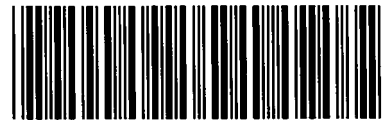


DELAMARE CARDS FUNDING 1 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
Company Number: 8356551

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DELAMARE CARDS FUNDING 1 LIMITED

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DELAMARE CARDS FUNDING 1 LIMITED

DIRECTORS AND ADVISERS

Directors:

J.C. Bingham
M.C. Schnaier

Secretary:

Sanne Group Secretaries (UK) Limited
Asticus Building
2nd Floor
21 Palmer Street
London
SW1H 0AD

Registered Office:

Asticus Building
2nd Floor
21 Palmer Street
London
SW1H 0AD

Independent Auditors:

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

Bankers:

HSBC Bank plc
One Canada Square
London
E14 5AL

Cash Manager:

Tesco Personal Finance plc
Interpoint Building
22 Haymarket Yards
Edinburgh
EH12 5BH

Servicer:

Tesco Personal Finance plc
Interpoint Building
22 Haymarket Yards
Edinburgh
EH12 5BH

DELAMARE CARDS FUNDING 1 LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for Delamare Cards Funding 1 Limited (the Company) for the year ended 31 December 2015.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Where this document contains forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. These statements should be treated with caution due to the inherent risks and uncertainties underlying any such forward-looking information. The Company cautions users of these Financial Statements that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, those discussed under 'Principal risks and uncertainties' on pages 5 - 6 of this Annual Report.

BUSINESS MODEL

The principal activity of the Company is to act within a securitisation structure for credit card receivables originated and acquired by Tesco Personal Finance plc (TPF plc). The securitisation structure has been established as a means of raising finance for TPF plc.

The credit card receivables are held in trust for the Company and the originator, TPF plc, by Delamare Cards Receivables Trustee Limited (the Trust). The beneficial interest in the credit card receivables is represented by a Deemed Loan to TPF plc. The Company is domiciled in the United Kingdom (UK) where all of its business activities take place.

The activities of the Company are managed in accordance with the securitisation transaction documents, which set out the workings of the transaction and the principal risks to the holder of the Global Loan Notes. As such, these have not been reproduced in full in these Financial Statements.

BUSINESS PERFORMANCE

On 13 May 2015, Delamare Cards MTN Issuer Plc (MTN Issuer Plc), a fellow group undertaking, issued £500m of AAAsf rated Class A medium term notes. The transaction consisted of a £300m cash issue, purchased by the market, and a £200m non cash issue, purchased by TPF plc. The total proceeds of this issuance were used to purchase two further tranches of the Company's Global Loan Note, the proceeds of which have been invested by the Company in the Trust, thereby amending the Company's beneficial interest in the Trust.

MTN Issuer Plc also called and settled two of its medium term notes totalling £700m. This was a non cash transaction. At the same time, the Company called and settled Global Loan Note tranches of the same amount, thus reducing the Company's overall beneficial interest in the Trust.

During the year, the Company earned £73,667k (2014: £89,065k) from TPF plc in relation to interest due on the Deemed Loan (note 2(m)). Interest proceeds were used to meet the Company's obligations on the Global Loan Note, payable to MTN Issuer Plc, and meet the administrative costs of the Company.

On 9 December 2015, the European Commission regulation capping interchange fees on credit cards entered into force. However, prior to this regulation commencing, the reduction to credit card interchange rates received by TPF plc was implemented progressively, reducing initially to 0.8% in April 2015 with further reductions phased in until it reached the final level of 0.3% set by the regulation in December 2015. These factors adversely impacted the considerations passed from TPF plc in respect of interchange income on the credit cards held by the Trust throughout the year. Whilst the full financial impact of the regulation will only be reflected within the Company's 2016 Financial Statements, it is not expected to alter the Company's ability to make payments on the Global Loan Note tranches given the existing and

DELAMARE CARDS FUNDING 1 LIMITED

STRATEGIC REPORT

forecast levels of excess spread. The Company, therefore, expects to be able to meet its obligations as they fall due.

The Company made a profit for the year of £1.2k (2014: £1.2k). Profits for the Company are pre-defined under the securitisation transaction documents. Under the terms of these documents the Company retains the rights to £0.1k per month. This is reflected within the Statement of Comprehensive Income on page 12.

STRATEGIC PRIORITIES

The Company will continue to seek appropriate opportunities to raise finance to support the ongoing activities of TPF plc.

APPOINTMENT OF THE COMPANY'S NEW AUDITOR

As part of the process of Tesco PLC appointing Deloitte LLP as auditor, on 30 June 2015 the Directors approved the appointment of Deloitte LLP as the Company's new auditor. The incumbent auditor, PricewaterhouseCoopers LLP (PwC), resigned on 30 June 2015 and submitted a 'Statement of no circumstances' letter to the Board which was noted. The relevant filings have been made by both PwC and the Company to the registrar of Companies and the Financial Reporting Council.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has implemented a set of policies and procedures in order to manage the risks associated with the transactions undertaken by the Company. The principal risks the Company is exposed to are detailed below.

Credit risk

Credit risk is the risk that a counterparty fails to repay the interest or capital on a loan or other financial instrument.

The Company is, therefore, exposed to credit risk via the ability of TPF plc to repay its obligations under the terms of the Deemed Loan. This is dependent on the ability of borrowers to meet their obligations as they fall due under the credit card receivables held by the Trust in which the Company has an investor beneficial interest.

The Directors continually monitor the performance of the underlying credit card receivables and take into consideration any developing trends. The Directors do not consider the exposure to credit risk to be material to the Company.

Liquidity and funding risk

Liquidity risk is the risk that the Company has insufficient liquid resources to meet its obligations as they fall due or can access these only at excessive cost. Liquidity risk arises from the mismatch in the timing of cash flows generated from assets and liabilities. Funding risk is the risk that the Company does not have sufficiently stable and diverse sources of funding. Funding risk arises from the ability of the Company to issue tranches of the Global Loan Note.

The principal financial asset held by the Company is the Deemed Loan issued by TPF plc. The main purpose of holding this financial asset, as agreed by the Directors, is to ensure appropriate liquidity, ensuring the Company's liabilities in respect of the tranches of Global Loan Note are met as they fall due and to meet regulatory requirements in respect of liquidity management.

DELAMARE CARDS FUNDING 1 LIMITED

STRATEGIC REPORT (continued)

The principal financial liabilities of the Company are the aggregate outstanding Global Loan Note tranches and accrued interest thereon. A purpose of these financial liabilities, as agreed by the Directors, is to ensure the Company has sufficient funding.

The Directors do not consider the exposure to liquidity risk to be material to the Company as the Global Loan Note is designed to align to the maturity and repayment profile of the Deemed Loan backed by the credit card receivables.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income in respect of the Company's interest bearing financial assets and financial liabilities.

The Directors do not consider exposure to interest rate risk to be material as the Company has no material fixed rate assets or liabilities and the originator of the Deemed Loan can amend its pricing to reflect changes in interest rates on the tranches of Global Loan Note.

Operational risk

Operational risk is the risk of potential error, loss, harm or failure caused by inadequate or failed internal processes, people, systems or from external events.

Delamare Cards Receivables Trustee Limited and the beneficial owners of the trust property have retained TPF plc under the terms of the servicing agreement as the servicer of the credit card receivables.

TPF plc has performed all relevant activities in its capacity as Servicer and Cash Manager. Failure of the Servicer/Cash Manager to carry out its services could lead to a loss on the tranches of Global Loan Note and/or early redemption of the tranches of Global Loan Note.

The ability of TPF plc to make the payments due in respect of any Deemed Loan to the Company is in part dependent upon the Servicer administering the credit card receivables (which form the Trust's property) and transactions affecting the credit card receivables in a prompt and accurate manner.

The Directors consider the controls to be effective which, together with the appointment of Sanne Group as the successor servicer facilitator, reduces the level of operational risk to minimal levels.

KEY PERFORMANCE INDICATORS (KPIs)

The Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company. However, a defined set of KPIs for the securitisation transaction are set out in the securitisation transaction documentation and published in the monthly Servicer Reports, available on www.corporate.tescobank.com.

The key performance indicator used by management in assessing the performance of the Company is the monitoring of actual cash flows against planned cash flows. In addition, performance is measured against the following KPIs to assess whether:

- Excess available funds averaged over a three month period is greater than £nil;
- The balance of the securitised credit card receivables is greater than a minimum balance as defined within the securitisation transaction documents; and,
- The principal balance of the Trust's securitised credit card receivables is greater than the aggregate total amount of Delamare Cards MTN Issuer Plc's Notes outstanding.

DELAMARE CARDS FUNDING 1 LIMITED

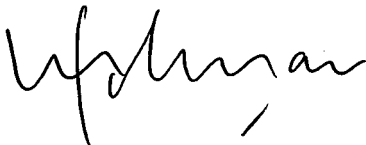
STRATEGIC REPORT (continued)

Each series and class of Notes in issue is assigned a credit rating which reflects the likelihood of full and timely payments to the holders of the face value of the Notes as set out in the securitisation transaction documents. A rating may be revised, suspended or withdrawn by the rating agencies if circumstances change.

Any change in credit rating assigned to a note in issue would be used as an indicator as to the performance of the Company. No downgrade in credit ratings has been applied to MTN Issuer Plc's medium term notes in the year under review or subsequently up to the date of approval of these Financial Statements.

The Company has made all necessary payments on the Global Loan Note in accordance with the scheduled payment dates for the year ended 31 December 2015.

BY ORDER OF THE BOARD



M.C. Schnaier
Director
26 February 2016

DELAMARE CARDS FUNDING 1 LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 December 2015.

Business review and future developments

The Company's business review and future developments are set out in the Strategic Report on pages 4 to 7.

Risk management

The Company's risk management policies are set out in the Strategic Report on pages 5 to 6.

Going concern

The Directors have completed a formal assessment of the Company's going concern status, taking into account both current and projected cash flows.

Interest and principal will be paid on the tranches of Global Loan Note to the extent that funds are remitted from the financial assets to the Company in accordance with the securitisation transaction documents. The Directors expect that the Company will continue to meet all of its obligations as they fall due for a period of at least 12 months from the date of this report.

The Directors do not anticipate any external changes in the business environment which would adversely impact the Company. This is dependent on there being no change in the performance of the tranches of Global Loan Note, which in turn is dependent on there being no material change in performance of the credit card receivables. Additional details relating to the performance of the credit card receivables can be found in note 14.

As a result of this assessment, the Directors consider the Company to be in a satisfactory financial position and confirm that any solvency or liquidity risks can be managed effectively. Accordingly, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

Dividends

During the year, no interim dividend has been paid (2014: £nil). The Directors do not recommend a final dividend for the year (2014: £nil). The Directors consider the results to be satisfactory and as expected in light of the Company's operating environment during the year.

Directors

The present Directors and Company Secretary who have served throughout the year and up to the date of signing the Financial Statements are listed on page 3.

Employees

The Company does not have any employees other than Directors (2014: none).

Independent Auditors

The auditors, Deloitte LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the annual general meeting.

DELAMARE CARDS FUNDING 1 LIMITED

REPORT OF THE DIRECTORS (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). 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, International Accounting Standard (IAS) 1, Presentation of Financial Statements, requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

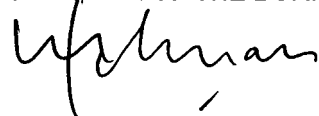
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names are listed on page 3 of the Annual Report and Financial Statements confirms that, to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

So far as each Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing this report, of which the auditors are unaware. All of the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

BY ORDER OF THE BOARD



M.C. Schnaier
Director
26 February 2016

DELAMARE CARDS FUNDING 1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF DELAMARE CARDS FUNDING 1 LIMITED

We have audited the Financial Statements of Delamare Cards Funding 1 Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's member, 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 member those matters we are required to state to it 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 member 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 Statement of Directors' Responsibilities, 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

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

DELAMARE CARDS FUNDING 1 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF DELAMARE CARDS FUNDING 1 LIMITED (continued)

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.



Stephen Williams (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Edinburgh
26 February 2016

DELAMARE CARDS FUNDING 1 LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	31 December 2015 £'000	31 December 2014 £'000
Interest and similar income	3	73,667	89,065
Interest expense	3	(19,306)	(19,998)
Net interest income		<u>54,361</u>	<u>69,067</u>
Administrative expenses	4	(54,360)	(69,066)
Profit before tax		<u>1</u>	<u>1</u>
Income tax expense	5	-	-
Profit and total comprehensive income for the year		<u>1</u>	<u>1</u>

All items dealt with in arriving at the profit for the year ended 31 December 2015 related to continuing operations (2014: continuing operations).

There was no other comprehensive income for the year ended 31 December 2015 (2014: £nil).

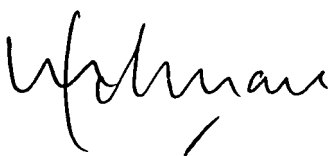
DELAMARE CARDS FUNDING 1 LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

Company number: 8356551

	Note	31 December 2015 £'000	31 December 2014 £'000
Assets			
Cash and cash equivalents	6	43,524	49,579
Other receivables	7	18,419	26,864
Deemed Loan	8	1,800,000	2,000,000
Total assets		1,861,943	2,076,443
Liabilities			
Loan payable	9	47,273	52,814
Other payables	10	17,752	26,168
Global loan note	11	1,796,915	1,997,459
Total liabilities		1,861,940	2,076,441
Equity			
Share capital	12	-	-
Retained earnings		3	2
Total equity		3	2
Total liabilities and equity		1,861,943	2,076,443

The Financial Statements on pages 12 – 30 were approved by the Board of Directors and authorised for issue on 26 February 2016 and were signed on its behalf by:



M.C. Schnaier
Director

26th February 2016

DELAMARE CARDS FUNDING 1 LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	-	2	2
Comprehensive income			
Profit for the year and total comprehensive income	-	1	1
Balance at 31 December 2015	<u>-</u>	<u>3</u>	<u>3</u>

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2014	-	1	1
Comprehensive income			
Profit for the year and total comprehensive income	-	1	1
Balance at 31 December 2014	<u>-</u>	<u>2</u>	<u>2</u>

DELAMARE CARDS FUNDING 1 LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	31 December 2015 £'000	31 December 2014 £'000
Cash flows from operating activities			
Profit before tax		1	1
Decrease / (increase) in other receivables		8,417	(3,980)
(Decrease) / increase in other payables		(8,417)	3,980
Net cash flows from operating activities		<u>1</u>	<u>1</u>
Cash flows from investing activities			
Investment in Deemed Loan		(300,000)	(500,000)
Interest received on Deemed Loan		19,334	19,928
Net cash flows used in investing activities		<u>(280,666)</u>	<u>(480,072)</u>
Cash flows from financing activities			
Global Loan Note issued		300,000	500,000
Issue costs		(1,493)	(2,262)
Interest paid on Global Loan Note		(19,334)	(19,928)
Loan facility received		11,750	8,400
Loan facility paid		(16,313)	(452)
Net cash flows from financing activities		<u>274,610</u>	<u>485,758</u>
Net (decrease) / increase in cash and cash equivalents		(6,055)	5,687
Cash and cash equivalents at beginning of the year		<u>49,579</u>	<u>43,892</u>
Cash and cash equivalents at the end of the year	6	<u>43,524</u>	<u>49,579</u>

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as endorsed by the European Union (EU), and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The preparation of financial statements in conformity with IFRSs requires the use of certain estimates that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenue and expense during the reporting period.

The Financial Statements are presented in Sterling, which is the functional currency of the Company. The figures shown in the Financial Statements are rounded to the nearest thousand unless otherwise stated. The Directors continue to adopt the going concern basis in preparing the Financial Statements.

2. ACCOUNTING POLICIES

(a) Accounting convention

The Company is incorporated and domiciled in the UK and registered in England. The Financial Statements have been prepared under the historical cost convention.

A summary of the Company's accounting policies is set out below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

(b) Standards, amendments and interpretations which became effective in 2015 and are relevant to the Company

During the year to 31 December 2015, the Company did not adopt any new accounting standards or amendments to standards.

(c) Standards and interpretations issued but not yet effective

The following standards and amendments which are relevant to the Company have been issued and are mandatory for the Company's accounting periods beginning on or after 1 January 2016 or later periods.

- Annual Improvements

The Annual Improvements process covers minor amendments to IFRS that the IASB consider non-urgent but necessary.

The Annual Improvements 2010-2012 and 2011-2013 process resulted in several minor changes to standards which are effective for annual periods beginning on or after 1 July 2014. However these are endorsed for application by the EU for annual periods beginning on or after 1 February 2015. These amendments are not expected to have any significant impact on the Financial Statements of the Company.

The Annual Improvements 2012-2014 process resulted in several minor changes to standards which are effective for annual periods beginning on or after 1 January 2016. These amendments are not expected to have any significant impact on the Financial Statements of the Company.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

- **Amendment to IAS 1 'Presentation of financial statements: Disclosure initiative'**

This amendment is effective for annual periods beginning on or after 1 January 2016. It clarifies some of the requirements for disclosure within the financial statements. This amendment is not expected to have any significant impact on the Financial Statements of the Company.

- **Amendments to IAS 7 'Statement of cash flows: Disclosure initiative'**

These amendments are effective for annual periods beginning on or after 1 January 2017, subject to EU endorsement. They extend the disclosures required by IAS 7 about an entity's liquidity and aim to improve disclosures about an entity's debt. The full impact of these amendments on the Company is still being assessed.

- **IFRS 9 'Financial instruments'**

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, subject to endorsement by the EU. IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and financial liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis required by IAS 39. Phase 3 relates to requirements for general hedge accounting. The full impact of this new standard on the Company is still being assessed.

- **IFRS 15, 'Revenue from contracts with customers'**

IFRS 15 is effective for annual periods beginning on or after 1 January 2018, subject to endorsement by the EU. IFRS 15 is a replacement for IAS 18 'Revenue' and introduces a five step approach to revenue recognition. The full impact of this new standard on the Company is still being assessed.

(d) Early adoption of new standards

The Company did not early adopt any new or amended standards in the year ended 31 December 2015.

(e) Segmental reporting

The Company's activities, as considered by the Directors, constitute one segment due to the similarity of risks faced in relation to the investment of the proceeds of the issue of the tranches of Global Loan Note are similar. Consequently all activities are presented as such and therefore the Company is not required to produce additional segmental information.

All of the Company's activities were undertaken in the UK therefore no geographic analysis is presented.

(f) Revenue recognition

Interest and similar income and interest expense for all financial assets or financial liabilities measured at amortised cost are recognised using the effective interest rate (EIR) method.

The EIR method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. The EIR is the rate that exactly discounts estimated future cash flows to the instruments' initial carrying amount. When calculating the effective interest rate, the future cash flows are estimated after considering all the contractual and behavioural terms of the financial instrument.

(g) Administrative expenses

Administrative expenses are recognised on an accruals basis in the period in which they are incurred.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(h) Taxation

Current tax which is payable on taxable profits is recognised as an expense in the year in which the profits arise.

The Company's tax charge is based on the permanent tax regime for securitisation companies.

(i) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include deposits held on call with banks and any highly liquid investments which meet the criteria set out in the securitisation transaction documents.

(j) Financial instruments

The Directors determine the classification of financial assets and financial liabilities at initial recognition in accordance with the substance of the contractual arrangement. Purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets

The Company has classified its financial assets as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition at fair value plus transaction costs, these assets are carried at amortised cost using the EIR method, less any impairment.

Financial liabilities

The Company measures all of its financial liabilities at amortised cost using the EIR method, after initial recognition at fair value. Fair value is calculated as the issue proceeds, net of premiums, discounts and transaction costs incurred.

(k) Fair value estimates

The fair value estimates are calculated using a discounted cash flow estimate appropriately adjusted to reflect credit risk. Taking account of their identical nature, the fair values for the tranches of Global Loan Note is considered to be the same as the Notes in Issue which have been issued by MTN Issuer Plc.

(l) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset classified as loans and receivables is impaired. A financial asset is impaired and an impairment loss incurred if there is objective evidence of impairment as a result of an event or events since the initial recognition that have adversely affected the amount or timing of future cash flows from the asset.

For assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss has been incurred, an impairment allowance is calculated based on the difference between the Directors' best estimate of the present value of future cash flows of the loan or group of loans (discounted at original EIR) and the loan's or group of loans' current carrying value. Impairment allowances are recorded within the Statement of Comprehensive Income.

Losses suffered by the Company in respect of the Deemed Loan to TPF plc will not trigger an impairment until all credit enhancements are exhausted. Credit enhancement is represented by excess spread (Deemed Loan receipts remaining following payment of Company liabilities) and cash reserves (a cash series loan issued by TPF plc and a programme reserve) from which Global Loan Note shortfalls can be drawn.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. ACCOUNTING POLICIES (continued)

(m) Deemed Loan

The Company used the proceeds of the Global Loan Note to purchase a beneficial interest in a pool of credit card receivables originated by TPF plc and held on Trust by Delamare Cards Receivables Trustee Limited. These credit card receivables have been equitably assigned by TPF plc to Delamare Cards Receivables Trustee Limited. However, this has not resulted in TPF plc passing on substantially all the risks and rewards associated with the credit card receivables. Accordingly, the credit card receivables remain on TPF plc's Statement of Financial Position and the Company has recognised a Deemed Loan with TPF plc.

(n) Other payables

Other payables arise in the normal course of the Company's trading activities. Other payables are carried at amortised cost.

(o) Loan payable

The loan payable represents the credit enhancement passed to the Company by TPF plc, a fellow group undertaking. The loan payable is carried at amortised cost.

(p) Global Loan Note

The tranches of Global Loan Note were issued by the Company to allow it to purchase a share in the credit card receivables originated by TPF plc, which as stated above is recorded as a Deemed Loan. The tranches of Global Loan Note are classified as loans and receivables and carried at amortised cost. The costs related to the issuance of tranches of Global Loan Note and the related Note in Issue by MTN Issuer Plc are capitalised and amortised over the life of the Notes in Issue.

3. NET INTEREST INCOME

	31 December 2015 £'000	31 December 2014 £'000
Finance income		
Interest receivable on Deemed Loan	73,667	89,065
Total finance income	<u>73,667</u>	<u>89,065</u>
Finance cost		
Class A Global Loan Note	(19,286)	(19,981)
Class D Global Loan Note	(20)	(17)
Total finance cost	<u>(19,306)</u>	<u>(19,998)</u>
Net interest income	<u>54,361</u>	<u>69,067</u>

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. ADMINISTRATIVE EXPENSES

	31 December 2015 £'000	31 December 2014 £'000
Administration expense	20,817	24,099
Loan note holder default expense	33,543	44,967
	<u>54,360</u>	<u>69,066</u>

No emoluments were due to the Directors for their services to the Company during the year ended 31 December 2015 and up to the date of this report (2014: £nil).

Audit fees for the year were £12,500 (2014: £12,500 (borne by TPF plc)).

5. INCOME TAX EXPENSE

	31 December 2015 £'000	31 December 2014 £'000
Analysis of charge in the year		
Profit on ordinary activities before tax	<u>1</u>	<u>1</u>
Profit on ordinary activities before tax multiplied by the rate of corporation tax of 20% (2014: 20%)	-	-
Income tax expense	<u>-</u>	<u>-</u>

6. CASH AND CASH EQUIVALENTS

	31 December 2015 £'000	31 December 2014 £'000
Cash at bank	43,524	49,579
	<u>43,524</u>	<u>49,579</u>

Cash and cash equivalents are classified as current (2014: current).

7. OTHER RECEIVABLES

	31 December 2015 £'000	31 December 2014 £'000
Amounts due from Delamare Cards Receivables Trustee Limited	18,419	26,864
	<u>18,419</u>	<u>26,864</u>

Other receivables are non-interest bearing and classified as current (2014: current).

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. DEEMED LOAN

	31 December 2015 £'000	31 December 2014 £'000
Amounts due from TPF plc	1,800,000	2,000,000
	<u>1,800,000</u>	<u>2,000,000</u>

On 13 May 2015 the Company made a net withdrawal of funds from the Trust of £200m resulting in a reduction to the beneficial interest in the Trust.

The Company funds its contribution to the Trust through the issuance of tranches of Global Loan Note to Delamare Cards MTN Issuer plc, a fellow group undertaking.

The Deemed Loan is classified as non-current (2014: non-current).

9. LOAN PAYABLE

	31 December 2015 £'000	31 December 2014 £'000
Amounts due to TPF plc	47,273	52,814
	<u>47,273</u>	<u>52,814</u>
Current	1,248	853
Non-current	<u>46,025</u>	<u>51,961</u>

On 13 May 2015, the existing loan agreement with TPF plc was amended with two additional advances of £10m and £1.75m being provided in respect of the issue of tranches of Global Loan Note on that date.

Each loan repayment is made in accordance with the securitisation transaction documents.

10. OTHER PAYABLES

	31 December 2015 £'000	31 December 2014 £'000
Amounts due to Delamare Cards Receivables Trustee Limited	6,080	12,949
Amounts due to TPF plc	11,672	13,219
	<u>17,752</u>	<u>26,168</u>

Other payables are classified as current (2014: current).

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. GLOBAL LOAN NOTE

	Contractual maturity date	Scheduled redemption date	31 December 2015 £'000	31 December 2014 £'000
Global Loan Note tranches				
Principal				
Class A (2013-A)	2020	2018	600,000	1,300,000
Class A (2014-A)	2019-21	2017-19	500,000	500,000
Class D (2014-D)	2026	2024	200,000	200,000
Class A (2015-A)	2020-22	2018-20	500,000	-
Interest				
Accrued interest on Global Loan Note			668	696
			<u>1,800,668</u>	<u>2,000,696</u>
Unamortised issue costs			(3,753)	(3,237)
			<u>1,796,915</u>	<u>1,997,459</u>

In May 2015 the Company issued two tranches of Global Loan Note with a total nominal value of £500m. The transaction consisted of a £300m cash issue and a £200m non cash issue, each purchased by Delamare Cards MTN Issuer Plc. The Company also settled two tranches of Global Note with a total nominal value of £700m. This was a non cash transaction.

The Global Loan Note bears interest monthly in arrears. There have been no defaults in the payment of principal and interest or other breaches with respect to liabilities in the year.

12. SHARE CAPITAL

	31 December 2015 £	31 December 2014 £
Authorised		
Ordinary shares of £1 each (2014: 1)	<u>Unlimited</u>	<u>Unlimited</u>
Issued and fully paid		
1 Ordinary share of £1 each (2014: 1)	<u>1</u>	<u>1</u>

100% of the issued share capital is beneficially owned by the parent undertaking, Delamare Cards Holdco Limited, and is fully paid as at 31 December 2015.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FINANCIAL INSTRUMENTS

Classification of financial assets and liabilities

The following tables analyse the financial assets and financial liabilities in accordance with the categories of financial instruments in IAS 39.

As at 31 December 2015	Loans and receivables £'000	Other (amortised cost) £'000	Total £'000
Financial assets			
Cash and cash equivalents	43,524	-	43,524
Other receivables	18,419	-	18,419
Deemed Loan	1,800,000	-	1,800,000
Total financial assets	1,861,943	-	1,861,943
Financial liabilities			
Loan payable	-	47,273	47,273
Other payables	-	17,752	17,752
Global Loan Note	-	1,796,915	1,796,915
Total financial liabilities	-	1,861,940	1,861,940

As at 31 December 2014	Loans and receivables £'000	Other (amortised cost) £'000	Total £'000
Financial assets			
Cash and cash equivalents	49,579	-	49,579
Other receivables	26,864	-	26,864
Deemed Loan	2,000,000	-	2,000,000
Total financial assets	2,076,443	-	2,076,443
Financial liabilities			
Loan payable	-	52,814	52,814
Other payables	-	26,168	26,168
Global Loan Note	-	1,997,459	1,997,459
Total financial liabilities	-	2,076,441	2,076,441

Fair values of financial assets and financial liabilities

The Directors consider that the carrying values of cash and cash equivalents and other payables and receivables recorded on the Statement of Financial Position are approximately equal to their fair values due to their short term nature.

The fair values of the deemed loan, the global loan note and the loan payable are not materially different to their carrying values. Based on the method used to establish their fair values they are all considered to be Level 3 in the fair value hierarchy.

The valuation techniques and inputs used to derive fair values at the year end are described below.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FINANCIAL INSTRUMENTS (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where an active market is considered to exist, fair values are based on quoted prices. For instruments which do not have active markets, fair value is calculated using present value models, which take individual cash flows together with assumptions based on market conditions and credit spreads, and are consistent with accepted economic methodologies for pricing financial instruments.

In each case the fair value is calculated by discounting future cash flows using benchmark observable market interest rates based on LIBOR rather than Overnight Index Swaps (OIS) as using OIS would have no significant impact. This is kept under review.

There are three levels to the hierarchy as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices).

Derivative financial instruments which are categorised as Level 2 are those which either:

- Have future cash flows which are on known dates and for which the cash flow amounts are known or calculable by reference to observable interest and FX rates; or
- Have future cash flows which are not pre-defined, but for which the fair value of the instrument has very low sensitivity to changes in estimate of future cash flows.

In each case the fair value is calculated by discounting future cash flows using benchmark, observable market interest rates.

Available-for-sale investment securities which are categorised as Level 2 are those where no active market exists or where there are quoted prices available for similar instruments in active markets.

Fair values of investment securities classified as loans and receivables are based on quoted prices, where available, or by using discounted cash flows applying market rates.

The estimated fair value of subordinated liabilities is calculated using a discounted cash flow model based on a current yield curve appropriate for the remaining term to maturity.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels in the year to 31 December 2015 (2014: no transfers).

14. FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to financial risks which it manages to achieve its financial and corporate objectives.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. FINANCIAL RISK MANAGEMENT (continued)

Strategy in using financial instruments

Financial instruments comprise the majority of the Company's assets and liabilities and these instruments expose the Company to financial risk. The Company does not trade in financial instruments.

Credit Risk

Credit risk is the risk that a counterparty fails to repay the interest or capital on a loan or other financial instrument.

The Company is, therefore, exposed to credit risk via the ability of TPF plc to repay its obligations under the Deemed Loan. This is dependent on the ability of borrowers to meet their obligations as they fall due under the credit card receivables held by the Trust.

The table below presents the arrears performance of the credit card receivables in which the Company has a beneficial interest along with TPF plc. Through the Deemed Loan, the Company is exposed to a share of the credit risks in these credit cards. A financial asset is past due if a counterparty has failed to make a contractual payment when due.

As at 31 December 2015	Accounts No.'000	Value £'000	% of Total
Neither past due nor impaired	2,836	2,759,947	97.30
Past due but not impaired	13	32,714	1.15
Impaired	18	43,848	1.55
	<u>2,867</u>	<u>2,836,509</u>	<u>100.00</u>

As at 31 December 2015	Accounts No.'000	Value £'000	% of Total
Non delinquent	2,836	2,759,947	97.30
1 month past due	8	18,522	0.65
2 months past due	3	7,477	0.26
3 months past due	2	6,715	0.24
Greater than 3 months past due	18	43,848	1.55
	<u>2,867</u>	<u>2,836,509</u>	<u>100.00</u>

As at 31 December 2014	Accounts No.'000	Value £'000	% of Total
Neither past due nor impaired	2,687	2,792,728	97.28
Past due but not impaired	12	30,269	1.05
Impaired	19	47,702	1.67
	<u>2,718</u>	<u>2,870,699</u>	<u>100.00</u>

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2014	Accounts No.'000	Value £'000	% of Total
Non delinquent	2,687	2,792,728	97.28
1 month past due	7	15,695	0.55
2 months past due	3	7,944	0.28
3 months past due	2	6,630	0.22
Greater than 3 months past due	19	47,702	1.67
	<u>2,718</u>	<u>2,870,699</u>	<u>100.00</u>

The Directors continually monitor the performance of the underlying credit card receivables and take into consideration any developing trends. None of the financial assets of the Company were past due or impaired at the reporting date.

The Company has a concentration risk in relation to the originator, TPF plc. The underlying assets of the securitisation originate in the UK market. The nature of the credit card receivables means that there is no significant counterparty credit risk.

The Company assesses its counterparties for credit risk before contracting with them. Credit rating is the main method used to measure credit risk. The securitisation transaction documents contain various rating triggers linked to key counterparties, which require certain actions be taken if triggers are breached.

Counterparty	Long Term Rating as at 31 December 2015 and date of approval of Financial Statements	Long Term Rating as at 31 Dec 2014
	(Moody's/S&P/Fitch)	(Moody's/S&P/Fitch)
Bank account provider HSBC Bank plc	Aa2/AA-/AA-	Aa3/AA-/AA-

Liquidity Risk

Liquidity Risk is the risk that the Company has insufficient liquidity resources to meet its obligations as they fall due or can access these only at excessive cost. Liquidity risk arises from the mismatch in the timing of cash flows generated from assets and liabilities.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. FINANCIAL RISK MANAGEMENT (continued)

The table below presents the cash flows payable by the Company under non-derivative financial assets and liabilities by remaining contractual maturities at the reporting date. The amounts disclosed in the table are the earliest contractual undiscounted cash flows:

2015	Within 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 4 years £'000	Between 4 and 5 years £'000	Beyond 5 Years £'000	Total £'000
Financial Assets							
Cash and cash equivalents	43,524	-	-	-	-	-	43,524
Other receivables	18,419	-	-	-	-	-	18,419
Deemed loan							
- Principal	-	150,000	900,000	350,000	200,000	200,000	1,800,000
- Interest	20,757	27,488	19,499	8,454	1,806	68	78,072
Total financial assets	82,700	177,488	919,499	358,454	201,806	200,068	1,940,015
Financial Liabilities							
Global Loan Note							
- Principal	-	150,000	900,000	350,000	200,000	200,000	1,800,000
- Interest	20,757	27,488	19,499	8,454	1,806	68	78,072
Loan payable	1,951	6,194	25,194	10,351	298	6,315	50,303
Other payables	17,752	-	-	-	-	-	17,752
Total financial liabilities	40,460	183,682	944,693	368,805	202,104	206,383	1,946,127

2014	Within 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 4 years £'000	Between 4 and 5 years £'000	Beyond 5 Years £'000	Total £'000
Financial Assets							
Cash and cash equivalents	49,579	-	-	-	-	-	49,579
Other receivables	26,864	-	-	-	-	-	26,864
Deemed loan							
- Principal	-	-	150,000	1,300,000	350,000	200,000	2,000,000
- Interest	21,563	26,703	31,176	18,008	3,133	88	100,671
Total financial assets	98,006	26,703	181,176	1,318,008	353,133	200,088	2,177,114
Financial Liabilities							
Global Loan Note							
- Principal	-	-	150,000	1,300,000	350,000	200,000	2,000,000
- Interest	21,563	26,703	31,176	18,008	3,133	88	100,671
Loan payable	1,527	1,685	1,877	43,662	6,071	-	54,822
Other payables	26,168	-	-	-	-	-	26,168
Total financial liabilities	49,258	28,388	183,053	1,361,670	359,204	200,088	2,181,661

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income in respect of the Company's interest bearing financial assets and financial liabilities.

The Company finances its obligations through the issue of Global Loan Note tranches. Six of the seven tranches of Global Loan Note in issue incur floating rates of interest. This floating rate of interest on borrowings is offset by interest earned on the corresponding Deemed Loan. If 1 month LIBOR moved, the originator would amend its pricing to ensure that the change in interest payable would be largely offset by the change in interest receivable. The seventh tranche of Global Loan Note in issue incurs a fixed 0.01% interest rate, as does its corresponding Deemed Loan tranche.

The Directors do not consider exposure to interest rate risk to be material as the Company has no material fixed rate assets or liabilities and the originator of the Deemed Loan can amend its pricing to reflect changes in interest rates on the tranches of Global Loan Note.

The interest rate profile of financial assets and financial liabilities is as follows:

As at 31 December 2015	Interest charging basis	Effective interest rate
Assets		
Interest Receivable on:		
Deemed Loan	Interest bearing	n/a
Other receivables	Non-interest bearing	n/a
Cash and cash equivalents	Floating	0.22%
Liabilities		
Interest Payable on:		
Class A Global Loan Note (2013-A)	Floating	1 Mth LIBOR +0.70%
Class A Global Loan Note (2014-A)	Floating	1 Mth LIBOR +0.45%-0.65%
Class D Global Loan Note (2014-D)	Fixed	0.01%
Class A Global Loan Note (2015-A)	Floating	1 Mth LIBOR +0.65%-0.80%

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. FINANCIAL RISK MANAGEMENT (continued)

As at 31 December 2014	Interest charging basis	Effective interest rate
Assets		
Interest Receivable on:		
Deemed Loan	Interest bearing	n/a
Other receivables	Non-interest bearing	n/a
Cash and cash equivalents	Floating	0.22%
Liabilities		
Interest Payable on:		
Class A Global Loan Note (2013-A)	Floating	1 Mth LIBOR +0.70%
Class A Global Loan Note (2014-A)	Floating	1 Mth LIBOR +0.45%-0.65%
Class D Global Loan Note (2014-D)	Fixed	0.01%
Loan Payable	Floating	1 Mth LIBOR +1.00%
Other payables	Non-interest bearing	n/a

15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no outstanding capital commitments or contingent liabilities at the year end (2014: £nil).

16. CONTROLLING PARTY

The entire share capital of the Company is held by Delamare Cards Holdco Limited, a company incorporated and registered in England and Wales. Copies of the Financial Statements of Delamare Cards Holdco Limited may be obtained from Sanne Group Secretaries (UK) Limited, Asticus Building, 2nd Floor, 21 Palmer Street, London, SW1H 0AD.

The entire share capital of Delamare Cards Holdco Limited is held under a trust agreement by Stanhope Gate Trustees Limited, a company incorporated and registered in England and Wales. Copies of the Financial Statements of Stanhope Gate Trustees Limited may be obtained from State Street Secretaries (UK) Limited, 20 Churchill Place, London, United Kingdom, E14 5HJ.

The Directors' decisions and control of the entity are carried out in accordance with the securitisation transaction documents set up for the benefit of TPF plc. Therefore the Company's immediate parent company and the smallest group into which the Company is consolidated is TPF plc, a company incorporated and registered in Scotland. Copies of the consolidated Financial Statements of TPF plc can be obtained from its registered office at Interpoint Building, 22 Haymarket Yards, Edinburgh, EH12 5BH.

The Company's ultimate parent undertaking, controlling party and largest group into which the Company is consolidated is Tesco PLC, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated Financial Statements of Tesco PLC can be obtained from its registered office at Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA.

DELAMARE CARDS FUNDING 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RELATED PARTY DISCLOSURE

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The terms and conditions of any transactions with key management personnel and their related parties are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

During the year, the Company paid Delamare Receivables Trustee Limited £28,786k in respect of servicer fee expenses and Company profit amount (2014: £27,499k). At year end, £6,080k was due to Delamare Receivables Trustee Limited (2014: £12,949k).

In line with the Company's obligations under the securitisation transaction documents, the Company paid £219,613k to Delamare Receivables Trustee Limited in respect of finance collections which were subsequently received by Delamare Receivables Trustee Limited, and at no stage were the legal property of the Trust (2014: £227,287k). At year end, £18,419k was due from Delamare Receivables Trustee Limited as part of these obligations (2014: £26,864k).

During the year, the Company paid Delamare Cards MTN Issuer plc £19,334k in relation to interest due on all tranches of the tranches of Global Loan Note, administrative expenses and Company profit amount (2014: £19,928k).

The Company held a Deemed Loan of £1.8bn due from TPF plc (2014: £2bn). At the year end, the Company had obligations to TPF plc of £11,672k in respect of finance collections (2014: £13,219k) and £47,273k in respect of loans (2014: £52,814k).

On 13 May 2015, the Company settled £700m of Global Loan Note tranches. The Company also issued £500m of Global Loan Note tranches which were purchased by Delamare Cards MTN Issuer plc. At year end, £668k was due to Delamare Cards MTN Issuer plc in relation to interest due on the Global Loan Note (2014: £696k).

The Company was established by TPF plc, the ultimate parent Company of which is Tesco PLC, to facilitate the securitisation of credit card receivables originated by TPF plc.

Both J.C. Bingham and M.C. Schnaier are directors of Sanne Group Secretaries (UK) Limited.