

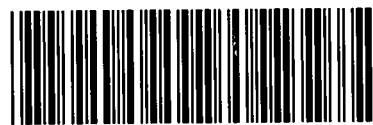
NewDay Reserve Funding Ltd

Company No. 06305245

Statutory Financial Statements

31 December 2016

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General information

Directors

Mr J Corcoran
Mr P Sheriff

Company Secretary

Mr S Rowland

Registered Office

2 Pancras Square
London
N1C 4AG

Solicitor

Slaughter and May
1 Bunhill Row
London
EC1Y 8YY

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Strategic Report

The Directors present their report, Strategic report and the audited financial statements of the Company for the year ended 31 December 2016.

Incorporation and principal activity

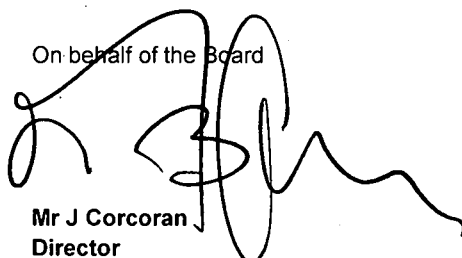
NewDay Reserve Funding Ltd (the "Company"), formerly Aviemore Funding Limited was incorporated and domiciled in England and Wales on 6 July 2007 for the purpose of holding the rights, titles and interest in the marbles branded credit cards. The Company assigned all rights, titles and interests to NewDay Funding Transferor Ltd in 2011.

Results and dividend

The audited financial statements for the year ended 31 December 2016 are set out on pages 7 to 15. The Company incurred bank fees and interest on bank accounts during the year and benefited from a capital contribution in respect of inter-company debts. The loss for the year after taxation was £3,000 (2015: loss of £5,000) as shown in the Statement of profit and loss and other comprehensive income on page 7.

The Directors do not propose the payment of a dividend for year ended 31 December 2016 (2015: £nil).

On behalf of the Board

A large, stylized handwritten signature in black ink, appearing to be 'J Corcoran', is written over the text 'On behalf of the Board'.

Mr J Corcoran
Director
2 March 2017

Directors' Report

The Directors present their report for the year ended 31 December 2016.

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union and the Companies Act 2006.

Directors

The Directors who held office during the year and up to the date of this report were as follows:

Mr J Corcoran
Mr D Richards (resigned 15 March 2016)
Mr P Sheriff (appointed 15 March 2016)

The Company Secretary for the year was Mr S Rowland. All Directors benefited from qualifying third party indemnity provisions in place during the year ended 31 December 2016.

Corporate governance statement

The governance of the Company is strictly directed by certain transaction documents, which establish procedures designed to safeguard assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage, rather than eliminate, the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

The financial statements are prepared under International Financial Reporting Standards.

Going concern

The financial statements have been prepared on a non-going concern basis due to the Company having no ongoing business activities.

Auditor and disclosure of information to the Auditor

The Directors who held office at the date of approval of this report confirm that, as far as they are both aware, there is no relevant audit information of which the Company's Auditors are unaware, and each Director has taken all of the steps that they ought to have taken as Directors to make themselves aware of any relevant information and to establish that the Company's Auditor is aware of that information.

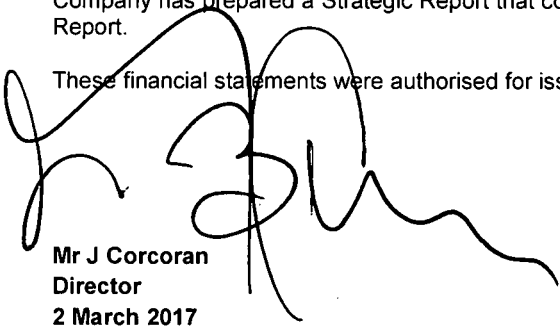
Auditor

KPMG LLP is the Auditor of the Company. Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Strategic report

In accordance with Section 414(c) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the Company has prepared a Strategic Report that contains information that would have previously been included in the Directors' Report.

These financial statements were authorised for issued on behalf of the Board



Mr J Corcoran
Director
2 March 2017

Statement of Directors' responsibilities in relation to the Strategic Report, the Directors' Report and the financial statements

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

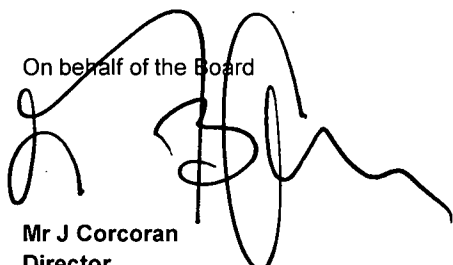
Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law.

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 and prudent; and
- state whether they have been prepared in accordance with IFRS as adopted by the EU.

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 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.

On behalf of the Board



Mr J Corcoran
Director
2 March 2017



Independent auditor's report

We have audited the financial statements of NewDay Reserve Funding Ltd for the year ended 31 December 2016 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the EU.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the basis of preparation note on page 11 which explains that the financial statements are not prepared on the going concern basis for the reason set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Andrew Walker (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

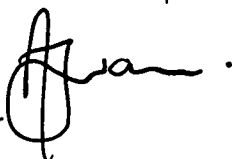
Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA



2 March 2017

Statement of profit and loss and other comprehensive income

for the year ended 31 December 2016

		Year ended 31 December 2016	Year ended 31 December 2015
	Note	£'000	£'000
Interest and similar expense	3	(3)	(5)
Operating loss		(3)	(5)
Loss before tax		(3)	(5)
Taxation	6	-	-
Loss for the year		(3)	(5)
Other comprehensive income		-	-
Loss for the year after other comprehensive income		(3)	(5)

The notes on pages 11 to 15 form an integral part of these financial statements.

Statement of financial position

as at 31 December 2016

	Note	As at 31 December 2016 £'000	As at 31 December 2015 £'000
Assets			
Current assets			
Loans and advances with banks	4	2	2
Total current assets		2	2
Total Assets		2	2
Liabilities			
Current liabilities			
Other liabilities	5	-	9
Total current liabilities		-	9
Total Liabilities		-	9
Capital & Reserves			
Share capital	7	-	-
Share premium	7	9,904	9,904
Capital contribution	7	12	-
Retained earnings		(9,914)	(9,911)
Total surplus / deficit		2	(7)
Total Liabilities and Equity		2	2

The notes on pages 11 to 15 form an integral part of these financial statements. The financial statements on pages 7 to 15 were approved by the Directors on 2 March 2017 and signed by:

Mr J Corcoran
Director

Company No. 06305245

Statement of changes in equity

for the year ended 31 December 2016

	Capital contribution	Share capital	Share premium	Retained losses	Total (deficit) / equity
	£'000	£'000	£'000	£'000	£'000
At 1 January 2016	-	-	9,904	(9,911)	(7)
Loss for the year	-	-	-	(3)	(3)
Other comprehensive income for the year	-	-	-	-	-
Transactions with owners:					
Capital contribution	12	-	-	-	12
At 31 December 2016	12	-	9,904	(9,914)	2

	Share capital	Share premium	Retained losses	Total deficit
	£'000	£'000	£'000	£'000
At 1 January 2015	-	9,904	(9,906)	(2)
Loss for the year	-	-	(5)	(5)
Other comprehensive income for the year	-	-	-	-
At 31 December 2015	-	9,904	(9,911)	(7)

The notes on pages 11 to 15 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 December 2016

		Year ended 31 December 2016	Year ended 31 December 2015
	Note	£'000	£'000
Operating activities			
Operating loss		(3)	(5)
Adjustments for:			
Interest expense	3	3	5
Working capital adjustments:			
Interest expense accrued		(3)	(5)
(Decrease) / increase in other liabilities	5	(9)	5
Net cash outflows generated in operating activities		(12)	-
Financing activities			
Capital contribution		12	-
Net cash inflows generated in financing activities		12	-
Net movement in cash		-	-
Cash and cash equivalents at beginning of year		2	2
Cash and cash equivalents at end of year		2	2

The notes on pages 11 to 15 form an integral part of these financial statements

Notes to the financial statements

1. Accounting policies

1.1 Basis of preparation

NewDay Reserve Funding Ltd (the "Company") was incorporated and domiciled in England and Wales on 6 July 2007. It was incorporated as Aviemore Funding Limited, but changed its name to NewDay Reserve Funding Ltd on 1 April 2014.

The financial statements of the Company have been prepared on an amortised cost basis. The financial statements are presented in Sterling (£) and all values are rounded to the nearest thousand pounds, except where otherwise indicated.

Going Concern

As the Company has no on-going business activities, the accounts have been prepared on a non-going concern basis.

1.2 Authorisation of financial statements

The financial statements of the Company for the year ended 31 December 2016 were authorised for issue by the Directors on 2 March 2017.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union and the International Financial Reporting Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted by the Company are set out below:

1.3 Summary of significant accounting policies

(1) Foreign currency translation

The Financial Statements are presented in Sterling which is the presentation and functional currency of the Company. The Company transacts wholly in Sterling.

(2) Recognition of income and expenses

Expenses are recognised when the amounts are incurred by the Company and the amount can be reliably measured on an accruals basis. Interest expense is recognised on an accruals basis at the appropriate loan agreement rate.

(3) Cash and cash equivalents

Cash and balances with banks as reflected in the statement of financial position comprise cash in hand, un-restricted current accounts and amounts due on demand or with an original maturity of three months or less.

(4) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is determined using tax rate and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related tax asset is realised or the tax liability is settled. Deferred tax assets are recognised only when it is probable that future taxable profits will be available against which these temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Notes to the financial statements (continued)

(5) Share Capital

The Company applies IAS 32 'Financial Instruments: Presentation' to determine whether funding is either a financial liability (debt) or equity.

Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Company having a present obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and the proceeds included in equity, net of transaction costs.

1.4 Significant accounting judgements, estimates and assumptions

The Company has made no significant judgements, estimates and / or assumptions in the year.

1.5 Adoption of new and revised standards

The following new standards, interpretations and amendments to existing standards are mandatory for the first time for the year ended 31 December 2016 but do not have a significant impact on the Company:

- Annual improvements to IFRSs 2012-2014 cycle;
- Amendments to IAS 1 'Presentation of Financial Statements';
- Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets'; and
- Amendments to IAS 27 'Separate Financial Statements'.

1.6 Standards issued but not yet effective

The following accounting standards and interpretations have been issued by the IASB but have not yet been early adopted by the Company:

- IFRS 9 'Financial Instruments'. IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 'Financial Instruments: Recognition and Measurement' and applies to the classification and measurement of financial assets and financial liabilities as defined in IAS 39, as well as introducing an expected credit loss model for the measurement of the impairment provision on financial assets. The effective date for this standard is 1 January 2018. The Company continues to assess the impact on the financial statements;
- IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 supersedes IAS 11 'Construction Contracts' and IAS 18 'Revenue' and sets out the requirements for recognising revenue that applies to contracts with customers, except for those revenue items that are covered by standards on leases, insurance contracts and financial instruments. This standard becomes effective on 1 January 2018. The Company continues to assess the impact on the financial statements;
- IFRS 16 'Leases'. IFRS 16 eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model. Lessees will recognise a right-of-use asset and a corresponding lease liability. The asset will be amortised over the length of the lease and the financial liability will be measured at amortised cost. This standard is expected to become effective on 1 January 2019;
- Amendments to IAS 7 'Statement of Cash Flows'. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash flow and non-cash changes. The effective date for this standard is 1 January 2017;
- Amendments to IAS 12 'Income Taxes'. The amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The effective date for this standard is 1 January 2017;
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. The amendment resolves the conflict between the existing guidance on consolidation and equity accounting; and
- Annual improvements to IFRSs 2014-2016 cycle.

Notes to the financial statements (continued)

2. Audit fees

The Auditor, KPMG LLP, received no remuneration from the Company. Audit fees were met by the servicer of the Company, NewDay Cards Ltd and included in their financial statements as follows:

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
Professional fees include fees payable to the Auditor KPMG LLP in relation to:		
Audit of these financial statements	5	5
Total audit fees	5	5

3. Interest and similar expense

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
Bank interest	3	5
	3	5

4. Loans and advances to banks

	As at 31 December 2016	As at 31 December 2015
	£'000	£'000
Cash at bank	2	2
	2	2

5. Other liabilities

	As at 31 December 2016	As at 31 December 2015
	£'000	£'000
Amounts due to Group entities	-	9
	-	9

During the year NewDay Cards Ltd ("NDC") waived debts owing by the Company amounting to £3,810 and NewDay Funding Transferor Ltd (the "Transferor") waived debts owing by the Company amounting to £8,681 owed to them. These waivers have been treated as a capital contribution and reported within equity.

The amounts due to Group entities as at 31 December 2015 comprises £653 due to NDC and £8,686 to the Transferor. These amounts were interest free and repayable on demand.

Notes to the financial statements (continued)

6. Taxation

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
UK corporation tax on loss for the year	-	-
Total taxation charge per the statement of profit and loss and other comprehensive income	-	-

For the period from 1 January 2015 to 31 March 2015, the enacted UK corporation tax rate was 21%. For the period from 1 April 2015 to 31 December 2016 the enacted UK corporation tax rate was 20%. The average tax rate, assessed for the year is calculated at 20% (2015: 20.25%). From 1 April 2017 the rate will be 19% with a further reduction to 18% from 1st April 2020.

The tax reconciliation is shown below.

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
Loss on ordinary activities before taxation	(3)	(5)
Total taxable loss	(3)	(5)
UK corporation tax at 20% (2015: 20.25%)	(1)	(1)
Effects of:		
Company losses surrendered against Group profits	1	1
Total taxation charge per the Statement of Comprehensive Income	-	-

7. Share capital and reserves

	As at 31 December 2016	As at 31 December 2015
	£'000	£'000
Capital contribution	12	-
Share capital	-	-
Share premium	9,904	9,904
	9,916	9,904

Called up and fully paid share capital

Ordinary shares

Subscriber shares on incorporation
Issue of shares

As at 31 December 2016

<i>Issued share capital</i>	
Number of shares	Nominal value £
2	2
-	-
2	2

Called up and fully paid share capital

Ordinary shares

Subscriber shares on incorporation
Issue of shares

As at 31 December 2015

<i>Issued and fully paid</i>	
Number of shares	Nominal value £
2	2
-	-
2	2

Notes to the financial statements (continued)

8. Share capital and reserves (continued)

The Company was incorporated on 6 July 2007 with an authorised share capital of two £1.00 ordinary shares.

The shares are non-redeemable and hold full rights in respect of voting and entitle the holders to full participation in respect of equity and in the event of winding up of the company. The share capital is wholly owned by NDC.

In accordance with the Companies Act 2006, the Company has no authorised capital other than its issued capital. These shares rank equally in respect of rights attaching to voting, dividends and in the event of winding up of the Company.

No dividend was proposed or paid during the year (2015: £nil).

The capital contribution is the result of surrender of inter-company debts as detailed in note 5.

The Company's capital is represented by the capital and reserves attributable to equity holders. The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act 2006 with which it complies. The Company manages its capital and reserves in order that there is sufficient capital to meet the needs of the Company in its operations.

9. Controlling party and consolidation

The Company's immediate parent is NewDay Cards Ltd a Company registered in England and Wales which is a wholly owned subsidiary of the ultimate parent NewDay Group Holdings S.à r.l.

NewDay Reserve Funding Ltd is consolidated into the financial statements of NewDay Group Holdings S.à r.l. on the basis that this Company has the power to govern the financial and operating policies of the Company, has the exposure, or rights to the variable returns from involvement with the entity, and is able to use its power to affect the amount of returns from NewDay Reserve Funding Ltd.

Copies of the NewDay Group Holdings S.à r.l. consolidated financial statements are available from our website www.newday.co.uk or our registered offices at:

4 rue Albert Borschette
L-1246 Luxembourg
Grand Duchy of Luxembourg

10. Post balance sheet events

On 11 October 2016, Invicta EuroCard Services L.P. entered into a sale and purchase agreement relating to the sale of the entire share capital of NewDay Group Holdings S.à r.l. to Nemean Bidco Limited. Nemean Bidco Limited is an investment vehicle of funds advised by Cinven and CVC Capital Partners. On 26 January 2017 customary conditions (including obtaining regulatory and anti-trust approvals) were met and the transaction completed.

In connection with the acquisition: (a) Nemean BondCo plc (a wholly-owned subsidiary of Nemean BidCo Ltd) issued £425m Senior Secured Notes comprising £275m Fixed Rate Senior Secured Notes due 2024 and £150m Floating Rate Senior Secured Notes due 2023 (the 'Notes'); and (b) Nemean BidCo Ltd entered into a £30m Super Senior Revolving Credit Facility (the 'RCF'). Following completion of the acquisition on 26 January 2017, NewDay Group Holdings S.à r.l., together with each of its subsidiaries and subsidiary undertakings including the Company, are required to adhere to the relevant financing documents in order to: (a) guarantee the Notes and the RCF; and (b) provide security over all or substantially all of their assets (subject to certain exemptions).

11. Related party transactions

The Company does not trade, has no employees and has not paid remuneration or fees to the Directors during the year (2015: £nil). Details of the total Directors' emoluments borne by other Group companies is provided in note 24 of the Group financial statements.

During the year the Company benefited from a capital contribution in respect of a surrender of inter-company debts as detailed in note 5.