Registered number: NI033126

DIESEL CARD INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

COMPANY INFORMATION

Directors	WS Holmes LJ Everett TS Oldfield
Registered number	NI033126
Registered office	Unit 42 Campsie Real Estate Campsie Industrial Estate Mclean Road Eglinton Londonderry BT47 3XX
Independent auditor	RSM UK Audit LLP Festival Way Stoke-on-Trent Staffordshire ST1 5BB
Bankers	Barclays Bank PLC Donegal House Belfast
Solicitors	Hasson & Company 39-41 Clarendon Street Derry BT48 7ER

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The directors have pleasure in submitting their Strategic Report for Diesel Card International Limited ("the Company") for the year ended 31 March 2020.

Business review

The directors are satisfied with the results of the business as they are in line with forecasts and expectations for the year.

The Company's intermediate parent is Radius Payment Solutions Limited, which prepares a consolidated annual report and financial statements including all of its subsidiary undertakings ("the Group"). A more comprehensive review of the Group's performance is contained within the Strategic Report of the Group.

Over 42 million litres of fuel were sold via the Company's payment cards in the 12 month trading period, with over 3,675 new customer applications received. Fuel volumes have increased 5% on the prior year, an increase of 2 million litres.

Fuel prices rose in the first quarter of the financial year then drifted downwards before experiencing a sharp fall in the final quarter. Diesel prices in the UK ended at £1.24 per litre, 5% lower than the starting position. Within the year there was volatility month on month, with the pump price of diesel in the UK fluctuating between £1.24 and £1.35 pence per litre. Despite the fluctuations in fuel prices, the gross profit amounted to £2,891,000 during the year, an increase of 13% compared with the prior year (*2019: £2,547,000*).

Administrative expenses have increased by 21% compared to the prior year, due to the full year impact of recruitment in the prior year.

Operating profit was £1,496,000 *(2019: £1,539,000)*, a decrease of 3% compared with the prior year. This is due to the Company receiving a marketing support payment from a fellow UK subsidiary of £144,000 in the previous year which formed part of the operating income. There was no marketing support receipt in the current year.

Interest receivable and payable relates to interest charged on intercompany loans which can fluctuate on a monthly basis dependent on working capital requirements.

The net amount due from group undertakings has increased from the prior year due to the timing of receivables. This is offset by an increase in bank overdraft, resulting in an overall decrease in net current assets of 7%. The net assets at 31 March 2020 were £18,235,000 (*2019: £19,675,000*).

Principal risks and uncertainties

The directors acknowledge their responsibility for the Company's financial and internal controls and consider that the established systems are appropriate to the operation. The directors have considered potential risks and uncertainties that may affect the Company's future profitability or ability to trade and believe that adequate resources are dedicated to mitigating any adverse impact on the business. The following risks have been specifically addressed as part of this review:

Economic, cash flow and liquidity risk
A business plan has been developed, summarising the markets in which the Company operates, together with its business activities, strategy and critical success factors. The business plan also contains financial forecasts for a three year period. Monthly reviews are conducted to analyse results versus budget and investigate variances. Cash flow review and forecasting is an integral part of the financial review and monitoring process; working capital and capital investment controls are in place to ensure that the business is adequately funded. The Company has a strong and supportive relationship with its bankers which provides confidence over any potential access to finance that may be required in the future.

Principal risks and uncertainties (continued)

Technology risk
The data centre used by the Company has sufficient power and security facilities and increasing use is being made of cloud based computing services. Online backup protection and a clear disaster recovery plan mitigate the risk associated with IT failure. The Company has a well established IT function which is responsible for maintaining the Company's technology environment, supported by a team which includes an appropriately experienced IT Security, Risk and Compliance Officer.

Supplier risk
The Company is reliant on certain suppliers in order to provide its services to customers. The Company aims to mitigate against reliance on any one party by entering into formal supply contracts with a number of suppliers. Due to the nature of the products and services being sold, the contracts in place with suppliers and pricing arrangements with customers, the Company does not experience significant pricing risks. The Company enters into commodity swaps regarding the purchase of diesel from time to time to commercially manage pricing and cash flow positions.

Interest rate risk
The Company's external bank debt is part of the Group's cash pooling arrangement with Barclays Bank plc. The net overdrawn amount at 31 March 2020 was £nil (*2019: £1,500,000*). The directors therefore do not consider the exposure to interest rate movement to be significant. The use of hedging products will be considered in the future if this risk is seen to rise.

Credit risk
The Company uses trade credit insurance in order to mitigate against significant instances of bad debts and monitors closely the payment terms and performance of its customer base. All new customers are strictly vetted and the directors consider that the Company's credit policy is sufficiently robust to minimise the credit risks posed by individual customers and the broader economic environment.

Electric vehicles
Whilst no adverse impact has been experienced to date, as part of the business planning process the directors continue to monitor commitments made by the government to accelerate the introduction of electric vehicles and the potential implications for the Company's fuel card activities.

Brexit
The UK formally left the European Union on 31 January 2020 and entered an 11 month transition period ending 31 December 2020. Prior to this, the Company had conducted a detailed risk assessment to identify the potential impact on its activities. A number of actions were identified to mitigate potential issues arising, particularly in areas such as the use of SEPA direct debiting (as a means of collecting customer payments) and the arrangements for shipping telematics tracking devices to European operations. The directors continue to monitor these and other potential risks during this transition period.

Covid-19
On 11 March 2020, the World Health Organization declared the global coronavirus outbreak to be a pandemic. This resulted in significant limitations being placed on the movement of goods and people worldwide, with the UK in which the Company operates implementing lockdown measures on 23 March 2020. Detailed sensitivity analysis was prepared to identify the potential impact on the Company's activities and a number of actions were taken in order to mitigate this. These included headcount reductions, travel restrictions and curtailment of marketing and other discretionary expenditure. Actions were also taken to protect the health and wellbeing of the Company's employees. The directors continue to monitor the situation and will take further action as necessary as the situation develops.

Section 172 Statement

The directors of the company, as those of all UK companies, must act in accordance with a set of general duties, as detailed in section 172 of the UK Companies Act 2006.

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

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

In common with most large businesses, the directors fulfil their duties partly through a governance framework that delegates day to day decision making to employees of the company. An authority matrix has been introduced to support and formalise this process and will be regularly reviewed and amended to reflect any changes to perceived risks or the environment in which the Company operates.

Other details of how the directors fulfil their duties in each of the areas set out above are:

Consequences of decisions in the long term
Each year, the board undertakes a review of the Company's long term strategy, including the business plan for the following three years. Once approved by the board, the plan and strategy form the basis for financial budgets, resource plans and investment decisions. In making decisions concerning the business plan and future strategy, the board has regard to a variety of matters including the interests of various stakeholders, the consequences of its decisions in the long term and its long term reputation.

In approving the business plan, the directors also consider external factors such as competitor behaviour, the performance of the underlying markets in which we operate or are proposing to operate, as well as the evolving economic, political and market conditions. Where these factors are deemed to be significant, additional forecasting activities are undertaken to understand the impact in a timely manner and enable informed decision making.

The board has agreed a set of targets for an acceptable level of financial resilience and liquidity and regularly reviews the Company's forecast cash flows, funding requirements, debt capacity and financing options. These targets are partly governed by the Group's banking facilities agreement which covers the period to November 2024. ,

Interests of the company's employees
The directors understand the importance of the Company's employees to the long-term success of the business. For our business to succeed we need to manage our people's performance and develop and bring through talent whilst ensuring we operate as efficiently and safely as possible.. The directors review performance in this area on a regular basis.

The Company regularly communicates business progress and strategy to its employees through presentations, internal group-wide emails and its intranet. Additionally, employee surveys are undertaken periodically to allow staff to provide honest feedback about their experience working at the Company.

Section 172 Statement (continued)

Interests of the company's employees (continued)
Workplace health and mental wellbeing continue to be priorities with all employees able to access free support both in the office and whilst home-working. The Company's head office building, opened in 2018, was designed with a focus on enhancing employee wellbeing and has been recognised by the property industry as such. Many of the features of this building have been carried forward into other offices used by the Company, several of which have undergone extensive refurbishment programmes in recent years.

Business relationships
The board regularly reviews how the Company maintains positive relationships with all of its stakeholders. It operates long term partnership arrangements with many of its major suppliers with regular meetings held to review progress and develop new initiatives.

The Company's core strategy prioritises organic growth, driven by cross selling and up selling services to existing customers as well as winning new customers. Maintaining high levels of customer satisfaction is key to this strategy and the Company conducts regular surveys and encourages feedback from customers to improve performance and generate new ideas.

Impact on the community and environment
The Company supports a number of local and national charities through both fundraising and volunteering and engages with the local communities in which it operates on key local issues, reacting promptly to any concerns.

High standards of business conduct
The directors take the reputation of the Company seriously which is not limited to operational and financial performance. For example, the board has approved the Company's policies on anti-slavery and human trafficking, data protection, gender pay reporting and tax strategy (all of which can be found on the Company's website www.radiuspaymentsolutions.com).

Key performance indicators

The Company uses the following key performance indicators to support the development, performance and position of the business:

1. Volume growth and new customer applications;
2. Gross margin pence per litre;
3. Cost of credit.

Volume growth and new customer applications
The directors see these two measures as important indicators of growth in all regions, where expanding the customer base and controlling attrition levels are considered key to ensure critical mass is reached, market share is improved and brand awareness is established.

In addition to the volume of fuel sold by card type, the number of telematics devices installed and activated are also monitored against agreed targets.

Gross margin pence per litre
Due to the extremely narrow margins involved in the fuel card business, the directors continuously monitor trends in pence per litre and gross margin and set targets for all products. Internal reporting is completed on a weekly basis.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Key performance indicators (continued)

Cost of credit
The Company's credit teams closely monitor the bad debt performance and cost of credit insurance to ensure sufficient margins are being achieved.

This report was approved by the board and signed on its behalf.

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WS Holmes
Director

Date: 5 October 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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

Directors' responsibilities statement

The company have not disclosed the following sections of the Directors' Report "Business review, key performance indicators and risks and uncertainties" as these have been included within the Strategic Report.

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Principal activity

The principal activity of the Company includes selling diesel, petrol and related products via a range of fuel cards.

Results and dividends

The profit for the year, after taxation, amounted to £1,560,000 *(2019: £1,239,000).*

An interim dividend of £3,000,000 (*2019: £nil*) was paid during the year. The directors do not recommend the payment of a final dividend.

Directors

The directors who have served in the year and up to the date of signing the financial statements were:

WS Holmes
LJ Everett
TS Oldfield (appointed 16 April 2020)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Future developments

The Company's strategic focus continues to be the organic growth of its existing core business.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement.

Credit Risk
The Company has implemented policies that require appropriate credit checks on potential customers. The amount of exposure to individual customers is subject to a credit limit assigned based on the credit policy which is regularly reviewed by the board.

Liquidity Risk
The Company actively maintains strong cash collection and credit control procedures to ensure it has sufficient funds for operational purposes.

Price Risk
The Company is naturally mitigated against any change in price.

Cash flow Risk
Cash flow review and forecasting is an integral part of the financial review and monitoring process; working capital controls are in place to ensure that the Company is adequately funded.

Energy and carbon reporting

A review of the Company's consumptions for the year is contained within the Directors' Report of Radius Payment Solutions Limited for the year ended 31 March 2020.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Auditor

The auditor, RSM UK Audit LLP, Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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WS Holmes
Director
Date: 5 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIESEL CARD INTERNATIONAL LIMITED

Opinion
We have audited the financial statements of Diesel Card International Limited (the 'company') for the year ended 31 March 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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
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.

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 our 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 this 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 DIESEL CARD INTERNATIONAL 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 the 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 and the 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIESEL CARD INTERNATIONAL LIMITED (CONTINUED)

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.

RSM UK Audit LLP

Jonathan Lowe (Senior statutory auditor)

for and on behalf of
RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

6 October 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £000	*2019* *£000*
Turnover	4	**63,748**	*63,205*
Cost of sales		**(60,857)**	*(60,658)*
Gross profit		**2,891**	*2,547*
Administrative expenses		**(1,395)**	*(1,152)*
Other operating income		**-**	*144*
Operating profit	9	**1,496**	*1,539*
Interest receivable and similar income	7	**62**	*-*
Interest payable and similar expenses	8	**-**	*(306)*
Profit before taxation		**1,558**	*1,233*
Taxation on profit	11	**2**	*6*
Profit for the financial year		**1,560**	*1,239*

The notes on pages 15 to 31 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	13		**61**		*72*
Tangible assets	14		**3**		*9*
			64		*81*
Current assets					
Debtors	15	**34,537**		*19,739*	
Cash at bank and in hand		**18**		*160*	
		34,555		*19,899*	
Creditors: amounts falling due within one year	16	**(16,384)**		*(305)*	
Net current assets			**18,171**		*19,594*
Total assets less current liabilities			**18,235**		*19,675*
Net assets			**18,235**		*19,675*
Capital and reserves					
Called up share capital	18		**-**		*-*
Profit and loss account	18		**18,235**		*19,675*
			18,235		*19,675*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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WS Holmes
Director

Date: 5 October 2020

The notes on pages 15 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2018	-	18,436	18,436
Comprehensive income for the year			
Profit for the year	-	1,239	1,239
Total comprehensive income for the year	-	1,239	1,239
Total transactions with owners	-	-	-
At 1 April 2019	-	19,675	19,675
Comprehensive profit for the year			
Profit for the year	-	1,560	1,560
Total comprehensive profit for the year	-	1,560	1,560
Transactions with owners			
Dividends (note 12)	-	(3,000)	(3,000)
Total transactions with owners	-	(3,000)	(3,000)
At 31 March 2020	-	18,235	18,235

1. General information

Diesel Card International Limited ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in Northern Ireland.

The address of the Company's registered office and principal place of business is Unit 42 Campsie Real Estate, Mclean Road, Eglinton, Londonderry, BT47 3XX.

The Company's principal activities and nature of operations are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Radius Payment Solutions Limited as at 31 March 2020 and these financial statements may be obtained from its registered office Euro Card Centre, Herald Park, Herald Drive, Crewe, Cheshire, CW1 6EG.

2. Accounting policies (continued)

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This expectation is based on the current volumes of fuel products sold on a weekly basis being forecasted to continue and a strong net current asset position and rate of cash conversion.

Since the significance of the economic impacts of the COVID-19 outbreak has become apparent, the directors have reviewed in detail the Company's position and considered the appropriate basis on which to prepare the financial statements. In assessing the ability of the Company to continue to operate as a going concern for the foreseeable future, the directors have considered a number of factors, including their experience of the sector, forecast activity levels and; the cash resources and banking facilities available to the Group. Details of the Group's banking facilities can be found in the consolidated annual report and financial statements of Radius Payment Solutions Limited.

The directors have concluded that, whilst the measures introduced following the outbreak of the virus have had some short term adverse impact on the business, the Company's operating model remains robust in the medium to long term. The directors have considered detailed projections for at least 12 months from the date of signing the financial statements, together with a longer-term assessment, to stress test the financial resilience of the Company. These forecasts take into account the risk of decline in income and ability to flex costs over this period. Whilst the directors recognise that 2020 will be a challenging year, they consider that it remains appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

Sale of goods
Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales are invoiced on a weekly basis and an accrual is made for sales not yet invoiced at the year end from daily customer activity reports. Sales of goods which relate to the purchase of fuel are recognised when goods are drawn and legal title has passed and the Company has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been drawn on the customer's fuel card.

Sale of services
The Company provides various services to its customers such as the Kinesis telematics product which are invoiced on a varying periodic basis. An accrual is made for services not yet invoiced at the year-end so that the income from the service is recognised over the period for which the service has been provided.

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights, and there is no history or evidence of exchange transactions for the same or similar assets and estimating the asset's fair value would depend on immeasurable variables.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquire at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Supplier relationships	-	10	years straight line
Development costs	-	5	years straight line
Goodwill	-	20	years straight line
Customer relationships	-	10	years straight line

Goodwill is capitalised and written off evenly over 20 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits due to historic trading evidence.

The Directors have chosen a period of 5 years for development costs because they believe this is the length of time that the developments will generate economic benefits for the Company based on historic trading evidence.

The Directors have chosen a period of 10 years for supplier and customer relationships as they believe this is the attrition rate of these relationships based on historic trading evidence.

Amortisation is revised prospectively for any significant change in useful life or residual value.

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 2%	straight line
Leasehold improvements	- 25%	straight line
Motor vehicles	- 25%	straight line
Fixtures and fittings	- 25%	straight line
IT equipment	- 25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors
Trade, group and other debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Equity instruments
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors
Trade, group and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.9 Foreign currency translation

Functional and presentation currency
The Company's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within finance income or costs. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'. .

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.13 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The Company's holiday year runs to 31 December and is not in line with the reporting date. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan
The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Other income

Interest income
Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Other operating income
Other operating income represents a marketing support payment.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The recoverable amount of other intangible assets is based on value in use which requires estimates in respect of the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Areas of judgement
The directors have established the amortisation policies for goodwill and other intangible fixed assets with reference to supplier agreements, expected customer attrition rates and other factors.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	*2019*
	£000	*£000*
Sale of goods	**63,323**	*62,835*
Sale of services	**425**	*370*
	63,748	*63,205*

Analysis of turnover by country of destination:

	2020	*2019*
	£000	*£000*
United Kingdom	**63,748**	*63,205*
	63,748	*63,205*

5. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	819	660
Social security costs	74	62
Cost of defined contribution scheme	13	5
Costs recharged to group and associated companies	(226)	(298)
	680	429

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Management and administration	26	18
Directors	2	2
	28	20

The number of directors to whom retirement benefits are accruing under money purchase pension schemes was nil *(2019: nil)*.

Certain directors of the Company are remunerated by companies which are part of the Group and are directors of these companies within the Group.

6. Pension commitments

The Company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Company and amounted to £13,000 *(2019: £5,000)*. At the year-end £2,000 *(2019: £2,000)* pension contributions were outstanding and are included in creditors falling due within one year.

7. Interest receivable

	2020 £000	2019 £000
Interest receivable from group companies	62	-
	62	-

8. Interest payable and similar expenses

	2020 £000	2019 £000
Interest payable to group companies	-	302
Other interest payable	-	4
	-	306

9. Profit before taxation

The profit before taxation is stated after charging:

	2020 £000	2019 £000
Amortisation of other intangible fixed assets (note 13)	9	8
Amortisation of goodwill (note 13)	2	2
Depreciation (note 14)	6	17
Operating leases:		
Land and buildings	11	10

10. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25	10

The Company has taken the exemption from the requirement to disclose information of non-audit service fees, as those are included within the consolidated accounts of Radius Payment Solutions Limited.

11. Taxation

	2020 £000	*2019 £000*
Current tax		
Current tax on profits for the year	-	*1*
Total current tax	**-**	*1*
Deferred tax		
Origination and reversal of timing differences	**(1)**	*(7)*
Tax rate changes	**(1)**	-
Total deferred tax	**(2)**	*(7)*
Taxation on profit	**(2)**	*(6)*

Factors affecting tax (credit) for the year

The tax assessed for the year is lower than *(2019: lower than)* the standard rate of corporation tax in the UK of 19% *(2019: 19%)*. The differences are explained below:

	2020 £000	*2019 £000*
Profit before tax	**1,558**	*1,233*
Profit multiplied by standard rate of corporation tax in the UK of 19% *(2019 - 19%)*	**296**	*234*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1**	*2*
Group relief	**(298)**	*(242)*
Tax rate changes	**(1)**	-
Total tax (credit) for the year	**(2)**	*(6)*

Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom for the year was 19% (*2019: 19%*). The Finance Act 2016 enacted a further reduction in the main rate of corporation tax to 17% with effect from 1 April 2020. However, the Budget which took place on 11 March 2020 confirmed the rate of corporation tax will remain at 19% from 1 April 2020, cancelling the enacted rate reduction to 17%. The rate reduction reversal was substantively enacted on 17 March 2020 by way of a special resolution. Deferred tax has therefore been provided at a rate of 19% (*2019: 17%*).

12. Dividend

	2020 £000	*2019* *£000*
Dividends	3,000	-
	3,000	-

On 28 February 2020, the Company declared and paid dividends of £3,000,000 on the ordinary shares of £1 at £1,500,000 per share.

13. Intangible assets

	Supplier relationships £000	Development costs £000	Customer relationships £000	Goodwill £000	Total £000
Cost					
At 1 April 2019	84	13	3	35	135
At 31 March 2020	84	13	3	35	135
Amortisation					
At 1 April 2019	41	13	-	9	63
Charge for the year	8	-	1	2	11
At 31 March 2020	49	13	1	11	74
Net book value					
At 31 March 2020	35	-	2	24	61
At 31 March 2019	*43*	*-*	*3*	*26*	*72*

The amortisation charge for the year is recognised within administrative expenses.

14. Tangible fixed assets

	Leasehold improvements £000	Motor vehicles £000	Fixtures and fittings £000	IT equipment £000	Total £000
Cost					
At 1 April 2019	48	12	188	6	254
At 31 March 2020	48	12	188	6	254
Depreciation					
At 1 April 2019	48	12	179	6	245
Charge for the year on owned assets	-	-	6	-	6
At 31 March 2020	48	12	185	6	251
Net book value					
At 31 March 2020	-	-	3	-	3
At 31 March 2019	-	-	9	-	9

15. Debtors

	2020 £000	*2019* *£000*
Due within one year		
Trade debtors	**3,216**	*4,667*
Amounts owed by group undertakings	**28,809**	*13,123*
Amounts owed by joint ventures and associated undertakings	**1,562**	*1,651*
Other debtors	**-**	*157*
Prepayments and accrued income	**412**	*130*
Deferred taxation (see note 17)	**13**	*11*
Corporation tax	**525**	*-*
	34,537	*19,739*

Trade debtors are stated net of a provision of £73,000 *(2019: £68,000).*

Amounts owed by group undertakings are unsecured, non-interest bearing and have fixed repayment terms if they are trading balances and are unsecured, interest bearing and have no fixed repayment terms if they are loans. Interest is calculated based on the external rate of borrowing.

16. Creditors: Amounts falling due within one year

	2020 £000	*2019* *£000*
Trade creditors	**78**	*31*
Amounts owed to group undertakings	**6,749**	*-*
Bank overdraft	**9,063**	*-*
Other taxation and social security	**435**	*256*
Accruals and deferred income	**59**	*18*
	16,384	*305*

Amounts owed to group undertakings are unsecured, non-interest bearing and have fixed repayment terms if they are trading balances and are unsecured, interest bearing and have no fixed repayment terms if they are loans. Interest is calculated based on the external rate of borrowing.

A guarantee dated 29 November 2016 was increased to £10,000,000 (*2019: £5,000,000*) on 21 September 2019. This has been provided by Radius Payment Solutions Limited in relation to a Multi Option Commercial Facility with Barclays Bank Plc. The facility has unlimited cross guarantee between the Company and Diesel Card Ireland Limited, European Diesel Card Limited, Radius Payment Solutions Limited, UK Fuels Limited, DCP (Crewe) Limited and Retail Card Services Limited. At 31 March 2020, the cross-guarantee value was £nil (*2019: £1,480,000*).

The Company is party to the Group's Senior Facilities Agreement. The facilities are secured via a debenture creating fixed and floating charges over the business undertaking and assets of the Company and each of material subsidiaries of the Group. At 31 March 2020, the cross-guarantee value was £149,000,000 (*2019: £157,000,000*).

17. Deferred taxation

	2020 £000	2019 £000
At beginning of year	11	4
Credited to profit or loss	2	7
At end of year	13	11

Deferred tax asset of £13,000 (*2019: £11,000*) is expected to reverse within 12 months (*2019: 12 months*).

The deferred taxation balance is made up as follows:

	2020 £000	2019 £000
Short term timing differences	14	14
Intangible fixed assets	(7)	(8)
Fixed asset timing differences	6	5
	13	11

18. Share capital

	2020 £000	2019 £000
Authorised, allotted, called up and fully paid		
2 Ordinary shares of £1 each	-	-

Ordinary share rights
The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Reserves of the Company represent the following:

Profit and loss account
Cumulative profit and loss net of distributions to owners.

19. Related party transactions

The following transactions took place during the year with companies that are associated with the Radius Payment Solutions Topco Limited group:

	2020	**2020**	**2020**	*2019*	*2019*	*2019*
	Sales and other income	**Purchases and other charges**	**Net amount owed to the Company at the year end**	*Sales and other income*	*Purchases and other charges*	*Net amount owed to the Company at the year end*
	£000	**£000**	**£000**	*£000*	*£000*	*£000*
Other associated undertakings	**15,661**	**(1)**	**1,562**	*15,694*	*(1)*	*1,651*

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash if they are trading balances. Loan balances are unsecured, interest bearing and will be settled in cash. No guarantees have been given or received. No expense (*2019: £nil*) has been recognised in the year in respect of bad debts from related parties.

20. Commitments under operating leases: the Company as lessee

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	*2019*
	£000	*£000*
Not later than one year	**11**	*10*
Later than one year and not later than five years	**18**	*29*
	29	*39*

21. Controlling party

The directors consider the ultimate parent undertaking to be Radius Payment Solutions Topco Limited, a company incorporated in England and Wales.

Radius Payment Solutions Limited is a wholly owned subsidiary of Radius Payment Solutions Topco Limited, a company incorporated in England and Wales.

Diesel Card Ireland Limited is a wholly owned subsidiary of Radius Payment Solutions Limited, a company incorporated in England and Wales.

Diesel Card International Limited is a wholly owned subsidiary of Diesel Card Ireland Limited, a company incorporated in the Republic of Ireland.

The directors consider the immediate parent undertaking to be Diesel Card Ireland Limited. The registered office of Diesel Card Ireland Limited is Block 2, Galway Financial Services Centre, Moneenageisha Road, Galway, H91 W1YV.

The directors consider there to be no ultimate controlling party.

Radius Payment Solutions Limited is the smallest company for which consolidated accounts including Diesel Card International Limited are prepared. The consolidated accounts of Radius Payment Solutions Limited are available from its registered office, Euro Card Centre, Herald Park, Herald Drive, Crewe, Cheshire, CW1 6EG.

Radius Payment Solutions Topco Limited is the largest company for which consolidated accounts including Diesel Card International Limited are prepared. The consolidated accounts of Radius Payment Solutions Topco Limited are available from its registered office, Euro Card Centre, Herald Park, Herald Drive, Crewe, Cheshire, CW1 6EG.