



DELAMARE CARDS FUNDING 2 LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Company Number: 08356565



DELAMARE CARDS FUNDING 2 LIMITED

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DELAMARE CARDS FUNDING 2 LIMITED

DIRECTORS AND ADVISERS

Directors: C S Bidel
M Speight
C M Warnes

Secretary: Apex Group Secretaries (UK) Limited (formerly known as Sanne Group Secretaries (UK) Limited)
6th Floor
125 London Wall
London
EC2Y 5AS

Registered Office: 6th Floor
125 London Wall
London
EC2Y 5AS

Bankers: HSBC Bank Plc
8 Canada Square
London
E14 5HQ

Cash Manager: Tesco Personal Finance plc
2 South Gyle Crescent
Edinburgh
EH12 9FQ

Servicer: Tesco Personal Finance plc
2 South Gyle Crescent
Edinburgh
EH12 9FQ

DELAMARE CARDS FUNDING 2 LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for Delamare Cards Funding 2 Limited (the Company) for the year ended 31 December 2022.

The Annual Report and Financial Statements comprises the Strategic Report, the Directors' Report and the Financial Statements and accompanying notes.

BUSINESS MODEL

The principal activity of the Company is to act within a securitisation structure for credit card receivables originated or acquired by Tesco Personal Finance plc (TPF).

The credit card receivables are held in Trust for the Company and the originator, TPF, by Delamare Cards Receivables Trustee Limited (the Trustee). The Company is incorporated and domiciled in the United Kingdom, where all of its business activities take place, and is registered in England.

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 holders of any Global Loan Notes issued by the Company. As such, these have not been reproduced in full in these Financial Statements.

BUSINESS PERFORMANCE

The Company has not traded during the year.

STRATEGIC PRIORITIES

The Company is currently dormant. No future changes in the activities of the Company are envisaged.

PRINCIPAL RISKS AND UNCERTAINTIES

There are no risks or uncertainties which are considered relevant to the activities of the Company due to its dormant status.

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 <https://bank.tescopl.com>.

BY ORDER OF THE BOARD



C S Bidel

Director

27 February 2023

DELAMARE CARDS FUNDING 2 LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report and the unaudited Financial Statements for the year ended 31 December 2022.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company's business review and future developments are set out in the Strategic Report on page 2.

RISK MANAGEMENT

The Company's risk management disclosures are set out in the Strategic Report on page 2.

EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date requiring adjustment or disclosure in these Financial Statements.

GOING CONCERN

The Directors have made an assessment of going concern, taking into account both current and projected cash flows.

Given its dormant status, the Directors do not anticipate any external changes in the business environment which would adversely impact the Company. Information relating to Management's assessment of impairment relating to the Company's financial assets is set out at note 1(a) to the Financial Statements.

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 approval of these Financial Statements.

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

DIVIDENDS

During the year, no interim dividend has been paid (2021: £nil). The Directors do not recommend a final dividend for the year (2021: £nil). The Directors consider the results to be satisfactory and as expected given the Company's dormant status during the year.

DIRECTORS

The present Directors, who have served throughout the year and up to the date of signing the Financial Statements are listed on page 1.

EMPLOYEES

The Company does not have any employees (2021: none).

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 page 2.

DELAMARE CARDS FUNDING 2 LIMITED

DIRECTORS' REPORT (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 such financial statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with International Accounting Standards (IASs) in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). 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 for that year.

In preparing these Financial Statements, the Directors are required to:

- 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 Company'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 1 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 IASs in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and result of the Company;
- 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; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for the Company's shareholder to assess the Company's position, performance, business model and strategy.

BY ORDER OF THE BOARD



C S Bidel
Director
27 February 2023

DELAMARE CARDS FUNDING 2 LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Company number 08356565

		31 December 2022	31 December 2021
	Note	£	£
Assets			
Other receivables	2	1	1
Total assets		1	1
Equity			
Share capital	3	1	1
Retained earnings		-	-
Total equity		1	1
Total liabilities and equity		1	1

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The member has not required the Company to obtain an audit of its Financial Statements for the period in question in accordance with section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of Financial Statements.

The Financial Statements on pages 5 – 9 were approved by the Board of Directors and authorised for issue on 27 February 2023 and were signed on its behalf by:



CS Bidel
Director

DELAMARE CARDS FUNDING 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The Financial Statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee of the International Accounting Standards Board (IASB) and those parts of the Companies Act 2006 applicable to Companies reporting under IFRSs.

The Financial Statements have been prepared under the historical cost convention.

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 pound unless otherwise stated.

New and amended accounting standards adopted by the Company in the year are set out in note 7.

Going concern

The Directors have made an assessment of going concern, taking into account both current and projected cash flows.

Given its dormant status, the Directors do not anticipate any external changes in the business environment which would adversely impact the Company. Information relating to Management's assessment of impairment relating to the Company's financial assets is set out at note 1(a) to the Financial Statements.

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 approval of these Financial Statements.

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

Principal accounting policies

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.

(a) Financial Instruments

The Company classifies a financial instrument as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement. An instrument is classified as a liability if it creates a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities on potentially unfavourable terms. An instrument is classified as equity if it evidences a residual interest in the assets of the Company after the deduction of liabilities.

Financial assets

• Classification and measurement

The Company classifies its financial assets at amortised cost.

Management determines the classification of the Company's financial assets at initial recognition. 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.

All financial assets are measured at initial recognition at fair value plus transaction costs.

Classification and subsequent measurement of financial assets depend on:

- The Company's business model for managing the financial asset; and
- The cash flow characteristic of the financial asset.

DELAMARE CARDS FUNDING 2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****1. ACCOUNTING POLICIES (Continued)**

The business model reflects how the Company manages its financial assets in order to generate cash flows and is determined by whether the Company's objective is solely to collect contractual cash flows from the assets or to collect both contractual cash flows and cash flows arising from the sale of assets. If neither of these models applies, the financial assets are classified at fair value through profit or loss.

In determining the business model, the Company considers past experience in collecting cash flows, how the performance of these financial assets is evaluated and reported to Management and how risks are assessed.

The Company's business model is to hold financial assets to collect contractual cash flows. The Company assesses whether cash flows associated with its financial assets represent solely payments of principal and interest (the SPPI test). When making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified and subsequently measured at amortised cost. The carrying value of these financial assets is adjusted by any expected credit loss (ECL) allowance recognised and measured as described below.

- **Impairment**

The Company assesses on a forward-looking basis the ECLs associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECLs reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company has not recognised an ECL allowance for other receivables at 31 December 2022 due to the short-term and immaterial nature of this balance.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows have expired or where substantially all of the risks and rewards of ownership have been transferred and the transfer qualifies for derecognition.

2. OTHER RECEIVABLES

	31 December 2022 £	31 December 2021 £
Amounts due from Delamare Cards Holdco Limited	1	1
	1	1

Other receivables are non-interest bearing and classified as current (2021: current).

DELAMARE CARDS FUNDING 2 LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****3. SHARE CAPITAL**

	31 December 2022	31 December 2021
	£	£
Authorised		
1 Ordinary share of £1 each	1	1
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1

100% of the issued share capital is beneficially owned by the parent undertaking, Delamare Cards Holdco Limited.

4. CONTROLLING PARTY

The entire share capital of the Company is held by Delamare Cards Holdco Limited, a company incorporated in the United Kingdom (UK) and registered in England. Copies of the Financial Statements of Delamare Cards Holdco Limited may be obtained from its registered office at 6th Floor, 125 London Wall, London, EC2Y 5AS.

The Directors' decisions and control of the entity are carried out in accordance with the securitisation transaction documents set up for the benefit of Tesco Personal Finance plc. Therefore the Company's immediate parent company is Tesco Personal Finance plc, a company incorporated in the UK and registered in Scotland. The smallest group into which the Company is consolidated is Tesco Personal Finance plc. Copies of the consolidated Financial Statements of Tesco Personal Finance plc can be obtained from its registered office at 2 South Gyle Crescent, Edinburgh, EH12 9FQ.

The Company's ultimate parent undertaking and controlling party is Tesco PLC, a company incorporated in the UK and registered in England. Tesco PLC is the largest group into which the Company is consolidated. 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.

5. 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 or related entities on an arm's length basis.

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

C S Bidel and C M Warnes are directors of Apex Group Secretaries (UK) Limited.

6. FINANCIAL INSTRUMENTS**Classification of financial assets**

All of the Company's financial assets are classified at amortised cost.

Fair values of financial assets

The Directors consider that the carrying value of other receivables recorded on the Statement of Financial Position is approximately equal to their fair value due to their short-term nature.

DELAMARE CARDS FUNDING 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Standards, amendments and interpretations issued which became effective in the current year

During the year the Company did not adopt any new accounting standards or amendments to standards which became effective in the current year which had any impact on the Company.

Early adoption of new standards

During the year the Company did not early adopt any new accounting standards or amendments to standards.

Standards, amendments and interpretations issued but not yet effective

There are no new standards and amendments to standards which have been issued and are mandatory for accounting periods beginning on or after 1 January 2023 or later periods which are expected to impact the Company.