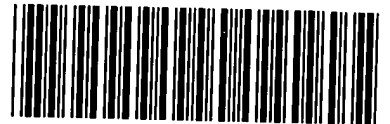


**FUEL CARD SERVICES LIMITED**

**Annual report and financial statements  
for the year ended 31 March 2020**

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# **Fuel Card Services Limited**

## **Annual report and financial statements for the year ended 31 March 2020**

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# **Fuel Card Services Limited**

## **Directors and advisers for the year ended 31 March 2020**

### **Directors**

S. Elliott  
B.M. Jordan (resigned 31/05/19)  
D. Frost  
D. Keating  
E. O'Brien  
K. Bane  
D. Doorly

### **Company secretary**

S. Elliott

### **Registered office**

Alexandra House  
Lawnswood Business Park  
Redvers Close  
Leeds  
West Yorkshire  
LS16 6QY

### **Bankers**

National Westminster Bank Plc  
3<sup>rd</sup> Floor  
2 Whitehall Quay  
Leeds  
LS1 4HR

### **Solicitors**

Pinsent Masons  
1 Park Row  
Leeds  
LS1 5AB

### **Independent auditors**

KPMG LLP  
Chartered Accountants and Statutory Auditors  
St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

# **Fuel Card Services Limited**

## **Strategic report for the year ended 31 March 2020**

The Directors present their strategic report of the company for the year ended 31 March 2020.

### **Review of the business**

The principal activity of the company during the year was the sale and administration of petroleum products through the use of fuel cards.

Turnover decreased to £988 million down from £1,105 million in 2019. Operating profit has increased from £20.5 million in 2019 to £21.3 million in 2020.

The directors do not expect any significant change in the nature of the activity of the company in the next financial year, however as a direct result of Covid 19 they expect the company's fuel sales volume and profit to modestly decrease.

### **Principal risks and uncertainties**

The company is a member of DCC plc and its risks are disclosed in the consolidated financial statements of DCC plc. Operational and financial risks centre on customer retention, economic conditions, credit risk and working capital management and are managed diligently by senior management and the directors.

The risks are mitigated by the fact that no customer is significantly large enough to materially impact on the profits of the business if they cease to trade with the company for any reason. The company ensures all customers have been credit checked and continually have credit insurance or security in place to trade. Our payment terms are generally similar across all customers and we hold long term contracts with all fuel suppliers so ensuring our working capital is relatively stable. The company also has an IT disaster recovery and business continuity plan in place for any sudden catastrophic loss of the IT systems.

All risks are monitored by DCC plc either through monthly board and director reports, internal audits or periodic review meetings and steered by corporate compliance guidelines. The Board does not anticipate any material adverse risks due to Brexit beyond those affecting the wider economy.

### **Key performance indicators (KPIs)**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs beyond those ascertainable from the financial statements is not necessary for an understanding of the development, performance or position of the business.

### **Section 172 Statement**

This statement, which forms part of the Strategic Report, is intended to show how the Company's Directors have approached and met their responsibilities under section 172 Companies Act 2006 during 2019. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by section 172 of the UK Companies Act 2006, a Director of a Company must act in a way s/he considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- Company's reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

# Fuel Card Services Limited

We understand that our business can only grow and succeed over the long term if we recognise the views and needs of our stakeholders. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making.

## Engagement with key stakeholders during the year

### *Our people*

The Company employs over 300 people in the UK and recognises that they are fundamental to the continued success of the business.

We foster diversity in the workforce with gender pay-gap reporting slightly in favour of women. Career development is enabled through training support and progression within the business. Dedicated coaches are located in each office to deliver tailored training with external training programmes for more specialised development in addition to formal training in areas such as health and safety, risk and compliance and development of leadership skills for its management team. Our Senior Management Team is a blend of those with long service or those with significant external experience encouraging strong employee engagement through Senior Management tours, road shows, and pulse surveys.

Safety is a core value of the Company that is driven from Senior Management with dedicated resource and safety management practices appropriate to the specific risk of the working environment.

### *Customers*

As one of the largest independent fuel card agents in the UK, Fuel Card Services provide products and services to 55,000 customer accounts across a wide range of businesses of various sizes though focussed to a greater extent in the SME sector. These companies are the lifeblood of the UK economy and we're proud to be their partner of choice.

### *Suppliers*

The Company has strong, long-standing relationships with all the major fuel brands, working in close partnership to deliver the best range of products to our customers.

### *Communities and Environment*

The Company contributes to charities ranging from those focused on tackling global warming to community based charities such as local hospices, mental health charities and many more, to ensure that Fuel Card Services plays a positive role in the community.

## Carbon reporting

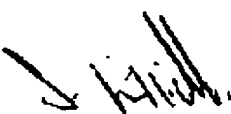
From 1 April 2019, the company is required to report on its carbon emissions and energy use, which are set out below. The company has been a member of the Carbon Trust for a number of years and already monitors and reports these statistics through that regulatory body.

'000kg CO2E – year ended March	2017	2018	2019	2020
Total emissions	153	141	113	114

The business has a number of initiatives to decrease its carbon emissions with an aim of reducing carbon emissions from 2020 levels by 30% by 2024.

By order of the board

S. Elliott  
Company secretary



29 January 2021

# **Fuel Card Services Limited**

## **Directors' report for the year ended 31 March 2020**

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2020.

### **Future developments**

The directors do not expect any significant change in the nature of the activity of the company in the next financial year.

### **Financial risk management policy**

Our financial risk management objectives are to ensure sufficient working capital and to manage credit risk for the company. Sufficient working capital is achieved by careful management of our cash balances and the balance between debtor and creditor payment terms. Credit risk is mitigated by ensuring credit insurance or other financial cover is in place on all customers in the event of bad debts arising.

### **Results and dividends**

The company's profit for the financial year was £17,687,000 (2019: £16,907,000).

Dividends proposed and paid in the year were £7,000,000 (2019: £5,000,000).

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are shown on page 1.

### **Charitable and political contributions**

There were no donations made by the company during the year for political purposes (2019: £nil).

Charitable donations of £48,091 (2019: £50,346) were made in the year of which £10,000 was donated to Cool Earth Action (2019: £47,036).

### **Employment disclosure**

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in maintaining its performance.

# **Fuel Card Services Limited**

## **Directors' report for the year ended 31 March 2020 (continued)**

### **Disclosure of information to auditors**

The directors at the date of approval of this report confirm that:

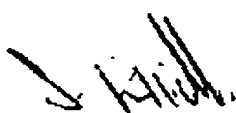
So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Reappointment of auditor**

The auditors, KPMG LLP, have indicated their willingness to continue in office subject to the directors' approval.

By order of the board



S. Elliott  
Company secretary

29 January 2021

Fuel Card Services Ltd  
Alexandra House  
Lawnswood Business Park  
Redvers Close  
Leeds  
West Yorkshire  
LS16 6QY

# **Fuel Card Services Limited**

## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company, to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.





## **Independent auditor's report to the members of Fuel Card Services Limited**

### **Opinion**

We have audited the financial statements of Fuel Card Services Limited ("the company") for the year ended 31 March 2020 which comprise the profit and loss account, balance sheet and statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for the 14 month period ended 31 March 2022 ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis over the going concern period. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or



- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Anthony Hambleton (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

Date: 29 January 2021

# Fuel Card Services Limited

## Profit and loss account for the year ended 31 March 2020

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Turnover</b>	2	<b>987,529</b>	<b>1,104,692</b>
Cost of sales		(944,357)	(1,062,876)
Gross profit		<b>43,172</b>	<b>41,816</b>
Administrative expenses		(21,842)	(21,272)
<b>Operating profit</b>	4	<b>21,330</b>	<b>20,544</b>
Interest receivable and similar income	5	593	479
<b>Profit before taxation</b>		<b>21,923</b>	<b>21,023</b>
Tax on profit	6	(4,236)	(4,116)
<b>Profit for the financial year</b>		<b>17,687</b>	<b>16,907</b>

All results relate to continuing operations.

There were no recognised gains or losses other than those set out above and therefore no separate statement of other comprehensive income has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year as stated above and their historical cost equivalents.

The attached notes form an integral part of the financial statements.

# Fuel Card Services Limited

## Balance sheet as at 31 March 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	8	8,261	9,129
Tangible assets	9	6,564	3,634
		<b>14,825</b>	<b>12,763</b>
<b>Current assets</b>			
Stocks	10	1,843	3,827
Debtors (including £6,000 (2019: £161,000) due after more than one year)	11	128,840	125,145
Cash at bank and in hand	12	1,820	18,866
		<b>132,503</b>	<b>147,838</b>
<b>Creditors - amounts falling due within one year</b>	13	<b>(93,761)</b>	<b>(117,721)</b>
<b>Net current assets</b>		<b>38,742</b>	<b>30,117</b>
<b>Total assets less current liabilities</b>		<b>53,567</b>	<b>42,880</b>
<b>Net assets</b>		<b>53,567</b>	<b>42,880</b>
<b>Capital and reserves</b>			
Called-up share capital	15	22,020	22,020
Share premium account	16	40	40
Capital redemption reserve	16	250	250
Profit and loss account	16	31,257	20,570
<b>Total shareholders' funds</b>		<b>53,567</b>	<b>42,880</b>


The accompanying notes form part of these financial statements.

The financial statements were approved by the board of directors on 29 January 2021 and were signed on its behalf by:



K Bane  
Director

29 January 2021



S Elliott  
Director

29 January 2021

Company Registration No. 02107821

# Fuel Card Services Limited

## Statement of changes in equity as at 31 March 2020

	Called up Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholder's equity £'000
Balance at 31 March 2018	22,020	40	250	8,663	30,973
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-	-	16,907	16,907
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	16,907	16,907
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(5,000)	(5,000)
Total contributions by and distributions to owners	-	-	-	(5,000)	(5,000)
<b>Balance at 31 March 2019</b>	<b>22,020</b>	<b>40</b>	<b>250</b>	<b>20,570</b>	<b>42,880</b>
	Called up Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total shareholder's equity £'000
Balance at 31 March 2019	22,020	40	250	20,570	42,880
<b>Total comprehensive income for the period</b>					
Profit or loss	-	-	-	17,687	17,687
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	17,687	17,687
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	(7,000)	(7,000)
Total contributions by and distributions to owners	-	-	-	(7,000)	(7,000)
<b>Balance at 31 March 2020</b>	<b>22,020</b>	<b>40</b>	<b>250</b>	<b>31,257</b>	<b>53,567</b>

The attached notes form an integral part of the financial statements.

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020

### 1. Accounting policies

A summary of the principal accounting policies is set out below. All of these have been applied consistently throughout the year and the preceding year.

#### Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Fuel Card Services Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, DCC plc includes the Company in its consolidated financial statements. The consolidated financial statements of DCC plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the company secretary at DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Going concern

The directors consider a going concern basis to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a 14 month period to March 2022 which indicate that, taking account of reasonably possible severe but plausible downsides as discussed below, the company will have sufficient funds to meet its liabilities as they fall due for that period. In particular, the directors have taken into consideration cash flow projections from potential stress scenarios regarding the impact of the current COVID-19 pandemic and the timing of recovery as the measures on social distancing are eased and the number of customers drawing fuel increases.

The “national lockdown” implemented across the UK and the consequential impact on customers drawing fuel and fuel related products, resulted in a marked decline in revenue of the Company through Q1 of 2020/2021. The Company reacted to this by managing costs and receiving UK government support by way of the Coronavirus Job Retention Scheme, which has enabled the Company to protect its cash position through the period when revenues have been impacted to the greatest extent. The Company’s use of the Coronavirus Job Retention Scheme has reduced since the pandemic peak and with effect from 1<sup>st</sup> October 2020 all staff have returned to work.

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 1. Accounting policies (continued)

The Company experienced good recovery in volumes and margins in Q2, which continued into Q3 despite a four week lockdown. Whilst we expect the latest lockdown to have a modest impact on our Q4 results, initial indications are that our volumes remain buoyant. Though the timing and shape of recovery is uncertain and accordingly, the Company has modelled downside scenarios, taking account of current levels of trading and the consequential impact on cash flows, including working capital. The downside scenarios modelled including a further period of lockdown with a gradual recovery of revenues from Spring 2021, albeit not back up to levels seen pre COVID-19. The modelling assumes that the Company will not utilise the extended furlough scheme. Despite this, in modelling these downside scenarios, the Company forecasts sufficient headroom in its available financial resources over the next 12 months. Financial resources include the Company's available cash resources and the intercompany balance with its parent company, which as a result of the group's treasury management policy is readily convertible to cash. As disclosed in the notes to these financial statements, the Company has limited external loan and finance lease borrowings and no capital commitments.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the 14 month period ending March 2022 and therefore have prepared the financial statements on a going concern basis.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	5 - 10 years
Motor vehicles	4 - 5 years
Office & IT equipment	3 - 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

#### Intangible assets

The cost of purchased goodwill in the company is capitalised at cost and written off on a straight-line basis over 20 years. Provision is made for any impairment.

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 1. Accounting policies (continued)

#### Pension costs

The company operates a money purchase pension scheme for certain directors and an auto enrolment scheme open to all employees, the costs of which are charged to the profit and loss account as incurred. The assets in the scheme are held separately from those of the company.

#### Turnover

Turnover comprises the value of sales, excluding VAT and trade discounts, of goods and services in the normal course of business and is recognised when the ownership have transferred to the customer i.e the point at which the customer draws fuel, or purchases other products.

#### Leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred.

#### Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

### 2. Turnover

The turnover is derived wholly from the principal activities of the company conducted within the United Kingdom.



# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 3. Information regarding directors and employees

#### Directors' remuneration:

##### Remuneration

The remuneration of the directors was as follows:

	2020 £'000	2019 £'000
Emoluments	764	1,004
Company contributions to money purchase schemes and personal pension schemes	34	41
	798	1,045

##### Pensions

The number of directors for whom contributions were made to pension schemes was as follows:

	2020 No.	2019 No.
Money purchase schemes and personal pension schemes	3	4

Note: D Keating, D Doorly and E O'Brien are remunerated through DCC Plc.

##### Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2020 £'000	2019 £'000
Emoluments	345	341
Company contributions to money purchase scheme and personal pension schemes	10	10
	355	351

Staff numbers	2020 No.	2019 No.
<b>Monthly average number of persons employed</b>		
Sales and administration	306	341

	2020 £'000	2019 £'000
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	8,403	8,861
Social security costs	764	830
Other pension costs	235	216
	9,402	9,907

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 4. Operating profit

Operating profit is stated after charging:

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets owned (note 9)	362	560
Amortisation of goodwill (note 8)	868	867
Operating lease rentals - buildings	416	418
Staff costs (note 3)	9,402	9,907
Services provided by the company's auditors		
Fees payable for the audit	29	13

Fuel Card Services Limited also bears the auditors remuneration for other companies within the sub group headed by Dyneley Holdings Limited.

### 5. Interest receivable and similar income

	2020 £'000	2019 £'000
Bank and other interest	593	479

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 6. Tax on profit on ordinary activities

The tax charge comprises:

	31 March 2020 £'000	31 March 2019 £'000
<b>Current Tax</b>		
UK corporation tax	4,100	4,114
Adjustment in respect of previous years	(19)	(68)
	<b>4,081</b>	<b>4,046</b>
<b>Deferred Tax</b>		
Current year	206	65
Effect of changes in tax rate	(22)	-
Adjustments in respect of previous years	(29)	5
<b>Tax on profit on ordinary activities</b>	<b>4,236</b>	<b>4,116</b>
The tax assessed for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:		
	2020 £'000	2019 £'000
<b>Profit on ordinary activities before taxation</b>	<b>21,923</b>	<b>21,023</b>
Profit on ordinary activities multiplied by standard rate in the UK of 19% (2019: 19%)	4,165	3,994
Effect of:		
Depreciation in excess of capital allowances and other timing differences	143	143
Expenses disallowed for tax purposes	1	51
Origination and reversal of timing differences	(23)	(9)
Transfer pricing adjustments	(2)	-
Adjustments in respect of previous years	(48)	(63)
<b>Tax on profit from ordinary activities</b>	<b>4,236</b>	<b>4,116</b>

### Factors affecting tax charge in the future

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 March 2020 has been calculated at 19% (2019: 17%).

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 7. Dividends

	2020 £'000	2019 £'000
<b>Dividends paid to ordinary shareholders</b> (2020: £0.32 per share, 2019: £0.23 per share)	<b>7,000</b>	<b>5,000</b>

During the year, a dividend of £7,000,000 (2019: £5,000,000) was paid from subsidiary Fuel Card Services Limited to The Fuel Card Group Limited. The Fuel Card Group Limited then subsequently paid a total dividend of £7,000,000 (2019: £5,000,000) to its parent company Dyneley Holdings Limited.

### 8. Intangible assets

	Goodwill £'000
<b>Cost as at 1 April and 31 March</b>	<b>17,203</b>
<b>Accumulated amortisation</b>	
At 31 March 2019	8,074
Charge for the year	868
<b>At 31 March 2020</b>	<b>8,942</b>
<b>At 31 March 2020</b>	<b>8,261</b>
At 31 March 2019	9,129

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 9. Tangible Assets

	Leasehold improvements	Motor vehicles	Office equipment and IT	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2019	703	40	7,546	8,289
Additions	-	56	3,373	3,429
Disposals	-	(24)	(137)	(161)
<b>At 31 March 2020</b>	<b>703</b>	<b>72</b>	<b>10,782</b>	<b>11,557</b>
<b>Accumulated depreciation</b>				
At 1 April 2019	616	40	3,999	4,655
Charge for the year	39	9	314	362
Disposals	-	(24)	-	(24)
<b>At 31 March 2020</b>	<b>655</b>	<b>25</b>	<b>4,313</b>	<b>4,993</b>
<b>Net book value</b>				
<b>At 31 March 2020</b>	<b>48</b>	<b>47</b>	<b>6,469</b>	<b>6,564</b>
At 1 April 2019	87	-	3,547	3,634

### 10. Stocks

	2020 £'000	2019 £'000
Oil products	1,843	3,827

The cost of oil products recognised in the year as cost of sales amounted to £944m (2019: £1,063m).

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 11. Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	32,766	44,818
Amounts owed by group undertakings	95,575	79,475
Other debtors	12	100
Prepayments and accrued income	481	591
	<b>128,834</b>	<b>124,984</b>
Amounts falling due after more than one year:		
Deferred tax (note 14)	6	161
	<b>128,840</b>	<b>125,145</b>

The amounts owed by group undertakings are unsecured, interest bearing at base rate (0.5%) and repayable on demand.

### 12. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	1,820	18,866
	<b>1,820</b>	<b>18,866</b>

### 13. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	80,806	105,715
Amounts owed to group undertakings	7,031	5,789
Corporation tax - group relief	2,205	2,114
Other creditors		
- Other taxation and social security	1,744	1,803
- Other creditors	751	1,022
Accruals and deferred income	1,224	1,278
	<b>93,761</b>	<b>117,721</b>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 14. Deferred tax

	2020 £'000	2019 £'000
<b>Provision for deferred tax</b>		
At 1 April	161	231
Transfer to profit and loss account	(155)	(70)
<b>At 31 March</b>	<b>6</b>	<b>161</b>

The deferred tax asset is included within debtors in note 11.

The amounts provided for deferred taxation are set out below:

	2020 £'000	2019 £'000
Accelerated capital allowances	6	161

### 15. Called up share capital

	2020 £'000	2019 £'000
<b>Authorised, allotted, called-up and fully paid</b>		
22,020,000 (2019: 22,020,000 ) ordinary shares of £1 (2019: £1) each	22,020	22,020

### 16. Reserves

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise:

	2020 £'000	2019 £'000
<b>Distributable:</b>		
Profit and loss account	31,257	20,570
<b>Non-distributable:</b>		
Share premium account	40	40
Capital redemption reserve	250	250
	<b>31,547</b>	<b>20,860</b>

# Fuel Card Services Limited

## Notes to the financial statements for the year ended 31 March 2020 (continued)

### 17. Guarantees and other financial commitments

#### a. *Guarantees*

The company has given, and is the beneficiary of, cross guarantees in respect of banking arrangements covering its own facilities and those of Dyneley Holdings Limited and those of The Fuel Card Group Limited and Fuel Card Limited, which are subsidiary undertakings of Dyneley Holdings Limited.

#### b. *Capital commitments*

At the end of the year there were £nil capital commitments (2019: £nil).

#### c. *Lease commitments*

The company had entered into operating leases in respect of buildings.

The minimum annual rentals for the operating leases were as follows:

	2020 Buildings £'000	2019 Buildings £'000
Within one year	492	493
Within two and five years	1,502	1,652
Over five years	476	818

### 18. Ultimate parent company

The immediate parent company is The Fuel Card Group Limited.

The ultimate parent company and controlling party is DCC plc, a company incorporated in Ireland, which is the parent company of the largest group to consolidate these financial statements. Copies of the financial statements for DCC plc can be obtained from the company secretary at DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

### 19. Related party transactions

The company has taken advantage of the exemption under FRS 102, on the grounds that it is a wholly owned subsidiary of a group headed by DCC plc.