

The Right Fuelcard Company Limited

Annual report and financial statements

Registered number 07547124

31 December 2023



Contents

Company information	1
Strategic report	2-4
Directors’ report	5
Statement of directors’ responsibilities in respect of the Strategic report, the Directors’ report and the financial statements	6
Independent auditor’s report to the members of The Right Fuelcard Company Limited	7-9
Profit and loss account	10
Balance sheet	11
Statement of changes in equity	12
Notes	13-25

Company information

Directors

D Mariconda – Resigned 31 July 2023
JFM Vaucanson
JU Hubau – Resigned 1 March 2023
DEA Coliche – Appointed 1 March 2023
MJ Briggs – Appointed 15 November 2023

Registered office

Suite 1a
One The Embankment
Leeds
LS1 4DW

Company number

07547124

Auditor

Ernst & Young LLP
Bridgewater Place
1 Water Lane
Leeds
LS11 5QR
United Kingdom

Strategic report

The Directors present their strategic report for the year ended 31 December 2023.

Principal activities

The company's principal activity is to provide fuel cards and related services.

Business Model

As a fuel card re-seller, we focus on providing major branded cards in the industry. Our focus is on the level of personal service we provide our customers together with detailed administrative benefits saving time and improving efficiencies.

We focus on speed of service from the time it takes to open accounts, to supply cards and to get customers using the products, continually looking at ways of reducing this.

Business Review

2023 has been another successful year for The Right Fuelcard Company Limited, achieving another year of strong results. Gross profit has increased by £0.3m and profit on ordinary activities before interest and tax by £0.9m, due to a year of strong control on overhead costs. In 2024 the focus will be around ensuring we offer new services to our customers including electric vehicle charging, as the electric vehicle market continues to grow.

Key Performance Indicators

Together with the daily management of cashflow and working capital, the company uses a number of KPIs to manage its business. The most important of these are:

Debtor days

Monitored monthly showing the length of time customers take to pay on average.

Revenue pence per litre

Reviewed daily and reflecting the average profit made on each litre sold.

The actual key performance indicators for the period ended 31 December 2023 have not been disclosed as they are considered to be commercially sensitive.

Principal risks and uncertainties

The directors are aware of the various risks inherent in the business and meet on a regular basis to consider them. The key business risks are:

Price risk

The business is affected by the volatility in the world commodity price of oil. However due to the pricing structure in place with our suppliers the gross profit per litre sold are insulated against this volatility.

Strategic report (continued)

Key Performance Indicators (continued)

Credit risk

Given the general state of the economy, this area remains a particular concern. The company carries a credit insurance policy to safeguard itself against bad debt, but also operates a strict policy of credit checking and reviewing all new and existing commercial customers. Where the risk is deemed too high, a cash bond is obtained from the customer up front or they are offered a prepaid product.

Supply risk

The company has a sound trading relationship with our suppliers and has contracts in place to ensure the continuation of its trade.

System and Processing back ups

The Company regularly tests back up services and systems in the event of IT/communications failure.

Future implications

The shift towards a low carbon economy and the sale of new petrol and diesel cars to end in the UK by 2035 will impact on TRFC going forward, meaning we need to adapt our offering to other alternative products including electric vehicle charging, which is a product we now offer to our customers.

Section 172 (1) statement

Section 172 of the Companies Act 2006 recognises that whilst companies are run for the benefit of the shareholders, a business's long-term success and reputation are dependent upon maintaining relationships with stakeholders and an appreciation of the external impact of its activities.

The board of directors comprises 3 individuals appointed by Edenred.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. They ensure proper reflection on stakeholder engagement and issues is given at Board level and that opportunities for development in this area are positively pursued.

The Board regularly reviews the business's principal stakeholders and how the business engages with them. The sections below set out a more detailed summary of the company's relationships with its key stakeholders and how the business engages with those stakeholders.

In addition to a scheduled programme of Board meetings, the Board and wider members of both the senior UK management and European parent management meet monthly, during which feedback from various business areas, with particular focus on specific stakeholder groups, is fed back to the wider Board.

Key stakeholders include the shareholders, the client base, the supply chain and all employees.

Shareholders - Our ultimate parent Edenred is the principal provider of capital funding and working capital facilities. Together with the minority stakeholders their combined investment enables the company to fund organic growth and ultimately deliver long-term success. Edenred require the company to deliver a return on their investment through regular dividend payments.

Strategic report (continued)

The client base - Profitability and future trade of the business is determined by providing effective and long-term relationships with our customer stakeholders. The main method of engagement between management and customers is via informal interactions throughout the year with the key aim being to maximise speed of service from the time it takes to open accounts, to supply cards and to get customers using the products. If management data presented to the directors at the board meetings shows this measurement is moving adversely or if customer retention is not as expected the directors would instigate corrective action.

The supply chain - Effective relationships with our supply chain stakeholders are essential to ensuring an efficient and dependable product and service is available to our client base. The main method of engagement between management and suppliers is via informal interactions throughout the year ensuring that supply contracts have agreed payment terms and service standards. If management data presented to the directors at the board meetings shows this unexpected movements in creditor days or business disruption caused by supply chain challenges the directors would instigate corrective action.

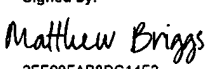
Employees - The business leverages off the hard work and dedication of its employee stakeholders, they assist with sustaining competitive advantage and long-term success. The business operates from just one location where all staff are based. The main method of engagement between management and employees because of this working environment is through on going informal daily interactions. In addition to this all employees have formal contracts of employment. The health & safety of employees is a key concern for the business. Post COVID-19, we have introduced flexible working to enable staff to work at home and in the office.

The outcome of stakeholder engagement generally, as fed back to the Board via the channels referred to above, influences the formulation and ongoing review of the long-term strategy and financial planning to ensure that the approach continues to deliver sustainable returns and promotes reputational reward. The Directors aim to take the needs and priorities of each stakeholder group into account as part of their decision-making processes, recognising that the pertinence of a particular stakeholder group may vary depending upon the matter under consideration.

Future developments

The Company is constantly looking at ways of improving its service offering and also investigating opportunities in markets that we feel complement our core offering

Signed on behalf of the board

Signed by:

MJ Briggs
Director

Suite 1a
One The Embankment
Leeds
England
LS1 4DW

19th July 2024

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2023.

Directors

The directors who held office during the year and up to the date of signing this report were as follows:

D Mariconda – Resigned 31 July 2023

JFM Vaucanson

JU Hubau – Resigned 1st March 2023

DEA Coliche – Appointed 1st March 2023

MJ Briggs – Appointed 15 November 2023

Proposed dividend

The directors recommended payment of a final dividend of £17,136k to be paid in 2024. (2022: £10,114k, paid July 2023).

Disclosure of information in the Strategic Report

Certain information required by the Companies Act 2006 to be included in the Directors' Report has been excluded on the basis that it is included in the Strategic Report on pages 2, 3, and 4.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, Ernst & Young LLP will be deemed to be reappointed and continue in office.

By order of the board

Signed by:

2FE90FAB8DC14F2...
MJ Briggs
Director

Suite 1a
One The Embankment
Leeds
England
LS1 4DW

19th July 2024

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 101 *Reduced Disclosure Framework*.

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
- 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RIGHT FUELCARD COMPANY LIMITED

Opinion

We have audited the financial statements of The Right Fuelcard Company Limited for the year ended 31 December 2023 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 18, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period ending 31 December 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RIGHT FUELCARD COMPANY LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors 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 a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have 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 (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RIGHT FUELCARD COMPANY LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

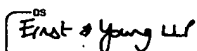
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework, FRS 101, The Companies Act 2006 and the relevant direct and indirect tax laws and regulations in the UK. In addition, we conclude that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosure in the financial statements relating to health & safety, employee laws and regulation and data protection. We understood how The Right Fuelcard Company Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated the results of our enquiries through reading the board minutes and correspondence with UK tax authorities to identify if there are matters where there is a risk of breach of such frameworks that could have a material impact on the company. We understood controls put in place by the management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering previous EY experience with the company, inquiring with management from various parts of the business to understand where they considered there was susceptibility of fraud and what entity level controls are in place. We also identified the existence of performance targets and their potential influence on management to manage earnings by manipulating Revenue. We considered the control that the company has established to address risk identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk relating to revenue and management override of control.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved Our procedures involved; journal entry testing where we leveraged our data analytics platform to review the entire population of journals to assist in identifying specific transactions to test being those that did not meet certain criteria, with a focus on manual journals and journals indicating large or unusual transactions; enquiries of company management and those charged with governance; and challenging the assumptions and judgements made by management by agreeing to supporting third party evidence wherever possible.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Peter Buckler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
19th July 2024

Profit and loss account
for the year ended 31 December 2023

	<i>Note</i>	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Revenue and gross profit		23,110,987	22,770,640
Administrative expenses		(9,775,813)	(10,345,786)
Profit on ordinary activities before interest and taxation	3	13,335,174	12,424,854
Interest receivable and similar income	5	92,763	92,164
Interest payable and similar expenses	4	(144,884)	(38,598)
Profit on ordinary activities before taxation		13,283,053	12,478,420
Tax on profit on ordinary activities	7	(3,199,802)	(2,364,681)
Profit for the financial year		10,083,251	10,113,739

All activities in the year to 31 December 2023 and to 31 December 2022 relate to continuing operations.

The accompanying notes form part of the financial statements.

There are no items to be included in Other Comprehensive Income in the current or prior periods.

The Right Fuelcard Company Limited
Annual report and financial statements
31 December 2023

Balance sheet
As at 31 December 2023

	Note	31 December 2023		31 December 2022	
		£	£	£	£
Fixed assets					
Goodwill	8		31,927,627		31,927,627
Tangible assets	9		2,523,101		2,555,497
			<u>34,450,728</u>		<u>34,483,124</u>
Current assets					
Debtors	10	16,166,616		18,063,179	
Cash at bank and in hand		7,449,106		7,326,649	
		<u>23,615,722</u>		<u>25,389,828</u>	
Creditors: amounts falling due within one year	11	<u>(39,661,066)</u>		<u>(41,476,236)</u>	
Net current liabilities			<u>(16,045,344)</u>		<u>(16,086,408)</u>
Total assets less current liabilities			<u>18,405,384</u>		<u>18,396,715</u>
Creditors: amounts falling due after one year	12		<u>(1,267,303)</u>		<u>(1,228,146)</u>
Net assets			<u>17,138,081</u>		<u>17,168,569</u>
Capital and reserves					
Called up share capital	14		2,000		2,000
Profit and loss account			17,136,081		17,166,569
Shareholders' funds			<u>17,138,081</u>		<u>17,168,569</u>

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 19th July 2024 and were signed on its behalf by:

Signed by:

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MJ Briggs
 Director

Statement of changes in equity

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
Balance at 1 January 2022	2,000	17,857,076	17,859,076
Total comprehensive income for the period			
Profit	-	10,113,739	10,113,739
Total comprehensive income for the period	-	10,113,739	10,113,739
Transactions with owners, recorded directly in equity			
Dividends	-	(10,804,246)	(10,804,246)
Total distributions to owners	-	(10,804,246)	(10,804,246)
Balance at 31 December 2022	2,000	17,166,569	17,168,569

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
Balance at 1 January 2023	2,000	17,166,569	17,168,569
Total comprehensive income for the period			
Profit	-	10,083,251	10,083,251
Total comprehensive income for the period	-	10,083,251	10,083,251
Transactions with owners, recorded directly in equity			
Dividends	-	(10,113,739)	(10,113,739)
Total distributions to owners	-	(10,113,739)	(10,113,739)
Balance at 31 December 2023	2,000	17,136,081	17,138,081

Notes

(forming part of the financial statements)

1 Accounting policies

The Right Fuelcard Company Limited is a company limited by shares and incorporated and domiciled in the UK.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under UK GAAP FRS 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, the Company has applied the requirements of IFRS 1.6-33 and related appendices, and these financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted under FRS101, the Company has taken advantage of the disclosure exemptions under that standard in respect of:

- The requirement of IFRS 7 *Financial Instruments: Disclosures*
- The requirement of IFRS 13 *Fair Value Measurement*
- The requirement of IAS 7 *Statement of cash flows*
- The requirement of IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*
- The requirement of IAS 36 *Impairment of Assets*
- The requirement of IAS 24 *Related Party Transactions*
- Certain property plant and equipment disclosures; and
- The effect of new but not yet effective IFRSs.

Where relevant, equivalent disclosures are given in the group accounts of Edenred S.E.

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

1.1 Accounting convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors consider that as an agent for the sale of fuels the company has a relatively low fixed cost base and even in periods of significantly reduced turnover will remain profitable. However, they are also aware that the working capital model means that a sudden drop in sales results in a one-off adverse movement in working capital.

Recognising these risk factors the directors have prepared cash flow forecasts for the period ending 31st of December 2025 which indicate that, taking account of reasonably possible downsides, the company will be able to trade robustly and the Company will have sufficient funds through the funding via an intercompany treasury agreement from its ultimate parent company Edenred S.E., to meet its liabilities as they fall due for that period.

The intercompany treasury agreement is for total funding of up to £25m and Edenred S.E. has indicated its intention to continue to make this funding available for the period covered by the forecasts. If the Company was no longer a subsidiary of Edenred this support would cease, however this is considered remote in the period covered by the forecasts.

Edenred S.E. has sufficient funds to support the company, supported by a strong financial profit.

Notes (continued)

Accounting policies (continued)

1.2 *Going concern (continued)*

Given the above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the financial statements have been prepared on a going concern basis.

Whilst credit terms can vary, the Company does not expect any fundamental changes to the working capital position to be needed in the foreseeable future, nor is there any formal requirement from key suppliers to vary current terms.

The Directors have concluded with reasonable expectation that the company has adequate resources including parental support to continue in operational existence for the period ending 31st of December 2025. Accordingly, they continue to adopt a position of going concern basis.

1.3 *Accounting estimates and judgements*

The main estimate is in relation to the bad debt provision. This has been increased due to the current economic environment and increases in fraud.

1.4 *Foreign currency*

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 *Classification of financial instruments issued by the Company*

In accordance with FRS 101, 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 company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instrument

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 company'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.

Notes (continued)

Accounting policies (continued)

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss.

Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

1.7 Intangible Fixed Assets - Goodwill

The goodwill recognised in the balance sheet results from a hive-up transaction in 2019 where the company acquired the trades of its then subsidiaries.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period of time chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations, goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews for impairment on an annual basis or whenever there are indicators of impairment. The Company is therefore invoking a “true and fair view override” to overcome the requirement to amortise goodwill over its useful economic life in the Companies Act and goodwill is stated at cost less any accumulated impairment losses. If Goodwill were to be amortised over 109 months (the remaining life at the date of transition to FRS101 based on the policy previously implemented under FRS102) the annual charge would have been £3,514K.

The annual impairment review is based on comparing the carrying value of the single cash generating unit assets to a discounted cash flow model for the cash generating unit. The discount rate used in impairment calculations is 7.9% post tax.

Notes *(continued)***1** **Accounting policies** *(continued)***1.8** **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

All leases are recorded on the balance sheet as right to use assets over the relevant lease term. The only exception to this is where the lease term is less than 12 months or where the lease is of a low value asset (of £3,000 or less). These assets will continue to have their monthly expense charged to the profit and loss account.

Leased assets are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company reviews at each reporting date the residual value, useful life and depreciation method used in assessing tangible fixed assets (including those leased) and also assesses whether any of the assets are impaired.

1.9 **Impairment excluding stocks and deferred tax assets***Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.12 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.13 Turnover

Turnover relates to the sale of fuel (as agent) and fuel card related services to customers, and, is recognised on receipt of the goods and services by the customer.

1.14 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset, if, and when, all conditions for retaining the tax allowances have been met. 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.

Notes (continued)**1 Accounting policies (continued)**

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Expenses and auditors' remuneration

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Depreciation of tangible fixed assets	262,224	306,558
Auditor's remuneration	69,653	64,650
	<u> </u>	<u> </u>

4 Interest payable and similar expenses

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Bank interest paid	114,898	6,791
Right to use interest	29,986	31,807
	<u> </u>	<u> </u>
	144,884	38,598
	<u> </u>	<u> </u>

Notes (continued)

5 Interest receivable and similar income

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Interest received	92,763	92,164
	<u>92,763</u>	<u>92,164</u>

6 Staff numbers and costs

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Wages and salaries	4,089,154	3,585,369
Social security costs	450,338	418,544
Other pension costs	145,022	139,419
	<u>4,684,514</u>	<u>4,143,332</u>

The average number of employees (excluding directors) during the year was 92 (2022: 85).

	Year ended 31 December 2023 No.	Year ended 31 December 2022 No.
Sales	49	44
Administration	43	41
	<u>92</u>	<u>85</u>

The total directors' remuneration for the year was £329k (2022 - £262k). This includes directors who are not paid by the company, but devote a proportion of their time to the affairs of the company and their remuneration for that time has been estimated at £1,000 per director, per month.

Notes (continued)

7 Taxation

	Year ended 31 December 2023 £	Year ended 31 December 2023 £	Year ended 31 December 2022 £	Year ended 31 December 2022 £
<i>Current tax</i>				
Current tax on income for the period	3,105,006		2,315,871	
Adjustments in respect of prior periods	(83,656)		-	
Total current tax		3,021,350		2,315,871
<i>Deferred tax (see note 13)</i>				
Origination and reversal of timing differences	31,178		68,280	
Change in tax rate	-		18,089	
Adjustments in respect of prior periods	147,274		(37,559)	
Total deferred tax		178,452		48,810
Total tax		3,199,802		2,364,681

Reconciliation of effective tax rate

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Profit for the year	10,083,251	10,113,739
Total tax expense	3,199,802	2,364,681
Profit excluding taxation	13,283,053	12,478,420
Tax using the UK corporation tax rate of 23.5% (2022: 19 %)	3,121,518	2,370,900
Non-deductible expenses	14,667	13,251
Deferred tax rate difference	-	18,089
Under/(Over) provided in prior periods	63,617	(37,559)
Total tax expense included in profit or loss	3,199,802	2,364,681

Factors that may affect future tax charges

The corporation tax rate increased from 19% to 25% from April 2023. An effective rate of 23.5% was utilised in the year. Deferred tax has been computed at 25% for 31st December 2022 and 31 December 2023.

Notes (continued)

8 Intangible fixed assets

	Goodwill £
<i>Cost or valuation</i>	
At beginning of period	31,927,627
Revaluations	-
At end of period	31,927,627
<i>Impairment</i>	
At beginning and end of period	-
<i>Net book value</i>	
At 31 December 2023	31,927,627
At 31 December 2022	31,927,627

9 Tangible fixed assets

	Right to use assets £	Office and IT Equipment £	Total £
<i>Cost or valuation</i>			
At beginning of period	1,344,594	1,638,037	2,982,631
Additions	-	229,828	229,828
Disposals	-	(16,434)	(16,434)
At end of period	1,344,594	1,851,431	3,196,025
<i>Depreciation</i>			
At beginning of period	145,661	281,473	427,134
Provided for the period	134,459	127,765	262,224
Disposals	-	(16,434)	(16,434)
At end of period	280,120	392,804	672,924
<i>Net book value</i>			
At 31 December 2023	1,064,474	1,458,627	2,523,101
At 31 December 2022	1,198,933	1,356,564	2,555,497

Notes (continued)

10 Debtors

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Trade debtors	15,382,484	15,501,478
Accrued income	417,609	2,309,759
Prepayments	92,443	109,153
Corporation tax	235,486	123,519
Amounts owed by group undertakings	33,108	19,270
Other debtors	5,486	-
	<u>16,166,616</u>	<u>18,063,179</u>

All amounts shown under debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Trade creditors	28,119,476	32,832,904
Amounts owed to group undertakings	8,730,757	6,051,447
Accruals and deferred income	841,925	1,159,901
Other taxes and social security	1,468,927	872,826
Lease liability	139,294	136,032
Other creditors	360,687	423,126
	<u>39,661,066</u>	<u>41,476,236</u>

12 Creditors: amounts falling due after one year

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Lease liability	1,032,121	1,171,416
Deferred taxation (see note 13)	235,182	56,730
	<u>1,267,303</u>	<u>1,228,146</u>

Notes *(continued)***13 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Accelerated capital allowances	-	-	235,182	56,730	(235,182)	(56,730)
Net tax assets / (liabilities)	-	-	235,182	56,730	(235,182)	(56,730)

14 Called up shared capital

	Year ended	Year ended
	31 December	31 December
	2023	2022
	£	£
1,000 A Ordinary shares of £1 each	1,000	1,000
1,000 B Ordinary shares of £1 each	1,000	1,000
	2,000	2,000

The A and B Ordinary shares are separate classes of shares but carry the same rights and privileges and rank pari passu in all respects.

15 Related party disclosures*Controlling parties*

The immediate parent company is Edenred Fleet and Mobility SAS, which is incorporated in France and the ultimate parent and controlling company is Edenred S.E., which is also incorporated in France. A balance of £8,710,467 (2022 - £6,019,909) was due to Edenred S.E. at the period end under the cash pooling arrangement in place with that company. The Company were owed £798 (2022- owed £11,534) from Edenred S.E. The company owed £1,085 (2022 - £nil) to Edenred (UK Group) Limited. Union Tank Eckstein GmbH & Co. KG owed the Company £33,101 (2022 - £19,249).

Notes (continued)

16 Ultimate parent company

The immediate parent company is Edenred Fleet and Mobility SAS, which is incorporated in France and the ultimate parent and controlling company is Edenred S.E., which is also incorporated in France.

The consolidated financial statements of Edenred S.E. can be obtained from:

<https://www.edenred.com/en/investors-shareholders/financial-results>

Edenred S.E.

Immeuble Be Issy
14-16, boulevard Garibaldi
92130 Issy-les-Moulineaux – France

Copies of the financial statements of Edenred Fleet and Mobility SAS can be obtained from:

Edenred Fleet and Mobility SAS

Immeuble Be Issy
14-16, boulevard Garibaldi
92130 Issy-les-Moulineaux – France

17 Lease liabilities:

The movements of lease liabilities during the year are as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Lease liabilities:		
At the beginning of the year	1,712,277	1,712,277
On transition to IFRS 16	-	-
Additions during the year	-	-
Disposals during the year	-	-
	<u>1,712,277</u>	<u>1,712,277</u>
Accumulated payment:		
At the beginning of the year	404,840	362,486
Interest expense during the year	(29,985)	(31,873)
Payments during the year	166,006	74,227
	<u>540,861</u>	<u>404,840</u>
Net carrying amount:		
At the beginning of the year	1,307,437	1,349,791
At the end of the year	<u>1,171,416</u>	<u>1,307,437</u>

At 31 December 2023, lease liabilities are analysed as follows:

	Year ended December 2023 £	Year ended December 2022 £
Not later than one year	139,294	136,020
Later than one year and not later than five years	591,531	577,624
Later than five years	<u>440,590</u>	<u>593,793</u>

Notes *(continued)*

18 Post Balance Sheet Events:

Post 31st December 2023, a supplier has terminated their contract with the Group. The supplier was developing software for the Company, of which £362,467 had been capitalised up to 31 December 2023. The asset will be impaired in 2024 accounts.