Company Registration No. 2107821

FUEL CARD SERVICES LIMITED

Annual report and financial statements

for the year ended 31 March 2011



Fuel Card Services Limited

Annual report and financial statements for the year ended 31 March 2011

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Fuel Card Services Limited

Directors and advisors for the year ended 31 March 2011

Directors

S Elliott
B M Jordan
D Murphy
S Chesworth

Company secretary

S Elliott

Registered office

Alexandra House
Lawnswood Business Park
Redvers Close
Leeds
LS16 6QY

Bankers

National Westminster Bank Plc
3rd Floor
2 Whitehall Quay
Leeds
LS1 4HR

Solicitors

Pinsent Masons
1 Park Row
Leeds
LS1 5AB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Fuel Card Services Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2011

Principal activity and business review

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

On 30 June 2010, the trade and assets of Bernard Brogan Limited fuel card business were transferred into the Fuel Card Services Limited entity under an inter group business transfer agreement

On 1 March 2011, the company acquired an e-commerce website and domain names from EKM Systems Limited for a total consideration of £110,000

The turnover of the company has increased during the year under review and the directors do not expect any significant change in the nature of the activity of the company in the next financial year

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 are managed on a group basis

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

Results and dividends

The company's profit after taxation for the year was £5,796,000 (2010 £4,616,000)

Dividends paid and proposed in the year were £nil (2010 £nil)

Directors

The directors who held office during the year are given below

S Elliott
B M Jordan
D Murphy
S Chesworth

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 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

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 auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By order of the board



S Elliott
Company secretary
16 May 2011

Independent auditors' report to the members of Fuel Card Services Limited

We have audited the financial statements of Fuel Card Services Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out 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 Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report to the members of Fuel Card Services Limited (continued)

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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

R Casson

Randal Casson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
16 May 2011

Fuel Card Services Limited

Profit and loss account for the year ended 31 March 2011

	Note	31 March 2011 £'000	31 March 2010 £'000
Turnover			
- Continuing operations		**450,655**	360,450
- Acquisitions		**77,941**	5,071
	2	**528,596**	365,521
Cost of sales	2	**(511,502)**	(352,285)
Gross profit		**17,094**	13,236
Administrative expenses	2	**(8,845)**	(6,878)
Other operating income	2	**12**	79
Operating profit			
- Continuing operations		**6,652**	6,261
- Acquisitions		**1,609**	176
	4	**8,261**	6,437
Interest receivable and similar income	5	**75**	68
Interest payable and similar charges	6	**-**	(1)
Profit on ordinary activities before taxation		**8,336**	6,504
Tax on profit on ordinary activities	7	**(2,540)**	(1,888)
Profit for the financial year	16	**5,796**	4,616

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

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

Fuel Card Services Limited

Balance sheet as at 31 March 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	8	**1,186**	803
Intangible assets	9	**15,516**	3,587
		16,702	4,390
Current assets			
Stocks	10	**1,221**	986
Debtors (including £100,000 (2010 £15,000) due after one year)	11	**49,869**	45,915
Cash at bank and in hand		**483**	378
		51,573	47,279
Creditors: amounts falling due within one year	12	**(54,639)**	(43,829)
Net current (liabilities)/assets		**(3,066)**	3,450
Total assets less current liabilities		**13,636**	7,840
Net assets		**13,636**	7,840
Capital and reserves			
Called up share capital	14	**20**	20
Share premium account	15	**40**	40
Capital redemption reserve	15	**250**	250
Profit and loss reserve	15	**13,326**	7,530
Total shareholders' funds	16	**13,636**	7,840

The financial statements on pages 6 to 19 were approved by the board of directors on 16 May 2011 and were signed on its behalf by

B M Jordan
Director

S Elliott
Director

Company Registration No 2107821

Fuel Card Services Limited

Notes to the financial statements for the year ended 31 March 2011

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 with the preceding year

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of freehold property, and in accordance with the Companies Act 2006 and applicable accounting standards

The company is a wholly owned subsidiary company of a group headed by DCC plc, and is included in the consolidated financial statements of that company, which are publicly available Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, 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 or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

Leasehold improvements	5 years
Motor vehicles	4 - 5 years
Fixtures and fittings	3 - 7 years

Intangible assets

The cost of purchased goodwill in the group 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

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of 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 differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 certain of the remaining directors and certain other employees The assets in the scheme are held separately from those of the company

Notes to the financial statements for the year ended 31 March 2011 (continued)

1. Accounting policies (continued)

Turnover

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

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

Revenue is recognised on customer receipt of goods or products

Leases

Assets held under operating leases are not reported in the balance sheet 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 The costs in respect of operating leases are charged to the profit and loss account

2. Cost of sales, gross profit, administrative expenses and other operating income

	31 March 2011 Continuing operations	**31 March 2011 Acquisition**	31 March 2010 Continuing operations	31 March 2010 Acquisition
	£'000	**£'000**	£'000	£'000
Turnover	**450,655**	**77,941**	360,450	5,071
Cost of sales	**(436,234)**	**(75,268)**	(347,456)	(4,829)
Gross profit	**14,421**	**2,673**	12,994	242
Administrative expenses	**(7,781)**	**(1,064)**	(6,812)	(66)
Other operating income	**12**	**-**	79	-
Operating profit	**6,652**	**1,609**	6,261	176

On 30 June 2010, the trade and assets of Bernard Brogan Limited fuel card business were transferred into the Fuel Card Services Limited entity under an inter group business transfer agreement

Notes to the financial statements for the year ended 31 March 2011 (continued)

3. Information regarding directors and employees

Directors' remuneration:

Remuneration

The remuneration of the directors was as follows

	2011 £'000	2010 £'000
Emoluments	**542**	498
Company contributions to money purchase schemes and personal pension Schemes	**39**	36
	581	534

Pensions

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

	2011 No.	2010 No
Money purchase schemes and personal pension schemes	**3**	3

Note D Murphy is remunerated through DCC Plc

Highest-paid director

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

	2011 £'000	2010 £'000
Emoluments	**232**	202
Company contributions to money purchase scheme	**3**	3
	235	205

	2011 No.	2010 No
Weekly average number of persons employed		
Sales and administration	**169**	137

	£'000	£'000
Staff costs during the year (including directors)		
Wages and salaries	**3,669**	2,985
Social security costs	**360**	299
Pension costs	**72**	72
	4,101	3,356

Notes to the financial statements for the year ended 31 March 2011 (continued)

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2011 £'000	2010 £'000
Depreciation of tangible fixed assets owned (note 8)	**273**	226
Profit on fixed asset disposals	**(12)**	(79)
Amortisation of goodwill (note 9)	**681**	209
Operating lease rentals - buildings	**162**	152
Staff costs (note 3)	**4,101**	3,356
Services provided by the company's auditor		
Fees payable for the audit	**13**	17
Fees payable for other services - tax compliance	**7**	5

Fuel Card Services Limited also bears the auditor remuneration for other companies within the sub group

5. Interest receivable and similar income

	2011 £'000	2010 £'000
Bank and other interest	**75**	68

6. Interest payable and similar charges

	2011 £'000	2010 £'000
Bank and other interest	**-**	1

Notes to the financial statements for the year ended 31 March 2011 (continued)

7. Tax on profit on ordinary activities

The tax charge comprises

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	**2,630**	1,862
Group relief	**-**	(3)
Adjustment in respect of previous periods	**(5)**	15
	2,625	1,874
Deferred tax		
Current year	**(47)**	(22)
Adjustment in respect of previous periods	**(38)**	36
Tax on profit on ordinary activities	**2,540**	1,888

The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	**8,336**	6,504
Profit on ordinary activities multiplied by standard rate in the UK of 28% (2011 28%)	**2,334**	1,821
Effect of		
Accelerated capital allowances and other timing differences	**50**	22
Expenses disallowed for tax purposes	**246**	16
Adjustments in respect of previous period	**(5)**	15
Current tax	**2,625**	1,874

Factors affecting tax charge in the future
The rate of corporation tax in the United Kingdom changes to 26% with effect from 1 April 2011 A change in the rate of corporation tax to 26% had been substantively enacted at the balance sheet date, hence deferred tax balances have been shown on this basis Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014 These further reductions had not been substantively enacted at the balance sheet date and therefore are not included in these financial statements

Notes to the financial statements for the year ended 31 March 2011 (continued)

8. Tangible fixed assets

	Leasehold improvements	Motor vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2010	297	137	770	1,204
Additions	103	22	601	726
Disposals	-	(41)	(66)	(107)
At 31 March 2011	**400**	**118**	**1,305**	**1,823**
Depreciation				
At 1 April 2010	22	59	320	401
Charge for the year	38	25	210	273
Disposals	-	(37)	-	(37)
At 31 March 2011	**60**	**47**	**530**	**637**
Net book value				
At 31 March 2011	**340**	**71**	**775**	**1,186**
At 31 March 2010	275	78	450	803

Notes to the financial statements for the year ended 31 March 2011 (continued)

9. Intangible assets

	Goodwill
	£'000
Cost	
At 1 April 2010	4,093
Additions (note 19)	12,610
At 31 March 2011	**16,703**
Amortisation	
At 1 April 2010	506
Charge for year	681
At 31 March 2011	**1,187**
At 31 March 2011	**15,516**
At 31 March 2010	3,587

10. Stocks

	2011	2010
	£'000	£'000
Oil products	**1,221**	986

Notes to the financial statements for the year ended 31 March 2011 (continued)

11. Debtors

	2011 £'000	2010 £'000
Amounts due within one year		
Trade debtors	**26,624**	15,499
Amounts owed by group undertakings	**22,055**	29,048
Other debtors	**19**	195
Prepayments and accrued income	**1,071**	1,158
	49,769	45,900
Amounts falling due after more than one year		
Deferred tax (note 13)	**100**	15
	49,869	45,915

The amounts owed by group undertakings are unsecured, interest bearing at 0 25% below base rate and repayable on demand

12. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	**44,167**	32,934
Amounts owed to group undertakings	**6,535**	7,949
Corporation tax - group relief	**2,630**	1,859
Other creditors		
- Other taxation and social security	**676**	488
- Other creditors	**290**	203
Accruals and deferred income	**341**	396
	54,639	43,829

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

Notes to the financial statements for the year ended 31 March 2011 (continued)

13. Deferred tax

	2011 £'000	2010 £'000
Provision for deferred tax		
At 1 April	**15**	16
Transfer from other group companies	**-**	13
Transfer to profit and loss account	**85**	(14)
At 31 March	**100**	15

The deferred tax asset is included within debtors in note 11

The amounts provided for deferred taxation are set out below

	2011 £'000	2010 £'000
Accelerated capital allowances	**100**	(13)
Short term timing differences	**-**	28
At 31 March	**100**	15

14. Called up share capital

	2011 £'000	2010 £'000
Authorised, allotted, called up and fully paid		
20,000 (2010 20,000) ordinary shares of £1 each	**20**	20

Notes to the financial statements for the year ended 31 March 2011 (continued)

15. Reserves

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

	2011 £'000	2010 £'000
Distributable		
Profit and loss account	**13,326**	7,530
Non-distributable		
Share premium account	**40**	40
Capital redemption reserve	**250**	250
	13,616	7,820

The movement in reserves is as follows

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss reserve £'000	Total £'000
1 April 2010	40	250	7,530	7,820
Profit for the year	-	-	5,796	5,796
31 March 2011	**40**	**250**	**13,326**	**13,616**

16. Movement in shareholders' funds

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

	2011 £'000	2010 £'000
Profit for the financial year	**5,796**	4,616
Net addition to shareholders' funds	**5,796**	4,616
Opening shareholders' funds	**7,840**	3,224
Closing shareholders' funds	**13,636**	7,840

Notes to the financial statements for the year ended 31 March 2011 (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, Network Card Limited, Fuel Network Limited and Fuel Card Limited, which are subsidiary undertakings of Dyneley Holdings Limited

b Capital commitments

At the end of the year there were no capital commitments (2010 £nil)

c Lease commitments

The company had entered into operating leases in respect of buildings

Annual commitments under non-cancellable operating leases are as follows

	2011 Buildings £'000	2010 Buildings £'000
Within two and five years	**195**	52
After five years	**-**	97

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 smallest and 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, Brewery Road, Stillorgan, Blackrock, Co Dublin, Ireland

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by DCC plc, whose accounts are publicly available

Notes to the financial statements for the year ended 31 March 2011 (continued)

19. Acquisitions

On 30 June 2010, the group acquired the trade and assets of Bernard Brogan Limited fuel card business as part of an inter group transaction which is accounted for in the financial statements for the year ended 31 March 2011 There were no fair value or accounting policy adjustments required

The analysis of net assets acquired and their fair value to the group is as follows

	Book and fair value £'000
Tangible fixed assets	**74**
Stocks	**1,419**
Debtors	**6,594**
Creditors	**(9,217)**
Net liabilities acquired	**(1,130)**
Goodwill (note 9)	**12,500**
Cash consideration	**11,370**

From the date of acquisition to 31 March 2011 the Bernard Brogan Limited acquisition contributed £77 9m to group turnover and £1 6m to operating profit

On 1 March 2011, the group acquired an e-commerce website and domain names from EKM Systems Limited which is accounted for in the financial statements for the year ended 31 March 2011 There were no fair value or accounting policy adjustments required

The analysis of net assets acquired and their fair value to the group is as follows

	Book and fair value £'000
Net assets acquired	**-**
Goodwill (note 9)	**110**
Cash consideration	**110**