ARTHUR ANDERSEN

Fuel Card Services Limited
(formerly Floyd Oil Distributors Limited)

Accounts 31 December 2000
together with directors' and auditors' reports

Registered Number: 2107821



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COMPANIES HOUSE 07/07/01

Directors' report

For the year ended 31 December 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report for the year ended 31 December 2000.

Principal activity and business review

The principal activity of the company during the year was the sale and administration of petroleum products via the use of fuel cards. On 4 January 2000 the company disposed of its Yorkshire region bulk distribution business.

The company once again produced a profitable result, despite intense competition. Turnover on continuing operations shows a small increase. 2001 has started well and the company should continue to be profitable in the next financial year.

On 28 February 2000 the company changed its name to Fuel Card Services Limited.

Results and dividends

The profit for the year after taxation was £488,000 (1999 - £220,000).

Dividends paid in the year were £500,000 (1999 - £180,000).

Directors and their interests

The directors who served during the year together with their interests in the shares of the company were:

	Ordinary shares of £1 each	
	2000	1999
	£	£
G.R. Lister	1	1
P.V. Butterworth	-	-
S. Elliott	-	-

The interests of the directors in the shares of the ultimate parent company are disclosed in the accounts of that company.

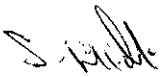
The directors had no other interests requiring disclosure under Section 234 of the Companies Act 1985.

Auditors

A resolution will be placed before the Annual General Meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Registered office
8 Kerry Hill
Horsforth
Leeds
LS18 4AY

By order of the Board



S. Elliott
Secretary

22 May 2001

Directors' responsibilities

Company law requires the directors to prepare accounts 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 period. In preparing those accounts, 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 accounting standards have been followed; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ARTHUR ANDERSEN

To the Shareholders of Fuel Card Services Limited:

We have audited the accounts on pages 5 to 17 which have been prepared under the historical cost convention and using the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the company's state of affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors

1 City Square
Leeds
LS1 2AL

22 May 2001

Profit and loss account

For the year ended 31 December 2000

	Note	2000 £'000	1999 £'000
Turnover			
Continuing operations		5,394	4,311
Discontinued operations		-	18,158
	1	5,394	22,469
Cost of sales	2	(4,991)	(20,254)
Gross profit	2	403	2,215
Other operating expenses (net)	2	(314)	(2,036)
Operating profit			
Continuing operations		89	140
Discontinued operations		-	39
		89	179
Profit on disposal of discontinued operations		558	150
Interest receivable and similar income	3	111	32
Interest payable and similar charges	4	(1)	(35)
Profit on ordinary activities before taxation	5	757	326
Tax on profit on ordinary activities	7	(269)	(106)
Profit on ordinary activities after taxation		488	220
Dividends paid	8	(500)	(180)
Retained (loss) profit for the financial year		(12)	40
Retained profit, beginning of year		442	402
Retained profit, end of year		430	442

The movement on reserves is shown in note 15.

No statement of recognised gains and losses has been prepared as there have been no recognised gains or losses other than the profit for both the current and preceding year as reported.

The accompanying notes are an integral part of this profit and loss account.

Note of historical cost profits and losses

For the year ended 31 December 2000

	2000 £'000	1999 £'000
Reported profit on ordinary activities before taxation	757	326
Realisation of property revaluation gains of previous years	173	-
Historical cost profit on ordinary activities before taxation	930	326
Historical cost profit for the year retained after taxation and dividends	161	40

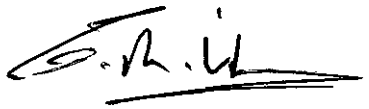
The accompanying notes are an integral part of this note of historical cost profits and losses.

Balance sheet

31 December 2000

	Note	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	9	305	779
Current assets			
Stocks	10	24	219
Debtors	11	702	2,764
Cash at bank and in hand		538	943
		1,264	3,926
Creditors: Amounts falling due within one year	12	(648)	(3,780)
Net current assets		616	146
Total assets less current liabilities		921	925
Provision for liabilities and charges	13	(8)	-
Net assets		913	925
Capital and reserves			
Called-up share capital	14	20	20
Share premium account	15	40	40
Revaluation reserve	15	-	173
Capital redemption reserve	15	250	250
Profit and loss account	15	603	442
Total capital employed	16	913	925

The accounts on pages 5 to 17 were approved by the board of directors on 22 May 2001 and signed on its behalf by:

G. R. Lister  Director

P. V. Butterworth  Director

The accompanying notes are an integral part of this balance sheet.

Statement of accounting policies

31 December 2000

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year is set out below:

Basis of accounting

The accounts are prepared under the historical cost convention, as modified to include the revaluation of freehold land and buildings, and have been prepared in accordance with applicable accounting standards.

Tangible fixed assets

Freehold land and buildings are shown at original historical cost or valuation. Other fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets except freehold land and buildings.

Freehold properties are maintained as a matter of company policy by a programme of repair and refurbishment such that the residual values of these properties are at least equal to their book values. Having regard to this the directors are of the opinion that depreciation of any such property, as required by the Companies Act and standard accounting practice, would not be material.

Depreciation on all other assets 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:

Plant and equipment	3 - 7 years
Motor vehicles	4 - 7 years
Fixtures and fittings	3 - 7 years

Stocks

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

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided at the rate at which the liability is expected to crystallise only to the extent that the directors are of the opinion that such taxation will become payable.

Pension costs

The company operates a money purchase pension scheme for certain of the directors, the costs of which are charged to the profit and loss account as incurred. The company also contributes to personal pension schemes for the remaining directors and certain other employees.

Turnover

Turnover comprises the value of sales, excluding VAT and trade discounts, of goods and services in the normal course of business.

Leases

Assets held under operating leases are not reported in the balance sheet. Assets held under finance leases are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within one year or after. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of return on the outstanding balance. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Cash flow statement

A cash flow statement has not been prepared as the company's parent undertaking, The Fuel Card Group Limited, has prepared a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1 (Revised).

1 Segment information

Turnover and operating profit are derived wholly from the principal activity within the United Kingdom.

2 Cost of sales, gross profit and other operating expenses (net)

	2000	1999		
	Continuing operations £'000	Continuing operations £'000	Discontinued operations £'000	Total £'000
Cost of sales	4,991	3,958	16,296	20,254
Gross profit	403	353	1,862	2,215
Selling and distribution costs	78	23	1,029	1,052
Administrative expenses	236	190	794	984
	314	213	1,823	2,036

3 Interest receivable and similar income

	2000 £'000	1999 £'000
Bank and other Interest	111	32

4 Interest payable and similar charges

	2000 £'000	1999 £'000
On bank overdraft	1	9
Finance lease and hire purchase contracts (discontinued)	-	26
	1	35

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2000 £'000	1999 £'000
Depreciation of tangible fixed assets		
- owned	102	141
- held under finance leases and hire purchase contracts	-	25
Amortisation of goodwill	-	7
Hire of vehicles under operating leases	1	111
Staff costs (see note 6)	786	1,565
Auditors' remuneration - audit fees	7	9
- non audit fees	5	2

6 Staff costs

Particulars of employees (including executive directors) are shown below:

	2000 £'000	1999 £'000
Employee costs during the year amounted to:		
Wages and salaries	652	1,166
Social security costs	64	117
Other pension costs	70	282
	786	1,565

The average monthly number of persons employed by the company during the year was as follows:

	2000 Number	1999 Number
Distribution	-	4
Sales and administration	19	31
	19	35

6 Staff costs (continued)

Directors' remuneration:

Remuneration

The remuneration of the directors was as follows:

	2000 £'000	1999 £'000
Emoluments	415	712
Company contributions to money purchase and personal pension schemes	53	256
Compensation for loss of office	-	25
	468	993

Pensions

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

	2000 Number	1999 Number
Money purchase schemes and personal pension schemes	3	4

Highest-paid director

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

	2000 £'000	1999 £'000
Emoluments	179	319
Company contributions to money purchase scheme	24	124
	203	443

7 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2000 £'000	1999 £'000
Corporation tax	261	116
Deferred tax	8	(10)
	269	106

8 Dividends paid

	2000 £'000	1999 £'000
Equity shares		
- interim paid of £25 (1999 - £9) per ordinary share	500	180

9 Tangible fixed assets

The movement in the year was as follows:

	Freehold land and buildings £'000	Leasehold improvements £'000	Motor vehicles £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 January 2000	434	4	424	104	182	1,148
Additions	-	-	126	-	9	135
Disposals	(252)	-	(430)	(91)	(2)	(775)
At 31 December 2000	182	4	120	13	189	508
Depreciation						
At 1 January 2000	-	(2)	(145)	(91)	(131)	(369)
Disposals	-	-	183	84	1	268
Charge	-	(1)	(70)	(4)	(27)	(102)
At 31 December 2000	-	(3)	(32)	(11)	(157)	(203)
Net book value						
At 1 January 2000	434	2	279	13	51	779
At 31 December 2000	182	1	88	2	32	305

Part of the company's freehold property was revalued in 1989. Its value on an historical cost basis is £79,000 (1999 - £79,000). This property was disposed of during the year.

10 Stocks

	2000 £'000	1999 £'000
Oil products	24	219

11 Debtors: Amounts falling due within one year

	2000 £'000	1999 £'000
Trade debtors	637	2,558
Other debtors	14	86
Amounts owed by group undertakings	30	62
Prepayments and accrued income	21	58
	702	2,764

12 Creditors: Amounts falling due within one year

	2000 £'000	1999 £'000
Trade creditors	348	3,399
Amounts owed to group undertakings	22	22
Other creditors		
- VAT	37	62
- UK corporation tax payable	162	116
- Social security and PAYE	23	78
- Other creditors	8	11
Accruals and deferred income	48	92
	648	3,780

13 Provision for liabilities and charges

	2000 £'000	1999 £'000
Beginning of year	-	10
Charged (credited) to profit and loss account	8	(10)
End of year	8	-

Deferred tax is provided as follows:

	2000 £'000	1999 £'000
Accelerated capital allowances	8	-

There is no unprovided deferred tax (1999 - £nil).

14 Called-up share capital

	2000 £'000	1999 £'000
Authorised, allotted, issued and fully paid		
Ordinary shares of £1 each	20	20

15 Reserves

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

	2000 £'000	1999 £'000
Distributable:		
- profit and loss account	603	442
Non-distributable:		
- share premium account	40	40
- revaluation reserve	-	173
- capital redemption reserve	250	250
	893	905

15 Reserves (continued)

The movement in reserves is as follows:

	Share premium account £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Beginning of year	40	173	250	442	905
Retained loss for the year	-	-	-	(12)	(12)
Disposal of revalued property	-	(173)	-	173	-
End of year	40	-	250	603	893

16 Movement in shareholders' funds

The movement in shareholders' funds during the year was as follows:

	2000 £'000	1999 £'000
Profit for the financial year	488	220
Dividends paid	(500)	(180)
Net (reduction in) addition to shareholders' funds	(12)	40
Opening shareholders' funds	925	885
Closing shareholders' funds	913	925

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 The Fuel Card Group Limited and those of Network Card Limited, Fuel Network Limited and Fuel Card Limited, which are subsidiary undertakings of The Fuel Card Group Limited. The company has granted fixed and floating charges on all its assets including book debts to secure a group bank overdraft facility of £250,000 (1999 - £1.5 million).

b. Capital commitments

At the end of the year there were no capital commitments (1999 - £nil).

17 Guarantees and other financial commitments (continued)

c. Lease commitments

The company has entered into operating leases in respect of motor vehicles, the payments for which extend for a period of up to 5 years.

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

	2000 £'000	1999 £'000
Operating leases which expire:		
Within 1 - 2 years	7	-

18 Ultimate parent company

As a subsidiary undertaking of The Fuel Card Group Limited (formerly Floyd Group Holdings Limited), the company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' not to disclose transactions with other members of the group headed by The Fuel Card Group Limited.

The company is a subsidiary undertaking of The Fuel Card Group Limited. This is the only group in which the results of the company are consolidated. The accounts of The Fuel Card Group Limited are available to the public and may be obtained from:

8 Kerry Hill
Horsforth
Leeds
LS18 4AY