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**EPYX LIMITED**  
**Company Number 04087715**



**EPYX LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2019**

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**EPYX LIMITED**  
**Company Number 04087715**  
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**31 DECEMBER 2019**



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**EPYX LIMITED**  
**Company Number 04087715**



**COMPANY INFORMATION**  
**31 DECEMBER 2019**

**DIRECTORS:**

E R Dey  
A King  
A Kravos-Medimorec  
S J Pisciotta

**REGISTERED OFFICE:**

Heath Farm  
Hampton Lane  
Meriden  
Coventry  
CV7 7LL  
United Kingdom

**REGISTERED NUMBER:**

04087715

**AUDITORS:**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
RG1 1YE  
United Kingdom

## **STRATEGIC REPORT**

The directors present their strategic report for the year ended 31 December 2019.

## **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of providing internet based business applications for the automotive industry.

## **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

### **Business review**

The company's key financial performance indicators during 2019 and 2018 are as follows:

	2019 £'000	2018 £'000	Change
Turnover	45,134	40,788	11%
Gross profit	44,349	39,948	11%
Operating profit	34,398	31,742	8%

Total company turnover has increased by £4.3m during 2019 compared to 2018. Revenue from transactions is derived from our service network relationships. We earn revenue through a program of fees and charges, which can be fixed or based on a variable percentage of the transaction value.

New product initiatives and increased market share have contributed to the increase in revenue and profit.

The financial position of the company's balance sheet at the year-end showed shareholder's funds of £40.6m (2018: £114.1m). The company generated a profit after tax of £30.4m during the year (2018: £26.3m), paid dividends of £105m (2018: £nil) and recorded credits in respect of share options of £1.1m (2018: £0.3m).

## **SECTION 172 (1) STATEMENT**

In accordance with Section 172 (1) the directors act in a way they consider in good faith would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decisions in the long term
- b) The interest of the company's employees
- c) The need to foster the company's business relationships with suppliers, customers and others
- d) The impact of the company's operations on the community and the environment
- e) The desirability of the company maintain a reputation for high standards of business conduct and
- f) The need to act fairly as between members of the company.

The board of directors meet regularly and is collectively responsible for ensuring that the Company's operations are aligned to our internal values and to focus on the short and long term strategically important decisions and activities of the company, including considering how the Company will act fairly with all key stakeholders. These stakeholders include employees, customers and suppliers.

**EPYX LIMITED**  
**Company Number 04087715**  
**STRATEGIC REPORT (CONTINUED)**  
**SECTION 172 (1) STATEMENT (CONTINUED)**

<b>Our People</b>		
Success as a market leader in fleet vehicle management technology is never a one-person job. It's the result of a dedicated team working towards a common goal. Our core values define our company culture and guide us in how we run the business.		
<b>Interests and concerns</b>	<b>How we engaged in 2019</b>	<b>Considerations and outcomes</b>
Our employees tell us they want to have the opportunity to engage with each other and senior UK management in order to help drive and mould the company's future direction.	We took part in an annual global Fleetcor employee survey and a number of location specific pulse surveys.	From the employee engagement survey, the UK management team looked to actively learn from and improve from the survey results.

<b>Our Customers</b>		
We have a vast range of customer types, from vehicle owners to fleet operators. Each of our customers is important to us and our success.		
<b>Interests and concerns</b>	<b>How we engaged in 2019</b>	<b>Considerations and outcomes</b>
Our customers want and expect first class customer service and market leading products.	We have a Customer Service Charter which guides our entire team on how to treat our customers and the ways we can make their experience better.	The charter ensures we remain focused and aligned on putting customers at the core of everything we do.

<b>Our Suppliers</b>		
The technology platform is an ecosystem for the management of a vehicle lifecycle so our supplier base is many and varied. They all play an important part in allowing the operation of our customers' fleet management operations.		
<b>Interests and concerns</b>	<b>How we engaged in 2019</b>	<b>Considerations and outcomes</b>
Our suppliers need to be assured they are treated fairly, and most importantly paid on time for the goods they supply to us.	We have a dedicated Networks team who actively communicate with our supplier base.	We ensure our suppliers are paid on time, and team helps resolve any challenges our supplier base may have with us.

During the recent COVID-19 pandemic we have regularly engaged with our employees through company wide web based briefings and daily social engagement messages. Customers have been kept up to date via social media platforms and regular emails and our Network team have been there to support our supplier base.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Financial instruments and liquidity risk**

The company's principal financial instruments comprise cash, short-term deposits, and hire purchase agreements. The company is not exposed to any long term external borrowings. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

### **Interest rate risk**

The company is not exposed to any long term external borrowing. Interest is payable on any inter-group borrowings at arm's length rates. Interest is payable on short term external borrowing at appropriate short term lending rates.

### **Foreign currency risk**

The company has overseas distributor agreements which relate to a share of revenue calculated in the local currency; the risk of devalued revenue from these contracts is not considered significant with the current level of the company's development in these markets.

### **Credit risk**

The company is exposed to credit risk due to counterparties failing to meet all or part of their obligations. All customers are subject to credit verification and all outstanding balances are monitored on an on-going basis. Management is responsible for identification, assessment and the control of credit risk.

### **Impairment risk**

The directors are aware of their responsibility to monitor the performance of the subsidiary and consider if there has been an impairment trigger arising over the investment's carrying value on a regular basis.

### **Brexit risk**

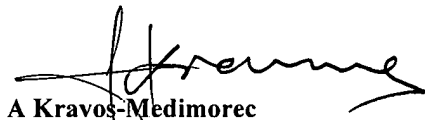
The company's turnover and costs from its activities is predominantly based in the UK, and as such is not materially exposed directly by Brexit. The company acknowledges that as a result of Brexit there is a risk to the UK's wider macro-economic activity and a risk that fuel supplies nationally could be interrupted for a short time under certain Brexit scenarios. The company is unable to directly influence either of these risks.

### **COVID-19 risk**

The company's profits will be reduced by COVID-19 during 2020. Revenue, cost of sales and gross profits will decline as a result of less demand for its services. The company expects to make a profit after tax during 2020, however it is still too early to ascertain the impact this may have on the full year 2020 revenue and profitability.

The company will seek to utilise UK Government support to minimise the impact on operating profits. In addition, the company faces a risk of increased bad debt expense due to late or none payment from customers. This risk will be managed using a range of tools such as insurance and increased cash collection activities. A range of temporary social measures such as remote working have been taken to ensure our employees are protected as far as possible by minimising all but business critical office based tasks, whilst ensuring our customers continue to be served to a high standard.

Approved by the board, authorised for issue and signed on its behalf by



**A Kravos-Medimorec**  
**Director**

**Date: 29 May 2020**

**EPYX LIMITED**  
**Company Number 04087715**  
**DIRECTORS' REPORT**

The directors present their report for the year ended 31 December 2019.

**RESULTS**

The company's results are set out in the Statement of Comprehensive Income on page 11.

**DIVIDENDS**

On 03 June 2019 the company declared and paid an interim dividend of £105,000,000. (2018: £nil). The directors do not recommend the payment of any final dividend (2018: £nil)

**FUTURE DEVELOPMENTS**

The directors continue to invest in new product development to further expand the company's offering to its customers and to maintain its position in fuel card transactional services.

**SUBSEQUENT EVENTS**

As highlighted in the Strategic Report, from March 2020 onwards the company has been impacted by the global pandemic COVID-19. The company has seen the demand for its services decline as the UK Government has implemented travel restrictions. As a result, the company's revenue is expected to decline during and shortly after the lockdown period. The company expects to make a profit after tax during 2020, however it is still too early to ascertain the impact this may have on the full year 2020 revenue and profitability.

Given the above, it is not possible to estimate the financial effect of COVID-19 disruption but the company expects to remain profitable.

In order to minimise the impact on operating profit, the directors have utilised financial support schemes offered by the UK Government. In addition, to preserve working capital, the company has deferred the payment of certain taxes in agreement with HMRC. A range of temporary social measures such as remote working have been taken to ensure our employees are protected as far as possible by minimising all but business critical office based tasks, whilst ensuring our customers continue to be served to a high standard.

There is the potential should global macro-economic weakness persist and customers enter financial difficulty, the company may need to increase its bad debt provisions and write offs. We aim to mitigate this customer risk using a range of tools such as insurance and increased cash collection activities.

**DIRECTORS' INDEMNITY**

The group has indemnified its directors, by way of directors and officer's liability insurance, against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force at the date of approving the directors' report.

**DIRECTORS**

The directors set out below have held office during the whole of the period from 1 January 2019 to the date of this report unless otherwise stated.

E R Dey  
A King  
A Kravos-Medimorec (appointed 11 February 2019)  
S J Pisciotta

**EPYX LIMITED**  
**Company Number 04087715**  
**DIRECTORS' REPORT (CONTINUED)**

**EMPLOYEES**

The company policy for the employment of disabled persons is that full consideration is given to their applications and candidates are offered employment on the basis of their ability and aptitude. In the event of an individual becoming disabled whilst in employment, every effort is made to ensure that such employment is continued and where necessary appropriate retraining is provided. The training, career development and promotion opportunities for disabled persons are the same as those for other employees.

The company recognises the benefits of keeping employees informed of the progress of the business. During the year employees were provided with information on the performance of the company and on other matters of concern to them as employees.

**GOING CONCERN**

The company has generated profits in the current and previous years. It is in a net assets position as at 31 December 2019 and 31 December 2018.

As highlighted in the Strategic Report, COVID-19 is expected to result in a decline in revenue and operating profits for a short but undefined period. A range of temporary social measures such as remote working have been taken to ensure our employees are protected as far as possible by minimising all but business critical office based tasks, whilst ensuring our customers continue to be served to a high standard. The company has and continues to assess its working capital position and currently has adequate facilities and resources to support the business.

The directors have prepared cash flow forecasts for the company for a review period of twelve months from the date of approval of the 2019 financial statements. These forecasts reflect an assessment of current and future market conditions and their impact on the company's future cash flow performance. The forecasts have been sensitised for a reduction in revenue through to May 2021. The forecasts have also been reverse stress tested by significantly reducing revenue to the end of the review period.

In both the sensitised and reverse stress tested scenarios the forecasts indicate the company would still have sufficient cash and existing facilities to continue. As the facilities available to the company are part of a wider Fleetcor Technologies group facility, the ultimate parent undertaking, Fleetcor Technologies Incorporated, has confirmed in writing that it will further support the Company as needed by continuing to provide access to Fleetcor Technologies group facilities so that the company can continue trading and enable it to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and parental support to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Details of financial instruments are provided in the strategic report on page 4.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 102 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.

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

## **AUDITORS**

In accordance with section 487 of the Companies Act 2006, Ernst & Young LLP shall be deemed to be re-appointed as Auditors of the company.

Approved by the board, authorised for issue and signed on its behalf by



**A Kravos-Medimorec**  
**Director**  
**Date: 29 May 2020**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EPYX LIMITED**

### **Opinion**

We have audited the financial statements of Epyx Limited for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 20, including a summary of significant accounting policies. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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 below. 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.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to note 1 and 20 of the financial statements, which describes the economic and social actions the company are undertaking as a result of COVID-19 which has the potential to impact the profitability and personnel available for work and/or being able to access offices. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPYX LIMITED (continued)**

### **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.

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.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPYX LIMITED (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

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.

Michael Philp (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
Date: 29 May 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPYX LIMITED (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

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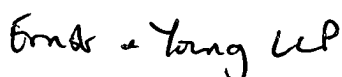
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Michael Philp (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
Date: 29 May 2020



**INCOME STATEMENT**  
**YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Turnover	2	45,134	40,788
Cost of sales		(785)	(841)
<b>GROSS PROFIT</b>		<b>44,349</b>	<b>39,947</b>
Staff costs	4	(6,280)	(5,038)
Administrative expenses	3	(2,499)	(2,187)
Depreciation	3	(132)	(123)
Amortisation	3	(1,072)	(864)
<b>OPERATING PROFIT</b>		<b>34,366</b>	<b>31,735</b>
Interest receivable and similar income	6	1,350	1,236
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>35,716</b>	<b>32,971</b>
Taxation on profit on ordinary activities before taxation	7	(5,275)	(6,719)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>30,441</b>	<b>26,252</b>

The company's turnover and expenses all relate to continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2019**

	<b>2019 £'000</b>	<b>2018 £'000</b>
Profit for the financial year	30,441	26,252
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>30,441</b>	<b>26,252</b>

EPYX LIMITED  
Company Number 04087715



STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER 2019

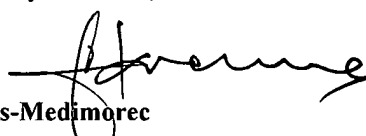
	Called Up Share Capital	Share Premium Account	Capital Redemption Reserve	Capital Contribution	Share Based Payment Reserve	Profit and Loss Account	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2018	725	325	56	520	1,270	84,664	87,560
Profit for the year	-	-	-	-	-	26,252	26,252
Credit in respect of Share Option Schemes (note 16)	-	-	-	-	284	-	284
At 31 December 2018	725	325	56	520	1,554	110,916	114,096
At 1 January 2019	725	325	56	520	1,554	110,916	114,096
Profit for the year	-	-	-	-	-	30,441	30,441
Dividends paid during the year	-	-	-	-	-	(105,000)	(105,000)
Credit in respect of Share Option Schemes (note 16)	-	-	-	-	1,112	-	1,112
At 31 December 2019	725	325	56	520	2,666	36,357	40,649



STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2019

	Note	2019		2018	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible fixed assets	8	3,823		2,984	
Tangible fixed assets	9	193		215	
Investments	10	26		26	
			4,042		3,225
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due within one year	11	80,701		136,931	
Debtors: amounts falling due after one year	11	48		38	
Bank and cash in hand		5,403		2,116	
		86,152		139,085	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	12	(49,545)		(28,214)	
<b>NET CURRENT ASSETS</b>			36,607		110,871
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			40,649		114,096
<b>NET ASSETS</b>			40,649		114,096
<b>CAPITAL AND RESERVES</b>					
Called up equity share capital	13		725		725
Share premium account	14		325		325
Capital redemption reserve	14		56		56
Capital contribution	14		520		520
Profit and loss account	14		36,357		110,916
Share based payment reserve	14		2,666		1,554
<b>SHAREHOLDER'S FUNDS</b>			40,649		114,096

Approved by the board, authorised for issue and signed on its behalf by

  
A Kravos-Medimorec  
Director  
Date: 29 May 2020





**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2019**

**1 ACCOUNTING POLICIES**

**Statement of compliance**

Epyx Limited is a private company limited by shares incorporated in England and Wales. The Registered office is Heath Farm, Hampton Lane, Meriden, CV7 7LL.

The financial statements have been prepared in compliance with FRS 102 with reduced disclosures as it applies to the financial statements of the company for the year ended 31 December 2019.

The results of the Company are included in the consolidated financial statements of the ultimate parent Company, Fleetcor Technologies Inc. The consolidated accounts of Fleetcor Technologies Inc. can be obtained from Allstar Business Solutions Limited, PO Box 1463, Windmill Hill, Whitehill Way, Swindon, SN5 6PS, or from the website [www.fleetcor.com](http://www.fleetcor.com)

**Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards under the historical cost convention.

The company meets the definition of the qualifying entity under FRS102 and has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to:

- Exemption from FRS 102 17(d) and section 7 to prepare a cash flow statement;
- Exemption from FRS 102 33.7 from disclosure of transactions with key personnel;
- Exemption from FRS 102 33.1A from disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- Exemption from FRS 102 26.18(b), 26.19 to 26.21 and 26.23 from disclosure of share-based payments.
- Exemption from FRS 102 section 11 paragraphs 11.39 to 11.48A and section 12 paragraphs 12.26 to 12.29 from disclosure of financial instruments.

The financial statements have been prepared in £'000 unless otherwise stated.

**Group financial statements**

The company is exempt from the requirement to prepare and deliver group financial statements by virtue of section 401 of the Companies Act 2006 as it is a wholly owned subsidiary of Fleetcor Technologies Inc., the ultimate parent undertaking of the company, which is registered in USA and prepares publicly available group financial statements which include the results of the company and its subsidiary. These financial statements therefore present information about the company as an individual undertaking and not about its group.



## **1 ACCOUNTING POLICIES (CONTINUED)**

### **Going concern**

The company has generated profits in the current and previous years. It is in a net assets position as at 31 December 2019 and 31 December 2018.

As highlighted in the Strategic Report, COVID-19 is expected to result in a decline in revenue and operating profits for a short but undefined period. A range of temporary social measures such as remote working have been taken to ensure our employees are protected as far as possible by minimising all but business critical office based tasks, whilst ensuring our customers continue to be served to a high standard. The company has and continues to assess its working capital position and currently has adequate facilities and resources to support the business.

The directors have prepared cash flow forecasts for the company for a review period of twelve months from the date of approval of the 2019 financial statements. These forecasts reflect an assessment of current and future market conditions and their impact on the company's future cash flow performance. The forecasts have been sensitised for a reduction in revenue through to May 2021. The forecasts have also been reverse stress tested by significantly reducing revenue to the end of the review period.

In both the sensitised and reverse stress tested scenarios the forecasts indicate the company would still have sufficient cash and existing facilities to continue. As the facilities available to the company are part of a wider Fleetcor Technologies group facility, the ultimate parent undertaking, Fleetcor Technologies Incorporated, has confirmed in writing that it will further support the Company as needed by continuing to provide access to Fleetcor Technologies group facilities so that the company can continue trading and enable it to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources and parental support to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### **Significant estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The following have had the most significant effect on the amounts recognised in the financial statements.

The company estimates taxation provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**1 ACCOUNTING POLICIES (CONTINUED)**

**Taxation**

The charge for taxation is based on the profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The charge for the year takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

**Group relief payments**

The Fleetcor UK Corporation Tax group takes advantage of provisions within UK tax legislation that enable certain tax benefits available in one Fleetcor UK Corporation Tax group company to be transferred to another Fleetcor UK Corporation Tax group company. No consideration is passed for these benefits.

**Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A 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 on a non-discounted basis 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.

**Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are recognised in the profit and loss account.

The financial statements of overseas branches are translated into sterling using the average rate for the profit and loss account and the closing rate for the balance sheet. Differences arising from the translation of the results of overseas branches are recognised in the profit and loss account.

**Revenue recognition**

Revenue is the total amount receivable by the company for services provided, excluding Value Added Tax. Revenue is recognised on the company's different income streams as follows:

- 1 Link service bookings and transaction fees are recognised when the service is provided. Dealers are invoiced in advance so the income is deferred and recognised as the service is provided. Fleet customers are invoiced in arrears and the income is accrued;
- 1 Link membership fees (annual subscriptions) are recognised equally over the period that they relate;
- Software development revenue is recognised in accordance with the delivery of the various development services provided; and
- Software platform licence income is recognised over the period to which it relates.



## 1. ACCOUNTING POLICIES (CONTINUED)

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes cost directly attributable to making the asset capable of operating as intended.

Depreciation is provided on fixed assets used by the company so that the assets are written down to estimated residual values on a straight line basis over the estimate of their useful lives. The depreciation rates per annum are as follows:

Computer Equipment	33%
Fixtures and Fittings	20%
Leasehold Improvements	over the period of the lease

Impairment reviews are conducted where there are indicators of impairment, and the effected assets are written down to their recoverable amount.

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the income statement in the year that the asset is derecognised

### **Development costs**

Development expenditure on clearly defined projects whose outcome can be assessed with reasonable certainty is capitalised as an Intangible Asset and amortisation is charged over a period of five years. Impairment reviews are performed by the directors when there has been an indication of potential impairment. All other development costs are written off in the year the expenditure is incurred.

### **Fixed asset investments**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment. Dividend revenue is recognised when the company's right to receive payment is established.

### **Operating leases**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease. The Company entered into a subleases for commercial premises and this is accounted for as an operating lease.

### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account over the life of the agreement.

### **Pensions**

Contributions payable to the Fleetcor group's defined contribution pension scheme are charged to the profit and loss account in the period to which they relate.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**1 ACCOUNTING POLICIES (CONTINUED)**

**Share-based payments - Equity-settled transactions**

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

**Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the assets recoverable amount in order to determine the extent of the impairment loss. An assets recoverable amount is the higher of an assets cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment losses is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

**Provisions**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, the expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability.



## **1 ACCOUNTING POLICIES (CONTINUED)**

### **Financial Instruments**

#### **Financial Assets**

##### **Initial recognition and measurement**

The Company determines the classification of its financial assets at initial recognition. The Company's financial assets within the scope of section 11 of FRS 102 are classified as loans and receivables and include cash, trade and other debtors.

##### **Cash at bank and in hand**

Cash in the balance sheet comprises cash at banks and in hand

##### **Trade and other debtors**

Trade debtors are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

The Company impairs trade receivables which involves calculating an amount equal to the expected credit losses. Changes in the credit risk associated with these assets are assessed on both an individual and collective basis. To date, there has been no indication of impairment on a collective basis. An additional credit loss allowance is recognized if there has been a significant increase in the credit risk associated with a given customer (payment default at maturity, insolvency proceedings, etc.), such that the amount owed by the customer is likely to be written off.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

The rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**1 ACCOUNTING POLICIES (CONTINUED)**

**Financial Instruments (continued)**

**Financial Liabilities**

**Initial recognition and measurement**

The Company determines the classification of its financial liabilities at initial recognition. The Company's financial liabilities are classified as loans and borrowings and include trade and other creditors and loans and borrowings.

**Trade and other creditors**

Trade and other short term creditors are carried at the lower of their original invoiced value and payable amount.

**Loans and borrowings**

Loans and borrowings are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



## **2 TURNOVER**

Turnover represents the amounts derived from the sole provision of services which fall within the company's ordinary activities, stated net of value added tax. It is attributable to one continuing activity, the provision of internet based business applications for the automotive industry.

An analysis of turnover by destination and type is given below:

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
United Kingdom	44,333	40,120
Overseas	801	668
	<hr/>	<hr/>
	45,134	40,788
	<hr/>	<hr/>

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Service bookings and transaction fees	36,526	32,697
Membership fees	8,608	8,091
	<hr/>	<hr/>
	45,134	40,788
	<hr/>	<hr/>





### 3 OPERATING PROFIT

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit is stated after charging / (crediting):		
Amortisation of development costs (note 8)	1,072	864
Depreciation of owned fixed assets (note 9)	132	123
Loss/(Profit) on disposal of assets	35	(30)
Foreign exchange losses	32	7
Auditors' remuneration – as auditors	56	56
Operating lease costs: Land and buildings	297	251
Operating lease costs: Motor vehicles	148	154
Operating sublease income: Land and buildings	(36)	-
Pension charges (note 4)	314	159

### 4 STAFF COSTS

During the year ending 31 December 2019 the average number of persons, including directors, employed by the company was as follows:

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Administration	17	16
Sales and marketing	33	34
Product support	58	53
Product development and production	2	5
	110	108

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	4,141	4,106
Share options	1,112	284
Social security costs	713	489
Other pension costs (note 3)	314	159
	6,280	5,038



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**5 DIRECTORS' REMUNERATION**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Aggregate remuneration in respect of qualifying services	114	113
Aggregate company pension contributions	3	2
	<hr/> 117	<hr/> 115

The number of directors who exercised Share Options during the year was nil (2018: nil).

Directors remuneration, as disclosed, has been notionally allocated to the company for the qualifying services provided by the respective directors.

A Kravos-Medimorec and A King provided qualifying services to this company, other Fleetcor UK trading entities and various other companies controlled by Fleetcor Technologies Inc. All of this remuneration was paid by Allstar Business Solutions Limited. No recharge was made to Epyx Limited for their services as a director of the company.

E R Dey and S J Pisciotto provided qualifying services to this company, other Fleetcor UK trading entities and various other companies controlled by Fleetcor Technologies Inc. All of this remuneration was paid by Fleetcor Technologies Inc. No recharge was made to Epyx Limited for their services as a director of the company.

**6 INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
Interest receivable from group undertakings	1,348	1,236
Bank interest receivable	2	-
	<hr/> 1,350	<hr/> 1,236



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

**a) Tax on profit on ordinary activities**

The tax charge is made up as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK Corporation tax on profit for the year	6,023	5,417
Adjustment in respect of previous years	(738)	1,239
	<hr/>	<hr/>
Total current tax	5,285	6,656
Deferred tax:		
Origination and reversal of timing differences	(10)	63
	<hr/>	<hr/>
Total deferred tax	(10)	63
	<hr/>	<hr/>
Tax charge on profit on ordinary activities (note 7(b))	5,275	6,719
	<hr/>	<hr/>

**b) Factors affecting the total tax charge**

The tax assessed for the year is lower than the standard rate of Corporation tax in the UK. The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	35,716	32,971
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the rate of Corporation tax for the year in the UK of 19% (2018: 19%)	6,786	6,265
Expenses not deductible for taxation purposes	205	137
Adjustment in respect of previous years	(738)	1,239
Group relief received not paid for	(978)	(922)
	<hr/>	<hr/>
Total tax expense	5,275	6,719
	<hr/>	<hr/>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

**c) Factors that may affect future charges**

The 2016 Summer Finance Bill, which was substantively enacted in September 2016, included provisions to reduce the rate of UK corporation tax to 19% effective from 1 April 2017 and 17% with effect from 1 April 2020. This was the rate of corporation tax that was enacted at the balance sheet date. Accordingly 17% has been applied when calculating deferred tax assets and liabilities as at 31 December 2019. In March 2020 legislation was substantively enacted to cancel the reduction in the corporation tax rate to 17% from April 2020. The impact of recognising the deferred tax assets and liabilities as at 31 December 2019 at 19% would have been immaterial.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, as the company has no liability to additional taxation should such amounts be remitted due to the availability of double tax relief.

**d) Deferred tax**

**The deferred tax included in the balance sheet is as follows**

	2019 £'000	2018 £'000
Timing differences relating to capital allowances	48	38
	<hr/> 48	<hr/> 38
	<hr/>	<hr/>
Deferred tax asset at 1 January 2019		38
Deferred tax charge in the profit and loss account for the year (see note 7 (a))		10
		<hr/>
Deferred tax asset at 31 December 2019 (note 11)		48
		<hr/>

There is no unprovided deferred taxation at the end of either period. The deferred tax asset has been recognised in these financial statements as future taxable profits are expected to be in excess of those arising from the reversal of deferred tax liabilities.

The company expects deferred tax asset of £48,228 (2018: £38,678) to reverse beyond the year ending 31 December 2020. This primarily relates to the reversal of timing differences on tangible assets and capital allowances through depreciation and amortisation, pensions and share options.



**8 INTANGIBLE FIXED ASSETS**

	Development Costs	Total
	£'000	£'000
<b>Cost</b>		
At 1 January 2019	5,715	5,715
Additions	1,911	1,911
	<hr/>	<hr/>
At 31 December 2019	7,626	7,626
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 January 2019	(2,731)	(2,731)
Charge for the year	(1,072)	(1,072)
	<hr/>	<hr/>
At 31 December 2019	(3,803)	(3,803)
	<hr/>	<hr/>
<b>Net Book Value</b>		
At 31 December 2019	3,823	3,823
	<hr/>	<hr/>
At 31 December 2018	2,984	2,984
	<hr/>	<hr/>

Development expenditure on clearly defined projects whose outcome can be assessed with reasonable certainty is capitalised and amortisation is charged over a period of five years. Impairment reviews are performed by the directors when there has been an indication of potential impairment.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2019

9 TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Leasehold improvements	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2019	33	337	68	438
Additions	51	60	39	150
Disposals	(9)	(177)	(14)	(200)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	75	220	93	388
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2019	(10)	(187)	(26)	(223)
Charge for the year	(12)	(99)	(21)	(132)
Disposal	7	141	12	160
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	(15)	(145)	(35)	(195)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 31 December 2019	60	75	58	193
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	23	150	42	215
	<hr/>	<hr/>	<hr/>	<hr/>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2019

10 INVESTMENTS

	Shares	Total
	£'000	£'000
<b>Cost</b>		
At 1 January 2019 and 31 December 2019	26	26
<b>Impairment</b>		
At 1 January 2019 and 31 December 2019	-	-
<b>Net Book Value</b>		
At 31 December 2019	26	26
At 31 December 2018	26	26

The company owns 100% of the issued share capital of the companies listed below:

	Registered address	Nature of business	Capital and reserves	Profit for the financial year
			000's	000's
Oasis Global Systems Limited	PO BOX 1463 Windmill Hill Whitehill Way, Swindon, United Kingdom	Software Development - Dormant	(£52)	£nil
Epyx France SAS	31/35 Allée des Impressionnistes Immeuble le Cezanne ZAC Paris Nord II, 93420 Villepinte	Provider of internet based business applications for automotive industry	€3,977	€618



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**11 DEBTORS**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade debtors	14,312	11,008
Prepayments and accrued income	988	774
Amounts owed by group undertakings (see note 18)	65,401	125,149
	<hr/>	<hr/>
	80,701	136,931
	<hr/>	<hr/>
<b>AMOUNTS FALLING DUE AFTER ONE YEAR</b>		
Deferred taxation (see note 7)	48	38
	<hr/>	<hr/>
	80,749	136,969
	<hr/>	<hr/>

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	15,623	12,748
Corporation tax	6,451	3,754
VAT	2,197	1,961
Other taxes and social security	149	372
Accruals and deferred revenue	9,510	7,336
Amounts owed to group undertakings (see note 18)	15,615	2,043
	<hr/>	<hr/>
	49,545	28,214
	<hr/>	<hr/>





**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**13 SHARE CAPITAL**

<b>Allotted, called up &amp; fully paid</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
725,126 (2018: 725,126) Ordinary shares of £1 each	725	725
	<hr/>	<hr/>
	725	725
	<hr/>	<hr/>

**14 RESERVES**

**Profit and loss account**

This reserve account records cumulative profits or losses net of transactions with owners (e.g. dividends) not recognised elsewhere.

**Share premium reserve**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the company.

**Capital contribution**

This reserve records the amount above the nominal value received for shares contributed, less transaction costs.

**Share based payment reserve**

This reserve comprises the fair value of options share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital.

**15 PENSIONS**

**Defined contribution scheme**

Epyx employees participate in a Fleetcor group defined contribution pension scheme. The assets of the group scheme are held separately from participating companies in an independently administered fund.

The unpaid contributions at the end of the year are nil (2018: nil).

The expense charged to the income statement for the year was £314,000 (2018: £159,000) (note 3).



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2019**

**16 SHARE BASED PAYMENTS**

**Share-based payments**

The company has two main share-based payment plans for employees, being either time based payment plans with the exercise price is determined at the date of the grant, or performance based where the exercise price is the market price at the point the performance criteria have been met.

Compensation costs recorded in the financial statements with respect to these plans are £1,112,000 (2018: £284,000). Full disclosure of the terms of these plans is available in the annual report of the ultimate parent company Fleetcor Technologies Inc.

**17 OPERATING LEASE COMMITMENTS - LESSEE**

Future minimum rentals payable under non –cancellable operating leases are as follows:

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Land and buildings</b>		
Amount payable:		
- within one year	530	251
- within two to five years	2,122	865
<b>Motor vehicles</b>		
Amount payable:		
- within one year	152	93
- within two to five years	190	35
	<hr/>	<hr/>
	2,994	1,244
	<hr/>	<hr/>

**OPERATING SUBLEASE COMMITMENTS**

Expected minimum rentals receivable under non –cancellable operating leases are as follows:

	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Land and buildings</b>		
Amount payable:		
- within one year	216	-
- within two to five years	827	-
	<hr/>	<hr/>
	1,043	-
	<hr/>	<hr/>



## 18 RELATED PARTY TRANSACTIONS

During the year the company entered into transactions, in the ordinary course of business, with related parties. Balances outstanding at 31 December are as follows:

	2019 £'000	2018 £'000
Amounts owing from parent undertakings	15,678	34,331
Amounts owing to parent undertakings	(1,318)	(540)
Amounts owing from fellow subsidiary undertakings	49,723	90,818
Amounts owing to fellow subsidiary undertakings	(14,297)	(1,503)
	<hr/> 49,786	<hr/> 123,106

Sales and purchases between related parties are made on a cost basis. Outstanding balances with entities are unsecured.

No other employees except the company's directors are considered to be key personnel.

## 19 PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Quadrum Investments Group Limited, a company registered in England and Wales.

The ultimate parent company and controlling party is Fleetcor Technologies Inc.. Fleetcor Technologies Inc. is registered in Delaware, USA, and is traded on the New York Stock Exchange.

The smallest and largest group in which the results of the company are consolidated is that headed by Fleetcor Technologies Inc..

The consolidated accounts of Fleetcor Technologies Inc. can be obtained from Allstar Business Solutions Limited, PO Box 1463, Windmill Hill, Whitehill Way, Swindon, SN5 6PS, or from the website [www.fleetcor.com](http://www.fleetcor.com)



## **20 SUBSEQUENT EVENTS**

As highlighted in the Strategic Report, from March 2020 onwards the company has been impacted by the global pandemic COVID-19. The company has seen the demand for its services decline as the UK Government has implemented travel restrictions. As a result, the company's revenue is expected to decline during and shortly after the lockdown period. The company expects to make a profit after tax during 2020, however it is still too early to ascertain the impact this may have on the full year 2020 revenue and profitability.

Given the above, it is not possible to estimate the financial effect of COVID-19 disruption but the company expects to remain profitable.

In order to minimise the impact on operating profit, the directors have utilised financial support schemes offered by the UK Government. In addition, to preserve working capital, the company has deferred the payment of certain taxes in agreement with HMRC. A range of temporary social measures such as remote working have been taken to ensure our employees are protected as far as possible by minimising all but business critical office based tasks, whilst ensuring our customers continue to be served to a high standard.

There is the potential should global macro-economic weakness persist and customers enter financial difficulty, the company may need to increase its bad debt provisions and write offs. We aim to mitigate this customer risk using a range of tools such as insurance and increased cash collection activities.