NewDay Reserve Funding Ltd

Company Number 06305245

Annual report and financial statements

31 December 2018

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General information

Directors

James Corcoran
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 2018.

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 of the Company, are reported in the Annual Report and Financial Statements of NewDay Group (Jersey) Limited, which is publicly available.

Key performance indicators (KPIs)

Given the nature of the business, 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 2018 are set out on pages 8 to 15. The Company made £nil profit before tax for the year ended 31 December 2018 (2017: £nil) as shown in the statement of profit and loss on page 8.

The Directors do not propose the payment of a dividend for year ended 31 December 2018 (2017: £nil).

On behalf of the Board

Paul Sheriff
Director
London
12 March 2019

Directors' report

The Directors present their report for the year ended 31 December 2018.

Directors

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

James Corcoran
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
12 March 2019

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 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 (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
12 March 2019

Independent auditor's report

Opinion
We have audited the financial statements of NewDay Reserve Funding Limited ("the company") for the year ended 31 December 2018 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 2018 and of its result 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.

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.

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.

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 7, 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.

Independent auditor's report (continued)

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.

Andrew Walker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
12 March 2019

Statement of profit and loss and other comprehensive income

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Result before tax		-	-
Tax expense	4	-	-
Result for the year		-	-
Other comprehensive income		-	-
Result for the year after other comprehensive income		-	-

The notes on pages 12 to 15 form an integral part of these statutory financial statements.

Statement of financial position

	Note	As at 31 December 2018 £'000	As at 31 December 2017 £'000
Assets			
Other receivables	5	2	2
Total assets		**2**	**2**
Capital and reserves			
Share capital	6	-	-
Capital contribution	6	9,916	9,916
Retained earnings		(9,914)	(9,914)
Total equity		**2**	**2**
Total liabilities and equity		**2**	**2**

The notes on pages 12 to 15 form an integral part of these statutory financial statements.

The financial statements on pages 8 to 15 were approved by the Board of Directors on 12 March 2019 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 2018	-	9,916	(9,914)	2
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
At 31 December 2018	**-**	**9,916**	**(9,914)**	**2**

	Share capital £'000	Capital contribution £'000	Retained losses £'000	Total equity £'000
At 1 January 2017	-	9,916	(9,914)	2
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
At 31 December 2017	**-**	**9,916**	**(9,914)**	**2**

The notes on pages 12 to 15 form an integral part of these statutory financial statements.

Statement of cash flows

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Operating activities		
Result before tax	-	-
Working capital adjustments:		
Increase in other receivables	-	(2)
Net cash used in operating activities	**-**	**(2)**
Net decrease in cash and cash equivalents	-	(2)
Cash and cash equivalents at beginning of year	-	2
Cash and cash equivalents at end of year	**-**	**-**

The notes on pages 12 to 15 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 2018 were authorised for issue by the Board of Directors on 12 March 2019.

2. Accounting policies

2.1 Basis of preparation

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 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 2018 but do not have a significant impact on the Company:

- IFRS 15 'Revenue from Contracts with Customers' became effective on 1 January 2018 and therefore is mandatory for the first time for the year ending 31 December 2018. IFRS 15 replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts', and establishes a comprehensive framework for determining whether, how much and when revenue is recognised on contracts from customers. The adoption of IFRS 15 has not had a significant impact on the Company;
- IFRS 'Financial Instruments';
- Amendments to IFRS 2 'Share-based Payment';
- Amendments to IAS 12 'Income Taxes';
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration';
- Amendments to IFRS 4 'Insurance Contracts'; and
- Annual improvements to IFRSs 2014-2016 cycle.

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 yet been early adopted by the Group:

- 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. The standard becomes effective on 1 January 2019 but is not expected to have a significant impact on the Company's financial statements;
- Amendments to IFRS 9 for prepayment features with negative compensation and modifications of financial liabilities. This standard is not expected to have a significant impact on the Company's financial statements;
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'. The amendment addresses equity-accounting loss absorption by long-term interests and is not expected to have a significant impact on the Company's financial statements;
- 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;
- Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. The amendments resolve the conflict between the existing guidance on consolidation and equity accounting. This standard is not expected to have a significant impact on the Company's Financial Statements; and
- Annual improvements to IFRSs 2015-2017 cycle. 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 £5,500 (2017: £5,000) 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. Tax expense

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Tax expense	-	-
	-	-

For the period from 1 January 2018 to 31 December 2018 the enacted UK corporation tax rate was 19.00% (2017 average rate: 19.25%). From 1st April 2020 the tax rate is expected to reduce to 17%.

The tax reconciliation is show below:

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Loss on ordinary activities before taxation	-	-
Tax charge at average UK corporation tax rate of 19.00% (2017: 19.25%)	-	-
Tax expense	-	-

5. Other receivables

	As at 31 December 2018 £'000	As at 31 December 2017 £'000
Amounts due from other Group entities	2	2
	2	2

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

Notes to the financial statements (continued)

6. Share capital and reserves

	As at 31 December 2018 £'000	As at 31 December 2017 £'000
Share capital	-	-
Capital contribution	9,916	9,916
	9,916	**9,916**

Called up and fully paid share capital	**Issued share capital**	
Ordinary shares	**Number of shares**	**Nominal value £**
As at 1 January 2018	2	2
Issued during the year	-	-
As at 31 December 2018	**2**	**2**

The Company was incorporated on 6 July 2007 with an authorised share capital of two £1 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 NewDay Cards Ltd.

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 (2017: £nil).

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.

7. Controlling party and consolidation

The Company's immediate parent undertaking is NewDay Cards Ltd, a company registered in England and Wales. Nemean TopCo Limited, a private limited company incorporated in Jersey, is the ultimate parent undertaking.

NewDay Reserve Funding Ltd is consolidated into the financial statements of NewDay Group (Jersey) Ltd 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 (Jersey) Ltd consolidated financial statements are available from the Group's website www.newday.co.uk or its registered offices at:

27 Esplanade
St Helier
Jersey
JE1 1SG

8. Related party transactions

The Company does not trade, has no employees and has not paid remuneration or fees to the Directors during the year (2017: £nil). Details of the total Directors' emoluments borne by other Group companies is provided in notes of the Group consolidated financial statements.