

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

**AUDITED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2018**

**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 2018.

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 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 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
Total amount purchased		2,808,613,196
Overcollateralisation		28,086,132
Endowment of the Cash Collateral Account		28,681,200
Net price		2,751,845,864

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 2,120,111,012 (2017: GBP 1,634,068,952) by way of reinvestment of funds collected (Top Up) and by GBP 562,621,250 (2017: GBP 1,028,670,608) 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 2,369,187,489 (2017: GBP 2,175,954,225), (ii) by defaulted receivables in the amount GBP 65,925,155 (2017: GBP 41,019,867) and (iii) by the sale of ineligible Receivables in the amount of GBP 172,211 (2017: GBP 756,295).

Floating Rate Notes

During the financial year, Compartment 2 has issued additional Notes for a total of GBP 850,000,000 (2017: GBP 975,000,000) and has redeemed the amount of GBP 655,814,292 (2017: GBP 622,814,125).

Subordinated Loan

During the financial year, the Compartment 2 has been granted an additional amount of GBP 106,015,498 (2017: GBP 192,972,435) and has made redemption payments for a total amount of GBP 73,311,320 (2017: GBP 128,301,038) 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
		<u>500,002,295</u>	<u>479,602,223</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 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 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 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 323,010,062 (2017: GBP 286,887,998) by way of reinvestment of funds collected (Top Up) and by GBP 20,360,379 (2017: GBP 53,435,114) 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 308,256,671 (2017: GBP 278,574,666), (ii) by defaulted receivables in the amount GBP 2,897,204 (2017: GBP 65,239) and (iii) by the sale of ineligible Receivables in the amount of GBP 155,223 (2017: GBP 136,924).

Floating Rate Notes

During the financial year, Compartment 3 has issued additional Notes for a total of GBP 16,000,000 (2017: GBP 52,500,000) and has not redeemed any notes.

Subordinated Loan

During the financial year, the Compartment 3 has been granted an additional amount of GBP 4,000,000 (2017: GBP 0) and has not made redemption payments on the Subordinated Loan principal (2017: GBP 7,319).

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 (in GBP)
from VWFS	C4	621,132,246
Total amount purchased		621,132,246

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 was decreased by payments collected from VWFS in the amount of GBP 13,862,924 (2017: GBP 0).

Driver UK Master S.A.

1. MANAGEMENT REPORT (continued)

Summary of activities (continued)

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 2018 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 2018.

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.

At incorporation date Ms Z.H. Cammans, Ms P.J.S. Dunselman and Mr B.H. Hoftijzer were appointed as Directors of the Company. Effective as of 3 June 2013, Mr B. H. Hoftijzer has resigned from his position as Director of the Company and has been replaced by Ms. P. Kotwani - Khitri. Effective as of 1 January 2015, Ms P. Kotwani - Khitri has resigned from her position as Director of the Company and has been replaced by Ms. C. Pirrie. Effective as of 12 May 2017, Ms P.J.S. Dunselman has resigned from her position as Director of the Company and has been replaced by Ms C.Lampis with effect as of 12 May 2017. Effective as of 19 July 2018, Ms C. Lampis has resigned from her position as Director of the Company and has been replaced by Ms M. Mussai-Ramassur with effect as of 19 July 2018. Effective as of 30 August 2018, Ms C. Pirrie has resigned from her position as Director of the Company and has been replaced by Mr Igor Valikoff with effect as of 30 August 2018.

Driver UK Master S.A.

1. MANAGEMENT REPORT (continued)

Corporate governance statement

The Board 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).

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.

The Board has the overall responsibility for the Company's system of internal control and for achieving its 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 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

Effective as of 19 July 2018, Ms C. Lampis has resigned from her position as Director of the Company and has been replaced by Ms M.Mussai-Ramassar with effect as of 19 July 2018.

Effective as of 30 August 2018, Ms C. Pirrie has resigned from her position as Director of the Company and has been replaced by Mr Igor Valikoff with effect as of 30 August 2018.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at 30 June 2018.

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1. MANAGEMENT REPORT (continued)

Future outlook

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

Luxembourg.

Ms Z.H. Cammans
Director

Ms Meenakshi D. Mussai-Ramassur
Director

Mr Igor Valikoff
Director



Audit report

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

Report on the audit of the annual accounts

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 2018, 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 2018;
 - 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.
-

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 those Regulation, Law and standards 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 Regulation (EU) 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, and include the most significant assessed risks of material misstatement (whether or not due to fraud). 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.

Key audit matter	How our audit addressed the Key audit matter
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Existence and valuation of lease receivables

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

The collection process and the default management of the lease receivables are not conducted by the Company itself but by a third party, the asset servicer. Thus, reconciliation processes over lease receivables implemented by the asset servicer are critical to ensure lease receivable balances are complete and accurate.

Taking into account that the total financial fixed assets as at 30 June 2018 amounted to 6,493,489,388EUR (See Note 3), we have identified that valuation of lease receivables together with existence are key audit matters of our audit.

The lease receivables purchased by the Company are part of the full lease portfolio of VWFS UK. 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 verify 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 provisions for bad debts, we ensure completeness and accuracy of the balance through combination of test of controls and substantive procedures.

As at 30 June 2018, the Company's leasing receivables existence and valuation disclosed in the annual accounts are in line with the accounting policies.



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.

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.

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 to communicate with 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” of the Company by the Board of Directors on 17 July 2012 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 7 years.

Other matter

The Corporate Governance Statement includes, when applicable, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 31 October 2018


Günter Simon

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RCSL Nr.: B162723

Matricule: 2011 2217 356

eCDF entry date:

BALANCE SHEET

Financial year from 01 01/07/2017 **to** 02 30/06/2018 (in 03 GBP)

Driver UK Master S.A.
 22-24, Boulevard Royal
 L-2449 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____ 3	109 6.493.489.388,00	110 5.606.711.318,00
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 _____

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	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	6.493.489.388,00	5.606.711.318,00
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	6.493.489.388,00	5.606.711.318,00
6. Other loans	1147	147	148
D. Current assets	1151	354.661.560,00	317.584.615,00
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	277.816.388,00	252.458.284,00
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	277.810.875,00	252.450.848,00
a) becoming due and payable within one year	1173	4 277.810.875,00	252.450.848,00
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	5.513,00	7.436,00
a) becoming due and payable within one year	1185	5.513,00	7.436,00
b) becoming due and payable after more than one year	1187	187	188

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	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 _____ 5	197 _____ 76.845.172,00	198 _____ 65.126.331,00
E. Prepayments	1199 _____ 6	199 _____ 19.936,00	200 _____ 19.900,00
TOTAL (ASSETS)		201 _____ 6.848.170.884,00	202 _____ 5.924.315.833,00

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CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 _____ 7	301 <u>29.000,00</u>	302 <u>29.000,00</u>
II. Share premium account	1303 _____	303 <u>29.000,00</u>	304 <u>29.000,00</u>
III. Revaluation reserve	1305 _____	305 _____	306 _____
IV. Reserves	1307 _____	307 _____	308 _____
1. Legal reserve	1309 _____	309 _____	310 _____
2. Reserve for own shares	1311 _____	311 _____	312 _____
3. Reserves provided for by the articles of association	1313 _____	313 _____	314 _____
4. Other reserves, including the fair value reserve	1315 _____	315 _____	316 _____
a) other available reserves	1429 _____	429 _____	430 _____
b) other non available reserves	1431 _____	431 _____	432 _____
V. Profit or loss brought forward	1433 _____	433 _____	434 _____
VI. Profit or loss for the financial year	1319 _____	319 _____	320 _____
VII. Interim dividends	1321 _____	321 _____	322 _____
VIII. Capital investment subsidies	1323 _____	323 _____	324 _____
	1325 _____	325 _____	326 _____
B. Provisions	1331 _____ 9	331 <u>559.357,00</u>	332 <u>36.790,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 <u>559.357,00</u>	338 <u>36.790,00</u>
C. Creditors	1435 _____	435 <u>6.847.582.527,00</u>	436 <u>5.924.250.043,00</u>
1. Debenture loans	1437 _____ 10	437 <u>5.316.040.732,00</u>	438 <u>4.605.855.024,00</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>5.316.040.732,00</u>	446 <u>4.605.855.024,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>553.369.876,00</u>	448 <u>535.163.738,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>4.762.670.856,00</u>	450 <u>4.070.691.286,00</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	11 379 1.530.213.253,00	380 1.315.900.510,00
a) becoming due and payable within one year	1381	381 412.542.558,00	382 367.429.754,00
b) becoming due and payable after more than one year	1383	383 1.117.670.695,00	384 948.470.756,00
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	12 451 1.328.542,00	452 2.494.509,00
a) Tax authorities	1393	393 116,00	394 3.020,00
b) Social security authorities	1395	395	396
c) Other creditors	1397	397 1.328.426,00	398 2.491.489,00
i) becoming due and payable within one year	1399	399 1.328.426,00	400 2.491.489,00
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 6.848.170.884,00	406 5.924.315.833,00

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

Annual Accounts Helpdesk :

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RCSL Nr.: B162723

Matricule : 2011 2217 356

eCDF entry date :

PROFIT AND LOSS ACCOUNTFinancial year from ₀₁ 01/07/2017 to ₀₂ 30/06/2018 (in ₀₃ GBP)

Driver UK Master S.A.
 22-24, Boulevard Royal
 L-2449 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-58.459.760,00</u>	672 <u>-53.507.434,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ 13	603 <u>-58.459.760,00</u>	604 <u>-53.507.434,00</u>
6. Staff costs	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 _____
7. Value adjustments	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 _____
8. Other operating expenses	1621 _____ 14	621 <u>-95.393.448,00</u>	622 <u>-90.728.017,00</u>

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

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 principles (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 financial year.

2.2.7 Notes issued

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

2.2.8 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 principles (continued)

2.2.9 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.

2.2.10 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

2.2.11 Provisions

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

Note 3 - Financial assets

	30/06/2018	30/06/2017
<u>Permitted Assets</u>	<u>GBP</u>	<u>GBP</u>
Balance as at the beginning of the year	5,606,711,318	5,100,155,862
Initial portfolio at acquisition date (Compartment 4)	621,132,246	-
Additional purchases (Top-Up)	2,443,121,073	1,920,956,950
Additional purchases (Tap-Up)	582,981,629	1,082,105,722
Reimbursement during the year	(2,691,307,084)	(2,454,528,891)
Value adjustment for the year due to defaulted receivables	(68,822,359)	(41,085,106)
Sale ineligible receivables	(327,434)	(893,219)
Net book value - opening balance	<u>6,493,489,388</u>	<u>5,606,711,318</u>

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 2,120,111,012 (2017: GBP 1,634,068,952) by way of reinvestment of funds collected (Top Up) and by GBP 562,621,250 (2017: GBP 1,028,670,608) 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 2,369,187,489 (2017: GBP 2,175,954,225), (ii) by defaulted receivables in the amount GBP 65,925,155 (2017: GBP 41,019,867) and (iii) by the sale of ineligible Receivables in the amount of GBP 172,211 (2017: GBP 756,295).

Interest income derived from the Permitted Assets for the financial year amount to GBP 319,704,069 (2017: GBP 286,677,160) 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).

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.

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 3 - Financial assets (continued)

During the financial year, the Receivables principal held by Compartment 3 was increased by GBP 323,010,062 (2017: GBP 286,887,998) by way of reinvestment of funds collected (Top Up) and by GBP 20,360,379 (2017: GBP 53,435,114) 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 308,256,671 (2017: GBP 278,574,666), (ii) by defaulted receivables in the amount GBP 2,897,204 (2017: GBP 65,239) and (iii) by the sale of ineligible Receivables in the amount of GBP 155,223 (2017: GBP 136,924).

Interest income derived from the Permitted Assets for the financial year amount to GBP 37,030,445 (2017: GBP 31,278,811) 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).

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 decreased by payments collected from VWFS in the amount of GBP 13,862,924 (2017: GBP 0).

Interest income derived from the Permitted Assets for the financial year amount to GBP 3,305,395 (2017: GBP 0) 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 10 and 11).

Note 4 - Amounts owed by affiliated undertakings

This amount stands for collections of lease receivables for the monthly period of June 2018 which are due in July 2018.

Note 5 - Cash at bank and in hand

	30/06/2018	30/06/2017
	GBP	GBP
Cash at bank		
Current Account (*)	28,699	26,250
Disbursement Account	10,175	9,394
Cash Collateral Account	76,794,517	63,270,687
Downgrade Cash Collateral Account	11,781	1,820,000
Total	<u>76,845,172</u>	<u>65,126,331</u>

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

Note 6 - Prepayments

This amount mainly stands for invoices paid in advance by the Company as at 30 June 2018.

Note 7 - Subscribed capital

As at 30 June 2018, 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 8 - 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 2018.

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 9 - Provisions

	30/06/2018	30/06/2017
<u>Other provisions</u>	<u>GBP</u>	<u>GBP</u>
Audit fees	41,694	35,587
Tax advisory fees	2,143	1,203
Other accruals	515,520	-
	<u>559,357</u>	<u>36,790</u>

Note 10 - Debenture loans

Non convertible loans

Floating Rate Notes Series A

	30/06/2018	30/06/2017
	<u>GBP</u>	<u>GBP</u>
Balance as at 1 July	4,008,562,002	3,649,949,539
Additional issuance during the year	1,230,000,000	919,300,000
Redeemed during the year	(603,433,506)	(560,687,537)
	<u>4,635,128,496</u>	<u>4,008,562,002</u>
Thereof scheduled for redemption within one year	452,158,574	473,947,741
Amount due and payable after more than one year	<u>4,182,969,922</u>	<u>3,534,614,261</u>

Floating Rate Notes Series B

	30/06/2018	30/06/2017
	<u>GBP</u>	<u>GBP</u>
Balance as at 1 July	597,293,022	551,219,610
Additional issuance during the year	136,000,000	108,200,000
Redeemed during the year	(52,380,786)	(62,126,588)
	<u>680,912,236</u>	<u>597,293,022</u>
Thereof scheduled for redemption within one year	101,211,302	61,215,997
Amount due and payable after more than one year	<u>579,700,934</u>	<u>536,077,025</u>

	30/06/2018	30/06/2017
	<u>GBP</u>	<u>GBP</u>
Amount due and payable within one year	553,369,876	535,163,738
Amount due and payable after more than one year	4,762,670,856	4,070,691,286
Total non convertible loans	<u>5,316,040,732</u>	<u>4,605,855,024</u>

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 10 - Debenture loans (continued)

Compartment 2

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

	<u>Comp.</u>	<u>New notes</u>	<u>Nominal value</u>	<u>Total value</u>
Series A				
2013-2	2	535	100,000	53,500,000
2014-3	2	178	100,000	17,800,000
2016-2	2	798	100,000	79,800,000
2018-1	2	2,223	100,000	222,300,000
2018-2	2	3,556	100,000	355,600,000
2018-3	2	285	100,000	28,500,000
Total				<u>757,500,000</u>
Series B				
2016-2	2	94	100,000	9,400,000
2018-1	2	277	100,000	27,700,000
2018-2	2	444	100,000	44,400,000
2018-3	2	110	100,000	11,000,000
Total				<u>92,500,000</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.

In 2018, Compartment 2 has issued an amount of GBP 850,000,000 of Notes (2017: GBP 975,000,000). 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 2 (see also note 23).

Interest payable on the Notes as at 30 June 2018 amounts to GBP 761,336 (2017: GBP 495,930) (see also note 12) and total interest charge for the year ended 30 June 2018 amounts to GBP 41,671,379 (2017: GBP 39,579,710) (see also note 18).

Compartment 3

During the year Compartment 3 has issued the following new Notes:

	<u>Comp.</u>	<u>New notes</u>	<u>Nominal value</u>	<u>Total value</u>
Series A 2016-1	3	160	100,000	16,000,000
Total				<u>16,000,000</u>

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.

On 25 May 2018, Compartment 3 has issued an amount of GBP 16,000,000 of Notes (2017: GBP 52,500,000). 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 23).

Interest payable on the Notes amounts to GBP 78,878 (2017: GBP 60,308) as at 30 June 2018 (see also note 12) and total interest charge for the year ended 30 June 2018 amounts to GBP 4,442,730 (2017: GBP 5,221,652) (see also note 18).

Driver UK Master S.A.**5. NOTES TO THE ANNUAL ACCOUNTS****Note 10 - Debenture loans (continued)****Compartment 4**

During the year Compartment 4 has issued the following new Notes:

	<u>Comp.</u>	<u>New notes</u>	<u>Nominal value</u>	<u>Total value</u>
Series A 2018-1	4	4,565	100,000	456,500,000
Series B 2018-1	4	435	100,000	43,500,000
Total				<u>500,000,000</u>

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 23).

Interest payable on the Notes amounted to GBP 98,289 as at 30 June 2018 (see also note 12) and total interest charge for the year ended 30 June 2018 amounted to GBP 98,289 (see also note 18).

Note 11 - Amounts owed to affiliated undertakings

	<u>30/06/2018</u>	<u>30/06/2017</u>
<u>Becoming due and payable within one year</u>	<u>GBP</u>	<u>GBP</u>
Equalisation provision	336,077,442	275,997,584
Subordinated Loan	41,280,452	62,755,962
Interest Compensation Ledger	19,412,821	12,820,003
Interest on Subordinated Loan	574,763	359,951
Other amounts payable to affiliated	10,166,074	10,700,847
Service fees	5,031,006	4,795,407
Total	<u>412,542,558</u>	<u>367,429,754</u>

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.

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.

	<u>30/06/2018</u>	<u>30/06/2017</u>
<u>Subordinated Loan</u>	<u>GBP</u>	<u>GBP</u>
Due and payable after more than one year	1,117,670,695	948,470,756
Due and payable within one year	41,280,452	62,755,962
	<u>1,158,951,147</u>	<u>1,011,226,718</u>

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 11 - Amounts owed to affiliated undertakings (continued)

	30/06/2018	30/06/2017
<u>Changes during the year</u>	<u>GBP</u>	<u>GBP</u>
Balance as at 1 July	1,011,226,718	933,862,253
Increase during the year	218,116,250	192,972,435
Capitalised interest	2,919,499	12,700,387
Redemption during the year	(73,311,320)	-128,308,357
	<u>1,158,951,147</u>	<u>1,011,226,718</u>
Thereof scheduled for redemption within one year	41,280,452	62,755,962
Due and payable after more than one year	<u>1,117,670,695</u>	<u>948,470,756</u>

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, Compartment 2 has been granted an additional amount of GBP 106,015,498 (2017: GBP 192,972,435) and has made redemption payments for a total amount of EUR 73,311,320 (2017: 128,301,038) on the Subordinated Loan principal.

Interest charge on the Subordinated Loan amounted to GBP 23,933,884 (2017: GBP 25,980,497) for the year ended 30 June 2018 for Compartment 2.

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, Compartment 3 has been granted an additional amount of GBP 4,000,000 (2017:nil) and has made no redemption on the Subordinated Loan principal.

Interest charge on the Subordinated Loan amounted to GBP 2,987,361 (2017: GBP 3,676,911) for the year ended 30 June 2018 for Compartment 3.

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, Compartment 4 has made no redemption payments on the Subordinated Loan principal.

Interest charge on the Subordinated Loan amounted to GBP 59,494 (2017: GBP 0) for the year ended 30 June 2018 for Compartment 4.

Note 12 - Other creditors

	30/06/2018	30/06/2017
	<u>GBP</u>	<u>GBP</u>
Interest on Floating Rate Notes	938,503	556,238
Net interest on swaps	377,776	112,436
Amounts payable to general compartment	301	2,750
Bank guarantee	11,846	1,820,065
Total	<u>1,328,426</u>	<u>2,491,489</u>

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 13 - Other external expenses	30/06/2018	30/06/2017
	GBP	GBP
Servicer fees	58,194,600	53,226,213
Trustee services	14,214	10,423
Rating fees	118,886	172,311
Corporate servicer fees	39,944	39,914
Audit fees	32,935	41,949
Tax advisory fees	940	1,289
Legal fees	9,828	-
Bank charges	12,552	14,916
Other miscellaneous operating charges	35,861	419
Total	58,459,760	53,507,434

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

Note 14 - Other operating expenses	30/06/2018	30/06/2017
	GBP	GBP
Equalisation provision	95,393,448	90,728,017
Total	95,393,448	90,728,017

Note 15 - Income from other investments and loans forming part of the fixed assets	30/06/2018	30/06/2017
	GBP	GBP
<u>Derived from affiliated undertakings</u>		
Interest income from Permitted Assets	360,039,909	317,955,971
Interest Compensation Order of Priority Amount	12,825,922	17,356,389
	372,865,831	335,312,360

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 16 - Other interest receivable and similar income	30/06/2018	30/06/2017
	GBP	GBP
<u>Other interest and similar income</u>		
Interest income on bank accounts	23,917	9,493
Other income	2,608	-
	26,525	9,493

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 17 - Value adjustments in respect of financial assets and of investment held as current assets	30/06/2018	30/06/2017
	<u>GBP</u>	<u>GBP</u>
Defaulted receivables	68,822,359	42,349,559
Reversal of value adjustment on Permitted Assets	-	(1,264,453)
Net Defaulted receivables	<u>68,822,359</u>	<u>41,085,106</u>

Note 18 - Interest payable and similar expenses	30/06/2018	30/06/2017
<u>Concerning affiliated undertakings</u>	<u>GBP</u>	<u>GBP</u>
Interest payable on Subordinated Loan	26,980,739	29,657,408
Interest Compensation Amount	74,489,882	68,400,292
	<u>101,470,621</u>	<u>98,057,700</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.

	30/06/2018	30/06/2017
<u>Other interest payable and similar expenses</u>	<u>GBP</u>	<u>GBP</u>
Interest charges on Floating Rate Notes A	37,724,211	36,477,455
Interest charges on Floating Rate Notes B	8,488,187	8,323,907
Net interest payable on swaps	2,529,215	7,137,820
Total	<u>48,741,613</u>	<u>51,939,182</u>

Note 19 - Tax on profit or loss

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

Driver UK Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 20 - Staff

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

Note 21 - 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 22 - 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.

Note 23 - 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 10). Settlement of the swaps is performed on the 25th day of each month. The swaps have termination dates in 2026.

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 10). 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 10). Settlement of the swaps is performed on the 25th day of each month. The swaps have termination dates in 2028.

The interest rate swaps can be detailed as follows:

C2	Currency	Nominal amount	Spread interest rate received	Fixed interest paid
<u>Swaps on Note A series</u>				
DZ Bank AG	GBP	961,100,000	0.50%	1.465%
ING Bank NV	GBP	14,887,936	0.70%	1.170%
SEB	GBP	94,026,489	0.55%	0.950%
Credit Agricole	GBP	2,318,200,000	0.50%	1.465%
Santander	GBP	389,414,071	0.50% to 0.70%	0.95% to 1.465%
	GBP	3,777,628,496		
<u>Swaps on Note B series</u>				
Credit Agricole	GBP	423,400,000	0.95%	1.910%
DZ Bank AG	GBP	140,600,000	0.95%	1.910%
Santander	GBP	18,412,236	1.00%	1.400%
	GBP	582,412,236		
Total	GBP	<u>4,360,040,732</u>		

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

Driver UK Master S.A.**5. NOTES TO THE ANNUAL ACCOUNTS****Note 23 - Off balance sheet commitments (continued)**

As at 30 June 2018, the swaps have a total nominal value of GBP 4,360,040,732 for Compartment 2. During the financial year, the net interest realised on swaps amounted to a loss of GBP 2,302,988 (2017: GBP 7,137,820) (see note 18) for Compartment 2.

<u>C3</u>	<u>Currency</u>	<u>Nominal amount</u>	<u>Spread interest rate received</u>	<u>Fixed interest paid</u>
<u>Swaps on Note A series</u>				
DZ Bank AG	GBP	401,000,000	0.50%	1.420%
	GBP	401,000,000		
<u>Swaps on Note B series</u>				
DZ Bank AG	GBP	55,000,000	0.95%	1.800%
	GBP	55,000,000		
Total	GBP	456,000,000		

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

As at 30 June 2018, 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 191,092 (2017: GBP 0) (see note 18) for Compartment 3.

<u>C4</u>	<u>Currency</u>	<u>Nominal amount</u>	<u>Spread interest rate received</u>	<u>Fixed interest paid</u>
<u>Swaps on Note A series</u>				
ING Bank NV	GBP	456,500,000	0.65%	1.573%
	GBP	456,500,000		
<u>Swaps on Note B series</u>				
ING Bank NV	GBP	43,500,000	1.20%	2.151%
	GBP	43,500,000		
Total	GBP	500,000,000		

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

As at 30 June 2018, the swaps have a total nominal value of GBP 500,000,000 for Compartment 4. During the financial year, the net interest realised on swaps amounted to a loss of GBP 35,135 (2017: GBP 0) (see note 18) for Compartment 4.

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NOTES TO THE ANNUAL ACCOUNTS

Note 24 - Balance sheet per compartment

	Notes	Compartment 2		Compartment 3		Compartment 4	
		30/06/2018 GBP	30/06/2017 GBP	30/06/2018 GBP	30/06/2017 GBP	30/06/2018 GBP	30/06/2017 GBP
ASSETS							
A. Fixed assets							
Financial assets	3	5,311,906,983	5,064,459,577	574,313,083	542,251,741	607,269,322	-
Investments held as fixed assets							
Total fixed assets		5,311,906,983	5,064,459,577	574,313,083	542,251,741	607,269,322	-
B. Current assets							
Debtors							
Amounts owed by affiliated undertakings	4	230,207,978	223,640,631	30,434,578	28,810,217	17,168,319	-
- becoming due and payable within one year							
Other debtors		5,212	4,686	-	-	-	-
- becoming due and payable within one year							
Cash at bank and in hand	5	60,337,337	56,815,246	8,479,136	8,284,835	8,000,000	-
Total current assets		290,550,527	280,460,563	38,913,714	37,095,052	25,168,319	-
C. Prepayments							
	6	17,323	10,000	2,613	9,900	-	-
Total (Assets)		5,602,474,833	5,344,930,140	613,229,410	579,356,693	632,437,641	-

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NOTES TO THE ANNUAL ACCOUNTS

Note 24 - Balance sheet per compartment (continued)

	Compartment 2	Compartment 3	Compartment 4
	30/06/2018	30/06/2018	30/06/2017
	GBP	GBP	GBP
LIABILITIES			
A. Provisions			
Other provisions	19,203	21,464	18,500
			518,690
			-
B. Creditors			
Debtenture loans			
Non convertible loans			
- becoming due and payable within one year	520,563,808	32,806,068	30,304,874
- becoming due and payable after more than one year	3,839,476,924	423,193,932	409,695,126
Amounts owed to affiliated undertakings			500,000,000
- becoming due and payable within one year	344,086,103	44,771,680	33,868,168
- becoming due and payable after more than one year	897,243,918	112,326,025	105,406,526
Tax authorities		116	3,020
Other creditors			
- becoming due and payable within one year	1,084,877	110,125	60,479
			133,424
Total creditors	5,602,455,630	613,207,946	579,338,193
			631,918,951
			-
Total (Capital, Reserves and Liabilities)	5,602,474,833	613,229,410	579,356,693
			632,437,641
			-

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Note 25 - Profit and Loss per compartment

Notes	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018 GBP	30/06/2017 GBP	30/06/2018 GBP	30/06/2017 GBP	30/06/2018 GBP	30/06/2017 GBP
13	(52,038,863)	(48,228,743)	(5,902,207)	(5,278,691)	(518,690)	-
14	(79,246,861)	(78,409,501)	(14,188,290)	(12,318,516)	(1,958,297)	-
15	330,562,298	301,250,861	38,950,956	34,061,499	3,352,577	-
16	2,788	-	23,737	9,493	-	-
17	(65,925,155)	(41,019,867)	(2,897,204)	(65,239)	-	-
18	(89,377,544)	(86,872,991)	(11,350,911)	(11,184,709)	(742,166)	-
	(43,974,367)	(46,717,530)	(4,633,822)	(5,221,652)	(133,424)	-
	(133,351,911)	(133,590,521)	(15,984,733)	(16,406,361)	(875,590)	-
19	-	-	-	-	-	-
Profit or loss after taxation	2,296	2,229	2,259	2,185	-	-
Other taxes not shown under items 1 to 16	(2,296)	(2,229)	(2,259)	(2,185)	-	-
Profit or loss for the financial year	-	-	-	-	-	-

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Note 26 - Other notes to the balance sheet per compartment

	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Financial assets						
<u>Permitted Assets</u>						
Balance as at the beginning of the year	5,064,459,577	4,619,450,404	542,251,741	480,705,458	-	-
Initial portfolio at acquisition date	-	-	-	-	621,132,246	-
Additional purchases (Top-Up)	2,120,111,012	1,634,068,952	323,010,062	286,887,998	-	-
Additional purchases (Tap-Up)	562,621,250	1,028,670,608	20,360,379	53,435,114	-	-
Reimbursement during the year	(2,369,187,489)	(2,175,954,225)	(308,256,671)	(278,574,666)	(13,862,924)	-
Value adjustment for the year due to defaulted receivables	(65,925,155)	(41,019,867)	(2,897,204)	(65,239)	-	-
Sale ineligible receivables	(172,211)	(756,295)	(155,223)	(136,924)	-	-
Total	5,311,906,983	5,064,459,577	574,313,083	542,251,741	607,269,322	-
			0.25999999			
Cash at bank and in hand						
Disbursement Account	5,067	4,986	5,108	4,408	-	-
Cash Collateral Account	60,320,489	54,990,260	8,474,028	8,280,427	8,000,000	-
Downgrade Cash Collateral Account	11,781	1,820,000	-	-	-	-
Total	60,337,337	56,815,246	8,479,136	8,284,835	8,000,000	-

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Note 26 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Provisions						
Other provisions						
Audit fees	18,000	17,587	20,524	18,000	3,170	-
Tax advisory fees	1,203	703	940	500	-	-
Other accruals	-	-	-	-	515,520	-
Total	19,203	18,290	21,464	18,500	518,690	-
Debtenture loans						
Class A Notes						
Balance as at 1 July	3,623,562,002	3,317,449,539	385,000,000	332,500,000	-	-
Additional issuance during the year	757,500,000	866,800,000	16,000,000	52,500,000	456,500,000	-
Redemption during the year	(603,433,506)	(560,687,537)	-	-	-	-
	3,777,628,496	3,623,562,002	401,000,000	385,000,000	456,500,000	-
Thereof scheduled for redemption within one year	419,352,506	443,642,867	32,806,068	30,304,874	-	-
Amount due and payable after more than one year	3,358,275,990	3,179,919,135	368,193,932	354,695,126	456,500,000	-

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Note 26 - Other notes to the balance sheet per compartment (continued)

Debtenture loans Class B Notes	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Balance as at 1 July	542,293,022	496,219,610	55,000,000	55,000,000	-	-
Additional issuance during the year	92,500,000	108,200,000	-	-	43,500,000	-
Redemption during the year	(52,380,786)	(62,126,588)	-	-	-	-
	582,412,236	542,293,022	55,000,000	55,000,000	43,500,000	-
Thereof scheduled for redemption within one year	101,211,302	61,215,997	-	-	-	-
Amount due and payable after more than one year	481,200,934	481,077,025	55,000,000	55,000,000	43,500,000	-
Amounts owed to Affiliated Undertakings						
Due and payable within one year	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Equalisation reserve	276,513,926	247,260,616	39,597,969	28,736,968	19,965,527	-
Subordinated loan	41,280,452	62,755,962	-	-	-	-
Interest Compensation Ledger	13,178,738	9,342,646	3,598,593	3,477,357	2,635,490	-
Interest on Subordinated Loan	424,649	320,256	90,620	39,695	59,494	-
Other amounts payable to affiliated	8,151,702	9,553,420	990,108	1,147,427	1,024,264	-
Servicer fees	4,536,636	4,328,686	494,370	466,721	-	-
Total	344,086,103	333,561,586	44,771,680	33,868,168	23,684,775	-

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Note 26 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Subordinated loan						
Balance as at 1 July	905,820,192	832,126,100	105,406,526	101,736,153	-	-
Increase during the year	106,015,498	192,972,435	4,000,000	-	108,100,752	-
Capitalised interest	-	9,022,695	2,919,499	3,677,692	-	-
Redemption during the year	(73,311,320)	(128,301,038)	-	(7,319)	-	-
	938,524,370	905,820,192	112,326,025	105,406,526	108,100,752	-
Thereof scheduled for redemption within one year	41,280,452	62,755,962	-	-	-	-
Due and payable after more than one year	897,243,918	843,064,230	112,326,025	105,406,526	108,100,752	-
Other creditors						
Interest on Floating Rate Notes	761,336	495,930	78,878	60,308	98,289	-
Net interest on swaps	311,641	112,436	31,000	-	35,135	-
Amounts payable to general compartment	54	2,579	247	171	-	-
Bank guarantee	11,846	1,820,065	-	-	-	-
Total	1,084,877	2,431,010	110,125	60,479	133,424	-

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Note 26 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Other external expenses						
Service fees	51,894,390	48,054,009	5,784,690	5,172,204	515,520	-
Trustee services	4,509	3,566	9,705	6,857	-	-
Rating fees	72,243	126,360	46,643	45,951	-	-
Corporate servicer fees	14,844	21,428	25,100	18,486	-	-
Audit fees	13,937	10,924	15,828	31,025	3,170	-
Tax advisory fees	500	350	440	939	-	-
Legal fees	9,828	-	-	-	-	-
Bank charges	7,621	12,045	4,931	2,871	-	-
Other miscellaneous operating charges	20,991	61	14,870	358	-	-
Total	52,038,863	48,228,743	5,902,207	5,278,691	518,690	-
Other operating expenses						
Equalisation provision	79,246,861	78,409,501	14,188,290	12,318,516	1,958,297	-
Total	79,246,861	78,409,501	14,188,290	12,318,516	1,958,297	-
Income from other investments and loans forming part of the fixed assets						
Derived from affiliated undertakings						
Interest income from Permitted Assets	319,704,069	286,677,160	37,030,445	31,278,811	3,305,395	-
Interest Compensation Order of Priority Amount	10,858,229	14,573,701	1,920,511	2,782,688	47,182	-
Total	330,562,298	301,250,861	38,950,956	34,061,499	3,352,577	-

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Note 26 - Other notes to the balance sheet per compartment (continued)

	Compartment 2		Compartment 3		Compartment 4	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	GBP	GBP	GBP	GBP	GBP	GBP
Other interest receivable and similar income						
Other interest and similar income						
Interest income on bank accounts	180	-	23,737	9,493	-	-
Other income	2,608	-	-	-	-	-
	<u>2,788</u>	<u>-</u>	<u>23,737</u>	<u>9,493</u>	<u>-</u>	<u>-</u>
Value adjustments in respect of financial assets and of investment held as current assets						
Defaulted receivables	65,925,155	41,019,867	2,897,204	1,329,692	-	-
Reversal of value adjustment on Permitted Assets	-	-	-	(1,264,453)	-	-
	<u>65,925,155</u>	<u>41,019,867</u>	<u>2,897,204</u>	<u>65,239</u>	<u>-</u>	<u>-</u>
Interest payable and similar expenses						
Concerning affiliated undertakings						
Interest payable on Subordinated Loan	23,933,884	25,980,497	2,987,361	3,676,911	59,494	-
Interest Compensation Amount	65,443,660	60,892,494	8,363,550	7,507,798	682,672	-
	<u>89,377,544</u>	<u>86,872,991</u>	<u>11,350,911</u>	<u>11,184,709</u>	<u>742,166</u>	<u>-</u>
Other interest payable and similar expenses						
Interest charges on Floating Rate Notes A	33,988,760	32,250,361	3,669,304	4,227,094	86,147	-
Interest charges on Floating Rate Notes B	7,702,619	7,329,349	773,426	994,558	12,142	-
Net interest payable on swaps	2,302,988	7,137,820	191,092	-	35,135	-
Total	<u>43,974,367</u>	<u>46,717,530</u>	<u>4,633,822</u>	<u>5,221,652</u>	<u>133,424</u>	<u>-</u>

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5. NOTES TO THE ANNUAL ACCOUNTS

Note 27 - Subsequent events

Effective as of 19 July 2018, Ms C. Lampis has resigned from her position as Director of the Company and has been replaced by Ms M.Mussai-Ramassur with effect as of 19 July 2018.

Effective as of 30 August 2018, Ms C. Pirrie has resigned from her position as Director of the Company and has been replaced by Mr Igor Valikoff with effect as of 30 August 2018.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at 30 June 2018.

Luxembourg,

Ms Z.H. Cammans
Director

Ms Meenakshi D. Mussai-Ramassur
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