Directors' report

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

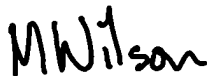
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mostyn Wilson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

2 June 2020

JUST RETIREMENT (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

		Year ended 31 Dec 2019	Year ended 31 Dec 2018
	Note	£'000	£'000
Operating expenses	2	(164)	(218)
Operating loss		(164)	(218)
Impairment in carrying value of investment in subsidiary undertakings	3	(15,900)	(4,737)
Net investment income	4	5,022	8,835
Finance costs	5	(8)	(3,609)
(Loss)/profit before tax		(11,050)	271
Income tax	6	(889)	(919)
Total comprehensive loss for the year attributable to equity holders		(11,939)	(648)

All figures relate to continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

JUST RETIREMENT (HOLDINGS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

Year ended 31 December 2019	Share capital £'000	Share premium £'000	Accumulated profit £'000	Total £'000
Balance at 1 January 2019	679	170,829	171,815	343,323
Loss for the year	—	—	(11,939)	(11,939)
Total comprehensive loss for the year	—	—	(11,939)	(11,939)
Shares issued	90	89,910	—	90,000
Share-based payments	—	—	4,983	4,983
Total contributions and distributions	90	89,910	4,983	94,983
Balance at 31 December 2019	769	260,739	164,859	426,367

Year ended 31 December 2018	Share capital £'000	Share premium £'000	Accumulated profit £'000	Total £'000
Balance at 1 January 2018	629	120,879	166,089	287,597
Loss for the year	—	—	(648)	(648)
Total comprehensive loss for the year	—	—	(648)	(648)
Shares issued	50	49,950	—	50,000
Share-based payments	—	—	6,374	6,374
Total contributions and distributions	50	49,950	6,374	56,374
Balance at 31 December 2018	679	170,829	171,815	343,323

JUST RETIREMENT (HOLDINGS) LIMITED

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Investment in subsidiary undertakings	9	<u>423,902</u>	<u>336,618</u>
		<u>423,902</u>	<u>336,618</u>
Current assets			
Other financial investments	10	1,009	8,764
Deferred tax asset	11	1,425	1,684
Other receivables	12	7	82
Cash at bank and in hand		<u>843</u>	<u>545</u>
		<u>3,284</u>	<u>11,075</u>
Total assets		<u>427,186</u>	<u>347,693</u>
Equity			
Share capital	13	769	679
Share premium		260,739	170,829
Accumulated profit		164,859	171,815
Total equity		<u>426,367</u>	<u>343,323</u>
Liabilities			
Current liabilities			
Other payables	14	<u>819</u>	<u>4,370</u>
		<u>819</u>	<u>4,370</u>
Total liabilities		<u>819</u>	<u>4,370</u>
Total equity and liabilities		<u>427,186</u>	<u>347,693</u>

The notes on pages 11 to 19 form part of these financial statements.

The financial statements were approved by the Board of Directors on 2 June 2020 and were signed on its behalf by:



Andy Parsons

Director

JUST RETIREMENT (HOLDINGS) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Cash flows from operating activities		
(Loss)/profit before tax	(11,050)	271
Impairment of investment in subsidiary undertakings	15,900	4,737
Investment income	(5,022)	(8,835)
Interest expense	8	3,609
Decrease in other financial assets	–	2,908
Decrease in creditors	(288)	(85)
Interest received	26	86
Interest paid	–	(1,912)
Taxation paid	(659)	(331)
Net cash (outflow)/inflow from operating activities	(1,085)	448
Cash flows from investing activities		
Increase in shares in group undertakings	(98,201)	(60,239)
Increase in loans to group undertakings	–	(1,300)
Interest received on loans to group undertakings	5,000	5,000
Net cash outflow from investing activities	(93,201)	(56,539)
Cash flows from financing activities		
Issue of ordinary share capital	90,000	50,000
Decrease in loans from group undertakings	(3,000)	–
Interest paid on loans from group undertakings	(171)	–
Net cash inflow from financing activities	86,829	50,000
Net decrease in cash and cash equivalents	(7,457)	(6,091)
Cash and cash equivalents at start of year	9,309	15,400
Cash and cash equivalents at end of year	1,852	9,309
Cash available on demand	843	545
Units in liquidity funds	1,009	8,764
Cash and cash equivalents at end of year	1,852	9,309

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Values are expressed to the nearest £'000.

The Company is a wholly-owned subsidiary of Just Group plc and is included in the consolidated financial statements of Just Group plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing Group accounts.

The Directors have made an assessment covering a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, including assessing the likely impact of the ongoing Covid-19 pandemic, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

As noted above, the Directors have considered the potential impact of the Covid-19 pandemic on the Company, which are expected to be minimal. The Company is continuing to operate with the majority of staff working at home.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

There are no new accounting standards, interpretations or amendments to existing accounting standards in issue relevant to the Company which have not been adopted.

The following accounting policies have been applied consistently throughout the year.

1.2 Income and expenses

Operating expenses, interest receivable and similar income, interest payable and similar charges are recognised on an accruals basis.

1.3 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits to utilise carried forward tax losses against which the reversal of underlying timing differences can be deducted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Any deferred assets not recognised are separately disclosed.

1.4 Investments

Shares in group undertakings are stated at cost less any provision for impairment.

Loans to group undertakings are valued at amortised cost net of impairment for expected credit losses. Expected credit losses are calculated on a 12 month forward-looking basis where the debt has low credit risk or has had no significant increase in credit risk since the debt originated.

Financial investments are classified in accordance with IFRS 9, Financial Instruments. Under IFRS 9 the valuation basis applied to each asset class is determined by assessing the cash flow characteristics and business model approach as detailed in IFRS 9. The Company has determined that liquidity funds do not give rise to cash flows that are solely payments of principal and interest on principal amounts outstanding and therefore, in accordance with IFRS 9, liquidity funds are measured at fair value through profit or loss.

1.5 Share-based payment transactions

The Company is an intermediary holding company in a group that offers share award and option plans for employees of its subsidiary undertakings which are accounted for as equity-settled share schemes. As an intermediary holding company, the Company records an increase in the investment in subsidiary undertakings for the value of the share options and awards granted with a corresponding credit entry recognised directly in equity. The value of the share options and awards granted is based upon the fair value of the options and awards at the grant date, the vesting period and the vesting conditions.

2. Operating expenses

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Auditor's remuneration – as auditor	37	57
Other administrative expenses	127	161
	<u>164</u>	<u>218</u>

Executive directors are paid by a fellow group undertaking and do not charge the Company for their services. The Company has no employees.

Disclosures in respect of non-audit fees paid to the auditor have not been disclosed in these financial statements because the group financial statements of the Company's ultimate parent, Just Group plc, contain on a group wide basis the non-audit fee disclosures required by the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 (Statutory Instrument 2008/489).

3. Impairment in carrying value of investment in subsidiary undertakings

During the year, the Company carried out its annual assessment for impairment with regard to its investments in subsidiaries. As a result, an impairment charge of £15,900,000 has been recognised in the Statement of Comprehensive Income in the year (2018: £4,737,000) in respect of shares in group undertakings. Further detail is provided in note 9 to the financial statements.

4. Net investment income

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Deposit interest receivable	22	80
Swap interest receivable	–	3,015
Loan interest receivable	5,000	5,006
Movement in fair value of derivative financial instruments	–	734
	<u>5,022</u>	<u>8,835</u>

JUST RETIREMENT (HOLDINGS) LIMITED

Loan interest receivable represents the interest arising from loans to subsidiary undertakings, including the tier two loan agreements with Just Retirement Limited (see note 9).

5. Finance costs

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Swap interest payable	–	3,495
Loan interest payable	8	114
	<u>8</u>	<u>3,609</u>

6. Income tax

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Current tax:		
Current period	630	660
Adjustments in respect of prior period	–	–
Total current tax	<u>630</u>	<u>660</u>
Deferred tax:		
Origination and reversal of temporary differences	289	289
Rate change	(30)	(30)
Total deferred tax	<u>259</u>	<u>259</u>
Total income tax	<u>889</u>	<u>919</u>
 (Loss)/profit on ordinary activities before tax	 <u>(11,050)</u>	 <u>271</u>
Income tax at 19%	(2,100)	51
Effects of:		
Expenses not deductible for tax purposes	3,019	898
Rate change	(30)	(30)
Adjustments in respect of prior periods	–	–
Total income tax	<u>889</u>	<u>919</u>

Changes to the UK corporation tax rates reducing the main rate to 17% from 1 April 2020 were substantively enacted on 6 September 2016. On 11 March 2020 the Chancellor of the Exchequer announced that the main rate of corporation tax, effective from 1 April 2020, will remain at 19%. This measure was substantively enacted on 17 March 2020. This change does not affect the amounts of current taxes recognised at 31 December 2019. However, if the new rate was applied to deferred taxes recognised at 31 December 2019, then the deferred tax asset would increase by £168,000.

7. Remuneration of Directors

All Directors are employed by, and receive their emoluments from Just Retirement Management Services Limited, a fellow Group undertaking.

The Directors holding office during the year to 31 December 2019 consider that their services to the Company are incidental to their other duties within Just Group and accordingly no remuneration has been apportioned to the Company (2018: £nil).

8. Staff numbers and costs

Staff costs are recharged from fellow Group undertaking Just Retirement Management Services Limited, in accordance with management services agreements. All staff are employed by Just Retirement Management Services Limited and details of employee numbers are available in the financial statements of that company.

JUST RETIREMENT (HOLDINGS) LIMITED

9. Investment in subsidiary undertakings

	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
At 1 January 2019	285,318	51,300	336,618
Additions	103,184	–	103,184
Impairment	(15,900)	–	(15,900)
At 31 December 2019	372,602	51,300	423,902

	Shares in group undertakings £'000	Loans to group undertakings £'000	Total £'000
At 1 January 2018	223,142	50,000	273,142
Additions	66,913	1,300	68,213
Impairment	(4,737)	–	(4,737)
At 31 December 2018	285,318	51,300	336,618

Shares in group undertakings

The Company held investments in the ordinary shares (unless otherwise stated) of the following subsidiary undertakings at 31 December 2019:

	Principal activity	Registered office	Percentage of nominal share capital and voting rights held
Direct subsidiary			
HUB Acquisitions Limited ¹	Holding company	Vale House	100%
HUB Financial Solutions Limited	Distribution	Vale House	100%
HUB Pension Solutions Limited	Distribution	Vale House	100%
Just Retirement (South Africa) Holdings (Pty) Limited	Holding company	South Africa	100%
Just Retirement Limited	Life Assurance	Enterprise House	100%
Just Retirement Management Services Limited	Management services	Enterprise House	100%
Just Retirement Money Limited	Provision of lifetime mortgage products	Enterprise House	100%
Enhanced Retirement Limited	Dormant	Enterprise House	100%
HUB Transfer Solutions Limited	Dormant	Vale House	100%
JRP Group Limited	Dormant	Vale House	100%
JRP Nominees Limited	Dormant	Enterprise House	100%
Just Annuities Limited	Dormant	Enterprise House	100%
Just Equity Release Limited	Dormant	Enterprise House	100%
Just Incorporated Limited	Dormant	Enterprise House	100%
Just Protection Limited	Dormant	Enterprise House	100%
Just Retirement Nominees Limited	Dormant	Enterprise House	100%
Just Retirement Solutions Limited	Dormant	Enterprise House	100%
TOMAS Acquisitions Limited	Dormant	Enterprise House	100%
Corinthian Group Limited	Holding company	Enterprise House	75%
Spire Platform Solutions Limited ²	Software development	Portsmouth	33% ³
Indirect subsidiary			
HUB Online Development Limited	Software development	Belfast	100%
Just Management Services (Proprietary) Limited	Management services	South Africa	100%
Just Re 1 Limited	Investment activity	Enterprise House	100%
Just Re 2 Limited	Investment activity	Enterprise House	100%

JUST RETIREMENT (HOLDINGS) LIMITED

Just Retirement Life (South Africa) Limited	Life assurance	South Africa	100%
The Open Market Annuity Service Limited	Software solutions	Belfast	100%
TOMAS Online Development Limited	Software development	Belfast	100%
HUB Pension Consulting Limited ⁴	Dormant	Vale House	100%
Just Retirement Finance plc	Dormant	Vale House	100%
Corinthian Pension Consulting Limited ⁵	Pension consulting	Vale House	75%

¹ Class "A" and Class "B" ordinary shares.

² Class "B" ordinary shares.

³ Control is based on Board representation rather than percentage holding.

⁴ Name changed to HUB Digital Solutions Limited on 27 May 2020.

⁵ Name changed to HUB Pension Consulting Limited on 28 May 2020.

Registered offices

Vale House	Enterprise House	Belfast:	South Africa:	Portsmouth:
Roebuck Close	Bancroft Road	3 rd Floor	Office G01	Building 3000
Bancroft Road	Reigate	Arena Building	Big Bay Office Park	Lakeside North Harbour
Reigate	Surrey	Ormeau Road	16 Beach Estate	Portsmouth
Surrey	RH2 7RP	Belfast	Boulevard	Hampshire
RH2 7RU		BT7 1SH	Big Bay	PO6 3EN
			Western Cape	
			7441	

All subsidiary undertakings have a financial year end of 31 December with the exception of Spire Platform Solutions Limited which has a year end of 30 June.

On 4 July 2018, the Company subscribed for 33% of the ordinary share capital of Spire Platform Solutions Limited, a newly incorporated company, for a consideration of £1,000,000. The Company has majority representation on the Board of Spire Platform Solutions Limited, giving it effective control, and therefore accounts for the investment as a subsidiary undertaking.

On 17 August 2018, the Group acquired 12,324 £0.50 ordinary shares of Corinthian Group Limited (equating to 75% of total issued share capital) for consideration of £1,125,000. £825,000 of the consideration was paid on acquisition and £300,000 was contingent on the acquired entity achieving agreed future profit targets and reorganisation savings. A liability was recognised for the full potential contingent consideration, of which £117,000 was paid during 2019 (see note 15).

During the year, the Company:

- Subscribed to a further 90,000,000 £0.10 ordinary shares in Just Retirement Limited for consideration of £90,000,000;
- Subscribed to a further 2,200,000 £1.00 ordinary shares in HUB Financial Solutions Limited for consideration of £2,200,000;
- Subscribed to a further 400,000 £1.00 ordinary shares in HUB Pension Solutions Limited for consideration of £400,000; and
- Made further capital injections of £4,600,000 to Just Retirement (South Africa) Holdings (Pty) Limited.

Additions in the year also include amounts invested in relation to the cost of share-based payments for services provided by employees of subsidiary undertaking, Just Retirement Management Services, to be satisfied by shares issued by parent company, Just Group plc.

Investments in Group undertakings are assessed annually to assess whether there is any indication of impairment. As at 31 December 2019, the market capitalisation of the Group was more than its net assets. The shortfall between the market capitalisation and net assets of the Group was an indicator of possible impairment of the Company's investment in its life company subsidiary Just Retirement Limited (JRL).

Impairment testing was therefore carried out to assess the recoverable amount of the investment in JRL at 31 December 2019. The testing assessed the recoverable amount for JRL through a value in use calculation based on the expected emergence of excess capital under Solvency II. The carrying amount

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of the investment in JRL was £341,000,000. The recoverable amount was calculated to be in excess of this amount, indicating that no impairment of the Company's investment in JRL was required.

The calculation of value in use for JRL uses cash flow projections based on the emergence of surplus for in-force business on a Solvency II basis, over a 25 year period, together with new business cash flows on a Solvency II basis set out in the Group's business plan approved by the Board.

The pre-tax discount rate used was 10.3%. The discount rate was determined using a weighted average cost of capital approach, adjusted for specific risks attributable to the businesses.

A one percentage point increase in the discount rate used would reduce the value in use of JRL by £102m.

The Directors have not identified a reasonably possible change in assumptions which would result in the carrying amount of the investment in JRL to exceed its recoverable amount.

The review of the Company's other investments in Group undertakings did identify, and the Company has recognised, the following impairments:

- impairment of the investment in Just Retirement (South Africa) Holdings (Pty) Limited of £14,800,000, to reduce the carrying value to £6,788,000; and
- impairment of the investment in Just Retirement Management Services Limited of £1,100,000, to reduce the carrying value to £14,614,000.

Impairment charges have been recognised in profit and loss in the year (see note 3).

Loans to group undertakings

On 11 October 2012, the Company entered into a Tier 2 loan arrangement with subsidiary undertaking, Just Retirement Limited, for an amount of £40,000,000. This loan bears annual interest costs of 10% and is repayable (together with any interest accrued thereon but not yet paid) on 13 October 2022 or such later date as agreed in writing by Just Retirement Limited and the Company.

On 28 May 2013, the Company entered into a Tier 2 loan arrangement with Just Retirement Limited for an amount of £14,000,000. This loan bears annual interest costs of 10% and is repayable (together with any interest accrued thereon but not yet paid) on 13 October 2022 or such later date as agreed in writing by Just Retirement Limited and the Company. On 26 October 2016 £4,000,000 of this loan was repaid.

On 4 July 2018, the Company entered into a loan arrangement with subsidiary undertaking, Spire Platform Solutions Limited, for an amount of £1,000,000. The loan bears annual interest of 5% and is repayable in full before the sixth anniversary of the acquiree's first quotations to prospective customers. No interest is payable until such time as Spire Platform Solutions Limited has achieved a profit of at least £1.

On 16 August 2018, the Company entered into a loan arrangement with subsidiary undertaking, Corinthian Pension Consulting Limited, for an amount of £300,000. The loan bears annual interest of 6% and is repayable on demand.

10. Other financial investments

	2019	2018
	£'000	£'000
Units in liquidity funds	1,009	8,764
	<u>1,009</u>	<u>8,764</u>

All financial assets are measured at fair value through profit and loss and designated as such on initial recognition. All assets for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value being measured as a whole. Units in liquidity funds are classified as Level 1. There have been no transfers between levels during the year.

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11. Deferred tax

	2019	2018
	£'000	£'000
Net balance at start of year	1,684	1,943
Origination and reversal of temporary differences	(289)	(289)
Rate change	30	30
Net balance at end of year	<u>1,425</u>	<u>1,684</u>

12. Other receivables

	2019	2018
	£'000	£'000
Amounts owed by group undertakings	6	77
Prepayments and accrued income	<u>1</u>	<u>5</u>
	<u>7</u>	<u>82</u>

All amounts receivable are expected to be settled within 12 months of the Statement of Financial Position date. All amounts receivable result from transactions conducted at arm's length.

13. Share capital

As permitted by the Companies Act 2006, the Company has removed references to authorised share capital from its Articles of Association.

The allotted, called up and fully paid share capital of the Company was:

	2019	2018
	£'000	£'000
768,831,677 (2018: 628,831,677) ordinary shares of £0.001 each	<u>769</u>	<u>679</u>

14. Other payables

	2019	2018
	£'000	£'000
Amounts owed to group undertakings	636	4,070
Contingent consideration	<u>183</u>	<u>300</u>
	<u>819</u>	<u>4,370</u>

Amounts owed to group undertakings in 2018 includes a loan from parent company, Just Retirement Group Holdings Limited, for £3,000,000, which was repaid during 2019.

Contingent consideration is in respect of the acquisition of 75% of the total issued share capital of Corinthian Group Limited on 17 August 2018, and is contingent on the acquired entity achieving agreed future profit targets and reorganisation savings (see note 9). Contingent consideration of £300,000 was recognised at acquisition, of which £117,000 was paid during 2019.

15. Capital commitments

The Company had no capital commitments as at 31 December 2019 (2018: nil).

16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019 (2018: nil).

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17. Principal risks and uncertainties

The Company is a subsidiary of the Just Group plc group (the "Group"). The Group faces a number of principal risks and uncertainties that are reviewed on a regular basis as part of the Group's risk management framework. Details of those principal risks and uncertainties, and the Group's risk management framework are disclosed in the consolidated financial statements of Just Group plc. The Company is exposed to credit risk through the financial investments it holds.

Credit risk

The following table provides information regarding the credit risk exposure for financial assets which are neither past due nor impaired at 31 December:

	AAA £'000	BBB £'000	Unrated £'000	Total £'000
31 December 2019				
Units in liquidity funds	1,009	–	–	1,009
Debtors	–	–	78	78
	<u>1,009</u>	<u>–</u>	<u>78</u>	<u>1,087</u>
	AAA £'000	BBB £'000	Unrated £'000	Total £'000
31 December 2018				
Units in liquidity funds	8,764	–	–	8,764
Debtors	–	–	82	82
	<u>8,764</u>	<u>–</u>	<u>82</u>	<u>8,846</u>

18. Related party transactions

The following transactions were made with related parties during the year:

	Year ended 31 Dec 2019 £'000	Year ended 31 Dec 2018 £'000
Operating expenses and management fees charged by Just Retirement Management Services	(164)	(218)
Loan repayment to Just Retirement Group Holdings Limited	(3,000)	–
Interest on loan balances charged to Just Retirement Limited	5,000	5,000
Interest on loan balances charged to Corinthian Pension Consulting Limited	–	6
Interest on loan balances charged by Just Retirement Group Holdings Limited	(8)	(111)
Interest on loan balances charged by Just Retirement Management Services Limited	–	(3)

Capital injections to group undertakings and loans advanced to or repaid by group undertakings during the year are detailed in note 9.

None of the Directors received any remuneration for their service as Directors of Just Retirement (Holdings) Limited.

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The following balances in respect of related parties were owed by the Company at the end of the year:

	2019	2018
	£'000	£'000
Loan from Just Retirement Group Holdings Limited (including interest)	–	(3,163)
Amounts owed for group corporation tax	(630)	(660)
Just Retirement Limited	–	(170)
Just Retirement Management Services Limited	(6)	(8)
	<u>(636)</u>	<u>(4,001)</u>

The following balances in respect of related parties were owed to the Company at the end of the year:

	2019	2018
	£'000	£'000
Loan to Just Retirement Limited	50,000	50,000
Loan to Corinthian Pension Consulting Limited (including interest)	306	306
Loan to Spire Platform Solutions Limited	1,000	1,000
	<u>51,306</u>	<u>51,306</u>

19. Ultimate parent company

The immediate parent company of Just Retirement (Holdings) Limited is Just Retirement Group Holdings Limited, a company incorporated in England and Wales.

The ultimate parent company of the group in which the results of Just Retirement (Holdings) Limited are consolidated is Just Group plc, a company incorporated in England and Wales.

20. Post balance sheet events

The U.K. along with much of the rest of the world is currently in the middle of a pandemic caused by Covid-19. The Directors' Report contains an update on the potential impacts on the Company (see page 2).

Since 31 December 2019 the Company has issued 90 million new shares for consideration of £90,000,000 and has made capital injections to subsidiary undertakings of £90,000,000 to Just Retirement Limited, and £1,200,000 to Just Retirement Money Limited. There are no other post balance sheet events that have taken place between 31 December 2019 and the date of this report that are required to be brought to the attention of shareholders.