

NewDay Funding 2015-1 Plc

Company No. 09385611

Annual report and statutory financial statements

31 December 2018



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General information

Directors

Paivi Helena Whitaker
Intertrust Directors 1 Limited
Intertrust Directors 2 Limited

Company secretary

Intertrust Corporate Services Limited

Registered office

35 Great St. Helen's
London
EC3A 6AP

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 Annual report and audited financial statements of NewDay Funding 2015-1 Plc (the "Company") for the year ended 31 December 2018.

Principal activities

The principal activities of the Company are financing in the form of issuing listed term debt and using the proceeds to invest in floating rate loan notes issued by NewDay Funding Loan Note Issuer Ltd (the "Loan Note Issuer"). The Company and the Loan Note Issuer are structured entities within the NewDay Group of entities (the "Group") on the basis of rights to variable returns, power and ability to affect the variable returns. The Company was established for the purpose of ultimately raising funding for the Group for the origination of credit card receivables.

Review of the Company's business and future developments

On 24 June 2015, the Company issued publicly listed term debt to the external market at a value of £282,900,000 with a scheduled redemption date of 16 July 2018 and a final redemption date of 17 July 2023 (the "Notes"). The Company, on the same date for the value of £282,900,000, purchased a floating rate note (the "Series 2015-1 Loan Note") from the Loan Note Issuer. The Company's primary source of funds to make payments on the Notes is derived from payments made by the Loan Note Issuer to the Company under the Series 2015-1 Loan Note. To provide credit enhancement for the Series 2015-1 Loan Note the Loan Note Issuer has issued VFN loan notes to external banks and an Originator VFN to NewDay Funding Transferor Ltd (the "Transferor").

The ultimate source of payment on the Notes will be collections on a portfolio of credit card accounts acquired by the Transferor and initially originated or acquired by NewDay Ltd (the "Originator"). The receivables arising on these credit card accounts have been and will be purchased by NewDay Funding Receivables Trustee Ltd (the "Receivables Trustee"), subject to certain criteria being satisfied, and held in trust for certain beneficiaries (including the Loan Note Issuer and the Transferor). The Loan Note Issuer used the funds received from the issuance of the Series 2015-1 Loan Note to obtain an investment interest in the Receivables Trust. The Loan Note Issuer receives investor interest which it uses to fund the payments on the Series 2015-1 Loan Note with the Company. The Company then ultimately uses the funds received to fund the payments on the Notes.

On 16 July 2018 the notes, including all accrued interest, were repaid using funds from receipt of the payment of intercompany debt owed from the Loan Note Issuer.

The Notes were listed on the London Stock Exchange.

During the year the Company has continued to trade as a securitisation entity and has made a nominal retained profit of £100 per month. During the year the Series 2015-1 Loan Note was repaid by the Loan Note Issuer in line with its scheduled maturity date of July 2018. The Company will continue to operate in line with the securitisation structure documents but with repayment of the Loan Notes is expected to have minimum transactions.

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.

The Company is subject to a risk of credit default on all its intercompany lending. The repayment is dependent on the performance of the counterparties which is reviewed on a regular basis.

Market risk is the risk that market movements will negatively affect the value of the Company's assets and liabilities. The only material market risk the Company is exposed to is interest rate risk. The main source of interest rate risk for the Company arises where there is a significant difference between the interest rate bases on assets compared to liabilities. The Company has mitigated this risk by matching the terms of the Intercompany Loan Notes to the Bonds.

Strategic report (continued)

Key performance indicators

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

The audited financial statements and associated notes to the financial statements for the Company, for the year ended 31 December 2018 are set out on pages 10 to 24.

The Company made a profit before tax of £700 for the year ended 31 December 2018 (2017: £1,200). The Company's profit is its retained profit as required by the securitisation structure documents of the entity, being £100 per month until the repayment of the Notes on 16 July 2018.

On behalf of the Board



Sue Abrahams
Per pro Intertrust Directors 1 Limited
Director
12 March 2018

Directors' report

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

Directors and their interests

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

- Debra Parsall (resigned 8 January 2018)
- Neil Townson (appointed 8 January 2018, resigned 31 August 2018)
- Paivi Helena Whitaker (appointed 31 August 2018)
- Intertrust Directors 1 Limited
- Intertrust Directors 2 Limited

None of the Directors have any beneficial interest in the ordinary share capital of the Company. None of the Directors had any interest during the year in any material contract or arrangement with the Company.

The Directors do not propose a dividend for the year ended 31 December 2018 (2017: £27,220.81).

Company Secretary

The Company Secretary during the year and up to the date of signing the financial statements, was as follows:

- Intertrust Corporate Services Limited.

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the Directors were in force during the year under review and remain in force as at the date of approval of the Annual report and financial statements.

Issuance of shares

The Company has share capital of £12,501 comprising 1 fully paid ordinary share of £1, issued on 13 January 2015, and 49,999 partly paid ordinary shares of £1 each allotted on 28 April 2015. NewDay Funding Securitisation Holdings Ltd holds the Company's entire issued share capital.

Corporate governance statement

The Directors have been charged with governance in accordance with the transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the securitisation structure documents.

The securitisation structure documents provide for procedures that have been designed for safeguarding 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 the regulatory obligations.

Due to the nature of the securities which have been issued, the Company is exempt from the requirements of the Financial Conduct Authority ('FCA') Disclosure and Transparency Rules 7.1 Audit Committees and 7.2 Corporate Governance statements (save for the rule 7.2.5 requiring description of the features of the internal control and risk management systems), which would otherwise require the Company respectively to have an audit committee in place and to include a corporate governance statement in the report of the Directors. The Directors are satisfied that there is no requirement for an audit committee or for a supervisory body entrusted to carry out the functions of an audit committee or to publish a corporate governance statement.

Directors' report (continued)

Going concern

The financial statements have been prepared on a non-going concern basis due to the Company repaying its notes on 16 July 2018, and therefore having no ongoing business activities.

Financial risk management

Information on financial risk management is included in the principal risks and uncertainties section of the Strategic Report.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' 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 the provisions of Section 418(2) of the Companies Act 2006.

Auditor

KPMG LLP, the auditor of the Company, have expressed their willingness to continue in office until the next annual general meeting. Pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board



Sue Abrahams
Per pro Intertrust Directors 1 Limited
As 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



Sue Abrahams
Per pro Intertrust Directors No. 1 Limited
As Director
12 March 2019

Independent auditor's report

Opinion

We have audited the financial statements of NewDay Funding 2015-1 Plc ("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 profit 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 are now not prepared on the going concern basis for the reason 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

		Year ended 31 December 2018	Year ended 31 December 2017
	Note	£m	£m
Interest and similar income	3	3.9	6.7
Interest and similar expense	4	(3.9)	(6.7)
Net interest income		-	-
Profit before tax		-	-
Tax expense	6	-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The notes on pages 14 to 24 form an integral part of these statutory financial statements.

Statement of financial position

	Note	As at 31 December 2018 £m	As at 31 December 2017 £m
Assets			
Amounts due from other Group entities	7	-	283.2
Total assets		-	283.2
Liabilities			
Debt issued and other borrowed funds	8	-	282.8
Amounts owed to other Group entities	9	-	0.4
Total liabilities		-	283.2
Net Assets		-	-
Capital and reserves			
Share capital	10	-	-
Retained earnings		-	-
Total equity		-	-

The notes on pages 14 to 24 form an integral part of these statutory financial statements. The financial statements on pages 10 to 24 were approved by the Board of Directors on 12 March 2019 and signed on its behalf by:



Sue Abrahams
Per pro Intertrust Directors 1 Limited
As Director

Company No. 09385611

Statement of changes in equity

	Share capital £m	Retained earnings £m	Total equity £m
At 1 January 2018	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2018	-	-	-

	Share capital £m	Retained earnings £m	Total equity £m
At 1 January 2017	-	-	-
Total comprehensive income for the year	-	-	-
Transactions with owners:			
Dividends paid	-	-	-
At 31 December 2017	-	-	-

The notes on pages 14 to 24 form an integral part of these statutory financial statements.

Statement of cash flows

		Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
	Note		
Operating activities			
Profit before tax		-	-
Adjusted for:			
Interest and similar expense	4	3.9	6.7
Changes in working capital:			
Decrease in payables	9	(0.4)	-
Interest paid		(3.5)	(6.7)
Net cash generated in operating activities		-	-
Investing Activities			
Proceeds from repayment of intercompany debt		282.9	-
Repayments Series 2015-1 Loan Note		(282.9)	-
Net cash generated in investing activities		-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

The notes on pages 14 to 24 form an integral part of these statutory financial statements.

Notes to the financial statements

1. General information

1.1 Incorporation information

NewDay Funding 2015-1 Plc (the "Company") was incorporated on 13 January 2015 and is domiciled in England and Wales. The Company was registered as a public limited company with the registration number 09385611. The address of its registered office is disclosed on page 2. The principal activities of the Company are described in the strategic report.

1.2 Authorisation of financial statements

The financial statements of the Company for the year ended 31 December 2018 were authorised for issue by the 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 IFRS as endorsed by the EU, IFRS Interpretations Committee 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.

The financial statements are presented in Sterling (£) and all values are rounded to the nearest £0.1m, except where otherwise stated.

Going concern

The financial statements have been prepared on a non-going concern basis due to the Company repaying its notes on 16 July 2018, and therefore having no ongoing business activities.

Presentation of financial statements

The Company presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 15.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of profit and loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Company.

2.2 Summary of significant accounting policies

(1) Foreign currency

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

(2) Interest and similar income and expense

For all financial instruments measured at amortised cost, interest income or expense is recorded using the EIR. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes certain fees or directly attributable issue costs that are an integral part of the EIR, but not future credit losses.

The carrying value of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying value is calculated based on the original EIR and the change in carrying value is recorded as interest and similar income for financial assets and interest and similar expense for financial liabilities, in the statement of profit and loss.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Notes to the financial statements (continued)

2.2 Summary of significant accounting policies (continued)

(3) Administration expenses

Administration expenses are recognised on an accruals basis, when the amounts are incurred by the Company and the amount can be reliably measured.

(4) Tax expense

Current tax assets and liabilities arising in the 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 amount are those that are enacted or substantively enacted by the reporting date.

At incorporation the Company was automatically and mandatorily entered into the permanent regime for the tax of securitisation companies. Taxable profits under the permanent regime will equal the contractually retained profit as defined by the transaction documents.

(5) Financial instruments

IFRS 9 'Financial Instruments' became effective on 1 January 2018 and therefore is mandatory for the first time for the year ending 31 December 2018. It replaces IAS 39 'Financial Instruments: Recognition and Measurement'. The key changes to the Company's accounting policies resulting from its adoption of IFRS 9 are summarised below.

(i) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. IFRS 9 classification is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial instruments. The standard largely retains the requirements in IAS 39 for the classification of financial liabilities.

(ii) Interest and similar income and expense

Interest income and expense are recognised in the income statement using the EIR method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying value of the financial assets; or
- the amortised cost of the financial liability.

When calculating the EIR for financial instruments the Company estimates future cash flows considering all contractual terms of the financial instrument but not expected credit losses. The calculation of the EIR includes transaction costs and fees and points paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

In calculating interest income and expense, the EIR is applied to the gross carrying value of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the EIR to the carrying value of the financial asset net of the impairment provision. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iii) Expected credit loss

IFRS 9 also replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost or FVOCI and to contract assets. Instead of recognising an impairment provision when there is objective evidence of impairment, for example a missed payment, IFRS 9 requires an impairment provision to be recognised on origination of a financial asset, based on its anticipated credit loss, thus significantly changing the timing of recognition of impairment on financial assets. Under IFRS 9, expected loss allowances will be measured on either of the following bases:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition (including those which are credit impaired), otherwise the 12-month ECL measurement applies.

Notes to the financial statements (continued)

2.2 Summary of significant accounting policies (continued)

(5) Financial instruments (continued)

(iii) Expected credit loss (continued)

Financial assets where 12-month ECL is recognised are classified as 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk since initial recognition are classified as 'stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are classified as 'stage 3'.

Transition to IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of financial instrument as at 1 January 2018.

As at 1 January 2018			
	IAS 39 measurement basis	IFRS 9 measurement basis	IAS 39 and IFRS 9 carrying value £m
Financial assets			
Amounts due from other Group entities	Loans and receivables	Amortised cost	283.2
Total financial assets			283.2
Financial liabilities			
Debt issued and other borrowed funds	Amortised cost	Amortised cost	(282.8)
Amounts owed to other Group entities	Amortised cost	Amortised cost	(0.4)
Total financial liabilities			(283.2)

The Company did not reclassify the measurement basis of any of its financial instruments from amortised cost on transition nor has it elected to restate any of its prior period comparatives.

(6) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - the Company has transferred substantially all the risks and rewards of the asset; or
 - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

Notes to the financial statements (continued)

2.2 Summary of significant accounting policies (continued)

(7) Determination of fair value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison with similar instruments for which market observable prices exist and other relevant valuation models.

(8) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

(9) Ordinary shares

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 are included in equity, net of transaction costs.

(10) Cash and cash equivalents

Cash and balances at banks comprise non-restricted current accounts.

(11) Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are therefore no longer at the discretion of the Company. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

2.3 Significant accounting judgements, estimates and assumptions

The Company has made no significant judgements, estimates and 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 scope of IFRS 15 excludes all financial instruments and other contractual rights or obligations within the scope of IFRS 9 'Financial Instruments'. As a substantial proportion of the Company's income is generated from financial instruments the adoption of IFRS 15 has not had a significant impact on the Company;
- Amendments to IFRS 2 'Share-based Payment';
- Amendments to IAS 12 'Income Taxes'; 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 been early adopted by the Company:

- 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;

Notes to the financial statements (continued)

2.5 Standards issued but not yet effective (continued)

- 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. Interest and similar income

	Year ended 31 December 2018	Year ended 31 December 2017
	£m	£m
Interest income on the Series 2015-1 Loan Note	3.5	5.8
Other income due from Group entities	0.4	0.9
	3.9	6.7

Other income due from Group entities relates to income received to finance debt funding and other fees incurred.

4. Interest and similar expense

	Year ended 31 December 2018	Year ended 31 December 2017
	£m	£m
Interest expense on floating rate notes	3.5	5.8
Amortised debt funding fees	0.4	0.9
	3.9	6.7

5. Administration expenses

Intertrust Corporate Services Limited is the 100% shareholder of NewDay Funding Securitisation Holdings Ltd (the "Parent") and it is a wholly owned subsidiary of Intertrust Management Limited who performs corporate administration services on behalf of the Company. Corporate services fees paid during the year to 31 December 2018 were £2,800 (2017: £7,300).

The Company has no employees. The Directors did not receive any emoluments in respect of their services to the Company for the year (2017: £nil). External audit fees of £5,500 (2017: £5,000) for the audit of the Company's financial statements were borne by NewDay Cards Ltd, a member of the Group.

6. Tax expense

	Year ended 31 December 2018	Year ended 31 December 2017
	£m	£m
UK corporation tax on profits for the year	-	-
Total tax charge	-	-

For the year ended 31 December 2018 the enacted UK Company tax rate was 19% (2017: average rate of 19.25%). From 1 April 2020 the rate is expected to be reduced to 17%. The tax reconciliation is shown below:

Notes to the financial statements (continued)

6. Tax expense (continued)

	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
Profit on ordinary activities before tax	-	-
Total taxable profit	-	-
Tax charge at average of 19% (2017: 19.25%)	-	-
Total tax expense	-	-

7. Amounts due from other Group entities

	As at 31 December 2018 £m	As at 31 December 2017 £m
Series 2015-1 Loan Note	-	283.2
	-	283.2

The Series 2015-1 Loan Note was repaid by the Loan Note Issuer in line with its scheduled maturity date of 16 July 2018. Interest was previously accrued at the same rate as the debt issued and other borrowed funds, see note 8.

8. Debt issued and other borrowed funds

		As at 31 December 2018 £m	As at 31 December 2017 £m
Series 2015-1	Interest rate		
Class A	1mth Libor +1.00%	-	147.3
Class B	1mth Libor +1.55%	-	21.6
Class C	1mth Libor +1.95%	-	31.8
Class D	1mth Libor +2.50%	-	44.1
Class E	1mth Libor +3.50%	-	22.8
Class F	1mth Libor +4.50%	-	15.3
Debt issued		-	282.9
Accrued interest		-	0.3
		-	283.2
Unamortised issue costs		-	(0.4)
Debt issued and other borrowed funds		-	282.8

The Company issued publicly listed Notes to the London stock exchange on 24 June 2015, all debt is in Sterling.

The classes of Notes above are listed in order of priority in point of security as to the payment of principal and interest. Payments in respect of each Note class will only be made to the extent that there are sufficient funds after paying certain liabilities, including liabilities in respect of the preceding class(es).

On 16 July 2018 the notes, including all accrued interest, were repaid using funds from receipt of the payment of intercompany debt owed from the Loan Note Issuer, in line with their scheduled redemption date.

The Company has not had any defaults of principal, interest or other breaches in respect of debt securities during the year.

Notes to the financial statements (continued)

9. Amounts owed to other Group entities

	As at 31 December 2018	As at 31 December 2017
	£m	£m
Amounts owed to NewDay Funding Transferor Ltd	-	0.4
	-	0.4

The amounts due are in relation to unamortised issue costs.

10. Share capital and reserves

	Issued share capital Number of shares	Nominal value £
Subscriber shares on incorporation	1	1
Ordinary shares	49,999	49,999
As at 31 December 2018 and 2017	50,000	50,000

	Issued and fully paid Number of shares	Nominal value £
Subscriber shares on incorporation	1	1
As at 31 December 2018 and 2017	1	1

	Issued and partially paid Number of shares	Nominal value £
Ordinary shares	49,999	12,500
As at 31 December 2018 and 2017	49,999	12,500

The Company was incorporated with a share capital of £12,501 comprising 1 fully paid ordinary share of £1, issued on 13 January 2015 and, 49,999 partly paid ordinary shares of £1 each allotted on 28 April 2015. NewDay Funding Securitisation Holdings Ltd in full holds the Company's entire issued share capital.

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 shares rank equally in respect of rights attaching to voting, dividends and in the event of winding up.

No dividend was proposed or paid during the year (2017: £27,220.81).

The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act 2006. The Company has not breached this minimum requirement. The Company manages its capital and resources to ensure that there is sufficient capital to meet the needs of its operations.

The Company is subject to internal capital requirement in the form of a fixed monthly retained profit. The retained profit is £100 per month, until the Notes were repaid in July 2018. The transactions of the Company are structured to ensure that this amount is retained each month.

Notes to the financial statements (continued)

11. Fair value of financial instruments

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs, other than observable unadjusted quoted prices included within level 1, which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Fair value of financial instruments carried at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments. In the year all financial assets were classified as loans and receivables.

	Level 1 £m	Level 2 £m	Level 3 £m	Carrying value £m	Fair value £m
As at 31 December 2018					
Financial assets					
Amounts due from other Group entities	-	-	-	-	-
Total financial assets	-	-	-	-	-
Financial liabilities					
Debt issued and other borrowed funds	-	-	-	-	-
Amounts owed to other Group entities	-	-	-	-	-
Total financial liabilities	-	-	-	-	-
As at 31 December 2017					
Financial assets					
Amounts due from other Group entities	-	283.2	-	283.2	283.2
Total financial assets	-	283.2	-	283.2	283.2
Financial liabilities					
Debt issued and other borrowed funds	-	(282.8)	-	(282.8)	(282.8)
Amounts owed to other Group entities	-	(0.4)	-	(0.4)	(0.4)
Total financial liabilities	-	(283.2)	-	(283.2)	(283.2)

Amounts due from/owed to other Group entities:

These items consist mainly of the Series 2015-1 Loan Note due from the Loan Note Issuer. The fair value mirrors the debt issued by the Company which has a market observable price, therefore has been classified as level 2. The fair value of the remaining balances approximates to the carrying values as there has been no significant market conditions that would have caused a difference between the two values.

Debt issued and other borrowed funds:

This balance contains publicly listed term debt for which an observable market price is available therefore the fair value has been estimated using prices quoted by the banks and it has been classified as level 2.

Notes to the financial statements (continued)

12. Credit risk

The Company is exposed to credit risk via amounts due from other Group entities and cash and balances at banks. The Company's ability to meet payments on the issued debt relies on the receipt of funds on the Series 2015-1 Loan Note, which in turn is dependent on receipt of payments on the credit card receivables portfolio held in trust. To minimise risk, any credit card receivables included in the portfolio is required to meet a number of criteria as determined in the transaction documentation.

The maximum credit risk exposure as at 31 December 2018 is as follows:

	As at 31 December 2018 £m	As at 31 December 2017 £m
Amounts due from other Group entities	-	283.2
	-	283.2

No impairment has been recognised in respect of any financial assets, and no financial assets were past due.

13. Interest rate risk

The Company is not subject to interest rate risk as the term's of the Company's liabilities are matched to those of its assets.

14. Liquidity, funding and cash management risk

Liquidity, funding and cash management risk is the risk that the Company is not able to meet its liabilities when they are due under normal conditions. The maturity profile of the Series 2015-1 Loan Note is structured to match the contractual profile of the Notes, which effectively mitigates the overall liquidity risk. The table below summarises the scheduled maturity profile of the undiscounted cash flows of the Company's financial liabilities as at 31 December 2018.

Scheduled redemption maturities of undiscounted cash flows of financial liabilities

As at 31 December 2018						
	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Financial liabilities						
Debt issued and other borrowed funds	-	-	-	-	-	-
Amounts owed to other Group entities	-	-	-	-	-	-
	-	-	-	-	-	-
As at 31 December 2017						
	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Financial liabilities						
Debt issued and other borrowed funds	-	1.6	1.6	283.1	-	286.3
Amounts owed to other Group entities	0.5	-	-	-	-	0.5
	0.5	1.6	1.6	283.1	-	286.8

Notes to the financial statements (continued)

15. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	As at 31 December 2018		Total £m
	< 12 months £m	> 12 months £m	
Assets			
Amounts due from other Group entities	-	-	-
Total assets	-	-	-
Liabilities			
Debt issued and other borrowed funds	-	-	-
Amounts owed to other Group entities	-	-	-
Total liabilities	-	-	-
	As at 31 December 2017		Total £m
	< 12 months £m	> 12 months £m	
Assets			
Amounts due from other Group entities	0.3	282.9	283.2
Total assets	0.3	282.9	283.2
Liabilities			
Debt issued and other borrowed funds	(0.3)	(282.5)	(282.8)
Amounts owed to other Group entities	(0.4)	-	(0.4)
Total liabilities	(0.7)	(282.5)	(283.2)

16. Parent undertaking, controlling party and consolidation

The Company's immediate parent undertaking is NewDay Funding Securitisation Holdings Ltd, a Company registered in England and Wales which holds the entire issued share capital of the Company.

Intertrust Corporate Services Limited holds the entire issued share capital of NewDay Funding Securitisation Holdings Ltd on a discretionary trust basis under a share trust deed.

Intertrust Corporate Services Limited is a wholly owned subsidiary of Intertrust Management Limited.

Under IFRS, the Company's financial statements are consolidated into the financial statements of NewDay Group (Jersey) Ltd on the basis of rights to variable returns, power and ability to affect the variable returns. Copies of 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

17. Related party transactions

	Year ended 31 December 2018 £m	As at 31 December 2018 £m
Interest and similar income received from other Group entities	3.9	n/a

Notes to the financial statements (continued)

17. Related party transactions (continued)

	Year ended 31 December 2017 £m	As at 31 December 2017 £m
Amounts due from other Group entities	n/a	283.2
Amounts owed to other Group entities	n/a	(0.4)
Interest and similar income received from other Group entities	6.7	n/a
Interest and similar expenses paid to other Group entities	(0.8)	n/a

As at 31 December 2018 NewDay Funding Transferor Ltd held £nil (2017: £15.3m) of the Company's issued Notes and earned interest in the year of £nil (2017: £0.7m).

Intertrust Management Limited, the shareholder of the ultimate parent company, performs administration services for the Company, and the corporate services fees paid during the year to 31 December 2018 were £2,800 (2017: £7,300).

No Directors' remuneration was paid by the Company in respect of qualifying services rendered during the year under review (2017: £nil).