

**Driver UK Master S.A.  
Société Anonyme**

**AUDITED ANNUAL ACCOUNTS  
FOR THE FINANCIAL YEAR  
ENDED 30 JUNE 2020**

**Registered office:**  
22-24 boulevard Royal  
L-2449 Luxembourg

**RCS Luxembourg : B 162.723**

**Driver UK Master S.A.**

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## Driver UK Master S.A.

### 1. MANAGEMENT REPORT

The Board of Directors of Driver UK Master S.A. (the "Company") herewith submits its report for the year ended 30 June 2020.

#### General

The Company is a Securitisation company within the meaning of the Law of March 22, 2004 on Securitisation, hereafter the "Securitisation Law", and has as its corporate purpose the Securitisation of receivables. The Company is organised under the laws of Luxembourg as a "Société Anonyme" for an unlimited period.

The Company may, in accordance with the terms of the Securitisation Law, and in particular its article 5, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board of Directors creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding funding.

#### Summary of activities

##### Compartment 2:

On 25 October 2013, the Company created a new Compartment called Driver UK Master S.A. - Compartment 2 ("C2"). On 20 November 2013, Driver UK Master S.A. - Compartment 1 sold its right, title and interest in the Receivables to Private VCL S.A. - Compartment 2013-1 ("VCL 2013-1") valued at GBP 2,204,907,727. On the same date, Driver UK Master S.A. - Compartment 2 purchased back the Receivables for the same amount. Additional Volkswagen Financial Services (UK) Limited ("VWFS") receivables have also been transferred at the same time.

To finance its acquisition, Driver UK Master S.A. - Compartment 2 issued new Notes and was granted a Subordinated Loan by Volkswagen International Luxembourg S.A. In the meantime all the financial obligations of Driver UK Master S.A. - Compartment 1 towards its Noteholders and subordinated lender have been redeemed in accordance with a Netting agreement dated 19 November, 2013.

The Receivables have been purchased as follows:

Portfolio Receivables	Compartment	Value at initial purchase (in GBP)
from Private VCL 2013-1	C2	2,204,907,727
from VWFS	C2	603,705,469
<b>Total amount purchased</b>		<b>2,808,613,196</b>
Overcollateralisation		28,086,132
Endowment of the Cash Collateral Account		28,681,200
<b>Net price</b>		<b>2,751,845,864</b>

The Receivables consist of any and all rights of the Seller against an Obligor under financing agreements for the acquisition of vehicles granted to such Obligors by VWFS.

The purchase of the initial Receivables has been financed by the issue of Floating Rate Asset Backed Notes (the "Notes") for an aggregate amount of GBP 2,390,100,000 and a Subordinated Loan for an amount of GBP 390,427,064.

The Notes are backed by substantially all of the assets of the Compartment 2 consisting primarily of the Compartment 2's right, title and interest in the Receivables. The Notes are listed on the Luxembourg Stock Exchange.

The Subordinated Loan has been granted to the Compartment 2 by Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes.

The Compartment 2 has entered into swap agreements for each Series of Notes to hedge the interest rate risk deriving from the scheduled periodic payments payable by the Obligors to the Compartment 2 and the floating rate interest payments owed by the Compartment 2 under the Notes.

The Notes and the Subordinated Loan are limited recourse obligations of the Compartment 2, whereby the Compartment 2 pays only those amounts which are actually available to it, being essentially the amounts received from the Receivables and the amounts received or paid under the interest rate swap agreements less costs.

## Driver UK Master S.A.

### 1. MANAGEMENT REPORT (continued)

#### Summary of activities (continued)

##### Compartment 2:

###### Portfolio of permitted assets

During the financial year, the Receivables principal held by Compartment 2 was increased by GBP 2,218,824,872 (2019: GBP 2,443,408,514) by way of reinvestment of funds collected (Top Up) and by GBP 436,342,192 (2019: GBP 558,395,291) by way of additional issuances of Notes (Tap Up). The Receivables principal was also decreased (i) by payments collected from VWFS in the amount of GBP 2,226,331,983 (2019: GBP 2,526,633,617), (ii) by defaulted receivables in the amount GBP 22,007,480 (2019: GBP 69,218,862) and (iii) by the repurchase of ineligible Receivables in the amount of GBP 274,677,374 (2019: GBP 140,130,839).

###### Floating Rate Notes

During the financial year, Compartment 2 has issued additional Notes for a total of GBP 481,800,000 (2019: GBP 592,100,000) and has redeemed the amount of GBP 373,419,583 (2019: GBP 393,221,149).

###### Subordinated Loan

During the financial year, the Compartment 2 has been granted an additional amount of GBP 44,739,751 (2019: GBP 97,853,538) and has made redemption payments for a total amount of GBP 123,753,116 (2019: GBP 90,257,700) on the Subordinated Loan principal.

##### Compartment 3:

On 24 February 2016, the Company has created a compartment named Compartment 3 ("**C3**"). Compartment 3 has purchased receivables arising from the financing of the purchase of motor vehicles by customers by way of hire purchase, personal contract plans or lease purchase originated by Volkswagen Financial Services (UK) Limited ("VWFS"). The receivables include receivables originated by VWFS and their Ancillary Rights with respect to all remedies for enforcing the same (the "Receivables").

The Receivables have been purchased as follows:

Portfolio Receivables	Compartment	Value at initial purchase (in GBP)	Purchase price (in GBP)
from VWFS	C3	500,002,295	479,602,223
		<hr/>	<hr/>
		500,002,295	479,602,223

The Receivables consist of any and all rights of the Seller against an Obligor under financing agreements for the acquisition of vehicles granted to such Obligors by VWFS.

The purchase of the Receivables was financed by the issue of Class A Series 2016-1 Notes (the "Class A Notes") for an amount of GBP 332,500,000, Class B Series 2016-1 Notes (the "Class B Notes" and together the "Notes") with maturity as per 2022 for an amount of GBP 55,000,000 and a Subordinated Loan for an amount of GBP 101,402,222.

The Notes are backed by substantially all of the assets of the Company consisting primarily of the Company's right, title and interest in the Receivables.

The Subordinated Loan was granted to the Company by Volkswagen International Luxemburg S.A. for the purpose of credit enhancement and it ranks junior to the Notes.

The Notes and the Subordinated Loan are limited recourse obligations of the Company, whereby the Company pays only those amounts which are actually available to it, being essentially the amounts received from the Receivables less costs.

## Driver UK Master S.A.

### 1. MANAGEMENT REPORT (continued)

#### Summary of activities (continued)

##### **Compartment 3:**

###### Portfolio of permitted assets

During the financial year, the Receivables principal held by Compartment 3 was increased by GBP 317,479,876 (2019: GBP 343,726,725) by way of reinvestment of funds collected (Top Up) and by GBP 0 (2019: GBP 0) by way of additional issuances of Notes (Tap Up). The Receivables principal was also decreased (i) by payments collected from VWFS in the amount of GBP 291,905,873 (2019: GBP 326,830,354), (ii) by defaulted receivables in the amount GBP 1,922,076 (2019: GBP 3,775,823) and (iii) by the repurchase of ineligible Receivables in the amount of GBP 27,506,740 (2019: GBP 10,822,894).

###### Floating Rate Notes

During the financial year, Compartment 3 has not issued additional Notes (2019: GBP 0) and has not redeemed any notes.

###### Subordinated Loan

During the financial year, the Compartment 3 has not been granted an additional loan (2019: GBP 0) and has made redemption payments for a total amount of GBP 12,805,022 (2019: GBP 10,736,382) on the Subordinated Loan principal.

##### **Compartment 4:**

On 30 April 2018, the Company has created a compartment named Compartment 4 ("C4"). Compartment 4 has purchased receivables arising from the financing of the purchase of motor vehicles by customers by way of hire purchase, personal contract plans or lease purchase originated by Volkswagen Financial Services (UK) Limited ("VWFS"). The receivables include receivables originated by VWFS and their Ancillary Rights with respect to all remedies for enforcing the same (the "Receivables").

The Receivables have been purchased as follows:

Portfolio Receivables	Compartment	Value at initial purchase price (in GBP)	Purchase price (in GBP)
from VWFS	C4	621,132,246	608,100,752
Total amount purchased		621,132,246	608,100,752

The Receivables consist of any and all rights of the Seller against an Obligor under financing agreements for the acquisition of vehicles granted to such Obligors by VWFS.

The purchase of the Receivables was financed by the issue of Class A Series 2018-1 Notes (the "Class A Notes") for an amount of GBP 456,500,000, Class B Series 2018-1 Notes (the "Class B Notes" and together the "Notes") for an amount of GBP 43,500,000 and a Subordinated Loan for an amount of GBP 108,100,752.

The Notes are backed by substantially all of the assets of Compartment 4 consisting primarily of Compartment 4's right, title and interest in the Receivables. The Notes are listed on the Luxembourg Stock Exchange.

The Subordinated Loan was granted to Compartment 4 by Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes.

The Notes and the Subordinated Loan are limited recourse obligations of Compartment 4, whereby Compartment 4 pays only those amounts which are actually available to it, being essentially the amounts received from the Receivables less costs.

###### Portfolio of permitted assets

During the financial year, the Receivables principal held by Compartment 4 was increased by GBP 298,240,476 (2019: GBP 236,466,622) by way of reinvestment of funds collected (Top Up) and by GBP 0 (2019: GBP 310,646,837) by way of additional issuances of Notes (Tap Up). The Receivables principal was also decreased (i) by payments collected from VWFS in the amount of GBP 289,288,608 (2019: GBP 225,587,169), (ii) by defaulted receivables in the amount GBP 5,617,188 (2019: GBP 2,966,055) and (iii) by repurchase of ineligible receivables in the amount of GBP 8,190,209 (2019: GBP 200,182).

## Driver UK Master S.A.

### 1. MANAGEMENT REPORT (continued)

#### Summary of activities (continued)

##### Floating Rate Notes

During the financial year, Compartment 4 has issued additional Notes for a total of GBP 0 (2019: GBP 250,000,000) and has not redeemed any notes (2019: GBP 0).

##### Subordinated Loan

During the financial year, the Compartment 4 has been granted an additional amount of GBP 0 (2019: GBP 54,062,216) and has not made redemption payments on the Subordinated Loan principal (2019: GBP 37,442).

Capitalised interest on the Subordinated Loan amounted to GBP 7,061,000 (2019: GBP 5,366,3180) for the year ended 30 June 2020 for Compartment 4.

#### **Compartment 5:**

On 9 January 2019, the Company has created a compartment named Compartment 5 ("C5"). Compartment 5 has purchased receivables arising from the financing of the purchase of motor vehicles by customers by way of hire purchase, personal contract plans or lease purchase originated by Volkswagen Financial Services (UK) Limited ("VWFS"). The receivables include receivables originated by VWFS and their Ancillary Rights with respect to all remedies for enforcing the same (the "Receivables").

The Receivables have been purchased as follows:

Portfolio Receivables	Compartment	Value at initial purchase (in GBP)	Purchase price (in GBP)
from VWFS	C5	620,698,770	564,965,170
Total amount purchased		<u>620,698,770</u>	<u>564,965,170</u>

The Receivables consist of any and all rights of the Seller against an Obligor under financing agreements for the acquisition of vehicles granted to such Obligors by VWFS.

The purchase of the Receivables was financed by the issue of Class A Series 2019-1 Notes (the "Class A Notes") for an amount of GBP 450,000,000, Class B Series 2019-1 Notes (the "Class B Notes" and together the "Notes") for an amount of GBP 52,800,000 and a Subordinated Loan for an amount of GBP 68,198,770.

The Notes are backed by substantially all of the assets of Compartment 5 consisting primarily of Compartment 5's right, title and interest in the Receivables. The Notes are listed on the Luxembourg Stock Exchange.

The Subordinated Loan was granted to Compartment 5 by Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes.

The Notes and the Subordinated Loan are limited recourse obligations of Compartment 5, whereby Compartment 4 pays only those amounts which are actually available to it, being essentially the amounts received from the Receivables less costs.

##### Portfolio of permitted assets

During the financial year, the Receivables principal held by Compartment 5 was decreased (i) by payments collected from VWFS in the amount of GBP 168,782,144 (2019: GBP 53,556,466) and (ii) by defaulted receivables in the amount of GBP 1,541,545 (2019: GBP 48,352) and (iii) by repurchase of ineligible receivables in the amount of GBP 169,596 (2019: GBP

##### Floating Rate Notes

During the financial year, Compartment 5 has issued Notes for a total of GBP 0 (2019: GBP 502,800,000) and has not redeemed any notes.

##### Subordinated Loan

During the financial year, the Compartment 5 has been granted an amount of GBP 0 (2019: GBP 68,958,390) and has not made redemption payments on the Subordinated Loan principal (2019: GBP 0).

Capitalised interest on the Subordinated Loan amounted to GBP 0 (2019: GBP 764,161) for the year ended 30 June 2020 for Compartment 5.

## **Driver UK Master S.A.**

### **1. MANAGEMENT REPORT (continued)**

#### **Measures taken in the context of coronavirus disease:**

In the first months of 2020, a pandemic of coronavirus disease 2019 (COVID-19) spread around the world, leading to numerous cases and casualties and causing an economic instability. VWFS has implemented a payment holiday with term extension for contracts with 3 - 18 months from maturity date ("COVID-19 Extension"). This measure is on demand and do not impact all contracts. Following that, management has agreed with VWFS and signed with all parties deed of amendment in respect of the incorporated terms memorandum, the trust agreement, the servicing agreement and the account agreement in June 2020, with the following measures:

- implementation of a Collateral Residual Value Buffer made available by VWFS to the Company on each purchased receivables starting in June 2020;
- VWFS pays to the Company a deemed collection on the Receivables subject to COVID19 Extension in order to compensate the impact.

These measures were communicated to Noteholders by issuance of notices which are available on the Luxembourg Stock Exchange website.

Following the measures taken, the Board is of the view that there is no impact of Covid19 and the Company is in its full capacity to continue its usual operations. However, the Board will continue to monitor the situation as well as potential impacts on the Company.

#### **Voting rights**

Each issued share holds one vote in a Meeting of Shareholders. No special voting rights exist, nor does the sole Shareholder have any special right of control.

#### **Acquisition of own shares**

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the financial year ended 30 June 2020 the Company has not purchased any of its own shares.

#### **Research and development activities**

The Company was neither involved nor participated in any kind of research or development activities in the year ended 30 June 2020.

#### **Branches and participations of the Company**

The Company does not have any branches or participations.

#### **Board of Directors**

The Company is managed by a Board of Directors comprising of at least three members. The Directors, whether shareholders or not, are appointed for a period not exceeding six years by the sole Shareholder, who may at any time remove them.

The Board of Directors is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of the Company. The Company will be bound in any circumstances by the joint signatures of two members of the Board of Directors unless special decisions have been reached concerning the authorised signature in case of delegation of powers or proxies.

#### **Corporate governance statement**

The Board of Directors duly notes that, based on Article 52 of the law of 23 July 2016 concerning the audit profession (the "Audit Law"), the Company is classified as a public-interest entity and is required to establish an audit committee.

However, the Company's sole business is to act as issuer of asset-backed securities as defined in point (5) of Article 2 of Commission regulation (EC) N° 809/2004. Therefore, it is exempted from the audit committee obligation based on Article 52 (5) c).

## **Driver UK Master S.A.**

### **1. MANAGEMENT REPORT (continued)**

#### **Corporate governance statement (continued)**

The Company has concluded that the establishment of a dedicated audit committee or an administrative or supervisory body entrusted to carry out the function of an audit committee is not appropriate for the nature and extent of the Company's business which consists merely of an interest in assets to which the limited recourse Notes issued are linked. Furthermore, the Company operates in a strictly defined regulatory environment (e.g. Securitisation Law, CSSF supervision, listing on EU-regulated market) and is subject to respective governance mechanisms.

#### Internal control and risk management procedures

The Board of Directors is responsible for managing the Company and carefully managing the Company's system of internal control and risk management. Its members are jointly accountable for the management of the Company and ensure that the statutory and legal requirements and obligations of the Company are met and complied with.

effectiveness. This system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company operates a management structure with clear delegated authority levels and clear functional reporting lines and accountability. All relevant decisions are subject to appropriate authorisation procedures. The Board of Directors monitors financial and operational performance and compliance controls on a continuing basis and identifies and responds to business risks as they arise.

#### Related business risks

##### Credit risk:

The Company may be exposed to a credit risk with third parties with whom it trades and may also bear the risk of settlement default.

##### Counterparty risk:

Some of the assets and derivatives will expose the Company to the risk of Counterparty default.

##### Interest rate risk:

The Receivables bear interest at fixed rates while the Notes and the Subordinated Loan will bear interest at floating rates based on 1-month LIBOR. The Company will hedge afore-described interest rate risk related to the Notes and will use payments made by the swap counterparties to make payments on the Notes on each Payment date. The Subordinated Loan is not covered by such swap transactions. The Board of Directors considers however that the Excess spread of the Structure would cover any movements in 1-month LIBOR.

The liquidity risk, market risk, currency risk and the price risk are not defined as the Directors of the Company believe that these risks are not applicable for the Company or are not deemed as principal risks to the Company as a whole.

#### **Subsequent events**

In reference with the COVID19 paragraph disclosed above and considering the measures taken, the Board of Directors concluded there is no impact to the Company due to COVID19.

No other event occurred subsequent to the year-end which would have a material impact on the annual accounts as at 30 June 2020.

#### **Future outlook**

No material changes in activities are contemplated for the coming year.

Luxembourg, 27 January 2021

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Ms Zamyra Cammans  
Director

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Ms Meenakshi Mussai-Ramassur  
Director





## **Audit report**

To the Board of Directors of  
**Driver UK Master S.A.**

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## **Report on the audit of the annual accounts**

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### **Our opinion**

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Driver UK Master S.A. (the “Company”) as at 30 June 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### *What we have audited*

The Company’s annual accounts comprise:

- the balance sheet as at 30 June 2020;
  - the profit and loss account for the year then ended; and
  - the notes to the annual accounts, which include a summary of significant accounting policies.
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### **Basis for opinion**

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

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### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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R.C.S. Luxembourg B 65 477 - TVA LU25482518*



## Key audit matter

## How our audit addressed the Key audit matter

### *Existence and Valuation of lease receivables*

The purpose of the Company is to purchase a portfolio of car lease receivables of customers from Volkswagen Financial Services (UK) Limited (the "originator" and "asset servicer", "VWFS UK"). The acquisition of the lease receivables is financed by the issuance of granted listed notes. The portfolio is purchased from the originator at a discounted value to cover potential losses on these receivables. There is a risk of non-payment if the customers fail to meet the payment instalments. Refer to Note 2.2.2 for the accounting policy.

The selection and collection process of the lease receivables purchased from the originator is not conducted by the Company itself but by a third party, the asset servicer. Thus, reconciliation processes over lease receivables and accounting records implemented by the asset servicer are critical to ensure lease receivables balances are complete and accurate.

Taking into account that the total financial fixed assets as at 30 June 2020 amounted to 7,824,183,996 GBP (See Note 3), we have identified this as a key audit matter of our audit.

The lease receivables purchased by the Company are part of the full lease portfolio of the originator. Our audit procedures to cover the existence of the lease receivables included:

- We performed detailed procedures to gain an understanding of the controls in respect of lease receivables adopted by the asset servicer;
- We performed reconciliation of the information of lease receivables in the annual accounts from the source systems;
- In order to check reliance of the asset servicer's information, we performed a sample testing of lease receivables and obtained supporting lease contracts.

As the audit of the valuation of each individual lease receivables is not appropriate, we have reviewed and tested the internal control system of VWFS UK with regards to the valuation of the lease receivables in which no issues were noted.

In order to test the Company's assessment on the valuation of the lease receivables, we performed detailed procedures to assess the recoverability of the lease receivables and concluded that as of 30 June 2020, the Company's lease receivables valuation disclosed in the annual accounts are in line with accounting policies.

As at 30 June 2020, the existence and the valuation of the Company's lease receivables are properly reviewed with no exceptions noted.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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#### **Responsibilities of the Board of Directors for the annual accounts**

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts**

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;



- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

## **Report on other legal and regulatory requirements**

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.



We have been appointed as “Réviseur d’Entreprises Agréé” by the Board of Directors on 20 December 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 9 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 27 January 2021

Frank Ballmann

RCSL Nr. : B162723

Matricule : 2011 2217 356

eCDF entry date : 26/01/2021

**BALANCE SHEET****Financial year from** <sup>01</sup> 01/07/2019 **to** <sup>02</sup> 30/06/2020 (in <sup>03</sup> GBP )

Driver UK Master S.A.

22-24, Boulevard Royal

L-2449 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>7.824.183.996,00</u>	110 <u>7.692.207.884,00</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

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Matricule: 2011 2217 356

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	135 <u>7.824.183.996,00</u>	136 <u>7.692.207.884,00</u>
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145 <u>7.824.183.996,00</u>	146 <u>7.692.207.884,00</u>
6. Other loans	1147	147	148
<b>D. Current assets</b>	1151	151 <u>436.523.335,00</u>	152 <u>397.944.887,00</u>
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	163 <u>340.422.961,00</u>	164 <u>305.424.549,00</u>
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 <u>340.421.691,00</u>	172 <u>305.423.646,00</u>
a) becoming due and payable within one year	1173	173 <u>340.421.691,00</u>	174 <u>305.423.646,00</u>
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 <u>1.270,00</u>	184 <u>903,00</u>
a) becoming due and payable within one year	1185	185 <u>1.270,00</u>	186 <u>903,00</u>
b) becoming due and payable after more than one year	1187	187	188

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Matricule : 2011 2217 356

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____ <u>5</u>	197 _____ <u>96.100.374,00</u>	198 _____ <u>92.520.338,00</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		201 _____ <u>8.260.707.331,00</u>	202 _____ <u>8.090.152.771,00</u>



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Matricule: 2011 2217 356

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>6</u>	301 <u>29.000,00</u>	302 <u>29.000,00</u>
I. Subscribed capital	1303 _____	303 <u>29.000,00</u>	304 <u>29.000,00</u>
II. Share premium account	1305 _____	305 _____	306 _____
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____	310 _____
1. Legal reserve	1311 _____	311 _____	312 _____
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 _____	322 _____
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>			
	1331 _____	331 <u>845.953,00</u>	332 <u>819.036,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 <u>8</u>	337 <u>845.953,00</u>	338 <u>819.036,00</u>
<b>C. Creditors</b>			
	1435 _____	435 <u>8.259.832.378,00</u>	436 <u>8.089.304.735,00</u>
1. Debenture loans	1437 <u>9</u>	437 <u>6.376.100.000,00</u>	438 <u>6.267.719.583,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 <u>6.376.100.000,00</u>	446 <u>6.267.719.583,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>1.653.363.843,00</u>	448 <u>381.290.266,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>4.722.736.157,00</u>	450 <u>5.886.429.317,00</u>
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B162723

Matricule : 2011 2217 356

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	10 379 1.882.294.739,00	380 1.819.852.940,00
a) becoming due and payable within one year	1381	381 848.962.176,00	382 632.828.649,00
b) becoming due and payable after more than one year	1383	383 1.033.332.563,00	384 1.187.024.291,00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	11 451 1.437.639,00	452 1.732.212,00
a) Tax authorities	1393	393 31.070,00	394 21.587,00
b) Social security authorities	1395	395	396
c) Other creditors	1397	397 1.406.569,00	398 1.710.625,00
i) becoming due and payable within one year	1399	399 1.406.569,00	400 1.710.625,00
ii) becoming due and payable after more than one year	1401	401	402
<b>D. Deferred income</b>	1403	403	404
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 8.260.707.331,00	406 8.090.152.771,00

RCSL Nr.: B162723

Matricule: 2011 2217 356

eCDF entry date: 26/01/2021

**PROFIT AND LOSS ACCOUNT****Financial year from** <sup>01</sup> 01/07/2019 **to** <sup>02</sup> 30/06/2020 (in <sup>03</sup> GBP )

Driver UK Master S.A.

22-24, Boulevard Royal

L-2449 Luxembourg

**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____ 12	671 _____ -81.328.858,00	672 _____ -73.507.404,00
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____ -81.328.858,00	604 _____ -73.507.404,00
<b>6. Staff costs</b>	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____ 13	621 _____ -136.152.627,00	622 _____ -97.835.257,00

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B162723

Matricule: 2011 2217 356

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	667	668
<b>17. Other taxes not shown under items 1 to 16</b>	1637	637	638
<b>18. Profit or loss for the financial year</b>	1669	669	670

## **Driver UK Master S.A.**

### **5. NOTES TO THE ANNUAL ACCOUNTS**

#### **Note 1 - General information**

Driver UK Master S.A. (hereafter the "Company") is a Luxembourg public limited liability company incorporated in Luxembourg on 29 July 2011 and is organised under the laws of Luxembourg as a "Société Anonyme" having its corporate office at 22-24, boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The Company is registered at the Registre du Commerce et Sociétés of Luxembourg City under number B 162.723.

The accounting period of the Company begins on July 1st and terminates on June 30th.

The purpose of the Company is the Securitisation, within the meaning of the Luxembourg Law of 22 March 2004 on Securitisations (hereinafter the "Securitisation Law"), of Receivables (the "Permitted Assets"). The Company may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, including, without limitation, disposing of its assets in accordance with the relevant agreements.

The Company may only carry out the above activities if and to the extent that they are compatible with the Securitisation Law.

In accordance with the Securitisation Law, the Board of Directors is entitled to create one or more compartment(s), each corresponding to a separate part of the Company's estate.

Substantially all the assets and liabilities of the Company are included in the consolidated accounts of Volkswagen AG, being the ultimate parent of Volkswagen Financial Services (UK) Limited ("VWFS"), a company incorporated in the United Kingdom. Volkswagen AG is the largest body of undertakings to include the balances of the Company and its registered office is located at Berliner Ring 2, 38440 Wolfsburg, (HRB Nr. 100484) and the consolidated accounts are available at the same address. In addition, substantially all the assets and liabilities of the Company are included in the financial statements of Volkswagen Financial Services (UK) Limited, forming the smallest body of undertakings of which the Company forms a part.

The registered office of Volkswagen Financial Services (UK) Limited is located at Brunswick Court, Yeomans Drive, Blakelands, Milton Keynes, MK14 5LR, United Kingdom (registration number 02835230) and the consolidated accounts are available at the same address.

Capitalised terms not defined within these audited annual accounts are defined in the transaction documentation of each compartment of the Company.

#### **Note 2 - Summary of significant accounting policies**

##### **2.1 Basis of preparation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts required the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **2.2 Significant accounting policies**

The main valuation rules applied by the Company are the following:

###### **2.2.1 Formation expenses**

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

## **Driver UK Master S.A.**

### **5. NOTES TO THE ANNUAL ACCOUNTS**

#### **Note 2 - Summary of significant accounting policies (continued)**

##### **2.2.2 Financial assets**

Permitted Assets included in financial assets are recorded at their nominal value. In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Value adjustments are defined by the company as: (a) Receivables in arrears for 6 months and does not have a stock balance (i.e. the related motor vehicle has not been returned or recovered); (b) Receivables in arrears for 3 months and the vehicle is sold or abandoned or once 180 days have passed since the contract was terminated; and (c) Lease contract was voluntary terminated by the Obligor and the vehicle is sold or the vehicle remains in stock for more than 91 days from the date on which such vehicle was returned.

##### **2.2.3 Debtors**

Debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

##### **2.2.4 Derivative financial instruments**

The Company may enter into derivative financial instruments such as swaps. The interests linked to derivative instrument are recorded on accrual basis at the closing date and its net realised and/or unrealised gain (loss) is recognised in the profit and loss account. Commitments relating to swap transactions are recorded in the off-balance sheet accounts.

##### **2.2.5 Foreign currency translation**

The Company maintains its books and records in GBP. Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. Cash at bank, short-term debtors and creditors are translated on the basis of the exchange rates effective at balance sheet date. The unrealised exchange gains and losses are thus recorded in the profit and loss account. Other assets and liabilities are translated separately at the lower and the higher of the respective value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at balance sheet date. The unrealised exchange losses are thus recorded in the profit and loss account. Realised exchange gains and losses are recorded in the profit and loss account at the moment of realisation.

Where there is an economic link between an asset and a liability, they are valued in total according to the method described above, while the net unrealised losses are recorded in the profit and loss account and the net unrealised gains are not recorded.

##### **2.2.6 Prepayments**

This asset item includes expenses incurred during the financial year but relating to a subsequent year.

##### **2.2.7 Provisions**

Provisions are intended to cover charges which at the balance sheet date are either likely to incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

##### **2.2.8 Notes issued**

The Notes issued are stated at par value less any repayments made to their principal.

##### **2.2.9 Debts**

Where the amount repayable on account is greater than the amount received, the difference may be accounted for in the profit and loss account when the debt is issued.

## Driver UK Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 2 - Summary of significant accounting policies (continued)

##### 2.2.10 Equalisation provision

Losses during the year as a result from sales, default, lower market/recovery values or cost may lead to an ultimate shortfall on the Notes issued or Subordinated Loan received. Such shortfalls will ultimately be borne by the Subordinated Lender and the Note Purchasers in accordance with the Terms and Conditions of the Notes. Consequently, a provision for value diminution on the Subordinated Loan or Notes will be made in respect of losses determined in accordance with valuation principles applied and such provision is recognised in the profit and loss account as "Equalisation provision" under Other operating income. Similarly, in case of profit made during the year, the Equalisation provision booked in the profit and loss as "Other operating expense" would result into an additional liability towards the Originator.

##### 2.2.11 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

#### Note 3 - Financial assets

	30-06-2020	30-06-2019
<u>Permitted Assets</u>	GBP	GBP
Balance as at the beginning of the year	7,692,207,884	6,493,489,388
Initial portfolio at acquisition date (Compartment 5)	-	620,698,770
Additional purchases (Top-Up)	3,013,574,736	3,068,816,266
Additional purchases (Tap-Up)	436,342,192	869,042,128
Reimbursement during the year	(2,976,308,608)	(3,132,607,607)
Value adjustment for the year due to defaulted receivables	(31,088,289)	(76,009,092)
Repurchase of ineligible receivables	(310,543,919)	(151,221,969)
Net book value	<u>7,824,183,996</u>	<u>7,692,207,884</u>

There is a significant increase of repurchase of ineligible receivables due to the entry into force in January 2019 of the simple, transparent and standardised ("STS") regulation under Article 20 (13) of the Securitisation Regulation (EU 2017/2402). Compartment 2 and Compartment 3 are now STS compliant, therefore VWFS had to repurchased a number of contracts voluntary terminated by a client at its nominal value without any profit or loss impact. The repurchase of these contracts is shown as ineligible receivables.

##### Compartment 2:

On 20 November 2013, Compartment 2 purchased from Volkswagen Financial Services (UK) Limited a portfolio of Permitted Assets valued at GBP 603,705,469 and from Private VCL acting on behalf of its compartment 2013-1 a portfolio of Permitted Assets valued at GBP 2,204,907,727. The initial purchase price and the purchase price of any additional Receivables from VWFS consists of the discounted Receivables balance at the relevant purchase date multiplied by one (1) minus the Receivables Overcollateralisation Percentage.

During the financial year, the Receivables principal held by Compartment 2 was increased by GBP 2,218,824,872 (2019: GBP 2,443,408,514) by way of reinvestment of funds collected (Top Up) and by GBP 436,342,192 (2019: GBP 558,395,291) by way of additional issuances of Notes (Tap Up). The Receivables principal was also decreased (i) by payments collected from VWFS in the amount of GBP 2,226,331,983 (2019: GBP 2,526,633,617), (ii) by defaulted receivables in the amount GBP 22,007,480 (2019: GBP 69,218,862) and (iii) by the repurchase of ineligible Receivables in the amount of GBP 274,677,374 (2019: GBP 140,130,839).

Interest income derived from the Permitted Assets for the financial year amount to GBP 357,773,659 (2019: GBP 349,384,541) for Compartment 2 (see note 15).

Acquisition of the Permitted Assets was financed by the issue of Floating Rate Notes and through receipt of a Subordinated Loan (see also notes 10 and 11).

## **Driver UK Master S.A.**

### **5. NOTES TO THE ANNUAL ACCOUNTS**

#### **Note 3 - Financial assets (continued)**

##### **Compartment 3:**

On 25 May 2016, Compartment 3 purchased from Volkswagen Financial Services (UK) Limited a portfolio of Permitted Assets valued at GBP 500,002,295. The initial purchase price and the purchase price of any additional Receivables from VWFS consists of the discounted Receivables balance at the relevant purchase date multiplied by one (1) minus the Receivables Overcollateralisation Percentage.

During the financial year, the Receivables principal held by Compartment 3 was increased by GBP 317,479,876 (2019: GBP 343,726,725) by way of reinvestment of funds collected (Top Up) and by GBP 0 (2019: GBP 0) by way of additional issuances of Notes (Tap Up). The Receivables principal was also decreased (i) by payments collected from VWFS in the amount of GBP 291,905,873 (2019: GBP 326,830,354), (ii) by defaulted receivables in the amount GBP 1,922,076 (2019: GBP 3,775,823) and (iii) by the repurchase of ineligible Receivables in the amount of GBP 27,506,740 (2019: GBP 10,822,894).

Interest income derived from the Permitted Assets for the financial year amount to GBP 38,693,522 (2019: GBP 38,173,247) for Compartment 3 (see note 15).

Acquisition of the Permitted Assets was financed by the issue of Fixed Rate Notes and through receipt of a Subordinated Loan (see also Notes 10 and 11).

##### **Compartment 4:**

On 25 June 2018, Compartment 4 purchased from Volkswagen Financial Services (UK) Limited a portfolio of Permitted Assets valued at GBP 621,132,246. The initial purchase price and the purchase price of any additional Receivables from VWFS consists of the discounted Receivables balance at the relevant purchase date multiplied by one (1) minus the Receivables Overcollateralisation Percentage.

During the financial year, the Receivables principal held by Compartment 4 was increased by GBP 298,240,476 (2019: GBP 236,466,622) by way of reinvestment of funds collected (Top Up) and by GBP 0 (2019: GBP 310,646,837) by way of additional issuances of Notes (Tap Up). The Receivables principal was also decreased (i) by payments collected from VWFS in the amount of GBP 289,288,608 (2019: GBP 225,587,169), (ii) by defaulted receivables in the amount of GBP 5,617,188 (2019: GBP 2,966,055) and (iii) by the repurchase of ineligible Receivables in the amount of GBP 8,190,209 (2019: GBP 200,182).

Interest income derived from the Permitted Assets for the financial year amount to GBP 63,822,561 (2019: GBP 57,517,822) for Compartment 4 (see note 15).

Acquisition of the Permitted Assets was financed by the issue of Fixed Rate Notes and through receipt of a Subordinated Loan (see also Notes 9 and 10).

##### **Compartment 5:**

On 25 March 2019, Compartment 5 purchased from Volkswagen Financial Services (UK) Limited a portfolio of Permitted Assets valued at GBP 620,698,770. The initial purchase price and the purchase price of any additional Receivables from VWFS consists of the discounted Receivables balance at the relevant purchase date multiplied by one (1) minus the Receivables Overcollateralisation Percentage.

During the financial year, the Receivables principal held by Compartment 5 was decreased (i) by payments collected from VWFS in the amount of GBP 168,782,144 (2019: GBP 53,556,466) and (ii) by defaulted receivables in the amount of GBP 1,541,545 (2019: GBP 48,352) and (iii) by repurchase of ineligible receivables in the amount of GBP 169,596 (2019: GBP 68,055).

Interest income derived from the Permitted Assets for the financial year amount to GBP 31,938,450 (2019: GBP 10,017,045) for Compartment 5 (see note 14).

Acquisition of the Permitted Assets was financed by the issue of Fixed Rate Notes and through receipt of a Subordinated Loan (see also Notes 9 and 10).



**Driver UK Master S.A.****5. NOTES TO THE ANNUAL ACCOUNTS****Note 4 - Amounts owed by affiliated undertakings**

This amount stands for collections of lease receivables for the monthly period of June 2020 which are due in July 2020.

**Note 5 - Cash at bank and in hand**

	<b>30-06-2020</b>	<b>30-06-2019</b>
<u>Cash at bank</u>	GBP	GBP
Current Account (*)	29,776	29,409
Disbursement Account	9,898	17,745
Cash Collateral Account	96,060,700	92,473,184
Total	<u>96,100,374</u>	<u>92,520,338</u>

(\*) The current account belongs to the general compartment; the other accounts belong to Compartments 2, 3, 4 and 5.

**Note 6 - Subscribed capital**

As at 30 June 2020, the subscribed capital amounts to GBP 29,000 and is divided into 2,900 shares fully paid-up with a par value of GBP 10 each. The authorised capital amounts to GBP 29,000.

The subscribed capital belongs to the General Compartment.

**Note 7 - Legal reserve**

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. No allocation has been made to the legal reserve as no profit was generated as at 30 June 2020.

**Note 8 - Provisions**

	<b>30-06-2020</b>	<b>30-06-2019</b>
<u>Other provisions</u>	GBP	GBP
Audit fees	55,692	38,339
Tax advisory fees	3,059	3,067
Other accruals	787,202	777,630
Total	<u>845,953</u>	<u>819,036</u>

**Note 9 - Debenture loans**

	<b>30-06-2020</b>	<b>30-06-2019</b>
<u>Non convertible loans</u>	GBP	GBP
<u>Floating Rate Notes Series A</u>		
Balance as at 1 July	5,493,665,573	4,635,128,496
Additional issuance during the year	395,000,000	1,223,200,000
Redeemed during the year	(255,365,573)	(364,662,923)
	<u>5,633,300,000</u>	<u>5,493,665,573</u>
Thereof scheduled for redemption within one year	1,470,386,138	318,447,481
Amount due and payable after more than one year	<u>4,162,913,862</u>	<u>5,175,218,092</u>

## Driver UK Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 9 - Debenture loans (continued)

	30-06-2020	30-06-2019
<u>Floating Rate Notes Series B</u>	GBP	GBP
Balance as at 1 July	774,054,010	680,912,236
Additional issuance during the year	86,800,000	121,700,000
Redeemed during the year	(118,054,010)	(28,558,226)
	<u>742,800,000</u>	<u>774,054,010</u>
Thereof scheduled for redemption within one year	182,977,705	62,842,785
Amount due and payable after more than one year	<u>559,822,295</u>	<u>711,211,225</u>
Amount due and payable within one year	1,653,363,843	381,290,266
Amount due and payable after more than one year	4,722,736,157	5,886,429,317
Total non convertible loans	<u>6,376,100,000</u>	<u>6,267,719,583</u>

During June 2020, deeds of amendment in respect of the incorporated terms memorandum, the trust agreement, the servicing agreement were signed for all compartments in order to incorporate the COVID-19 measures taken. All deeds of amendments were communicated to Noteholders by issuance of notices which are available on the Luxembourg Stock Exchange website.

#### Compartment 2

During the year Compartment 2 has issued the following new Notes or increased existing notes:

	<u>New notes</u>	<u>Nominal value</u>	<u>Total value</u>
<u>Series A</u>			
2013-2	2,000	100,000	200,000,000
2016-2	261	100,000	26,100,000
2019-1	938	100,000	93,800,000
2019-2	751	100,000	75,100,000
Total			<u>395,000,000</u>
<u>Series B</u>			
2018-2	227	100,000	22,700,000
2019-1	641	100,000	64,100,000
Total			<u>86,800,000</u>

The Notes are backed by substantially all of the assets of the Compartment 2 consisting primarily of the Compartment 2's right, title and interest in the Receivables. All series of Notes are listed on the Luxembourg Stock Exchange. The Series B Notes rank junior to the Series A notes.

All payments of interest and principal of each Note will be due and payable at the latest in 2027, the legal maturity date of the Notes.

The floating rate interest on the Notes has been swapped to fixed interest rates for Compartment 2 (see also note 22).

Interest payable on the Notes as at 30 June 2020 amounts to GBP 936,465 (2019: GBP 1,079,219) (see also note 11) and total interest charge for the year ended 30 June 2020 amounts to GBP 61,280,059 (2019: GBP 56,486,770) (see also note 17).

**Driver UK Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

**Note 9 - Debenture loans (continued)**

**Compartment 3**

During the year Compartment 3 has not issued additional Notes.

The Notes are backed by substantially all of the assets of the Compartment 3 consisting primarily of the Compartment 3's right, title and interest in the Receivables. All series of Notes are listed on the Luxembourg Stock Exchange. The Series B Notes rank junior to the Series A notes.

All payments of interest and principal of each Note will be due and payable at the latest in 2026, the legal maturity date of the Notes.

The floating rate interest on the Notes has been swapped to fixed interest rates for Compartment 3 (see also note 22).

Interest payable on the Notes amounts to GBP 61,079 (2019: GBP 107,798) as at 30 June 2020 (see also note 11) and total interest charge for the year ended 30 June 2020 amounts to GBP 5,855,770 (2019: GBP 5,811,567) (see also note 17).

**Compartment 4**

During the year Compartment 4 has not issued additional Notes.

The Notes are backed by substantially all of the assets of Compartment 4 consisting primarily of Compartment 4's right, title and interest in the Receivables. All series of Notes are listed on the Luxembourg Stock Exchange. The Series B Notes rank junior to the Series A Notes.

All payments of interest and principal of each Note will be due and payable at the latest in 2028, the legal maturity date of the Notes.

The floating rate interest on the Notes has been swapped to fixed interest rates for Compartment 4 (see also note 22).

Interest payable on the Notes amounted to GBP 146,149 (2019: GBP 175,015) as at 30 June 2020 (see also note 11) and total interest charge for the year ended 30 June 2020 amounted to GBP 9,539,860 (2019: GBP 9,740,924) (see also note 17).

**Compartment 5**

During the year Compartment 5 has not issued additional Notes.

The Notes are backed by substantially all of the assets of Compartment 5 consisting primarily of Compartment 5's right, title and interest in the Receivables. All series of Notes are listed on the Luxembourg Stock Exchange. The Series B Notes rank junior to the Series A Notes.

## Driver UK Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 9 - Debenture loans (continued)

All payments of interest and principal of each Note will be due and payable at the latest in 2029, the legal maturity date of the Notes.

The floating rate interest on the Notes has been swapped to fixed interest rates for Compartment 5 (see also note 22).

Interest payable on the Notes amounted to GBP 83,988 as at 30 June 2020 (see also note 11) and total interest charge for the year ended 30 June 2020 amounted to GBP 7,722,401 (see also note 17).

#### Note 10 - Amounts owed to affiliated undertakings

	30-06-2020	30-06-2019
<u>Becoming due and payable within one year</u>	GBP	GBP
Equalisation provision	642,248,896	490,339,856
Subordinated Loan	161,450,453	100,563,850
Interest Compensation Ledger	26,993,091	25,242,631
Interest on Subordinated Loan	914,557	772,710
Other amounts payable to affiliated undertakings	11,465,922	10,143,999
Servicer fees	5,889,257	5,765,603
Total	<u>848,962,176</u>	<u>632,828,649</u>

The equalisation provision represents payment obligations towards VWFS or the Company (i) out of any surplus of cash-flows in or towards satisfaction of payment of a final success fee to VWFS in accordance with the Order of Priority as defined in the Trust agreement and (ii) payment obligations regarding the excess of the Receivables' nominal value over the nominal value of the Notes and the Subordinated Loan.

The Interest Compensation Ledger represents a period-end payable towards VWFS with respect to the excess of cash available to compensate interest shortfalls implied by early settled lease contracts.

Other amounts payable to affiliated undertakings represents buffer to be paid to VWFS.

	30-06-2020	30-06-2019
<u>Subordinated Loan</u>	GBP	GBP
Due and payable after more than one year	1,033,332,563	1,187,024,291
Due and payable within one year	161,450,453	100,563,850
	<u>1,194,783,016</u>	<u>1,287,588,141</u>

#### Changes during the year

Balance as at 1 July	1,287,588,141	1,158,951,147
Increase during the year	44,739,751	220,114,524
Capitalised interest	7,061,000	9,553,994
Redemption during the year	(144,605,876)	(101,031,524)
	<u>1,194,783,016</u>	<u>1,287,588,141</u>
Thereof scheduled for redemption within one year	161,450,453	100,563,850
Due and payable after more than one year	<u>1,033,332,563</u>	<u>1,187,024,291</u>

## Driver UK Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 10 - Amounts owed to affiliated undertakings (continued)

##### Compartment 2:

On 20 November 2013, Compartment 2 has been granted a Subordinated Loan in the amount of GBP 390,427,064 from Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes with respect to payment of interest and principal. The Loan carries an interest rate of one month Libor plus 1.90% since 25 November 2015.

During the financial year, the Compartment 2 has been granted an additional amount of GBP 44,739,751 (2019: GBP 97,853,538) and has made redemption payments for a total amount of GBP 123,753,116 (2019: GBP 90,257,700) on the Subordinated Loan principal.

Interest charge on the Subordinated Loan amounted to GBP 33,290,536 (2019: GBP 28,500,201) for the year ended 30 June 2020 for Compartment 2.

##### Compartment 3:

On 25 May 2016, Compartment 3 has been granted a Subordinated Loan in the amount of GBP 101,402,222 from Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes with respect to payment of interest and principal. The Loan carries a fixed interest rate of 3.6424% per annum since 25 May 2016.

During the financial year, the Compartment 3 has not been granted an additional loan (2019: GBP 0) and has made redemption payments for a total amount of GBP 12,805,022 (2019: GBP 10,736,382) on the Subordinated Loan principal.

Interest charge on the Subordinated Loan amounted to GBP 3,442,093 (2019: GBP 3,399,959) for the year ended 30 June 2020 for Compartment 3.

##### Compartment 4:

On 25 June 2018, Compartment 4 has been granted a Subordinated Loan in the amount of GBP 108,100,752 from Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes with respect to payment of interest and principal. The Loan carries a fixed interest rate of 2.85% per annum since 25 June 2018.

During the financial year, the Compartment 4 has been granted an additional amount of GBP 0 (2019: GBP 54,062,216) and has not made redemption payments on the Subordinated Loan principal (2019: GBP 37,442).

Interest charge on the Subordinated Loan amounted to GBP 6,562,453 (2019: GBP 5,405,164) for the year ended 30 June 2020 for Compartment 4.

##### Compartment 5:

On 25 March 2019, Compartment 5 has been granted a Subordinated Loan in the amount of GBP 68,198,770 from Volkswagen International Luxembourg S.A. for the purpose of credit enhancement and it ranks junior to the Notes with respect to payment of interest and principal. The Loan carries an interest rate of a margin of 3.70% plus one month LIBOR per annum.

During the financial year, the Compartment 5 has been granted an amount of GBP 0 (2019: GBP 68,958,390) and has not made redemption payments on the Subordinated Loan principal (2019: GBP 0).

Interest charge on the Subordinated Loan amounted to GBP 2,725,265 (2019: GBP 814,285) for the year ended 30 June 2020 for Compartment 5.

#### Note 11 - Other creditors

	30-06-2020	30-06-2019
	GBP	GBP
Interest on Floating Rate Notes	1,227,681	1,497,532
Net interest on swaps	128,095	145,140
Amounts payable to general compartment	247	247
Bank guarantee	65	65
Others	50,481	67,641
Total	<u>1,406,569</u>	<u>1,710,625</u>

**Driver UK Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

**Note 12 - Other external expenses**

	<b>30-06-2020</b>	<b>30-06-2019</b>
	GBP	GBP
Servicer fees	80,940,317	73,081,527
Trustee services	26,940	31,100
Rating fees	190,655	250,430
Corporate servicer fees	80,444	80,294
Audit fees	69,753	33,183
Tax advisory fees	895	1,846
Bank charges	17,241	21,488
Other miscellaneous operating charges	2,613	7,536
Total	<u>81,328,858</u>	<u>73,507,404</u>

Servicer fees are equal to 1% per annum of the Discounted Receivables Balance on each payment date.

**Note 13 - Other operating expenses**

	<b>30-06-2020</b>	<b>30-06-2019</b>
	GBP	GBP
Equalisation provision	136,152,627	97,835,257
Total	<u>136,152,627</u>	<u>97,835,257</u>

**Note 14 - Income from other investments and loans forming part of the fixed assets**

	<b>30-06-2020</b>	<b>30-06-2019</b>
<u>Derived from affiliated undertakings</u>	GBP	GBP
Interest income from Permitted Assets	492,228,192	455,092,655
Interest Compensation Order of Priority Amount	9,051,641	11,201,840
	<u>501,279,833</u>	<u>466,294,495</u>

Interest income is received on a monthly basis from the Permitted Assets.

The Interest Compensation Order of Priority Amount represents on a monthly basis the utilisation of the Interest Compensation Amount to compensate interest shortfalls implied by early settled lease contracts.

**Note 15 - Other interest receivable and similar income**

	<b>30-06-2020</b>	<b>30-06-2019</b>
<u>Other interest and similar income</u>	GBP	GBP
Interest income on bank accounts	326,711	373,704
Foreign exchange gains	442	-
Other income	303	-
	<u>327,456</u>	<u>373,704</u>

**Driver UK Master S.A.****5. NOTES TO THE ANNUAL ACCOUNTS****Note 16 - Value adjustments in respect of financial assets and of investment held as current assets**

	<b>30-06-2020</b>	<b>30-06-2019</b>
	GBP	GBP
Defaulted receivables	31,088,289	76,009,092
	<u>31,088,289</u>	<u>76,009,092</u>

**Note 17 - Interest payable and similar expenses**

	<b>30-06-2020</b>	<b>30-06-2019</b>
	GBP	GBP
<u>Concerning affiliated undertakings</u>		
Interest payable on Subordinated Loan	46,020,347	38,119,609
Interest Compensation Amount	107,288,024	94,779,094
	<u>153,308,371</u>	<u>132,898,703</u>

The Interest Compensation Amount represents on a monthly basis the amount available to the Company to compensate interest shortfalls implied by early settled lease contracts. On a monthly basis, if the Interest Compensation Amount is greater than the Interest Compensation Order of Priority Amount, the excess shall be credited to the Interest Compensation Ledger.

	<b>30-06-2020</b>	<b>30-06-2019</b>
	GBP	GBP
<u>Other interest payable and similar expenses</u>		
Interest charges on Floating Rate Notes A	70,093,626	62,009,853
Interest charges on Floating Rate Notes B	14,304,464	12,251,750
Net interest payable on swaps	15,326,339	12,148,706
Foreign exchange losses	1,319	3,222
Total	<u>99,725,748</u>	<u>86,413,531</u>

**Note 18 - Taxes**

The Company is subject to all taxes applicable to commercial companies in Luxembourg incorporated under the Securitisation Law.

**Note 19 - Staff**

The Company did not employ any staff during the year under review.

**Note 20 - Emoluments granted to the Members of the Board of Directors**

No emoluments have been granted to any member of the Board of Directors, nor have any obligations arisen or been entered into by the Company in respect of retirement pensions for former members of the Board of Directors.

**Note 21 - Loans or advances granted to the Members of the Board of Directors**

No loans or advances have been granted to any member of the Board of Directors.

## Driver UK Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 22 - Off balance sheet commitments

Compartment 2 entered into swap agreements with various banks to hedge the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the swaps is performed on the 25th day of each month. The swaps have termination dates in 2027.

All swap contracts have been amended following the issuance of Notes in November 2014.

Compartment 3 entered into swap agreements with various banks to hedge the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the swaps is performed on the 25th day of each month. The swaps have termination dates in 2026.

Compartment 4 entered into swap agreements with various banks to hedge the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the swaps is performed on the 25th day of each month. The swaps have termination dates in 2028.

Compartment 5 entered into swap agreements with various banks to hedge the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the swaps is performed on the 25th day of each month. The swaps have termination dates in 2029.

The interest rate swaps can be detailed as follows:

<b>C2</b>	Currency	Nominal amount	Spread interest rate received	Fixed interest paid
<u>Swaps on Note A series</u>				
Bank of Nova Scotia	GBP	2,157,800,000	1.00%	1.099%
DZ Bank AG	GBP	939,700,000	1.00%	1.099%
SEB	GBP	1,000,000,000	1.00%	1.099%
	GBP	4,097,500,000		
<u>Swaps on Note B series</u>				
Bank of Nova Scotia	GBP	272,300,000	2.00%	2.099%
DZ Bank AG	GBP	48,500,000	2.00%	2.099%
Santander	GBP	249,000,000	2.00%	2.099%
	GBP	569,800,000		
Total	GBP	4,667,300,000		

The interest rate received for each swap consists of 1 month Libor plus the spread as mentioned above.

As at 30 June 2020, the swaps have a total nominal value of GBP 4,667,300,000 for Compartment 2. During the financial year, the net interest realised on swaps amounted to a loss of GBP 8,944,950 (2019: GBP 9,347,559) (see note 17) for Compartment 2.

<b>C3</b>	Currency	Nominal amount	Spread interest rate received	Fixed interest paid
<u>Swaps on Note A series</u>				
DZ Bank AG	GBP	401,000,000	0.65%	0.749%
	GBP	401,000,000		
<u>Swaps on Note B series</u>				
DZ Bank AG	GBP	55,000,000	1.20%	1.299%
	GBP	55,000,000		
Total	GBP	456,000,000		



**Driver UK Master S.A.****5. NOTES TO THE ANNUAL ACCOUNTS****Note 22 - Off balance sheet commitments (continued)**

The interest rate received for each swap consists of 1 month Libor plus the spread as mentioned above.

As at 30 June 2020, the swaps have a total nominal value of GBP 456,000,000 for Compartment 3. During the financial year, the net interest realised on swaps amounted to a loss of GBP 1,161,926 (2019: GBP 847,643) (see note 17) for Compartment 3.

<b>C4</b>		Currency	Nominal amount	Spread interest rate received	Fixed interest paid
<u>Swaps on Note A series</u>					
Royal Bank of Canada	GBP		684,800,000	1.00%	1.099%
	GBP		684,800,000		
<u>Swaps on Note B series</u>					
Royal Bank of Canada	GBP		65,200,000	2.000%	2.099%
	GBP		65,200,000		
Total	GBP		<u>750,000,000</u>		

The interest rate received for each swap consists of 1 month Libor plus the spread as mentioned above.

As at 30 June 2020, the swaps have a total nominal value of GBP 750,000,000 for Compartment 4. During the financial year, the net interest realised on swaps amounted to a loss of GBP 2,614,194 (2019: GBP 1,477,619) (see note 17) for Compartment 4.

<b>C5</b>		Currency	Nominal amount	Spread interest rate received	Fixed interest paid
<u>Swaps on Note A series</u>					
SEB	GBP		450,000,000	0.82%	0.919%
	GBP		450,000,000		
<u>Swaps on Note B series</u>					
SEB	GBP		52,800,000	1.75%	1.849%
	GBP		52,800,000		
Total	GBP		<u>502,800,000</u>		

The interest rate received for each swap consists of 1 month Libor plus the spread as mentioned above.

As at 30 June 2030, the swaps have a total nominal value of GBP 502,800,000 for Compartment 5. During the financial year, the net interest realised on swaps amounted to a loss of GBP 2,605,269 (2019: GBP 475,885) (see note 17) for Compartment 5.

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Balance sheet per compartment

	Notes	Compartment 2		Compartment 3		Compartment 4	
		30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>ASSETS</b>							
<b>A. Fixed assets</b>							
Financial assets	3						
Investments held as fixed assets		5,709,877,697	5,577,727,470	572,755,924	576,610,737	920,773,846	925,629,375
Total fixed assets		5,709,877,697	5,577,727,470	572,755,924	576,610,737	920,773,846	925,629,375
<b>B. Current assets</b>							
Debtors							
Amounts owed by affiliated undertakings	4	243,536,304	234,138,197	34,476,861	30,083,897	42,204,674	25,514,412
- becoming due and payable within one year							
Other debtors		1,023	656	-	-	-	-
Cash at bank and in hand	5	64,498,574	62,735,860	8,524,542	8,480,508	13,000,000	13,005,167
Total current assets		308,035,901	296,874,713	43,001,403	38,564,405	55,204,674	38,519,579
<b>C. Prepayments</b>							
	6	-	-	-	-	-	-
<b>Total (Assets)</b>		<b>6,017,913,598</b>	<b>5,874,602,183</b>	<b>615,757,327</b>	<b>615,175,142</b>	<b>975,978,520</b>	<b>964,148,954</b>

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Balance sheet per compartment (continued)

	Notes	Compartment 5		General Compartment		Total	
		30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>ASSETS</b>							
<b>A. Fixed assets</b>							
Financial assets	3						
Investments held as fixed assets		620,776,529	612,240,302	-	-	7,824,183,996	7,692,207,884
Total fixed assets		620,776,529	612,240,302	-	-	7,824,183,996	7,692,207,884
<b>B. Current assets</b>							
Debtors							
Amounts owed by affiliated undertakings	4	20,203,852	15,687,140	-	-	340,421,691	305,423,646
- becoming due and payable within one year							
Other debtors		-	-	247	247	1,270	903
- becoming due and payable within one year	5	10,047,482	8,269,394	29,776	29,409	96,100,374	92,520,338
Cash at bank and in hand							
Total current assets		30,251,334	23,956,534	30,023	29,656	436,523,335	397,944,887
<b>C. Prepayments</b>							
	6	-	-	-	-	-	-
<b>Total (Assets)</b>		<b>651,027,863</b>	<b>636,196,836</b>	<b>30,023</b>	<b>29,656</b>	<b>8,260,707,331</b>	<b>8,090,152,771</b>

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Balance sheet per compartment (continued)

	Notes	Compartment 2		Compartment 3		Compartment 4	
		30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>LIABILITIES</b>							
<b>A. Capital and reserves</b>							
Subscribed capital		-	-	-	-	-	-
<b>B. Provisions</b>							
Other provisions	9	15,355	10,608	15,092	10,907	801,354	788,118
<b>C. Creditors</b>							
Debtenture loans	10	1,338,779,743	352,539,242	159,027,236	28,751,024	151,831,380	-
- becoming due and payable within one year		3,328,520,257	4,206,380,341	296,972,764	427,248,976	598,168,620	750,000,000
- becoming due and payable after more than one year							
Amounts owed to affiliated undertakings	11	611,943,030	458,478,113	81,711,279	64,462,198	60,941,152	45,633,010
- becoming due and payable within one year		737,697,955	856,001,555	77,893,947	94,572,502	164,080,545	167,491,844
- becoming due and payable after more than one year		6,098	5,153	7,770	4,443	9,320	9,473
Tax authorities							
Other creditors	12	951,160	1,187,171	129,239	125,092	146,149	226,509
- becoming due and payable within one year							
Total creditors		6,017,898,243	5,874,591,575	615,742,235	615,164,235	975,177,166	963,360,836
<b>Total (Capital, Reserves and Liabilities)</b>		<b>6,017,913,598</b>	<b>5,874,602,183</b>	<b>615,757,327</b>	<b>615,175,142</b>	<b>975,978,520</b>	<b>964,148,954</b>

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Balance sheet per compartment (continued)

	Notes	Compartment 5		General Compartment		Total	
		30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>LIABILITIES</b>							
<b>A. Capital and reserves</b>							
Subscribed capital		-	-	29,000	29,000	29,000	29,000
		-	-	<b>29,000</b>	<b>29,000</b>	<b>29,000</b>	<b>29,000</b>
<b>B. Provisions</b>							
Other provisions	9	14,152	9,403	-	-	845,953	819,036
<b>C. Creditors</b>							
Debtenture loans	10						
Non convertible loans							
-becoming due and payable within one year		3,725,484	-	-	-	1,653,363,843	381,290,266
-becoming due and payable after more than one year		499,074,516	502,800,000	-	-	4,722,736,157	5,886,429,317
Amounts owed to affiliated undertakings	11						
-becoming due and payable within one year		94,366,715	64,255,328	-	-	848,962,176	632,828,649
-becoming due and payable after more than one year		53,660,116	68,958,390	-	-	1,033,332,563	1,187,024,291
Tax authorities		7,882	2,518	-	-	31,070	21,587
Other creditors	12						
-becoming due and payable within one year		178,998	171,197	1,023	656	1,406,569	1,710,625
Total creditors		651,013,711	636,187,433	1,023	656	8,259,832,378	8,089,304,735
<b>Total (Capital, Reserves and Liabilities)</b>		<b>651,027,863</b>	<b>636,196,836</b>	<b>30,023</b>	<b>29,656</b>	<b>8,260,707,331</b>	<b>8,090,152,771</b>

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NOTES TO THE ANNUAL ACCOUNTS

Note 24 - Profit and Loss per compartment

Notes	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
13	(59,074,650)	(56,231,807)	(6,167,381)	(6,170,077)	(9,633,802)	(8,977,937)
14	(105,102,911)	(67,892,370)	(12,160,108)	(10,673,210)	(17,524,696)	(17,912,316)
15	364,183,109	358,014,455	39,406,810	39,370,580	63,995,026	58,157,845
16	196,492	264,698	41,833	57,304	42,845	42,123
17	(22,007,480)	(69,218,862)	(1,922,076)	(3,775,823)	(5,617,188)	(2,966,055)
18	(107,968,716)	(99,098,471)	(12,180,531)	(12,147,587)	(19,107,277)	(17,123,633)
	(70,225,009)	(65,835,802)	(7,017,697)	(6,660,018)	(12,154,054)	(11,218,825)
	(178,193,725)	(164,934,273)	(19,198,228)	(18,807,605)	(31,261,331)	(28,342,458)
19	-	-	-	-	-	-
<b>Profit or loss after taxation</b>	<b>835</b>	<b>1,841</b>	<b>850</b>	<b>1,169</b>	<b>854</b>	<b>1,202</b>
Other taxes not shown under items 1 to 16	(835)	(1,841)	(850)	(1,169)	(854)	(1,202)
<b>Profit or loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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NOTES TO THE ANNUAL ACCOUNTS

Note 24 - Profit and Loss per compartment (continued)

Notes	Compartment 5		General Compartment		Total	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
Other external expenses	(6,453,025)	(2,127,583)	-	-	(81,328,858)	(73,507,404)
Other operating expenses	(1,364,912)	(1,357,361)	-	-	(136,152,627)	(97,835,257)
Income from other investments and loans forming part of the fixed assets	-	-	-	-	-	-
- derived from affiliated undertakings	33,694,888	10,751,615	-	-	501,279,833	466,294,495
Other interest receivable and similar income	-	-	-	-	-	-
- other interest and similar income	46,286	9,579	-	-	327,456	373,704
Value adjustments in respect of financial assets and of investments held as current assets	(1,541,545)	(48,352)	-	-	(31,088,289)	(76,009,092)
Interest payable and similar expenses	-	-	-	-	-	-
- concerning affiliated undertakings	(14,051,847)	(4,529,012)	-	-	(153,308,371)	(132,898,703)
- other interest and similar expenses	(10,328,988)	(2,698,886)	-	-	(99,725,748)	(86,413,531)
	(24,380,835)	(7,227,898)	-	-	(253,034,119)	(219,312,234)
Tax on profit and loss	-	-	-	-	-	-
<b>Profit or loss after taxation</b>	<b>857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,396</b>	<b>4,212</b>
Other taxes not shown under items 1 to 16	(857)	-	-	-	(3,396)	(4,212)
<b>Profit or loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
Permitted Assets	GBP	GBP	GBP	GBP	GBP	GBP
Financial assets						
Balance as at the beginning of the year	5,577,727,470	5,311,906,983	576,610,737	574,313,083	925,629,375	607,269,322
Initial portfolio at acquisition date	-	-	-	-	-	-
Additional purchases (Top-Up)	2,218,824,872	2,443,408,514	317,479,876	343,726,725	298,240,476	236,466,622
Additional purchases (Tap-Up)	436,342,192	558,395,291	-	-	-	310,646,837
Reimbursement during the year	(2,226,331,983)	(2,526,633,617)	(291,905,873)	(326,830,354)	(289,288,608)	(225,587,169)
Value adjustment for the year due to defaulted receivables	(22,007,480)	(69,218,862)	(1,922,076)	(3,775,823)	(5,617,188)	(2,966,055)
Repurchase ineligible receivables	(274,677,374)	(140,130,839)	(27,506,740)	(10,822,894)	(8,190,209)	(200,182)
Total	5,709,877,697	5,577,727,470	572,755,924	576,610,737	920,773,846	925,629,375
Financial assets						
Balance as at the beginning of the year	612,240,302	-	-	-	7,692,207,884	6,493,489,388
Initial portfolio at acquisition date	-	620,698,770	-	-	-	620,698,770
Additional purchases (Top-Up)	179,029,512	45,214,405	-	-	3,013,574,736	3,068,816,266
Additional purchases (Tap-Up)	-	-	-	-	436,342,192	869,042,128
Reimbursement during the year	(168,782,144)	(53,556,466)	-	-	(2,976,308,608)	(3,132,607,607)
Value adjustment for the year due to defaulted receivables	(1,541,545)	(48,352)	-	-	(31,088,289)	(76,009,092)
Repurchase ineligible receivables	(169,596)	(68,055)	-	-	(310,543,919)	(151,221,969)
Total	620,776,529	612,240,302	-	-	7,824,183,996	7,692,207,884
Financial assets						
Balance as at the beginning of the year	612,240,302	-	-	-	7,692,207,884	6,493,489,388
Initial portfolio at acquisition date	-	620,698,770	-	-	-	620,698,770
Additional purchases (Top-Up)	179,029,512	45,214,405	-	-	3,013,574,736	3,068,816,266
Additional purchases (Tap-Up)	-	-	-	-	436,342,192	869,042,128
Reimbursement during the year	(168,782,144)	(53,556,466)	-	-	(2,976,308,608)	(3,132,607,607)
Value adjustment for the year due to defaulted receivables	(1,541,545)	(48,352)	-	-	(31,088,289)	(76,009,092)
Repurchase ineligible receivables	(169,596)	(68,055)	-	-	(310,543,919)	(151,221,969)
Total	620,776,529	612,240,302	-	-	7,824,183,996	7,692,207,884



Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Cash at bank and in hand</b>						
Capital Account	-	-	-	-	-	-
Disbursement Account	5,874	6,654	3,942	4,876	-	491
Cash Collateral Account	64,492,700	62,729,206	8,520,600	8,475,632	13,000,000	13,004,676
Downgrade Cash Collateral Account	-	-	-	-	-	-
<b>Total</b>	<b>64,498,574</b>	<b>62,735,860</b>	<b>8,524,542</b>	<b>8,480,508</b>	<b>13,000,000</b>	<b>13,005,167</b>
	<b>Compartment 5</b>					
	<b>General Compartment</b>		<b>Total</b>			
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Cash at bank and in hand</b>						
Capital Account	-	-	29,776	29,409	29,776	29,409
Disbursement Account	82	5,724	-	-	9,898	17,745
Cash Collateral Account	10,047,400	8,263,670	-	-	96,060,700	92,473,184
Downgrade Cash Collateral Account	-	-	-	-	-	-
<b>Total</b>	<b>10,047,482</b>	<b>8,269,394</b>	<b>29,776</b>	<b>29,409</b>	<b>96,100,374</b>	<b>92,520,338</b>

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NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Provisions</b>						
<u>Other provisions</u>						
Audit fees	13,923	9,178	13,923	9,745	13,923	10,238
Tax advisory fees	1,432	1,430	1,169	1,162	229	250
Other accruals	-	-	-	-	787,202	777,630
<b>Total</b>	<b>15,355</b>	<b>10,608</b>	<b>15,092</b>	<b>10,907</b>	<b>801,354</b>	<b>788,118</b>
	Compartment 5		General Compartment		Total	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Provisions</b>						
<u>Other provisions</u>						
Audit fees	13,923	9,178	-	-	55,692	38,339
Tax advisory fees	229	225	-	-	3,059	3,067
Other accruals	-	-	-	-	787,202	777,630
<b>Total</b>	<b>14,152</b>	<b>9,403</b>	<b>-</b>	<b>-</b>	<b>845,953</b>	<b>819,036</b>

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Debtenture loans</b>						
<u>Class A Notes</u>						
Balance as at 1 July	3,957,865,573	3,777,628,496	401,000,000	401,000,000	684,800,000	456,500,000
Additional issuance during the year	395,000,000	544,900,000	-	-	-	228,300,000
Redemption during the year	(255,365,573)	(364,662,923)	-	-	-	-
	4,097,500,000	3,957,865,573	401,000,000	401,000,000	684,800,000	684,800,000
Thereof scheduled for redemption within one year	1,186,142,572	289,696,457	141,408,423	28,751,024	142,835,143	-
Amount due and payable after more than one year	2,911,357,428	3,668,169,116	259,591,577	372,248,976	541,964,857	684,800,000
<b>Debtenture loans</b>						
<u>Class A Notes</u>						
Balance as at 1 July	450,000,000	-	-	-	5,493,665,573	4,635,128,496
Additional issuance during the year	-	450,000,000	-	-	395,000,000	1,223,200,000
Redemption during the year	-	-	-	-	(255,365,573)	(364,662,923)
	450,000,000	450,000,000	-	-	5,633,300,000	5,493,665,573
Thereof scheduled for redemption within one year	-	-	-	-	1,470,386,138	318,447,481
Amount due and payable after more than one year	450,000,000	450,000,000	-	-	4,162,913,862	5,175,218,092

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**NOTES TO THE ANNUAL ACCOUNTS**

**Note 25 - Other notes to the balance sheet per compartment (continued)**

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Debtore loans</b>						
<u>Class B Notes</u>						
Balance as at 1 July	601,054,010	582,412,236	55,000,000	55,000,000	65,200,000	43,500,000
Additional issuance during the year	86,800,000	47,200,000	-	-	65,200,000	21,700,000
Redemption during the year	(118,054,010)	(28,558,226)	-	-	-	-
	569,800,000	601,054,010	55,000,000	55,000,000	65,200,000	65,200,000
Thereof scheduled for redemption within one year	152,637,171	62,842,785	17,618,813	-	8,996,237	-
Amount due and payable after more than one year	417,162,829	538,211,225	37,381,187	55,000,000	56,203,763	65,200,000
<b>Debtore loans</b>						
<u>Class B Notes</u>						
Balance as at 1 July	52,800,000	-	-	-	774,054,010	680,912,236
Additional issuance during the year	-	52,800,000	-	-	86,800,000	121,700,000
Redemption during the year	-	-	-	-	(118,054,010)	(28,558,226)
	52,800,000	52,800,000	-	-	742,800,000	774,054,010
Thereof scheduled for redemption within one year	3,725,484	-	-	-	182,977,705	62,842,785
Amount due and payable after more than one year	49,074,516	52,800,000	-	-	559,822,295	711,211,225

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
<u>Due and payable within one year</u>	GBP	GBP	GBP	GBP	GBP	GBP
Equalisation reserve	454,654,936	341,827,228	62,222,079	48,877,754	48,896,389	38,923,853
Subordinated loan	129,408,888	90,118,653	14,318,730	10,445,197	5,143,423	-
Interest Compensation Ledger	13,552,467	13,555,177	3,646,957	3,659,016	5,047,854	5,048,281
Interest on Subordinated Loan	695,372	561,723	45,452	62,523	132,372	98,341
Other amounts payable to affiliated undertakings	8,763,169	7,660,177	981,639	921,287	1,721,114	1,562,535
Servicer fees	4,868,198	4,755,155	496,422	496,421	-	-
<b>Total</b>	<b>611,943,030</b>	<b>458,478,113</b>	<b>81,711,279</b>	<b>64,462,198</b>	<b>60,941,152</b>	<b>45,633,010</b>
	Compartment 5		General Compartment		Total	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
<u>Due and payable within one year</u>	GBP	GBP	GBP	GBP	GBP	GBP
Equalisation reserve	76,475,492	60,711,021	-	-	642,248,896	490,339,856
Subordinated loan	12,579,412	-	-	-	161,450,453	100,563,850
Interest Compensation Ledger	4,745,813	2,980,157	-	-	26,993,091	25,242,631
Interest on Subordinated Loan	41,361	50,123	-	-	914,557	772,710
Other amounts payable to affiliated undertakings	-	-	-	-	11,465,922	10,143,999
Servicer fees	524,637	514,027	-	-	5,889,257	5,765,603
<b>Total</b>	<b>94,366,715</b>	<b>64,255,328</b>	<b>-</b>	<b>-</b>	<b>848,962,176</b>	<b>632,828,649</b>

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<u>Subordinated loan</u>						
Balance as at 1 July	946,120,208	938,524,370	105,017,699	112,326,025	167,491,844	108,100,752
Increase during the year	44,739,751	97,853,538	-	-	-	54,062,216
Capitalised interest	-	-	-	3,428,056	7,061,000	5,366,318
Redemption during the year	(123,753,116)	(90,257,700)	(12,805,022)	(10,736,382)	(5,328,876)	(37,442)
	867,106,843	946,120,208	92,212,677	105,017,699	169,223,968	167,491,844
Thereof scheduled for redemption within one year	129,408,888	90,118,653	14,318,730	10,445,197	5,143,423	-
Due and payable after more than one year	737,697,955	856,001,555	77,893,947	94,572,502	164,080,545	167,491,844
	Compartment 5		General Compartment		Total	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<u>Subordinated loan</u>						
Balance as at 1 July	68,958,390	-	-	-	1,287,588,141	1,158,951,147
Increase during the year	-	68,198,770	-	-	44,739,751	220,114,524
Capitalised interest	-	759,620	-	-	7,061,000	9,553,994
Redemption during the year	(2,718,862)	-	-	-	(144,605,876)	(101,031,524)
	66,239,528	68,958,390	-	-	1,194,783,016	1,287,588,141
Thereof scheduled for redemption within one year	12,579,412	-	-	-	161,450,453	100,563,850
Due and payable after more than one year	53,660,116	68,958,390	-	-	1,033,332,563	1,187,024,291

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NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Other creditors</b>						
Interest on Floating Rate Notes	936,465	1,079,219	61,079	107,798	146,149	175,015
Net interest on swaps	-	82,961	46,885	7,365	-	25,117
Amounts payable to general compartment	-	-	247	247	-	-
Bank guarantee	65	65	-	-	-	-
Others	14,630	24,926	21,028	9,682	-	26,377
<b>Total</b>	<b>951,160</b>	<b>1,187,171</b>	<b>129,239</b>	<b>125,092</b>	<b>146,149</b>	<b>226,509</b>
	Compartment 5		General Compartment		Total	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Other creditors</b>						
Interest on Floating Rate Notes	89,988	135,500	-	-	1,227,681	1,497,532
Net interest on swaps	81,210	29,697	-	-	128,095	145,140
Amounts payable to general compartment	-	-	-	-	247	247
Bank guarantee	-	-	-	-	65	65
Others	13,800	6,000	1,023	656	50,481	67,641
<b>Total</b>	<b>178,998</b>	<b>171,197</b>	<b>1,023</b>	<b>656</b>	<b>1,406,569</b>	<b>1,710,625</b>

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Other external expenses</b>						
Servicer fees	58,953,268	56,066,643	6,056,477	6,074,065	9,568,621	8,858,063
Trustee services	4,944	12,328	7,593	8,838	2,497	9,612
Rating fees	73,662	104,978	64,543	57,493	26,006	58,856
Corporate servicer fees	16,742	30,707	18,156	24,200	15,734	25,387
Audit fees	17,857	3,358	17,263	1,400	16,795	19,247
Tax advisory fees	229	532	231	532	206	558
Legal fees	-	-	-	-	-	-
Bank charges	7,408	7,655	2,500	2,500	3,333	5,333
Other miscellaneous operating charges	540	5,606	618	1,049	610	881
<b>Total</b>	<b>59,074,650</b>	<b>56,231,807</b>	<b>6,167,381</b>	<b>6,170,077</b>	<b>9,633,802</b>	<b>8,977,937</b>
<b>Other external expenses</b>					<b>Total</b>	
Servicer fees	6,361,951	2,082,756	-	-	80,940,317	73,081,527
Trustee services	11,906	322	-	-	26,940	31,100
Rating fees	26,444	29,103	-	-	190,655	250,430
Corporate servicer fees	29,812	-	-	-	80,444	80,294
Audit fees	17,838	9,178	-	-	69,753	33,183
Tax advisory fees	229	224	-	-	895	1,846
Legal fees	-	-	-	-	-	-
Bank charges	4,000	6,000	-	-	17,241	21,488
Other miscellaneous operating charges	845	-	-	-	2,613	7,536
<b>Total</b>	<b>6,453,025</b>	<b>2,127,583</b>	<b>-</b>	<b>-</b>	<b>81,328,858</b>	<b>73,507,404</b>



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NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Other operating expenses</b>						
Equalisation provision	105,102,911	67,892,370	12,160,108	10,673,210	17,524,696	17,912,316
Total	105,102,911	67,892,370	12,160,108	10,673,210	17,524,696	17,912,316
<b>Other operating expenses</b>						
			<b>General Compartment</b>		<b>Total</b>	
30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2019
GBP	GBP	GBP	GBP	GBP	GBP	GBP
1,364,912	1,357,361	-	-	136,152,627	97,835,257	97,835,257
1,364,912	1,357,361	-	-	136,152,627	97,835,257	97,835,257
<b>Income from other investments and loans forming part of the fixed assets</b>						
<u>Derived from affiliated undertakings</u>						
Interest income from Permitted Assets	357,773,659	349,384,541	38,693,522	38,173,247	63,822,561	57,517,822
Interest Compensation Order of Priority Amount	6,409,450	8,629,914	713,288	1,197,333	172,465	640,023
Total	364,183,109	358,014,455	39,406,810	39,370,580	63,995,026	58,157,845
<b>Derived from affiliated undertakings</b>						
30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2019
GBP	GBP	GBP	GBP	GBP	GBP	GBP
31,938,450	10,017,045	-	-	492,228,192	455,092,655	455,092,655
1,756,438	734,570	-	-	9,051,641	11,201,840	11,201,840
33,694,888	10,751,615	-	-	501,279,833	466,294,495	466,294,495

Driver UK Master S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 25 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Other interest receivable and similar income</b>						
<u>Other interest and similar income</u>						
Interest income on bank accounts	195,795	264,698	41,833	57,304	42,797	42,123
Other income	255	-	-	-	48	-
	<u>196,492</u>	<u>264,698</u>	<u>41,833</u>	<u>57,304</u>	<u>42,845</u>	<u>42,123</u>
	Compartment 5		General Compartment		Total	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<u>Other interest and similar income</u>						
Interest income on bank accounts	46,286	9,579	-	-	326,711	373,704
Other income	-	-	-	-	303	-
	<u>46,286</u>	<u>9,579</u>	<u>-</u>	<u>-</u>	<u>327,014</u>	<u>373,704</u>
	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
<b>Value adjustments in respect of financial assets and of investment held as current assets</b>						
Defaulted receivables	22,007,480	69,218,862	1,922,076	3,775,823	5,617,188	2,966,055
	<u>22,007,480</u>	<u>69,218,862</u>	<u>1,922,076</u>	<u>3,775,823</u>	<u>5,617,188</u>	<u>2,966,055</u>
	Compartment 5		General Compartment		Total	
	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP	30-06-2020 GBP	30-06-2019 GBP
Defaulted receivables	1,541,545	48,352	-	-	31,088,289	76,009,092
	<u>1,541,545</u>	<u>48,352</u>	<u>-</u>	<u>-</u>	<u>31,088,289</u>	<u>76,009,092</u>

**Driver UK Master S.A.**

**NOTES TO THE ANNUAL ACCOUNTS**

**Note 25 - Other notes to the balance sheet per compartment (continued)**

	Compartment 2		Compartment 3		Compartment 4	
	30-06-2020	30-06-2019	30-06-2020	30-06-2019	30-06-2020	30-06-2019
	GBP	GBP	GBP	GBP	GBP	GBP
<b>Interest payable and similar expenses</b>						
Concerning affiliated undertakings						
Interest payable on Subordinated Loan	33,290,536	28,500,201	3,442,093	3,399,959	6,562,453	5,405,164
Interest Compensation Amount	74,678,180	70,598,270	8,738,438	8,747,628	12,544,824	11,718,469
	107,968,716	99,098,471	12,180,531	12,147,587	19,107,277	17,123,633
<b>Concerning affiliated undertakings</b>						
Interest payable on Subordinated Loan	2,725,265	814,285	-	-	46,020,347	38,119,609
Interest Compensation Amount	11,326,582	3,714,727	-	-	107,288,024	94,779,094
	14,051,847	4,529,012	-	-	153,308,371	132,898,703
<b>Other interest payable and similar expenses</b>						
Interest charges on Floating Rate Notes A	50,586,606	46,658,159	4,882,739	4,888,457	8,377,802	8,592,263
Interest charges on Floating Rate Notes B	10,693,453	9,828,611	973,031	923,110	1,162,058	1,148,661
Net interest payable on swaps	8,944,950	9,347,559	1,161,926	847,643	2,614,194	1,477,619
Foreign exchange losses	-	1,473	1	808	-	282
	70,225,009	65,835,802	7,017,697	6,660,018	12,154,054	11,218,825
<b>Total</b>						
<b>Compartment 5</b>						
Interest charges on Floating Rate Notes A	6,246,479	1,870,974	-	-	70,093,626	62,009,853
Interest charges on Floating Rate Notes B	1,475,922	351,368	-	-	14,304,464	12,251,750
Net interest payable on swaps	2,605,269	475,885	-	-	15,326,339	12,148,706
Foreign exchange losses	1,318	659	-	-	1,319	3,222
	10,328,988	2,698,886	-	-	99,725,748	86,413,531

**Driver UK Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

**Note 26 - Related party transactions**

There are no related parties transactions other than the ones disclosed in Notes 3, 4, 10, 13, 14, 17 and 25.

**Note 27 - Subsequent events**

In reference with the COVID19 paragraph disclosed in the Management report and considering the measures taken, the Board of Directors concluded there is no impact to the Company due to COVID19.

No other event occurred subsequent to the year-end which would have a material impact on the annual accounts as at 30 June 2020.

Luxembourg, 27 January 2021

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Ms Zamyra Cammans  
Director

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Ms Meenakshi Mussai-Ramassur  
Director