

NewDay Reserve Funding Ltd

Company Number 06305245

Annual report and financial statements

31 December 2020

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General information

Directors

John Hourican
Paul Sheriff

Company secretary

Stephen Rowland

Registered Office

7 Handyside Street
London
N1C 4DA

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 annual report and the audited financial statements of the Company for the year ended 31 December 2020.

Incorporation and principal activity

NewDay Reserve Funding Ltd (the "Company") was incorporated and domiciled in England and Wales on 6 July 2007 for the purpose of the management of *marbles* branded credit cards. The Company assigned all rights, titles and interests in the *marbles* portfolio to NewDay Funding Transferor Ltd in 2012 and ceased trading from this date. The Directors do not expect the Company to trade in the foreseeable future.

Principal risks and uncertainties

The Company participates in the Group-wide risk management framework of NewDay Group (Jersey) Limited, rather than being managed at individual entity level. Details of the Group's risk management framework, together with the Group's principal risks and uncertainties, which include those resulting from the COVID-19 pandemic, are reported in the Annual Report and Financial Statements of NewDay Group (Jersey) Limited, which is publicly available. However as the Company is a dormant entity the impacts of these risks and uncertainties on the Company are limited.

Key performance indicators (KPIs)

Given the Company is dormant, the Company's Directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividend

The audited financial statements for the year ended 31 December 2020 are set out on pages 9 to 16. The Company made £nil profit before tax for the year ended 31 December 2020 (2019: £1,000) as shown in the statement of profit and loss on page 9.

The Directors do not propose the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

On behalf of the Board



Paul Sheriff
Director
London
10 March 2021

Directors' report

The Directors present their report for the year ended 31 December 2020.

Directors

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

John Hourican
Paul Sheriff

The Company Secretary for the year was Stephen Rowland.

The Group maintains appropriate insurance cover in the unlikely event of legal action being brought against the Directors.

Corporate governance statement

The Company participates in the Group-wide corporate governance framework, 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 compliance with regulatory obligations.

Going concern

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

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 aware, there is no relevant audit information of which the Company's auditor is 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. This statement is given and should be interpreted in accordance with section 418(2) of the Companies Act 2006.

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.

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



Paul Sheriff
Director
10 March 2021

Statement of Directors' responsibilities

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 International Accounting Standards (IAS) in conformity with the requirements of the Companies Act 2006 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 IAS in conformity with the requirements of the Companies Act 2006;
- 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 (as explained in note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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.

On behalf of the Board



Paul Sheriff
Director
10 March 2021

Independent auditor's report

Opinion

We have audited the financial statements of NewDay Reserve Funding Ltd ("the Company") for the year ended 31 December 2020 which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud as part of the NewDay Group's overall risk assessment (which incorporates the Company). Our risk assessment procedures included:

- Enquiring of Directors, Those Charged With Governance, Internal Audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Internal Audit function, and the Company's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Board Audit Committee and Board Risk Committee minutes.
- Considering remuneration incentive schemes and performance targets for management under the Group's Management Incentive Plan.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited complexity/judgment applied in the calculation and recognition of revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those whose descriptions contained reference to Group executives.
- Assessing significant accounting estimates for bias.

Independent auditor's report (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

In addition, our assessment of risks involved gaining an understanding of the control environment including the Company's procedures for complying with laws and regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: conduct, bribery, money laundering and financial crime and certain aspects of Company legislation recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report (continued)

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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out 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; 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.



Karl Pountney (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

10 March 2021

Statement of profit and loss and other comprehensive income

		Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
	Note		
Interest income	4	-	1
Result before tax		-	1
Tax expense	5	-	-
Result for the year		-	1
Other comprehensive income		-	-
Result for the year after other comprehensive income		-	1

The notes on pages 13 to 16 form an integral part of these statutory financial statements.

Statement of financial position

		As at 31 December 2020 £'000	As at 31 December 2019 £'000
	Note		
Assets			
Other receivables	6	3	3
Total assets		3	3
Capital and reserves			
Share capital	7	-	-
Capital contribution	7	9,916	9,916
Retained earnings		(9,913)	(9,913)
Total equity		3	3
Total liabilities and equity		3	3

The notes on pages 13 to 16 form an integral part of these statutory financial statements.

The financial statements on pages 9 to 16 were approved by the Board of Directors on 10 March 2021 and signed on its behalf by:



Paul Sheriff
Director

Company No. 06305245

Statement of changes in equity

	Share capital £'000	Capital contribution £'000	Retained losses £'000	Total equity £'000
At 1 January 2020	-	9,916	(9,913)	3
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
At 31 December 2020	-	9,916	(9,913)	3

	Share capital £'000	Capital contribution £'000	Retained losses £'000	Total equity £'000
At 1 January 2019	-	9,916	(9,914)	2
Profit for the year	-	-	1	1
Other comprehensive income for the year	-	-	-	-
At 31 December 2019	-	9,916	(9,913)	3

The notes on pages 13 to 16 form an integral part of these statutory financial statements.

Statement of cash flows

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Operating activities		
Result before tax	-	1
Working capital adjustments:		
Increase in other receivables	-	(1)
Net cash used in operating activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-

The notes on pages 13 to 16 form an integral part of these statutory financial statements

Notes to the financial statements

1. Corporate information

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 address of its registered office is included on page 2. The principal activities of the Company are described in the strategic report.

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue by the Board of Directors on 10 March 2021.

2. Accounting policies

2.1 Basis of preparation

Statement of compliance

The financial statements of the Company have been prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006. The comparative information has been prepared in accordance with IFRS as endorsed by the EU, there is no difference between IAS and IFRS endorsed by the EU therefore the change has had no impact on the financial statements.

The financial statements of the Company have been prepared on the historical cost basis, are presented in Sterling and all values are rounded to the nearest thousand pounds, except where otherwise stated.

Going Concern

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

2.2 Summary of significant accounting policies

(1) Foreign currency

The financial statements are presented in Sterling which is the presentational and functional currency of the Company. The Company transacts wholly in Sterling.

(2) Recognition of income and expenses

Income is recognised to the extent that it is probable that economic benefits will flow to the Company and the amount can be reliably measured. Expenses are recognised on an accruals basis when the amounts are incurred by the Company and the amount can be reliably measured. Interest expense is recognised on an accruals basis at the appropriate loan agreement rate.

(3) Loans and advances to banks

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

(4) Tax expense

Current tax

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

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is determined using tax rate and laws that have been enacted or substantially 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 value 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.

(5) Share capital

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

Notes to the financial statements (continued)

2.3 Significant accounting judgements, estimates and assumptions

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

2.4 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 2020 but do not have a significant impact on the Company:

- Amendments to References to Conceptual Framework in IFRS Standards;
- Amendments to IAS 1 and IAS 8 for the definition of material;
- Amendments to IFRS 3 'Business Combinations'; and
- Amendments to IFRS 9, IAS 39 and IFRS 7 for interest rate benchmark reform.

2.5 Standards issued but not yet effective

The following accounting standards and interpretations have been issued by the International Accounting Standards Board (IASB) but have not been early adopted by the Company:

- Amendment to IFRS 16 'Leases' for COVID-19 released rent concessions. This amendment is not expected to have a significant impact on the Company's financial statements;
- Interest Rate Benchmark Reform- Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). The amendments are not expected to have a significant impact on the Company's financial statements;
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. This amendment clarifies the costs that comprise the costs of fulfilling a contract. This amendment is not expected to have a significant impact on the Company's financial statements;
- Amendment to IFRS 16 'Leases' for property, plant and equipment: proceeds before intended use. This amendment provides more guidance on accounting for the proceeds from selling items before the related item of property, plant and equipment is available for use. The amendment is not expected to have a significant impact on the Company's financial statements;
- Amendments to References to Conceptual Framework in IFRS Standards. The amendments are not expected to have a significant impact on the Company's financial statements;
- Amendments to IAS 1 'Presentation of Financial Statements'. The amendments provide more guidance on the definition of a current and non-current liability. The amendments are not expected to have a significant impact on the Company's financial statement;
- IFRS 17 'Insurance Contracts'. IFRS 17 replaces IFRS 4 'Insurance Contracts' and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. This standard is not expected to have a significant impact on the Company's financial statements; and
- Annual improvements to IFRS Standards 2018-2020. This standard is not expected to have a significant impact on the Company's financial statements.

3. Administrative expenses

The Company has no employees. The Directors did not receive any emoluments in respect of their services to the Company for the period.

External audit fees of £8,000 (2019: £7,500) for the audit of the Company's financial statements were borne by its parent company, NewDay Cards Ltd.

Notes to the financial statements (continued)

4. Interest income

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Interest income	-	1
	-	1

5. Tax expense

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Tax expense	-	-
	-	-

For the period from 1 January 2020 to 31 December 2020 the enacted UK corporation tax rate was 19.00% (2019: 19.00%).

The tax reconciliation is show below:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Profit on ordinary activities before taxation	-	1
Tax charge at average UK corporation tax rate of 19.00% (2019: 19.00%)	-	-
Tax expense	-	-

6. Other receivables

	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Amounts due from other Group entities	3	3
	3	3

Amounts due from other Group entities are unsecured and have no fixed date for repayment. No interest accrues on these amounts.