Company Number 463656

CARFIN FINANCE INTERNATIONAL DESIGNATED ACTIVITY COMPANY

DIRECTORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019

CONTENTS

DIRECTORS AND OTHER INFORMATION

Directors	David Dunne Kathleen Athayde (resigned 25 February 2020) Finbarr O'Neill (appointed 25 February 2020)
Secretary	Intertrust Finance Management (Ireland) Limited 1st Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4 Ireland
Company number	463656
Registered office	1st Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4 Ireland
Auditors	BDO Statutory Audit Firm Beaux Lane House Mercer Street Lower Dublin 2 Ireland
Banks	AIB 52 Upper Baggot Street Dublin 4 Ireland
	Deutsche Bank AG London Branch 1 Great Winchester Street London United Kingdom EC2N 2DB United Kingdom
Transaction Agent	Credit Agricole Corporate and Investment Bank 9 qual su Preaisent Paul Doumer 92920 Paris La Degende Cedex France
Issuer Cash Manager	Deutsche Bank AG London Branch 1 Great Winchester Street London United Kingdom EC2N 2DB United Kingdom
Solicitors	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for Carfin Finance International Designated Activity Company (the "Company") for the financial year ended 31 December 2019.

Directors and secretary and their interests
The Directors of the Company during the financial year ended 31 December 2019, and subsequently, were:

Kathleen Athayde (Appointed 8 March 2018) (Resigned 25 February 2020)
David Dunne (Appointed 8 March 2018)
Finbarr O'Neill (Apppointed 25 February 2020)
Johan Macleod (Alternate Director) (Appointed 28 Novemeber 2018) (Resigned 25 February 2019)

Intertrust Finance Management (Ireland) Limited acted as secretary for the financial year ended 31 December 2019.

None of the Directors or secretary have any beneficial interest in the ordinary share capital of the Company.

Directors' responsibility statement with regards to the Directors' Report and financial statements
The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance the Companies Act 2014 and Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial period end date and of the profit or loss of the Company for the financial period and otherwise comply with the Companies Act 2014.

Irish company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the noted to the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish statute comprising the Companies Act 2014. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts 2014.

Directors' and Company secretary's shareholdings
The Directors and their immediate relatives and the Company secretary did not hold an interest in any shares of the Company as at 31 December 2019 or at any time during or since the financial year end.

DIRECTORS' REPORT (CONTINUED)

Books of account

The Directors believe that they have complied with the requirements of section 281 to 285 of the Companies Act 2014 with regard to adequate accounting records by employing a service provider with appropriate expertise and by providing adequate resources to the finance function. The accounting records are maintained at 1st Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland.

Relevant Audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant auditor information for which the Company's statutory auditors are unaware.

Principal activities, review of the business and future developments

The Company was incorporated on 24 October 2008 and remained dormant until March 2013. On 20 March 2013 the Company entered into a trade receivable securitisation transaction. The Company makes advances available to three special purpose securitisation entities (the "FleetCos") who apply such funds, among other things, to purchase vehicles from manufacturers and dealers. There are currently three FleetCos within the structure, the Dutch FleetCo; the Italian FleetCo and the French FleetCo. Each FleetCo will lease the vehicles it purchases to an Avis operating company in the relevant jurisdiction.

Funds were raised by the Company by issuing senior secured debt by way of a variable funding note facility (the "Senior Notes"). The Senior Notes are listed on the International Stock Exchange. The Senior Notes are complemented by secured subordinated debt (the "Subordinated Loan") which will be provided directly to the Company by Avis Finance Company Ltd (the "Subordinated Lender"). Credit Agricole Corporate and Investment Bank, Natixis, Scotiabank Europe PLC, Deutsche Bank AG, London, Blue Finn S.a.r.l, Jupiter Securitization Company LLC, Elektra Purchase No.34 Limited, Matchpoint Finance Public Limited Company, Lloyds Bank Plc, Societe Generale Capital Market Finance S.A & HSBC France SA hold the Senior Notes at 31 December 2019.

Due to limitations in the effectiveness of the original interest rate cap two new interest rate cap agreements were entered into during 2015. On 21 May 2015 the Company entered into an interest rate cap transaction with Credit Agricole Corporate and Investment Bank and on 18 December 2015 the Company entered into an interest rate cap transaction with the Bank of Nova Scotia. These interest rate caps continued into 2019. The mark to market value of the interest rate cap at 31 December 2019 is €17,438 (2018: €399,658).

In May 2017 it was agreed to increase the Senior Noteholder commitment from €1,400,000,000 to €1,650,000,000. There were no further developments during the year.

In June 2018 the maturity date of the revolving Senior Notes facility was extended from the 12 December 2018 to 20 July 2023.

The Directors expect that the present level of activity will be sustained for the near future.

Results

Profit after tax for the financial year was €750 (2018: €750). The main assets and liabilities at 31 December 2019 were loans issued to FleetCos of €1,324,188,199 (2018: €1,247,136,904), Senior Notes of €1,256,308,000 (2018: €1,183,896,000) and a Subordinated Loan of €137,982,226 (2018: €67,199,482).

Dividends

The Directors recommend that no dividend be paid for the financial year ended 31 December 2019 (2018: Nil).

Transactions involving directors
Intertrust Finance Management (Ireland) Limited provides corporate services to the company at arm's length commercial rates.

There were no contracts in the financial year of any significance in relation to the business of the Company in which the directors had any interest, as defined in section 329 of the Companies Act 2014.

Subsequent events
The first quarter of 2020 has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The Management of the Company is actively monitoring the situation and is able to continue to manage the Company's assets within investment and risk parameters that have been established. There have been no other significant subsequent events since the balance sheet date which require disclosure in these financial statements.

Financial risk management
The financial risk management policies of the Company and the associated market, credit and liquidity risks are discussed in detail in note 18 to the financial statements.

Corporate governance statement
The Company is subject to and complies with Irish Statute comprising the Companies Act 2014. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Powers of directors
The board of directors ("the Board") is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to Avis and other parties, subject to supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to certain third party service providers.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the appropriate third parties.

Financial reporting process
The Board 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 Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Intertrust Finance Management (Ireland) Limited (the "corporate services provider"), to independently maintain the accounting records of the Company. They are contractually obliged to assist the Company to maintain proper books and records as required by the Corporate Services Agreement.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. Periodically the Board also examines and evaluates the corporate services provider's financial accounting and reporting routine and monitors and evaluates the external auditors' performance, qualifications and independence.

Risk assessment
The Board 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 Board 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.

DIRECTORS' REPORT (CONTINUED)

Control activities
The control structures in place within the Company include appropriate division 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 annual report.

Monitoring
The Board has an annual process in place to ensure that appropriate measures are taken to consider and address any shortcomings identified and measures recommended by the independent auditors.

Capital structure
There are no restrictions on voting rights. With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, and Irish Statute comprising the Companies Act 2014. The Articles of Association themselves may be amended by special resolution of the shareholders.

Audit committee
The provisions of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations, 2010 (S.I. 220 of 2010) state that if the sole business of a company relates to the issuing of asset backed securities, the company is exempt from the requirement to establish an audit committee (under Regulation 91(9) (d) of the Regulations). In this respect, the Company is not required to establish an audit committee.

Political donations
The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Company during the financial year ended 31 December 2019.

Auditors
BDO have expressed their willingness to continue in office in accordance Section 383(2) of the Companies Act 2014.

On behalf of the Board

Mr David Dunne	Mr Finbarr O'Neill
Director	Director
5 October 2021	5 October 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARFIN FINANCE INTERNATIONAL DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Carfin Finance International Designated Activity Company ('the Company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs (Ireland) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf .

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Hughes
for and on behalf of BDO
Dublin
Statutory Audit Firm
AI223876

Date 5 October 2021

PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		€	€
Interest income and other similar income	4	25,887,069	28,906,906
Interest expense and other similar expenses	5	(24,795,645)	(28,455,864)
Net interest income		1,091,424	451,122
Unrealised (loss)/gain on derivative financial instruments	12	(382,220)	231,994
Other operating expenses	6	(708,204)	(682,116)
Profit on ordinary activities before taxation		1,000	1,000
Taxation	8	(250)	(250)
Profit on ordinary activities after taxation		750	750

All amounts relate to continuing activities. There were no gains or losses for the financial year ended 31 December 2019 other than those dealt with through the profit and loss account. Therefore, no statement of recognised gains and losses has been prepared.

The notes to the financial statements on pages 14 to 22 form an integral part of the financial statements

BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 €	2018 €
Non-Current Assets			
Investment in associate undertakings	9	24,000	24,000
Current Assets			
Financial assets	10	1,324,188,199	1,247,136,904
Cash at bank	11	70,078,248	64,815
Derivative financial Instruments	12	17,438	399,658
Debtors	13	6,243,960	9,701,403
Total Current Assets		1,400,527,845	1,257,302,780
Total Assets		1,400,551,845	1,257,326,780
Creditors: amounts falling due within one year	14	(1,400,521,970)	(1,257,297,655)
Total Assets Less Current Liabilities		29,875	29,125
Net Assets		29,875	29,125
Capital and Reserves			
Called up share capital presented as equity	15	1,001	1,001
Share premium		23,999	23,999
Profit and loss account		4,875	4,125
Total Shareholders' Funds		29,875	29,125

The notes to the financial statements on pages 14 to 22 form an integral part of the financial statements.

On behalf of the Board,

Mr David Dunne
Director
5 October 2021

Mr Finbarr O'Neill
Director
5 October 2021

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2019	**Share Capital**	**Share Premium**	**Retained Earnings**	**Total**
	€	**€**	**€**	**€**
Balance as at 1 January 2019	1,001	23,999	4,125	29,125
Profit for the financial year	-	-	750	750
Balance as at 31 December 2019	1,001	23,999	4,875	29,875

2018	**Share Capital**	**Share Premium**	**Retained Earnings**	**Total**
	€	**€**	**€**	**€**
Balance as at 1 January 2018	1,001	23,999	3,375	28,375
Profit for the financial year	-	-	750	750
Balance as at 31 December 2018	1,001 -	23,999	4,125	29,125

The notes to the financial statements on pages 14 to 22 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019	2018
	€	€
Operating activities		
Profit on ordinary activities after taxation	750	750
Adjustments for:		
Decrease/(Increase) in Debtors	3,457,443	(4,140,389)
Increase in Creditors	29,570	8,238,717
Movement in derivative financial instruments	382,220	(231,994)
Net cash flow from operating activities	3,869,984	3,867,084
Investing activities		
Loans Issued to FleetCos	(912,637,000)	(975,376,000)
Repayments from FleetCos	835,585,705	915,158,000
Net cash outflow from investing activities	(77,051,295)	(60,218,000)
Financing activities		
Issue of Notes	1,458,408,000	1,523,167,000
Repayment of Notes	(1,385,996,000)	(1,414,274,000)
Subordinated Loan Drawdowns	2,616,846,295	1,557,145,000
Subordinated Loan Repayments	(2,546,063,551)	(1,609,686,169)
Net cash inflow from financing activities	143,194,744	56,351,831
Net increase in cash at bank	70,013,433	915
Opening cash and cash equivalents	64,815	63,900
Closing cash and cash equivalents	70,078,248	64,815

The notes to the financial statements on pages 14 to 22 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Background of the Company

The Company was incorporated on 24 October 2008 and remained dormant until March 2013. On 20 March 2013 the Company entered into a trade receivable securitisation transaction. The Company makes advances available to three special purpose securitisation entities (the "FleetCos") who apply such funds, among other things, to purchase vehicles from manufacturers and dealers.

2. Significant accounting policies

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2019 are set out below.

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish Statute comprising the Companies Act 2014. Accounting standards generally accepted in Ireland in preparing financial statements that give a true and fair view are those issued by the Financial Reporting Council. The financial statements have been prepared under the historical cost convention.

Reporting entity

The Company is incorporated in Ireland under the Companies Act 2014. The address of the registered office is 1st Floor, 1-2 Victoria Buildings, Haddington Road, Dublin 4, Ireland. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 3 to 6.

Statement of compliance

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2014.

The format of the financial statements has been adapted from the format specified in the Companies Act 2014 in order to reflect more clearly the nature of the company's business. The financial statements have been prepared under the historical cost convention.

Reporting currency

The financial statements are expressed in Euro (€), which is the functional currency of the company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Assets and liabilities in foreign currencies have been translated at the exchange rates in effect at the balance sheet date. All exchange differences are dealt with in arriving at profit before taxation.

Financial assets

Financial assets comprise of loans issued to FleetCos. Financial assets are carried at cost, less any repayments received on the loans in the period and adjusted for any provision for impairment.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from valuation techniques, including discounted cash flow models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value are recognised immediately in the profit and loss account under "Unrealised gain/ (loss) on derivatives".

Interest income and interest expense

Interest income and expense are recognised within 'Interest income and other similar income' and 'Interest expense and other similar expenses in the profit and loss account. Accrued interest income and accrued interest expense are recognised in debtors and creditors in the balance sheet.

Financial liabilities
Financial liabilities are initially recognised at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost using the effective interest rate method.

Operating income and expenses
All income and expenses are accounted for on an accruals basis.

Taxation
The charge for taxation is based on the results for the financial year.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes. Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is not discounted.

Use of estimates and judgements
The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. No estimates were used in preperation of the financial statements.

3. Directors and employees

The Company has no employees. The Directors received no remuneration from the Company in respect of qualifying services rendered during the financial year. Intertrust Finance Management (Ireland) Limited receives fees in the amount of €685,730 (2018: €109,879) for corporate administrative services which includes the provision of directorship services by its employees. The Directors provided are not remunerated directly by the Company for their services.

4. Interest income and other similar income

	2019	2018
	€	€
Income on Italian Loan Receivables	8,293,002	8,451,701
Income on Dutch loan Receivables (German Pool)	5,343,015	4,827,547
Income on Dutch loan Receivables (Spanish Pool)	4,014,975	4,916,353
Income on Dutch loan Receivables (Dutch Pool)	862,776	858,732
Income on French loan Receivables	6,280,693	5,998,934
Capitalised Income	1,092,608	3,853,639
	25,887,069	28,906,906

Income on loan receivables comprises interest income from loans issued to special purpose securitisation entities and fee income from these entities to cover expenses and recharge costs.

5. Interest expense and other similar expenses

	2019	2018
	€	€
Interest expense: Subordinated Loan	(5,322,268)	(6,590,347)
Interest expense: Senior Notes	(15,711,705)	(15,540,400)
Non utilisation fee	(3,761,672)	(3,913,667)
Interest rate cap expense	-	(2,411,450)
	(24,795,645)	28,455,864

6. Other operating expenses

	2019	2018
	€	€
Other operating expenses	(691,797)	(665,709)
Audit and taxation fees	(16,407)	(16,407)
	(708,204)	(682,116)

7. Profit on ordinary activities before taxation

	2019	2018
	€	€
This has been arrived at after charging:		
Statutory auditors remuneration (excluding VAT)		
Statutory audit fees	(8,000)	(8,000)
Tax advisory services	(2,678)	(2,678)
	(10,678)	(10,678)

8. Taxation on profit on ordinary activities

	2019	2018
	€	€
Analysis of the Company tax charge in the year:		
Current tax	(250)	(250)
	(250)	(250)
Profit for the year before taxation	1,000	1,000
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax for the period of 12.5%	(125)	(125)
Higher tax rate applicable under Section 110 TCA, 1997	(125)	(125)
Tax charge for the year	(250)	(250)

9. Investment in associate undertakings

	2019	2018
	€	€
Investment in Italian FleetCo	24,000	24,000
	24,000	24,000

On 1 March 2013 the Company purchased 24 ordinary shares in Avis Budget Italia S.p.A Fleet Co. S.A.p.A, the Italian FleetCo for purchase price equal to the nominal value of relevant shares of €24,000 (2018: €24,000).

10. Financial assets

	2019	2018
	€	€
Dutch loan receivables (German pool)	320,004,460	258,004,460
Dutch loan receivables (Spanish pool)	186,487,017	185,587,017
Dutch loan receivables (Dutch pool)	41,565,000	42,015,000
Italian Loan Receivables	478,970,722	469,569,427
French Loan Receivables	297,161,000	291,961,000
	1,324,188,199	1,247,136,904

Loan receivables consist of loans issued by the Company to special purpose securitisation entities to purchase vehicles from manufacturers and dealers, or, in the case of Dutch loan receivables (German pool) from the German Avis operating company and the Dutch loan receivables (Spanish pool) from the Spanish Avis operating company.

11. Cash at bank

Cash is held with Deutsche Bank AG London Branch and Allied Irish Banks, p.l.c.

12. Derivative financial instruments

The Company has entered into multiple currency swap transactions with MFX Solutions .The unrealised gain on interest rate caps for the financial year amounted to €382,220 (2018: €231,994). At the balance sheet date there is no payment receivable by the Company, nor has there been any payments made during the financial year related to the interest rate cap. The table below shows the fair value of the interest rate caps and their notional amounts.

	Notional Amount	Currency	2019	2018
			€	€
Interest rate cap - Credit Agricole	60,000,000	EUR	6,975	159,863
Interest rate cap - Bank of Nova Scotia	60,000,000	EUR	6,975	159,863
Interest rate cap – Societe Generale	30,000,000	EUR	3,488	79,932
			17,438	399,658

13. Debtors

	2019	2018
	€	€
Loan to FleetCos for startup expenses	3,915,446	6,679,389
Interest receivable	642,660	616,388
Prepayments	158,656	158,656
Income accrued	165,984	165,985
Reimbursement due from Avis	1,361,214	2,080,987
	6,243,960	9,701,403

Loan to FleetCos for startup expenses relates to expenses paid by the Company on behalf of the FleetCos at the commencement of the securitisation transaction that the FleetCos will reimburse the Company for.

14. Creditors: amounts falling due within one year

	2019	2018
	€	€
Accrued interest on Subordinated Loan	(149,898)	(141,283)
Accrued interest on Senior Notes	(492,761)	(475,105)
Accrued non-utilisation fee on Senior Notes	(139,089)	(152,448)
Accrued expenses	(49,995)	(33,338)
Subordinated Loan	(137,982,226)	(67,199,482)
Senior Notes (Bank of America)	(139,590,000)	(131,544,000)
Senior Notes (Deutsche Bank)	(139,590,000)	(131,544,000)
Senior Notes (Scotiabank Europe)	(52,346,000)	(49,329,000)
Senior Notes (Credit Agricole CI)	(209,385,000)	(197,316,000)
Senior Notes (Natixis)	(139,590,000)	(131,544,000)
Senior Notes (Jupiter Securitization)	(104,692,000)	(98,658,000)
Senior Notes (Elektra Purchase No.34 Ltd)	(104,692,000)	(98,658,000)
Senior Notes (Matchpoint)	(122,141,000)	(115,101,000)
Senior Notes (Lloyds)	(104,692,000)	(98,658,000)
Senior Notes (SGCMF)	(69,795,000)	(65,772,000)
Senior Notes (HSBC)	(69,795,000)	(65,772,000)
Upfront Fees on Senior Notes	(5,400,000)	(5,400,000)
	(1,400,521,970)	(1,257,297,655)

Avis Finance Company Ltd provided the funding for the subordinated loan facility. This facility has been used to supplement the Senior Notes in financing the Loans issued to the FleetCos and also to pay expenses incurred as part of setup of the securitisation structure in March 2013.The subordinated loan outstanding at 31 December 2018 was repaid on 3 January 2019 and subsequently redrawn.

The Senior Notes issued by the Company are listed on the International stock exchange. The maximum senior facility amounts to €1,650,000,000 with total drawn at 31 December 2019 of €1,394,290,226 (2018: €1,183,896,000). In June 2018 the maturity date of the revolving Senior Notes facility was extended from the 12 December 2018 to 20 July 2023. The interest rate applicable to the Notes is the 1 week EURIBOR rate plus a margin of 1.50%. The Senior Notes outstanding at 31 December 2019 were repaid on 3 January 2020 and subsequently redrawn.

15. Share capital

	2019 €	2018 €
Authorised		
50,000 ordinary shares of €1 each	50,000	50,000
Called up, allotted and fully paid		
1,001 Ordinary shares of €1 each	1,001	1,001

The authorised share capital of the Company is €50,000 (2018: €50,000) divided into 50,000 ordinary shares of €1 each, of which one thousand and one shares are issued. On 1 March 2013 one share of €1 with a premium of €23,999 (2018: €23,999) was allotted to CarFin Finance Holdings DAC. The consideration received for the allotment of the share to CarFin Finance Holdings DAC was 24 ordinary shares in Avis Budget Italia S.p.A Fleet Co. S.A.p.A, the Italian FleetCo for price equal to the nominal value of relevant shares of €24,000 (2018: €24,000).

16. Related party transactions

The Company is owned by two Irish incorporated companies, TMF Management (Ireland) Limited (75% shareholding) and CarFin Finance Holdings DAC (25% shareholding).

The ultimate controlling party is TMF Management (Ireland) Limited who hold the shares on a discretionary trust basis for the benefit of a charity.

Intertrust Finance Management (Ireland) Limited provide corporate services to the Company. During the year fees of €685,730 (2018: €109,879) were paid to Intertrust Finance Management (Ireland) Limited in respect of corporate services provided to the Company.

17. Management of capital

The Company's capital comprises of the issued ordinary shares together with the balance of undistributed reserves on the Profit and Loss account. The Directors maintain the Company's capital at a level to provide appropriate income and liquidity to finance the Company's administrative expenses. The Company is not subject to any externally imposed capital requirements.

18. Financial risk management

The principal risks arising from the Company's financial instruments are: credit risk, liquidity risk and market risk. The Company has established policies for managing these risks as outlined below.

Credit risk

Credit risk is the risk of impairment and partial or total loss of a receivable due to the deterioration of credit quality on the part of counterparty. The financial assets of the Company are primarily cash held on deposit and loans to FleetCos and Investments held in associate entities.

	2019	2018
	€	€
Cash at Bank	70,078,248	64,815
Loans	1,324,188,199	1,247,136,904
Investment in Associates	24,000	24,000
Debtor	6,243,960	9,701,403
Derivative Financial Instrument	17,438	399,658
	1,400,527,845	1,257,326,780

The cash on deposit is held with AIB and Deutsche Bank. The long and short-term counterparty Standard and Poor's credit rating by are BBB+/BBB+ (2018: BBB+/ BBB+) and A-2/A-2 (2018: A-2/A-2) respectively.

Loans to related parties

A related company, Avis Finance Company Limited, has provided a guarantee that if the FleetCos are unable to meet their debts then they will pay the outstanding amount on their behalf.

Liquidity risk

Liquidity risk is defined as the risk of being unable to fulfil current or future payment obligations in full on the due date. The objective of the Company's liquidity management is to ensure that sufficient funds are available to meet the Company's commitments.

The table below analyses the undiscounted cash flows of the financial liabilities at the balance sheet date into relevant maturity groupings. The calculations have been based on the interest rates effective at the balance sheet date, and are based on the assumption that the loans will not be repaid until the contractual maturity of the facilities in place.

2019	Less than 1 month	1 Month to 1 year	1 year to to 5 years	Over 5 years
	€	€	€	€
Senior Notes	-	(1,256,308,000)	-	-
Subordinated Loan	-	(137,982,226)	-	-
Upfront Fees on Senior Notes	-	(5,400,000)		
Accrued Interest	(642,660)	-	-	-
Non Utilisation Fee	(139,089)	-	-	-
Accrued Expenses	(49,995)			
Total Liabilities	(831,744)	(1,399,690,226	-	-

2018	Less than 1 month	1 Month to 1 year	1 year to to 5 years	Over 5 years
	€	€	€	€
Senior Notes	-	(1,183,896,000)	-	-
Subordinated Loan	-	(67,199,482)	-	-
Upfront Fees on Senior Notes		(5,400,000)		
Accrued Interest	(616,388)	-	-	-
Non Utilisation Fee	(152,448)	-	-	-
Accrued Expenses	(33,338)			
Total Liabilities	(802,173)	(1,1256,495,482)	-	-

Market risk
Market risk refers to the potential loss arising from changes in foreign currency rates, interest rates, price or rate volatilities and other market rates and prices such as commodity prices.

Currency risk
All of the Company's financial assets and liabilities are denominated in Euro and therefore the Company is not exposed to foreign currency risk.

Interest rate risk
The Company is exposed to interest rate risk as loan interest receivable from FleetCos is variable and the Company is required to make interest payments on the Senior Notes at a rate of 1 week EURIBOR plus margin of 1.50% and on the subordinated loans at a rate of EURIBOR plus margin of 2.7% (2018: 3.7%). Interest rate risk is managed by charging an interest rate on FleetCo loans based on a blended rate to ensure sufficient interest income to cover expenses.

The table below summarises the assets and liabilities between floating, fixed and non-interest bearing.

2019	**Floating**	**Fixed**	**Non Interest bearing**	**Total**
Assets	**€**	**€**	**€**	**€**
Cash	70,078,248	-	-	70,078,248
Loans	1,324,188,199	-	-	1,324,188,199
Derivative Financial Instruments	17,438	-	-	17,438
Accrued Interest	-	-	642,660	642,660
Investments in associates	-	-	24,000	24,000
Other assets	-	-	5,601,300	5,601,300
Total Assets	1,399,560,544	-	6,267,960	1,400,551,845
Liabilities				
Senior Notes	(1,256,308,000)	-	-	(1,256,308,000)
Subordinate Loan	(137,982,226)	-	-	(137,982,226)
Accrued interest	-	-	(642,660)	(642,660)
Upfront Fees	-	-	(5,400,000)	(5,400,000)
Other liabilities	-	-	(189,084)	(189,084)
Total Liabilities	(1,394,290,226)	-	(6,231,744)	(1,400,521,970)

2018	**Floating**	**Fixed**	**Non Interest bearing**	**Total**
Assets	**€**	**€**	**€**	**€**
Cash	64,815	-	-	64,815
Loans	1,247,136,904	-	-	1,247,136,904
Derivative Financial Instruments	399,658	-	-	399,658
Accrued Interest	-	-	616,388	616,388
Investments in associates	-	-	24,000	24,000
Other assets	8,760,374	-	324,640	9,085,015
Total Assets	1,256,361,752	-	965,028	1,257,302,779
Liabilities				
Senior Notes	(1,183,896,000)	-	-	(1,183,896,000)
Subordinate Loan	(67,199,482)	-	-	(67,199,482)
Accrued interest	-	-	(616,388)	(616,388)
Upfront Fees	-	-	(5,400,000)	(5,400,000)
Other liabilities	-	-	(185,785)	(185,785)
Total Liabilities	(1,251,095,482)	-	(6,202,172)	(1,257,297,654)

Market risk (continued)

Price risk

The price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in the market. The Company does not consider price risk to be a significant risk to the Company as any fluctuation in the value of the financial assets held by the Company will be borne by the subordinated loan provider.

18. Subsequent events

The first quarter of 2020 has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The Management of the Company is actively monitoring the situation and is able to continue to manage the Company's assets within investment and risk parameters that have been established. There have been no other significant subsequent events since the balance sheet date which require disclosure in these financial statements.

19. Charges

Pursuant to a deed charge between Carfin Finance International DAC (the"Chargor") and Deutsche Trustee Company Limited (the "Chargee"), the Chargor created security contractual rights, permitted investments and a floating charge over its undertakings and assets in favour of the Chargee.

20. Approval of the financial statements

The financial statements were approved by the Board and authorised for issue on 5 October 2021.