Globaldrive Germany Retail VFN 2018 B.V.

Annual Report

for the year ended 31 December 2020

Globaldrive Germany Retail VFN 2018 B.V.
Jupiter Building
Herikerbergweg 88
1101 CM Amsterdam
The Netherlands
Chamber of Commerce number: 71859055

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Table of contents

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Director's report

The Managing Director of Globaldrive Germany Retail VFN 2018 B.V. (the "Company") herewith presents the audited financial statements for the year ended 31 December 2020.

Principal activities

The Company was incorporated on 11 June 2018 by Stichting Globaldrive Germany Retail VFN 2018, a foundation incorporated under the laws of the Netherlands, with its statutory seat in Amsterdam. Although FCE Bank plc has no direct ownership interest in the Company, it is considered to exert control over its activities.

The objective of the Company are to acquire, to dispose of and to encumber motor vehicle finance receivables and to exercise any rights connected to such motor vehicle finance receivables.

The principal activities of the Company as stated in the note purchase agreements dated 14 November 2018, are restricted under the terms of the securitisation transaction to issuing the Notes, the acquisition from FCE Bank plc (the "Originator") of interests in assigned receivables under a receivables trust and the exercise of related rights and powers and other activities reasonably incidental thereto. On 19 November 2018, the Company entered into a Receivable Sale Agreement whereby it acquired Loan Receivables (the "Deemed loan to the Originator"). As at 31 December 2020, the outstanding Deemed loan to the Originator amounted to EUR 547,742,618 (2019: EUR 551,932,073) out of which EUR 48,980,884 (2019: EUR 114,583,242) is expected to mature within one year and EUR 498,761,734 (2019: EUR 437,348,831) is expected to mature after more than one year.

The Company has entered into a Variable Funding Note (VFN) arrangement with Investors to make advances up to the maximum authorised amount of each class of Notes. FCE Bank plc at its discretion can sell more receivables to the Company, and the Company is bound by the conditions of the arrangement to request further advances from the Noteholders, which they in turn are obligated to provide. The funding will always depend on the level of receivables available up to the maximum authorised Notes in the transaction. Any principal amount not required to purchase additional receivables are repaid to the Investors on each payment date. Please refer to note 5 for more information on the issued Notes as at 31 December 2020.

Financial instruments and risk management

General

The risk appetite of the Company is limited. Risks are monitored on a continuous basis. The Company aims to limit its exposure to material risks, or uncertainties, through the limited recourse set up of the transactions and use of hedging.

The Company is exposed to a variety of risks such as interest rate, credit, counterparty, liquidity, strategic, operational and compliance to laws and regulations. However, the key risks for the Company are credit and interest rate risks.

Interest rate risk

The interest received on the Deemeed loan is not equal to the interest on the Notes issued. To mitigate the interest rate risk the Company has entered into an Interest Rate Swap for specific floating interest bearing liabilities (Class A1), so that it receives variable interest and pays fixed interest.

Credit risk

Credit risk on the Deemed loan to the Originator is considered to be minimal because the Managing Director does not expect the amount of incurred credit losses on the Deemed loan to the Originator to exceed the amount of credit enhancement supplied by the Originator. These amounts are available in the event of any shortfall in funds required to be paid to the note holders in accordance with the transaction documents. The maximum exposure to credit risk is the carrying value of the Deemed loan to the Originator and Cash reserve account (included in Cash and cash equivalents).

Director's report (continued)

Financial instruments and risk management (continued)

Counterparty risk

The Company is exposed to counterparty risk. Counterparty risk mainly relates to the risk that the Swap counterparty, being a financial institution, will not live up to their contractual obligations if they go into default. Counterparty risks are monitored and managed in much the same way as credit risk.

Liquidity risk

Matching of maturities of assets and liabilities and related cash flows is fundamental to the management of the Company. The risk is addressed and mitigated by matching of the legal maturity dates of the Deemed loan to the Originator and the Notes issued. The transaction is also supported by a Credit facility provided by the Originator which serves as a buffer to cover any shortfall in payments to the Noteholders.

Legislation and regulations

The Company monitors its compliance to the relevant legislation and regulations on a continuous basis.

Contingent liabilities and commitments

There are no contingent liabilities and commitments of the Company.

Business review and result for the year

The liquidity and solvency position of the Company on balance sheet date largely depends on the Company's ability to pay off current debt obligations and varies accordingly its long-term debts and obligations. Solvency ratio is 1.28 (2019: 1.13). Liquidity is strong as well, with a current ratio of 0.99 (2019: 0.99).

The Company recorded a net interest and net profit for the financial year of EUR 1,148,116 (2019: EUR 2,531,086) and EUR 2,104 (2019: EUR 2,381) respectively.

Managing Director

The Managing Director of the Company is:

Vistra Capital Markets (Netherlands) N.V.

Business environment

The Company has a portfolio with no significant borrower concentration, which limits the risk that investors are exposed to losses because of single borrower defaults. It also has a relatively strong liquidity mechanism.

Director's report (continued)

Financial reporting process

The Managing Director is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Managing Director has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Vistra Capital Markets (Netherlands) N.V., to maintain the accounting records of the Company independently. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Managing Director, the financial statements providing a true and fair view of the financial situation and results of the Company.

The Managing Director evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Managing Director also examines and evaluates the external independent auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Managing Director.

Risk assessment

The Managing Director is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Managing Director has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which are significant for internal control over financial reporting. These control structures include appropriate segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's financial statements.

Monitoring

The Managing Director has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor. Given the contractual obligations on the Administrator, the Managing Director has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Managing Director to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Future developments

The structure is supported by credit enhancements and as at present, there has been sufficient excess spread available to cover credit losses in the transaction. Management expects the Company to run in line with the legal documents.

The Company will continue its activities with no expected changes in the near future, with regards to investments, financing and research and development. Future turnover and profitability, are expected to remain in line with the transaction's documentation.

The Managing Director expects the present level of activity to be sustained for the forseeable future.

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Director's report (continued)

Future developments (continued)

The above mentioned expectations are dependent on the developments of the spread of the Corona virus (Covid-19) outbreak which forms a serious threat to the global economy with short, medium and even long term consequences being unpredictable. At this point, there is substantial uncertainty about the duration and the magnitude of the shock and the timing and speed of the subsequent recovery.

Against this background, it is currently not possible to estimate the exact impact of Covid-19 on the business of the Company, however, the Managing Director does not expect any major consequences in terms of future performance, asset valuations or activities of the Company in general.

The Managing Director, therefore, believes that based on the current insights, no material uncertainty relating to going concern exists and therefore the going concern assumption used in preparing the financial statements is appropriate.

Post balance sheet events

No other significant events occurred after the end of the balance sheet date which could have an impact on the financial statements.

Amsterdam, 29 June 2021

The Managing Director:

Vistra Capital Markets (Netherlands) N.V.

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Balance Sheet as at 31 December 2020
(before proposed appropriation of result)

(in Euros)	Note	31 December 2020	31 December 2019
ASSETS			
NON-CURRENT ASSETS			
Deemed loan to the Originator	1	498,761,734	437,348,831
		498,761,734	437,348,831
CURRENT ASSETS			
Deemed loan to the Originator	1	48,980,884	114,583,242
Receivables due from related parties	2	2,808,126	2,216,606
Other receivables		35,563	35,405
Cash and cash equivalents	3	33,021,272	25,867,227
		84,845,845	142,702,480
TOTAL ASSETS		**583,607,579**	**580,051,311**
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES	4		
Issued and paid-up share capital		1	1
Retained earnings		2,381	-
Profit for the financial year		2,104	2,381
		4,486	2,382
NON-CURRENT LIABILITIES			
Notes issued	5	498,761,734	437,348,831
Credit facility provided by the Originator	6	18,514,799	16,468,083
		517,276,533	453,816,914
CURRENT LIABILITIES			
Notes issued	5	66,035,835	125,809,373
Other liabilities and accrued expenses	7	290,725	422,642
		66,326,560	126,232,015
TOTAL EQUITY AND LIABILITIES		**583,607,579**	**580,051,311**

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Profit and Loss account for the year ended 31 December 2020

(in Euros)	Note	2020	11 June 2018 to 31 December 2019
Financial income and expenses			
Interest income	9	4,024,934	5,372,385
Interest expense	10	(2,876,818)	(2,841,299)
Net swap payments	11	(923,943)	(2,258,583)
Total financial income and expenses		224,173	272,503
Operating income and expenses			
General expenses	12	(221,653)	(269,563)
Total operating expenses		(221,653)	(269,563)
Profit before taxation		2,520	2,940
Corporate income tax	14	(416)	(559)
Profit for the financial year / period		**2,104**	**2,381**

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Notes to the financial statements

General

Globaldrive Germany Retail VFN 2018 B.V. ("the Company") was incorporated on 11 June 2018 by Stichting Globaldrive Germany Retail VFN 2018 a foundation incorporated under the laws of the Netherlands, with its statutory seat in Amsterdam.

The registered office address of the Company is located at Jupiter Building, Herikerbergweg 88, 1101 CM Amsterdam, the Netherlands and its trade register number is 71859055.

The Company is a special purpose company established solely for the purpose of issuing notes in order to purchase lease receivables from FCE Bank plc (the “Originator”). Beneficial ownership of lease receivables purchased is classified as “Deemed loan to the Originator". The principal activities of the Company as stated in the note purchase agreements dated 14 November 2018, are restricted under the terms of the securitisation transaction to issuing the Notes, the acquisition from the Originator of interests in assigned receivables under a receivables trust and the exercise of related rights and powers and other activities reasonably incidental thereto. The information disclosed under the notes to the financial statements is partly derived from and should be read in conjunction with full text and definitions of the notes purchase agreement dated 14 November 2018. This document does not, however, form part of these financial statements.

Ultimate parent undertaking and controlling party

The Company is owned by Stichting Globaldrive Germany Retail VFN 2018, a foundation incorporated under the laws of the Netherlands, with its official statutory seat in Amsterdam.

Although FCE Bank plc has no direct ownership interest in the Company, it is considered to exert control over its activities. The Company's financial statements are included in the consolidated financial statements of FCE Bank plc.

The financial statements of FCE Bank plc are publicly available on http://www.fcebank.com.

Audit committee

The Company is an entity for securitisation purposes according to Art 1 ministerial decree prudential rules Financial Supervision Act (Artikel 1, Besluit prudentiële regels Wet op het Financieel Toezicht). As such the Company makes use of the exemption for securitisation vehicles, concerning the obligation to establish an audit committee as defined in article 3d of the implementing regulation enforcing article 41 of the European Directive nr.2006/43/EG. The implementing regulation came into force in the Netherlands on 8 August 2008.

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Significant transactions with related parties are required to be disclosed in the notes to the financial statements insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view. The transactions listed below were all conducted at "arm's length".

Stichting Globaldrive Germany Retail VFN 2018, being the sole shareholder of the Company, and FCE Bank plc are considered to be related parties.

Vistra Capital Markets (Netherlands) N.V. acts as the Managing Director and Administrator of the Company.

During the year, the Company acquired Deemed loan to the Originator amounting to EUR 179,239,171
(2019: EUR 685,783,618) of receivables from the Originator, out of which EUR 547,742,618 (2019: EUR 551,932,073) is outstanding on the Balance Sheet.

FCE Bank plc continues to administer the Deemed loan to the Originator under the Receivables Servicing Agreement with the Company and is as such appointed as "the servicer" of the transaction.

Related parties (continued)

During the year, the Company received total principal collections from FCE Bank plc amounting to EUR 182,838,409 (2019: EUR 133,399,343).

FCE Bank plc retains notes in the transaction in addition to the credit enhancements provided. As Class A3 and Class B Noteholders, FCE Bank plc receives monthly interest income from the Company only to the extent that all priority items have been fully settled. The Company paid EUR 2,366,702 (2019: EUR 1,620,478) to FCE Bank plc as interest on the subordinated notes.

FCE Bank plc initially provided credit enhancement for the transaction which included liquidity and general reserves. The total reserve referred to in these financial statement as "Credit facility provided by the Originator" is payable to FCE Bank plc upon final termination.

During the year, administration and accounting services were rendered by Vistra Capital Markets (Netherlands) N.V. and have been disclosed as "Administrator fees" under "General expenses" in note 12.

Basis of presentation

The financial statements were prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

The accounting policies have been consistently applied to the year presented.

The financial statements are in Euros ("EUR") which is the functional and presentation currency of the Company.

Assets and liabilities are stated at the amounts at which they were acquired or incurred or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The Balance Sheet and Profit and Loss account include references to the notes to the financial statements.

Going concern

The Managing Director believes that based on the current insights, no material uncertainty relating to going concern exists and therefore the going concern assumption used in preparing the financial statements is appropriate.

Management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources and activities to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Summary of significant accounting policies

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statements as outlined below:

- Measurement of the impairment on Deemed loan to the Originator (Note 1)

Foreign currencies

Foreign currency transactions in the reporting year are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Foreign currencies (continued)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates are recognised in the Profit and Loss account.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

Statement of cash flows

In accordance with the Guidelines for Annual Reporting RJ360 paragraph 104, no separate cash flow statement has been included in the financial statements.

The cash flows of the Company are included in the cash flow statement of FCE Bank plc, which is publicly available on http://www.fcebank.com.

Principles of valuation of assets and liabilities

Deemed loan to Originator

The legal ownership of the receivables sold to the Company by FCE Bank plc fail the recognition criteria of RJ 290 Financial Instruments: Recognition and Measurements and, therefore, these receivables to the Originator remain on the Balance Sheet of the Originator. The Originator recognises a “Deemed loan” financial liability on its Balance Sheet and the resulting “Deemed loan to the Originator” asset is held on the Company’s Balance Sheet.

The Deemed loan to the Originator is initially valued at fair value and represents the consideration paid by the Company in respect of the acquisition of the legal ownership of the receivables. The Deemed loan to the Originator is subsequently measured at amortised cost using the effective interest method.

The Deemed loan to the Originator is regularly assessed for impairment, based primarily on the performance of the deemed loan. A Deemed loan to the Originator would be considered impaired if the cash flows being received from the Deemed loan to the Originator were to decrease so significantly that no excess spread would be available to be returned to Originator.

Receivables

Receivables are initially measured at fair value, and subsequently carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents represent the Current account balance, Distribution account bank balance and the Cash collateral account bank balance (Cash reserve account). Cash and cash equivalents are stated at face value.

Notes issued

Notes issued are initially recognised at fair value and are subsequently stated at amortised cost.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at amortised cost, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Notes to the financial statements (continued)

Principles of valuation of assets and liabilities (continued)

Fair value estimation of financial assets and liabilities

Fair value is the amount at which an asset can be traded or a liability settled between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques.

Due to the short-term nature of the cash and cash equivalents, receivables included under current assets and creditors and other accruals included in these financial statements, the estimated fair value for these financial instruments approximates the carrying value, as disclosed in the accounting policies.

Derivative financial instruments

The derivative financial instruments comprise interest rate swaps entered into for the purpose of limiting the exposure of the financial assets acquired by the Company to meet its obligations under the Notes issued. Derivative financial instruments are recognised on trade date. Interest payments to and receipts from the swap counterparty (Lloyds Bank Corporate Markets plc) are recognised in the Profit and Loss account.

Derivative financial instruments are initially recognised at fair value in the balance sheet. Subsequently it is measured at cost as cost price hedge accounting is applied.

Cost price hedge accounting

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item. Because the hedged item is recognised at amortised cost at the Balance Sheet, the derivative instrument is also stated at cost. The Company applies cost price hedge accounting to hedge floating-interest risk on the Class A1 and Class A2 notes. The gain or loss relating to the ineffective portion is recognised in the Profit and Loss account within interest expense.

The Company pays on each interest payment date a fixed rate of interest and receives interest calculated based upon Euribor rates on a notional amount calculated by reference to the principal amount outstanding of the Class A1 and Class A2

Under Dutch Generally Accepted Accounting Policies, the Company fulfilled the requirements for the application of cost price hedge accounting. Hedge documentation is available and effectiveness is evidenced on a periodic basis.

The Company shall discontinue prospectively the cost price hedge accounting if:
• the hedging instrument expires or is sold, terminated or exercised; and
• the hedge no longer meets the criteria for hedge accounting.

The Company applies cost price hedge accounting to interest rate swaps that ensure that certain liabilities with variable interest rates are converted into loans with fixed interest rates. The ineffective portion of the change in value of the interest rate swaps is recognised in the Profit and Loss account under the financial income and expense.

Principles of determination of result

General

The result determined by the difference of income and expenses is stated, if not specifically stated otherwise, at the amounts at which they were acquired or incurred.

Principles of determination of result (continued)

Interest income and interest expenses

Interest income and expenses are recognised on a pro-rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Swap income and expense

Net gains and losses on realised swap transactions are accounted for in the Profit and Loss account.

General expenses

General expenses are comprised of servicer fees, cash manager fees and other expenses borne by the Company. Costs are allocated to the year to which they relate. These are disclosed under note 12 in the Notes to the financial statements.

Taxation

The effective income tax rate is 16.5% (2019: 19%). There are no material differences between the corporate income tax rate and effective income tax rate for 2020 and 2019.

Financial instruments and risk management

General

The risk appetite of the Company is limited. Risks are monitored on a continuous basis. The Company aims to limit its exposure to material risks, or uncertainties, through the limited recourse set up of the transactions and use of hedging.

The Company is exposed to a variety of risks such as interest rate, credit, counterparty, liquidity, strategic, operational and compliance to laws and regulations. However, the key risks for the Company are credit and interest rate risks.

Interest rate risk

The interest received on the deemed loan is not equal to the interest on the Notes issued. To mitigate the interest rate risk, the Company has entered into an Interest Rate Swap for specific floating interest bearing liabilities (Class A1 and A2), so that it receives variable interest and pays fixed interest.

Credit risk

Credit risk on the Deemed loan to the Originator is considered to be minimal because the Managing Director does not expect the amount of incurred credit losses on the Deemed loan to the Originator to exceed the amount of credit enhancement supplied by the Originator. These amounts are available in the event of any shortfall in funds required to be paid to the note holders in accordance with the transaction documents. The maximum exposure to credit risk is the carrying value of the Deemed loan to the Originator and Cash reserve account (included in Cash and cash equivalents).

During the year under review, the total cumulative credit losses reported on the underlying securitised lease receivables after collateral recoveries amounted to EUR 923,633 (2019: EUR 387,825). All losses incurred were fully absorbed through a reduction in the deferred purchase price (excess spread) paid to the Originator.

The deferred purchase price (excess spread) to the Originator is the excess of interest collections on the Deemed loan to the Originator over the fees and expenses of the Company, including interest payment on the Notes and payments to swap counterparties. The purchase price paid for the receivables by the Company to the Originator is calculated on a discounted cash flow basis to provide the Company interest income in excess of interest payments. The Deferred purchase price returned to the Originator is the amount remaining, after note interest expenses, net swap payments and reimbursed losses and principal deficiencies have been paid out of income for the year.

Notes to the financial statements (continued)

Financial instruments and risk management (continued)

Counterparty risk

The Company is exposed to counterparty risk. Counterparty risk mainly relates to the risk that the Swap counterparty, being a financial institution, will not live up to their contractual obligations if they go into default. Counterparty risks are monitored and managed in much the same way as credit risk.

Liquidity risk

Matching of maturities of assets and liabilities and related cash flows is fundamental to the management of the Company. The risk is addressed and mitigated by matching of the legal maturity dates of the deemed loan and the Notes issued. The transaction is also supported by a Credit facility provided by the Originator which serves as a buffer to cover any shortfall in payments to the Noteholders.

Financial reporting risk

The Company monitors its compliance to the latest Financial Reporting requirements.

Legislation and regulations

The Company monitors its compliance to the relevant legislation and regulations on a continuous basis.

Notes to the Balance Sheet and Profit and Loss account

1 Deemed loan to the Originator

(in Euros)	31 December 2020	31 December 2019
Opening balances	551,932,073	-
Purchases	179,239,171	685,783,618
Principal repayments	(182,838,409)	(133,399,343)
Losses and principal deficiencies	(590,217)	(452,202)
Closing balances	547,742,618	551,932,073

The Deemed loan to the Originator comprises the amount of scheduled principal payments outstanding on the motor vehicle finance receivables originated by FCE and financed by the Notes issued. FCE Bank plc continues to service these motor vehicle finance receivables, for which it receives a fee from the Company. The Deemed loan to the Originator is repaid as and when the cash is received by the Originator from customers towards repayments of the motor vehicle finance receivables.

The Deemed loan to the Originator is divided into EUR 48,980,884 (2019: EUR 114,583,242), amount receivable within one year and EUR 498,761,734 (2019: EUR 437,348,831), amount receivable after more than one year.

Clean up provision
FCE Bank plc, the Originator, has an option to purchase all of the Deemed loan to the Originator on any interest payment date where the aggregate principal amount outstanding of the Class A1 Notes and the Class A2 Notes is 10.00% or less than the sum of the Class A1 and A2 note maximum principal amount. The Originator may exercise its clean up call option only if the purchase price for the receivables is sufficient, taking into account any amount standing to the credit of the distribution account, to redeem the listed Notes, and all items ranking in priority to the listed Notes in accordance with the interest priority of payments and the principal priority of payments. Upon the Originator's exercise of its clean up call option, the Notes will be redeemed and paid in full.

Notes to the financial statements (continued)

1 Deemed loan to the Originator (continued)

The fair value of the net loans at the year end 31 December 2020 in the Company was EUR 541,913,000 (2019: EUR 548,105,000). The fair value of the Deemed loan to the Originator is based on cash flows discounted at market rates of return.

2 Receivables due from related parties

(in Euros)	31 December 2020	31 December 2019
Receivable from the Originator	2,808,126	2,216,606

The receivables consists mainly of cash in transit relating to interest collections and principal receipts of the last two working days of December. All receivables due from related parties fall due in less than one year.

3 Cash and cash equivalents

(in Euros)	31 December 2020	31 December 2019
Cash reserve account	18,514,799	16,468,083
Distribution bank account	14,506,473	9,399,144
	33,021,272	25,867,227

The Cash reserve account is comprised of a liquidity and a commingling component. The Cash reserve account is not available to finance the Company's day-to-day operations but serves as a credit enhancement to provide liquidity component and commingling buffers. Amounts deposited in the Cash reserve account will be available to cover any shortfall in payments of liabilities at maturity date.

The liquidity component was initially funded by the Originator amounting to 1.70% of the initial balance of Notes and is used only to the extent that collections on the Deemed loan to the Originator are insufficient to cover priority interest payments.

The Company will only be entitled to use the commingling component to the extent that, following an insolvency of FCE Bank plc, having recognised the collections in the collection account, it fails to repay such collections into the Company account.

The movements in the Cash reserve account can be detailed as follows:

(in Euros)	31 December 2020	31 December 2019
Opening balances	16,468,083	-
Deposits during the year	2,046,716	16,468,083
Closing balances	18,514,799	16,468,083

As at 31 December 2020, the Cash reserve account amounted to EUR 18,514,799 (2019: EUR 16,468,083) which is made up of a liquidity component of EUR 6,495,173 (2019: EUR 6,476,320) and a commingling component of EUR 12,019,626 (2019: EUR 9,991,763).

As defined by the Servicing Agreement, all payments of the loan collections including collateral interest collections and swap receipts are made through the Distribution bank account. The Distribution bank account is also used to make relevant payments according to the priority of payments. The balance on the Distribution bank account is available for the Company's use.

4 Capital and reserves

The authorised share capital amounts to EUR 1, divided into 1 ordinary share of EUR 1 nominal value which has been issued and fully paid up as at 31 December 2020 (2019: 1 share).

All of the issued and paid-up shares are held by Stichting Globaldrive Germany Retail VFN 2018, Amsterdam.

(in Euros)	Issued and paid-up share capital	Retained earnings	Profit for the financial year	Total
Balance at 1 January 2020	1	-	2,381	2,382
Appropriation of results	-	2,381	(2,381)	-
Profit for the financial year	-	-	2,104	2,104
Balance as at 31 December 2020	1	2,381	2,104	4,486
Share issue at incorporation on 11 June 2018	1	-	-	1
Profit for the financial period	-	-	2,381	2,381
Balance as at 31 December 2019	1	-	2,381	2,382

5 Notes issued

(in Euros)				31 December 2020
	Opening balance	Additions	Redeemed	Total
Class A1 Asset Backed VFN Notes due 2028	135,000,000	360,000,000	(245,000,000)	250,000,000
Class A2 Asset Backed VFN Notes due 2028	135,000,000	360,000,000	(245,000,000)	250,000,000
Class A3 Asset Backed VFN Notes due 2028	230,000,000	490,000,000	(720,000,000)	-
Class B Asset Backed VFN Notes due 2028	63,158,204	1,639,365	-	64,797,569
	563,158,204	1,211,639,365	(1,210,000,000)	564,797,569

(in Euros)				31 December 2019
	Opening balance	Additions	Redeemed	Total
Class A1 Asset Backed VFN Notes due 2028	-	312,500,000	(177,500,000)	135,000,000
Class A2 Asset Backed VFN Notes due 2028	-	312,500,000	(177,500,000)	135,000,000
Class A3 Asset Backed VFN Notes due 2028	-	613,537,879	(383,537,879)	230,000,000
Class B Asset Backed VFN Notes due 2028	-	63,158,204	-	63,158,204
	-	1,301,696,083	(738,537,879)	563,158,204

The estimated fair value of the Notes issued amounts to EUR 560,693,000 (2019: EUR 563,098,000). The fair value of the Notes is based on cash flows discounted at market rates of return.

The Notes payable is EUR 66,035,835 (2019: EUR 125,809,373) due within one year and EUR 498,761,734 (2019: EUR 437,348,831) payable after more than one year and due within five years.

5 Notes issued (continued)

The Notes constitute secured, limited recourse obligations. On each interest payment date, the interest on the various class of Notes are made in a strict sequential order according to Note seniority.

The transaction structure is also supported by a cash reserve account. The excess interest spread and the reserve account will be used to cover principal repayment of the notes.

The Class A1, A2, A3 and B Notes will legally mature in March 2028.

Interest on the Notes is determined as follows:

Class A1 Notes	1 month Euribor + 0.60% per annum
Class A2 Notes	1 month Euribor + 0.59% per annum
Class A3 Notes	0.75% per annum
Class B Notes	1.50% per annum

Final Redemption
Following an Event of Default, no amount of principal in respect of the Class B Notes will become due and payable until redemption and payment in full of the Class A Notes.

Failure to pay interest due on Notes, failure to pay the principal amount of any class of Notes (in full on its final legal maturity date or the security granted under the transaction documents is terminated or otherwise becomes void or ineffective) may give rise to an Event of Default.

6 Credit facility provided by the Originator

The credit facility is transferred to the cash reserve account and is payable to the Originator only when all Notes issued are redeemed in full. The reserve serves as commingling and liquidity buffer to cover any shortfall in the payment of senior costs and expenses and interest on Class A and B Notes. At final maturity date, amounts credited to the Cash reserve account are available to repay principal on the Class A and B Notes. As at 31 December 2020, the balance on the Credit facility provided by the Originator amounted to EUR 18,514,799 (2019: EUR 16,468,083) which is payable after more than one year.

7 Other liabilities and accrued expenses

(in Euros)	31 December 2020	31 December 2019
Swap payable	105,625	103,614
Interest on Notes payable	87,678	252,833
Audit fees	32,670	37,510
Trustee fees	31,805	-
Negative interest charge	18,813	14,435
Servicer fees	9,413	9,386
VAT payable	4,305	4,305
Other accruals	416	559
	290,725	422,642

All other liabilities and accrued expenses fall due in less than one year.

8 Derivative financial instruments

In order to hedge the interest rate risk, the Company entered into interest rate swap with financial institution (Lloyds Bank Corporate Markets plc), for the notional amount required.

8 Derivative financial instruments (continued)

The fair value of the derivative financial instruments as at 31 December 2020 amount to negative of EUR 1,721,000 (2019: EUR 1,398,000).

The fair values of interest rate swaps have been calculated using a discounted cash flow analysis. Market variables that affect this valuation include changes in the level of interest rates and changes in the shape of the interest rate yield curve. Notional values of the interest rate swaps as at 31 December 2020 are determined on a monthly basis based on the outstanding principal amount of Class A1 and Class A2 Notes. Interest rate risk on Class A3 and Class B Notes are not hedged as these are Fixed Rate Notes. Interest rates on the Notes are disclosed under note 5.

9 Interest income

(in Euros)	2020	11 June 2018 to 31 December 2019
Interest on Deemed loan to the Originator	4,024,934	5,372,385

10 Interest expense

(in Euros)	2020	11 June 2018 to 31 December 2019
Interest on Notes	2,681,311	2,713,360
Negative interest charge	195,507	127,939
	2,876,818	2,841,299

11 Net swap payments

(in Euros)	2020	11 June 2018 to 31 December 2019
Net swap payments	923,943	2,258,583

The Company pays floating rate on Class A1 Notes and receives a floating rate on the swap agreement but the amount is generally settled net. As the base rate (EURIBOR) is currently low, the Company has a net cost on its swap arrangement.

12 General expenses

(in Euros)	2020	11 June 2018 to 31 December 2019
Servicer fees	112,806	127,372
Audit fees	32,670	37,510
Trustee fees	31,892	31,160
Administrator fees	29,725	45,187
Tax advisory fees	7,563	10,806
VAT expenses	4,305	4,305
Issuer expenses	2,520	2,940
Other costs	172	48
Acceptance fees	-	10,235
	221,653	269,563

Notes to the financial statements (continued)

13 Independent auditors' fee

The following audit fees were reported in the Profit and Loss account:

(in Euros)			**2020**
	Pricewaterhouse Coopers Accountants N.V.	PwC member firms	Total
Audit of the financial statements	32,670	-	32,670
Other audit engagements	-	-	-
Tax advisory services	-	-	-
Other non-audit engagements	-	-	-
	32,670	-	32,670

(in Euros)			**11 June 2018 to 31 December 2019**
	Pricewaterhouse Coopers Accountants N.V.	Member firms / affiliates	Total
Audit of the financial statements	37,510	-	37,510
Other audit engagements	-	-	-
Tax advisory services	-	-	-
Other non-audit engagements	-	-	-
	37,510	-	37,510

The fees listed above relate to the procedures applied to the Company by accounting firms and external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act (‘Wet toezicht accountantsorganisaties - Wta’) as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

The audit fees relate to the audit of the financial statements, regardless of whether the work was performed during the financial year.

14 Corporate income tax

The effective income tax rate is 16.5% (2019: 19%). There are no material differences between the corporate income tax rate and effective income tax rate for 2020 and 2019.

15 Employees

The Company has no employees (2019: NIL).

16 Director's remuneration

During the year under review, the Managing Director was paid Administrator fees as stated under note 12 (General

17 Contingent liabilities and commitments

There are no contingent liabilities and commitments of the Company.

18 Appropriation of profit

The Managing Director proposes to allocate the net profit for the year 2020 to the retained earnings. This proposed appropriation of profit has not been reflected in the Company's Balance Sheet per 31 December 2020.

19 Post balance sheet events

No other significant events occurred after the end of the balance sheet date which could have an impact on the financial statements.

Amsterdam, 29 June 2021

The Managing Director:

Vistra Capital Markets (Netherlands) N.V.

Globaldrive Germany Retail VFN 2018 B.V.
Amsterdam

Other information

Provisions in the articles of association regarding profit appropriation

The appropriation of profit is governed by Article 20 of the Deed of Incorporation. The allocation of profits accrued in the financial year shall be determined by the Annual General Meeting. If the Annual General Meeting does not adopt a resolution regarding the allocation of profits prior to or at the latest immediately after the adoption of the financial statements, the profits will be reserved. The Annual General Meeting may resolve to make interim distributions and / or to make distributions at the expense of any reserve of the Company.