

Company registration number NI033126 (Northern Ireland)

DIESEL CARD INTERNATIONAL LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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DIESEL CARD INTERNATIONAL LIMITED

COMPANY INFORMATION

| | |
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| Directors | WS Holmes LJ Everett TJ Morris |
| Company number | NI033126 |
| Registered office | Unit 42 Campsie Real Estate Campsie Industrial Estate McLean Road Eglinton Londonderry Northern Ireland BT47 3XX |
| Bankers | Barclays Bank PLC Donegal House Donegal Square North Belfast Northern Ireland BT1 5GB |
| Solicitors | Hasson & Company 39-41 Clarendon Street Derry Northern Ireland BT48 7ER |

DIESEL CARD INTERNATIONAL LIMITED

CONTENTS

| | Page |
|-----------------------------------|-------------|
| Strategic report | 1 - 5 |
| Directors' report | 6 - 7 |
| Statement of comprehensive income | 8 |
| Statement of financial position | 9 |
| Statement of changes in equity | 10 |
| Notes to the financial statements | 11 - 24 |

DIESEL CARD INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for Diesel Card International Limited ("the company") for the year ended 31 March 2023.

Fair review of the business

The directors are satisfied with the continuous growth and performance of the company.

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.

The company sold over 65 million litres of fuel via the company's payment cards during the year, representing a 18% increase on the previous year.

Fuel prices continued to rise following the Russian invasion of Ukraine, reaching a peak of around £2.00 per litre at pump in June 2022 before pressure on global energy markets eased through to the end of the financial year. This unprecedented level of fuel price, along with the growth in volume sold, resulted in a 43% increase in revenue.

Careful management of pricing through these volatile market conditions enabled the company to maintain a consistent gross profit on sold litres with gross profit of £5,340,000 representing an 29% increase from the prior year.

Operating profit was £3,530,000 (2022: £2,125,000), an increase of 66% compared with the prior year due to the company's continued focus on tight cost control.

The company's immediate parent company is a 100% subsidiary of Radius Payment Solutions Bidco Limited. Radius Payment Solutions Bidco Limited is party to Senior Facilities Agreement with a seven bank syndicate which provides the Group with access to a £84,000,000 multicurrency revolving credit facility ("RCF") and a £42,000,000 bank guarantee facility. The company is a Guarantor to this facility.

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

An interim dividend of £1,500,000 (2022: £2,000,000) was paid during the year. No dividends were received during the year (2022: £nil).

The net assets at 31 March 2023 were £18,511,000 (2022: £18,237,000).

DIESEL CARD INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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:

Technology, cyber and information security risks

Reflecting on the increased risks in this area the maturation of the company's business model to accommodate this risk continues to be enhanced. The company has an established IT and Information Security function that has appropriate systems and controls in place to mitigate data breach risks as well as cyber security incidents.

Credit risk

The company uses trade credit insurance 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.

Supplier risk

The company is increasingly exposed to high-impact external events directly and through supply chains. The company mitigates these risks by entering formal supply contracts with suppliers and is working on models to enable it to assess how the supply chain reacts to events and the associated costs.

Interest rate risk

The company has a relatively modest level of external bank debt and the directors do not consider the exposure to interest rate movements significant. The use of hedging products will be considered in the future if this risk is seen to rise.

People, diversity and talent management

The company has an established People function and has invested in this area to empower the company to recruit and retain the right talent. Enhancing the training academy and improving staff benefits and social experience has helped mitigate this risk.

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 various European governments to accelerate the introduction of electric vehicles and the potential implications for the company's fuel card activities.

Economic, cash flow and liquidity risks

The company has reflected on interlocking risks associated with the post-pandemic period, war in Ukraine that has intensified supply chain failures, and spike in energy prices that has fuelled inflation. The business plan has been progressed and contains financial forecasts for a five-year period, and regular review cycles are in operation. 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.

Changes in laws and regulations

The company's regulatory exposure in the UK and other jurisdictions has increased alongside the growth of the business model. To mitigate the risks associated with maintaining the level of regulatory change and associated expectations, the company is operating a second line of defence Compliance and Risk function.

DIESEL CARD INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

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

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 Solutions business, the directors continuously monitor trends in pence per litre and gross margin and set targets for all products and territories. Internal reporting is completed on a weekly basis.

Cost of credit

Across each territory, the company's credit teams closely monitor the bad debt performance and cost of credit insurance to ensure sufficient margins are being achieved.

Section 172 Statement

This statement describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 (the "Act").

Section 172(1) of the Act requires a director of a company to act in the way that he or she considers, in good faith, would most likely 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 the:

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

In discharging their duties during the year ended 31 March 2023, the directors of the company had regard to the above. They acted in a way consistent with their duties. Decisions made at board meetings and executive committee meetings included considerations of shareholders, employees, customers, suppliers, communities and the environment.

The company is a wholly owned subsidiary of Diesel Card Ireland Limited, which is a wholly owned subsidiary of Radius Payment Solutions Limited, whose directors discharge their duties with regard to the above for the whole Radius Payment Solutions Limited Group ("the Group"), including Diesel Card International Limited.

DIESEL CARD INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Consequences of decisions in the long term

When making decisions to achieve the long-term prosperity of the company, the directors seek to understand the impact of such decisions on each of its key stakeholders.

In common with most large companies, the directors are responsible for the long-term success of the company, but the collective responsibility for the overall strategic direction and operation of the Group are delegated to the senior management team and committees. The directors make long-term decisions that relate to the company's acquisitions, capital, disposals, financial resources, financial reporting and control, structure, and investments. While the senior management team and committees assist the directors in dealing with, and making decisions on, complex, technical, or specialised matters.

In the year ended 31 March 2023, the directors attended regular business review meetings and held board meetings as and when necessary. The directors reviewed the Group's long-term strategy, including the business plan for the following five years. The business plan formed the basis for financial budgets, resource plans and investment decisions. In approving the business plan, the directors also considered external factors such as competitor behaviour, the performance of the underlying markets in which the company operates, as well as the evolving economic, political and market conditions. In so doing the directors had regard to a variety of matters including the consequences of their decisions in the long term and the long-term reputation of the company and the Group.

Interests of the company's employees

Employees are fundamental to the success of the Group and the directors are committed to promoting a diverse and inclusive workplace, reflective of the communities in which the Group operates. In the year ended 31 March 2023, various Employee Resource Groups were created to improve employees support and engagement. The Group also invested further in a new learning and development department to support the development of all employees.

Management communicated business progress and strategies to employees through a range of channels such as leadership presentations, site visits, internal group-wide forums and the Group's intranet. Additionally, employees' surveys are conducted periodically to allow employees provide honest feedback about their experiences.

Further details on employees' engagement and the company's approach to developing its employees can be found in the Strategic Report of Radius Payment Solutions Limited for the year ended 31 March 2023.

Business relationships

The directors understand that business relationships with both customers, suppliers and others are key and therefore review how the Group maintains positive relationships with its customers, suppliers and other on a regular basis.

The Group operates long term partnership agreements with many of its major suppliers. Key supplier relationships were managed and long-term and sustainable relationships were maintained, which enabled the Group to provide its products and services to its customers.

Furthermore, there were periodic meetings between the directors and significant shareholders of the Group on the operation and performance of the Group to ensure delivery of long-term sustainable value for the shareholders. There were also regular interactions with relevant regulators, industry associations, charities and community organisations to build trust, identify trends and consolidate business partnerships.

DIESEL CARD INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Impact on the community and environment

The directors understand the effect of the operations of the company and the Group on the environment and the need to create positive impacts for the communities and the wider society in which the company and the Group operate. The directors are responsible for overseeing, considering and reviewing the Group's environmental, social and governance (ESG) strategy. Regular oversight of the ESG strategy is delegated to the ESG committee, which reviews the Group's ESG objectives and progress made against specific targets.

The group supports a number of local and national charities through fundraising, volunteering and engaging with the local communities in which it operates on key local issues and reacting promptly to any concerns.

The directors recognise the importance of the company's environmental responsibilities and monitor the impact of its activities on the environment in order to implement policies to mitigate any adverse impact that might be caused by the Group's activities.

Further details of the Group's ESG strategy can be found in the Strategic Report of Radius Payment Solutions Limited for the year ended 31 March 2023.

High standards of business conduct

The directors are committed to conducting business with integrity and in compliance with relevant laws and regulations. The directors have oversight of the most significant risks facing the company and have arrangements in place to mitigate these risks. The directors receive regular updates on regulatory risk and compliance requirements relevant to the company and the Group.

The directors also reviewed certain Group policies during the year ended 31 March 2023 that are fundamental to the Group. Group policies on anti-bribery and corruption, anti-money laundering, data protection were reviewed, and relevant training provided to all employees. In doing so, the directors maintained a culture that is focused on maintaining and encouraging high standard of business conduct and regulatory compliance.

Need to act fairly between members of the company

The company is a wholly owned subsidiary, as such the duty of the directors to have regard to the need to act fairly between members of the company is limited. However, the directors ensure the company operates in line with the Group's processes, governance and culture to enable it to achieve its purpose and strategic objectives.

The Group also maintains an open relationship with its shareholders and the directors seek to treat all shareholders fairly.

Further details in relation to the above can be found in the Strategic Report of Radius Payment Solutions Limited for the year ended 31 March 2023.

On behalf of the board



WS Holmes
Director

29 November 2023

DIESEL CARD INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for Diesel Card International Limited ("the company") for the year ended 31 March 2023.

Principal activities

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 amounted to £1,774,000 (2022: £1,543,000).

Ordinary dividends were paid amounting to £1,500,000 (2022: £2,000,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

WS Holmes

LJ Everett

TS Oldfield

TJ Morris

(Resigned 14 April 2022)

(Appointed 14 April 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Financial instruments

Information relating to the principal risks and uncertainties of the company has been included within the Strategic Report.

Business relationships

Details of how the company engages and interacts with its customers and suppliers are included within the Strategic Report.

Post reporting date events

On 10 August 2023, the Group undertook a refinancing exercise and entered into a new Senior Facilities Agreement, dated 1 June 2023 (see note 19).

Future developments

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

Energy and carbon report

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 2023.

DIESEL CARD INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

On behalf of the board

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

WS Holmes
Director

29 November 2023

DIESEL CARD INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

| | | 2023 | 2022 |
|---------------------------------------|--------------|---------------------|---------------------|
| | Notes | £000 | £000 |
| Turnover | 3 | 129,093 | 90,491 |
| Cost of sales | | (123,753) | (86,355) |
| Gross profit | | <u>5,340</u> | <u>4,136</u> |
| Administrative expenses | | (1,810) | (2,011) |
| Operating profit | 4 | <u>3,530</u> | <u>2,125</u> |
| Interest payable and similar expenses | 6 | (1,330) | (234) |
| Profit before taxation | | <u>2,200</u> | <u>1,891</u> |
| Tax on profit | 7 | (426) | (348) |
| Profit for the financial year | | <u><u>1,774</u></u> | <u><u>1,543</u></u> |

The company has no recognised items of income and expenses other than the results for the year as set out above.

DIESEL CARD INTERNATIONAL LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

| | Notes | 2023 £000 | 2022 £000 | 2022 £000 |
|---|-------|--------------|--------------|--------------|
| Fixed assets | | | | |
| Goodwill | 9 | | 13 | 22 |
| Other intangible assets | 9 | | 13 | 19 |
| Total intangible assets | | | 26 | 41 |
| Tangible assets | 10 | | 15 | 11 |
| | | | 41 | 52 |
| Current assets | | | | |
| Debtors | 11 | 81,784 | 66,789 | |
| Cash at bank and in hand | | 194 | 30 | |
| | | 81,978 | 66,819 | |
| Creditors: amounts falling due within one year | 12 | (63,508) | (48,634) | |
| Net current assets | | | 18,470 | 18,185 |
| Net assets | | | 18,511 | 18,237 |
| Capital and reserves | | | | |
| Called up share capital | 15 | - | - | - |
| Profit and loss reserves | 16 | | 18,511 | 18,237 |
| Total equity | | | 18,511 | 18,237 |

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on 29 November 2023 and are signed on its behalf by:



WS Holmes
Director

Company Registration No. NI033126

DIESEL CARD INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

| | Notes | Share capital £000 | Profit and loss reserves £000 | Total £000 |
|--|-------|-----------------------|----------------------------------|---------------|
| Balance at 1 April 2021 | | - | 18,694 | 18,694 |
| Year ended 31 March 2022: | | | | |
| Profit and total comprehensive income for the year | | - | 1,543 | 1,543 |
| Dividends | 8 | - | (2,000) | (2,000) |
| Balance at 31 March 2022 | | - | 18,237 | 18,237 |
| Year ended 31 March 2023: | | | | |
| Profit and total comprehensive income for the year | | - | 1,774 | 1,774 |
| Dividends | 8 | - | (1,500) | (1,500) |
| Balance at 31 March 2023 | | - | 18,511 | 18,511 |

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Diesel Card International Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Unit 42 Campsie Real Estate, Campsie Industrial Estate, Mclean Road, Eglinton, Londonderry, Northern Ireland, BT47 3XX.

1.1 Accounting convention

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Diesel Card International Limited is a subsidiary of Radius Payment Solutions Limited and the results of Diesel Card International Limited are included in the consolidated financial statements of Radius Payment Solutions Limited which are available from Euro Card Centre, Herald Park, Herald Drive, Crewe, Cheshire, CW1 6EG.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

1.2 Going concern

The company is reliant on the support of Radius Payment Solutions Topco Limited, its ultimate parent undertaking in order to meet its day to day working capital requirements, as the Group operates a central treasury function.

The company meets these requirements through cash generated from its operations and participation in the facility arrangements provided by external lenders to the Group and certain of its subsidiaries, including the company ("the Group facilities").

The Group has confirmed that it has the ability to provide financial support and has committed to providing such support for at least 12 months after the date of signing these financial statements.

As such, in assessing the ability of the company to continue to operate as a going concern for the foreseeable future, the directors have taken into account their experience of the sector, the company's current trading performance and the cash resources and banking facilities available to the company and the Group.

The directors have concluded that the company's operating model remains robust in the medium to long term. The directors have considered the Group's detailed projections for at least 12 months from the date of signing the financial statements, together with a longer-term assessment, and are satisfied that the Group and the company will continue to be profitable, and compliant with all banking covenants, for the foreseeable future. The directors therefore consider that at the time of approving the financial statements it is wholly appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years straight line.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|------------------------|------------------------|
| Development costs | 5 years straight line |
| Supplier relationships | 10 years straight line |
| Customer relationships | 10 years straight line |

Research and development

The company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- Its intention to complete the development and to use or sell the intangible asset.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development expenditure is amortised on a straight line basis over its useful life, which is 5 years. The directors consider this useful life to be appropriate because economic benefits are expected to flow for a minimum of this period.

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|-------------------|
| Leasehold improvements | 25% straight line |
| Fixtures, fittings and computer equipment | 25% straight line |
| Motor vehicles | 25% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown in current liabilities.

1.9 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 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, and amounts owed to group undertakings that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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 fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

| | 2023 | 2022 |
|---|----------------|---------------|
| | £000 | £000 |
| Turnover analysed by class of business | | |
| Sales of goods | 127,794 | 89,617 |
| Sales of services | 1,299 | 874 |
| | <u>129,093</u> | <u>90,491</u> |

4 Operating profit

| | 2023 | 2022 |
|---|-------------|-------------|
| | £000 | £000 |
| Operating profit for the year is stated after charging: | | |
| Depreciation of owned tangible fixed assets | 6 | 3 |
| Amortisation of intangible assets | 10 | 10 |
| Operating lease charges | 14 | 11 |
| | <u>30</u> | <u>24</u> |

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2023 | 2022 |
|-------------------------------|---------------|---------------|
| | Number | Number |
| Management and administration | 52 | 44 |
| Directors | 3 | 3 |
| Total | <u>55</u> | <u>47</u> |

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

5 Employees (continued)

Their aggregate remuneration comprised:

| | 2023 £000 | 2022 £000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 1,456 | 1,162 |
| Social security costs | 125 | 105 |
| Pension costs | 25 | 20 |
| | <u>1,606</u> | <u>1,287</u> |

The number of directors to whom retirement benefits are accruing under money purchase pension schemes was £nil (2022: £nil).

The directors of the company are remunerated by companies which are part of the Group. The services provided to the company were incidental to their general services.

6 Interest payable and similar expenses

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Interest payable to group undertakings | <u>1,330</u> | <u>234</u> |

7 Taxation

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Current tax | | |
| UK corporation tax on profits for the current period | 415 | 359 |
| Adjustments in respect of prior periods | - | (5) |
| Total current tax | <u>415</u> | <u>354</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 2 | 2 |
| Changes in tax rates | - | (3) |
| Adjustment in respect of prior periods | 9 | (5) |
| Total deferred tax | <u>11</u> | <u>(6)</u> |
| Total tax charge | <u>426</u> | <u>348</u> |

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2023 £000 | 2022 £000 |
|--|--------------|--------------|
| Profit before taxation | 2,200 | 1,891 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%) | 418 | 359 |
| Tax effect of expenses that are not deductible in determining taxable profit | (1) | 2 |
| Adjustments in respect of prior years | 9 | (10) |
| Effect of change in corporation tax rate | - | (3) |
| Taxation charge for the year | 426 | 348 |

Factors that may affect future tax charges

A change to the main rate of corporation tax from 19% to 25% with effect from 1 April 2023 was announced in the Budget on 3 March 2021 and was enacted on 24 May 2021. Accordingly, the standard rate of corporation tax in the United Kingdom for the year was 19% (2022: 19%) and deferred tax was provided at a rate of 25%.

8 Dividends

| | 2023 £000 | 2022 £000 |
|--------------|--------------|--------------|
| Interim paid | 1,500 | 2,000 |

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Intangible fixed assets

| | Goodwill | Development costs | Supplier relationships | Customer relationships | Total |
|------------------------------------|----------|-------------------|------------------------|------------------------|-------|
| | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | |
| At 1 April 2022 | 35 | 13 | 84 | 3 | 135 |
| Disposals | (18) | (13) | - | (3) | (34) |
| At 31 March 2023 | 17 | - | 84 | - | 101 |
| Amortisation and impairment | | | | | |
| At 1 April 2022 | 13 | 13 | 65 | 3 | 94 |
| Amortisation charged for the year | 4 | - | 6 | - | 10 |
| Disposals | (13) | (13) | - | (3) | (29) |
| At 31 March 2023 | 4 | - | 71 | - | 75 |
| Carrying amount | | | | | |
| At 31 March 2023 | 13 | - | 13 | - | 26 |
| At 31 March 2022 | 22 | - | 19 | - | 41 |

10 Tangible fixed assets

| | Leasehold improvements | Fixtures, fittings and computer equipment | Motor vehicles | Total |
|------------------------------------|------------------------|---|----------------|-------|
| | £000 | £000 | £000 | £000 |
| Cost | | | | |
| At 1 April 2022 | 48 | 208 | 12 | 268 |
| Additions | - | 10 | - | 10 |
| Disposals | (48) | (176) | (12) | (236) |
| At 31 March 2023 | - | 42 | - | 42 |
| Depreciation and impairment | | | | |
| At 1 April 2022 | 48 | 197 | 12 | 257 |
| Depreciation charged in the year | - | 6 | - | 6 |
| Eliminated in respect of disposals | (48) | (176) | (12) | (236) |
| At 31 March 2023 | - | 27 | - | 27 |
| Carrying amount | | | | |
| At 31 March 2023 | - | 15 | - | 15 |
| At 31 March 2022 | - | 11 | - | 11 |

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Debtors

| | 2023 | 2022 |
|---|---------------|---------------|
| | £000 | £000 |
| Amounts falling due within one year: | | |
| Trade debtors | 2,563 | 5,215 |
| Amounts owed by group undertakings | 76,418 | 55,967 |
| Other debtors | - | 1,008 |
| Amounts due from related parties | 1,064 | 3,243 |
| Prepayments and accrued income | 1,737 | 1,343 |
| | <u>81,782</u> | <u>66,776</u> |
| Deferred tax asset (note 13) | 2 | 13 |
| | <u>81,784</u> | <u>66,789</u> |

Amounts owed by group undertakings and related parties are unsecured, non-interest bearing, have no fixed repayment term and are repayable on demand.

Trade debtors are stated net of a provision of £24,233 (2022: £62,874).

12 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|---------------|---------------|
| | £000 | £000 |
| Trade creditors | 49 | 50 |
| Amounts owed to group undertakings | 59,573 | 48,144 |
| Corporation tax | 1,119 | 380 |
| Other taxation and social security | 638 | - |
| Accruals and deferred income | 2,129 | 60 |
| | <u>63,508</u> | <u>48,634</u> |

Amounts owed to group undertakings and related parties are unsecured, non interest bearing and have fixed repayment terms if they are trading balances. Amounts owed to group undertakings and related parties are unsecured, interest bearing and have no fixed repayment terms if they are loans.

The company, through Radius Payment Solutions Bidco Limited, is party to a Senior Facilities Agreement (dated 23 November 2017) with Barclays Bank plc (as security agent) and six other banks (HSBC plc, ING Bank NV, The Bank of Ireland, the Royal Bank of Scotland plc, Sumitomo Mitsui Banking Corporation and Investec Bank plc). The banking facilities are secured via a debenture creating fixed and floating charges over the business undertaking and assets of Radius Payment Solutions Limited and each of its material subsidiaries. At 31 March 2023, the cross guarantee value was £150,500,000 (2021: £172,000,000).

A £10,000,000 (2022: £10,000,000) guarantee dated 21 September 2019 is 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 Diesel Card Ireland Limited, Diesel Card International Limited, DCP (Crewe) Ltd, European Diesel Card Limited, Retail Card Services Limited and UK Fuels Limited. At 31 March 2023, the cross guarantee value was £nil (2022: £nil).

On 10 August 2023, the Group undertook a refinancing exercise and entered into a new Senior Facilities Agreement, dated 1 June 2023 (see note 19).

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Assets 2023 £000 | Assets 2022 £000 |
|--------------------------------------|---------------------------------|---------------------------------|
| Balances: | | |
| Short term timing differences | - | 10 |
| Fixed asset timing differences | 2 | 3 |
| | <u>2</u> | <u>13</u> |
| Movements in the year: | | 2023 £000 |
| Asset at 1 April 2022 | | (13) |
| Charge to profit or loss | | 9 |
| Charge to other comprehensive income | | 2 |
| Asset at 31 March 2023 | | <u>(2)</u> |

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

14 Retirement benefit schemes

| | 2023 £000 | 2022 £000 |
|---|----------------------|----------------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 25 | 20 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions payable amounting to £nil (2022: £nil) were outstanding at the year end and are included in creditors falling due within one year.

15 Share capital

| | 2023 Number | 2022 Number | 2023 £000 | 2022 £000 |
|------------------------------|------------------------|------------------------|----------------------|----------------------|
| 2 Ordinary shares of £1 each | 2 | 2 | - | - |

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.

16 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2023 £000 | 2022 £000 |
|----------------------------|--------------|--------------|
| Within one year | 11 | 8 |
| Between two and five years | 20 | - |
| | <u>31</u> | <u>8</u> |

18 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Sales 2023 £000 | Sales 2022 £000 | Purchases 2023 £000 | Purchases 2022 £000 |
|-----------------------|-----------------------|-----------------------|---------------------------|---------------------------|
| Other related parties | <u>15,524</u> | <u>21,978</u> | <u>-</u> | <u>(1)</u> |

The following amounts were outstanding at the reporting end date:

| | 2023 £000 | 2022 £000 |
|---|--------------|--------------|
| Amounts due from related parties | | |
| Other related parties | <u>1,064</u> | <u>3,243</u> |

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 (2022: £nil) has been recognised in the year in respect of bad debts from related parties.

DIESEL CARD INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Events after the reporting date

On 10 August 2023, Radius Payment Solutions Topco Limited, the company's ultimate parent undertaking, was acquired by Radius Business Solutions Bidco Limited. The ultimate parent undertaking of Radius Business Solutions Bidco Limited is Radius Business Solutions Topco Limited, a company incorporated in Jersey.

On 10 August 2023, Radius Business Solutions Bidco Limited undertook a refinancing exercise and entered into a new Senior Facilities Agreement (dated 1 June 2023) with Barclays Bank plc (as security agent) and six other banks (HSBC UK Bank plc, ING Bank N.V., The Governor and Company of the Bank of Ireland, National Westminster Bank plc, Santander UK plc, and Clydesdale Bank plc).

The new Senior Facilities Agreement includes provision of a £313.0m term loan and a revolving credit facility of £105.0m to cover working capital and liquidity commitments. The new Senior Facilities Agreement also includes provision of a £42.0m bank guarantee facility.

On 10 August 2023, Radius Payment Solutions Bidco Limited repaid in full the outstanding term loan and terminated the existing Senior Facilities Agreement (dated 23 November 2017).

20 Ultimate controlling party

The immediate parent company of Diesel Card International Limited is Diesel Card Ireland Limited, a company incorporated and registered in the Republic of Ireland.

On 31 March 2023, the directors considered the ultimate parent undertaking to be Radius Payment Solutions Topco Limited, a company incorporated in England and Wales.

On 10 August 2023, Radius Payment Solutions Topco Limited was acquired by Radius Business Solutions Bidco Limited, a company incorporated and registered in England & Wales. The ultimate parent undertaking from that date was considered by the directors to be Radius Business Solutions Topco Limited, a company incorporated in Jersey.

The directors consider there to be no ultimate controlling party.

Radius Payment Solutions Limited is the smallest company for which consolidated accounts including the company 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 the company 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.