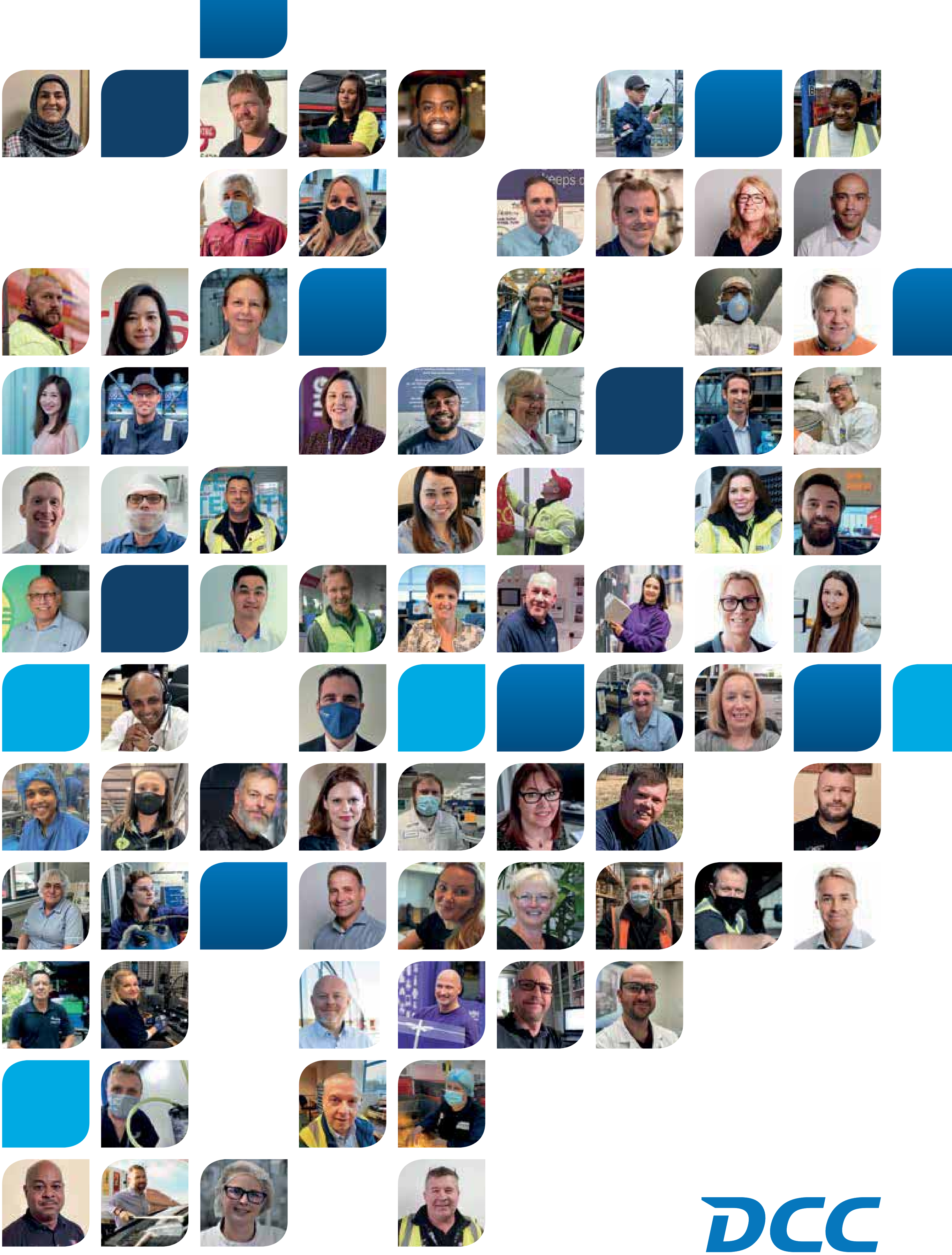


Annual Report and Accounts 2021

DCC is a leading international sales, marketing and support services group with a clear focus on performance and growth, which operates across four divisions: LPG, Retail & Oil, Healthcare and Technology.

DCC is an ambitious and entrepreneurial business operating in 20 countries, supplying products and services used by millions of people every day. Building strong routes to market, driving for results, focusing on cash conversion and generating superior, sustainable returns on capital employed enable the Group to reinvest in its business, creating value for all its stakeholders.

DCC plc is listed on the London Stock Exchange and is a constituent of the FTSE 100.

Our purpose is to enable people and businesses to grow and progress.

Contents

Strategic Report

Governance

Financial Statements

Supplementary Information

The cover of this year's Report shows a small selection of our 13,700 colleagues, all of whom showed such commitment this year. Please refer to page 239 for further information. Thanks to them all.

Highlights of the Year

This year's strong performance demonstrated the resilience of our business model and the essential nature of the products and services we supply.

The Group continued its excellent track record of growth and development, despite the unprecedented challenges during the year. The performance is testament to our 13,700 colleagues who worked tirelessly to ensure DCC's essential products and services were supplied to the millions of customers and end users who rely on us. A strong trading performance, excellent cash generation, very strong returns on capital employed and continued development activity are hallmarks of DCC's resilient business model.

Adjusted operating profit[1] +7.3%

£530.2m

2021	£530.2m
2020	£494.3m
2019	£460.5m

Adjusted EPS[1] +6.6%

386.62p

2021	386.62p
2020	362.64p
2019	358.16p

Dividend per share +10.0%

159.80p

2021	159.80p
2020	145.27p
2019	138.35p

Free cash flow

£687.8m

2021	£687.8m
2020	£492.3m
2019	£434.0m

Return on capital employed[2]

17.1%

2021	17.1%
2020	16.5%
2019	17.0%

Carbon emissions

96kts

2021	96kts
2020	94kts
2019	95kts

1. All references to 'adjusted operating profit' and 'adjusted earnings per share' included in the Strategic Report are stated excluding net exceptionals and amortisation of intangible assets. Other 'Alternative Performance Measures' ('APMs') are detailed on pages 233 to 237.
2. Return on capital employed excludes the impact of IFRS 16 *Leases*. See APMs on page 236 for further information.

At a Glance

Our Operations

We combine our strengths to better connect people and businesses with the essential products and services that they require to keep growing and progressing.

The Group operates across three markets: energy, healthcare and technology, and is organised and managed across four divisions, employing 13,700 people in 20 countries.

Energy

DCC LPG

A leading liquefied petroleum gas ('LPG') sales and marketing business, supplying LPG in cylinder and bulk format to residential, commercial and industrial customers. In addition, DCC LPG is developing a broader customer offering through the supply of natural gas, power and renewable energy products.

Read more on page 42

Volumes (tonnes)

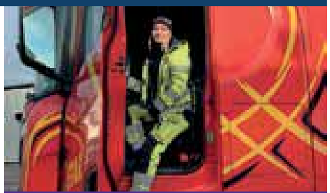
2.3m
(+3.8%)

Adjusted operating profit

£231m
(+1.3%)

Employees

3,598



DCC Retail & Oil

A leading provider of transport and heating energy, lower emission fuels, biofuels and related services to consumers and SME businesses across Europe, with a focus on being a market leader in providing sustainable energy solutions.

Read more on page 50

Volumes (litres)

10.2bn
(-12.3%)

Adjusted operating profit

£145m
(+3.3%)

Employees

3,389

Healthcare

DCC Healthcare

A leading healthcare business, providing products and services to health and beauty brand owners and healthcare providers.

Read more on page 58

Revenue

£655m
(+13.4%)

Adjusted operating profit

£82m
(+35.0%)

Employees

2,628

Technology

DCC Technology

A leading route-to-market and supply chain partner for global technology brands and customers.

Read more on page 66

Revenue

£4.5bn
(+14.6%)

Adjusted operating profit

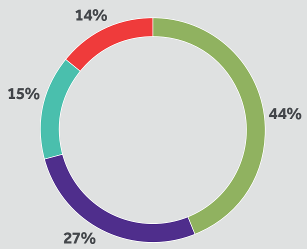
£72m
(+11.0%)

Employees

3,991

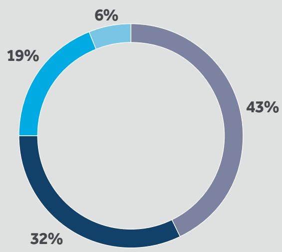
Profit by division

- DCC LPG
- DCC Retail & Oil
- DCC Healthcare
- DCC Technology



Profit by geography

- Continental Europe
- UK
- Rest of World
- Ireland



Our Strategy
Sustainable growth

Our objective is to build a growing, sustainable and cash-generative business which consistently provides returns on capital employed significantly ahead of our cost of capital. We achieve this objective by focusing on growth in our chosen markets and developing our businesses through the six priorities of our strategic framework.

Market leading positions

What this means for DCC

DCC aims to be the number one or two operator in each of its chosen markets. This is achieved through a consistent focus on increasing market share organically and via value-enhancing acquisitions. This priority both encourages growth in our markets and helps our businesses to develop scale positions. Achieving scale in our selected markets creates efficiencies, allowing us to provide a better service to our suppliers and customers and maintain or improve returns.

Priorities for FY2022

We will continue to pursue growth strategies that create leadership positions in the markets where we operate.

Operational excellence

What this means for DCC

Operational focus and continuous operational improvement are integral to how we create value. We continuously benchmark our businesses to ensure that we both maintain and improve efficiency levels, allowing us to gain competitive advantage and deliver superior returns on capital in the short, medium and longer term.

Priorities for FY2022

We are focused on continuing efficient operations across the Group while maintaining the flexibility and resilience that was demonstrated this year. Digital technologies play a key role in this. For example, all divisions continue to increase the agility and scalability of their IT platforms through an expanded cloud footprint. In addition, robotic process automation ('RPA') initiatives across the Group continue to deliver operational efficiencies, compliance and customer service improvements and new revenue-generating opportunities.

Innovation

What this means for DCC

Fostering and supporting a culture of innovation is fundamental to winning in our chosen markets and in a rapidly changing, digitally enabled environment. We challenge each Group business to be innovative in continuously evolving its offering to existing and new customers, enhancing the value of our partnerships with key suppliers and advancing the efficiency, responsiveness and excellence of our operations.

Priorities for FY2022

We will continue to cultivate a culture of innovation and support initiatives for improvement. DCC LPG is continuing to increase its digital engagement with customers through eBilling and ePortal capabilities. DCC Retail & Oil is collaborating with partners to scale up product innovations including greater hydro-treated vegetable oil ('HVO') and biofuel offerings. DCC Healthcare is leveraging expanded Health & Beauty Solutions facilities and delivering production efficiencies though business intelligence reporting on manufacturing assets. DCC Technology is supporting major vendors to drive new product awareness through innovative digital marketing techniques and through the creation of new customer sales platforms for partners.

Extend our geographic footprint

What this means for DCC

We regularly monitor global trends in the sectors in which we operate and look to further develop our businesses into new geographic markets. As we enter new geographies in any sector we leverage our existing capability to benefit from local insight and relationships to create further development opportunities.

Priorities for FY2022

The acquisitions completed during the year provide new opportunities for both organic and acquisitive growth for the Group. The Group remains disciplined and has the platforms, the opportunities and the capability for further growth.

Development of our people

What this means for DCC

Developing and investing in our employees has long been fundamental to DCC's success. We believe our people are a key differentiator for our Group. The devolved nature of our management structure requires unique leadership capabilities and skills. We commit significant resources to ensure we attract, develop and retain our people, ensuring we leverage the strength of our diverse talent to deliver the Group's strategy.

Priorities for FY2022

Our people are the key driving force behind our businesses and we support ongoing learning and development through a range of global and local programmes. This year we are focusing on the further rollout of our business leadership programme, advancing a scaleable coaching skills programme and leveraging technology to extend the reach of our digital training offering. These initiatives support our overall talent development approach and position us to deliver on our strategy.

Financial discipline

What this means for DCC

While pursuing our strategic objectives, we will maintain relatively low levels of financial risk in the Group. We believe that this not only provides the greatest likelihood of generating value for shareholders in the long term, but also leaves the Group best placed to react quickly to commercial opportunities as they arise.

Priorities for FY2022

The maintenance of a strong balance sheet remains an integral part of the Group's strategy. It supports our partnerships with customers and suppliers and enables our acquisitive business model. The increasing scale and geographic diversity of the Group will enable us to diversify our sources of funding over time and reduce the relative levels of gross cash held on the balance sheet.

Our Sustainable Growth Model

How we create, sustain and share value

Our sustainable growth model is driven by our purpose and our six strategic priorities. It is focused on building a sustainable, growing and cash-generative business that creates value for all of our stakeholders.

Our purpose, strategy and values

Our purpose sets out the role of DCC in society and provides the foundation for our strategy, values, and decision-making:

Our purpose is to enable people and businesses to grow and progress.

We fulfil our purpose by applying our strategic framework:

Market leading positions

Operational excellence

Innovation

Extend our geographic footprint

Development of our people

Financial discipline

Read more: Strategy on page 4

And by following our core values:

Safety
For us, safety comes first

Integrity
Our business is built on trust

Partnership
We are stronger together

Excellence
We are driven to excel in everything we do

Our key resources and relationships

People

DCC at its core is a people business. We are a multinational and multicultural Group, employing 13,700 people in 20 countries. We have an inclusive and diverse culture with shared values and a common purpose. The Group's continued success depends on a skilled, engaged and inclusive workforce to deliver the right products and services, safely and on time, to our customers every day.

Customers

We have a broad spectrum of customers, ranging from major corporations and governments to sole traders and individual consumers. We are a trusted partner to over 1.5 million customers.

Suppliers

We partner with thousands of the world's leading energy, healthcare and technology companies, giving us access to a diverse range of quality products. Our suppliers are carefully selected, and our aim is to create long-term sustainable relationships with them.

Financial

The Group has a strong and liquid balance sheet which enables us to react quickly to commercial opportunities. At 31 March 2021, the Group had net cash (excluding lease creditors) of £165 million, total equity of £2.7 billion and cash resources of £1.7 billion.

Infrastructure

We are well positioned to execute our strategy, having robust, well-invested operating platforms, a diverse geographical footprint across 20 countries and the capacity and appetite to invest further in our facilities.

Intellectual

The quality of our own brands, third-party brands, licences and processes provide significant competitive advantage. We foster and support a culture of innovation across the Group and constantly challenge each business to identify and implement innovative and effective solutions in a rapidly changing, digitally enabled environment.

We are a diverse and resilient Group

Our strategic framework allows us to operate in a diverse range of markets and geographies. The diversity of our Group, both in terms of our business activities and our people, has been a key contributor to the Group's strong track record of growth and development over a long period of time.

We support our businesses

We operate a devolved management structure which allows our businesses to drive innovation in their chosen markets and to remain agile and responsive to changes in customer needs. Our devolved model is a critical mechanism for ensuring local responsibility, focus and autonomy. Our businesses are supported by central functions with expertise in areas such as talent development, risk management and capital allocation, together with setting a consistent strategic direction. Our combined expertise in the financial and commercial management of our businesses, ensuring that we grow profits organically, manage our risks, convert profits to cash and reinvest a portion of those profits in further growth, has been key to DCC's success for many years. To continue this success, we actively foster and support a culture that promotes the development and sharing of best practice and innovation across our businesses and divisions.

Growth is at the core of who we are and what we do

Since DCC's foundation, we have had a focus on unlocking potential to deliver long-term sustainable growth. We have a rigorous set of management processes that ensure a constant focus on growth and further cash generation, ensuring that we maintain our returns-focused strategy. We drive organic growth within our businesses by working in partnership with our stakeholders and by fostering a culture of high performance and entrepreneurship in our teams. This organic growth, together with the cash-generative nature of our businesses, facilitates ongoing investment in our people and in our operations. This is supported by disciplined and selective capital redeployment for expansion and new acquisitions, allowing us to sustain our growth model.

Our sustainable model

Our chosen sectors and business models have proven to be resilient to external shocks. There is long-term demand in the sectors in which we operate and we believe that our divisions and businesses all possess the platforms and capabilities to achieve further growth in the future.

Since we listed as a public company in 1994, DCC has generated operating cash flows of £6.5 billion. We have invested £1.6 billion in organic growth and have completed over 300 acquisitions at a value of £3.5 billion. This commercial and financial growth has been achieved through a very consistent and rigorous application of our strategy and values in support of our overall purpose. We remain confident that our focus on these areas will continue to generate value for all our stakeholders.

Creating value for our stakeholders

Our purpose is focused on the value we create for our stakeholders: the people and businesses we work and interact with. Our business model generates financial and non-financial returns for our stakeholders. Here, we summarise the principal financial returns created during the year. The Stakeholder Engagement section on page 27 and the Sustainable Business Report on page 72 address our stakeholder relationships and the non-financial value we generate for our stakeholders in more detail.

Suppliers and Customers

Our businesses supply essential products and services to our customers. We adopt a partnership approach with our suppliers and customers, with the aim of achieving mutually beneficial goals. We endeavour to support our suppliers and customers to improve the sustainability of their businesses.

Goods and services

£12.4bn **(2020: £13.7bn)**

Employees

We invest in our people throughout their careers. Our working environments are safe and inclusive, and people are empowered and enabled to develop personally and professionally. We provide competitive rewards and benefits that are clearly linked to performance and offer opportunities for further career development.

Employee payments

£619m **(2020: £598m)**

Investors

We are committed to delivering long-term value to our shareholders and sharing in our success through our progressive dividend policy. We have an unbroken record of dividend growth and a compound average dividend growth rate of 13.9% over 27 years.

The Group's financial strategy includes the maintenance of a strong and liquid balance sheet and we have built strong relationships with our core debt providers over a number of years. Interest payments reflect the returns to these debt providers.

Dividend to shareholders

£157m **(2020: £144m)**

Interest payments

£85m **(2020: £95m)**

Communities and the Environment

Our businesses operate in a wide variety of locations, often working closely with local service providers. In doing so, they enable and promote economic activity in our communities. We partner with a number of charities and also encourage our people to engage in volunteer work, thereby benefiting local communities.

Governments and Regulators

The taxes and levies paid by the Group enable governments to develop and maintain public works, services and institutions.

Corporate taxes

£66m **(2020: £61m)**

Capital for reinvestment

Disciplined and selective capital redeployment allows us to sustain our growth model. The highly cash-generative nature of our business enables ongoing investment in our people and existing businesses together with further acquisitions, driving efficiencies and further sustainable growth.

Retained for reinvestment

£247m **(2020: £234m)**

Our Markets

The DCC Group operates across three markets: energy, healthcare and technology. Guided by our strategy, we make deliberate and careful decisions as to which areas of these markets we wish to compete in.

Our Energy Markets

Trends driving long-term demand
Energy products underpin modern society, powering business, heating homes and enabling mobility. They are essential products with growing global demand. How the world consumes energy has been evolving for many decades. Recent years have seen a significant change in energy consumption such as the expansion of natural gas grids, the increased adoption of efficiencies in homes, vehicles and businesses and a shift in the importance of electricity as wind, solar and other renewable generation technologies have become commercialised.

The nature of the energy consumed will clearly continue to change, but the fundamental demand for energy products will remain. The role of our energy businesses is to both support and lead this change by working with energy producers and other industry partners to help create the demand for lower carbon fuels. We also work with partners involved in the development of emerging technologies and products to help them to introduce and establish new market solutions.

As energy technologies evolve over the coming years we are, and will remain, ready to support our customers on their energy transition journey, be it solar power for homes, heat pumps, electric vehicle charging, hydrogen solutions, or innovations in carbon reduction. We are focused on being agile and innovative in providing solutions to help our customers in their transition.

Our energy businesses are leading providers of the fuels that are needed today while also enabling the energy transition by providing fuels of the future. Our capital-light model ensures that we are agile in adapting to the emerging energy mix. We are well placed to play a leading role in the energy transition journey and our

Our Healthcare Markets

Trends driving long-term demand
People are living longer and healthier lives. They are increasingly focused on health and well-being and on feeling and looking good, which is driving increased consumer demand for nutrition and beauty products. DCC Health & Beauty Solutions helps our international health and beauty brand partners to meet this demand by providing innovative, high quality, cost effective solutions from our industry-leading, well-invested facilities in the UK and US.

In addition, healthcare systems continue to evolve to cope with the increasing burden of care driven by ageing populations, the growing incidence of chronic disease and people's higher expectations of healthcare providers. Healthcare spending is increasing, the mix is moving away from treatment and towards prevention, diagnosis and monitoring, and care settings are evolving and fragmenting. Our DCC Vital business is well placed to respond to these changes given its broad portfolio, comprehensive market sector coverage, deep industry knowledge and ongoing new product development.

These trends generate increased demand for the products and services provided by our Healthcare businesses.

Customer markets
DCC Health & Beauty Solutions provides outsourced services to a broad customer base of international nutritional and beauty brand owners, retailers, and direct sales organisations.

DCC Vital services more than 30,000 customers including national health systems, community care organisations, blue light services, GPs, and other primary care providers.

Geographies
Europe and the US.

Our Technology Markets

Trends driving long-term demand
Technology devices and services play an essential role in all our lives and will continue to do so as new forms of technology and new applications for that technology are developed.

In particular, growth in technology demand will be seen across cloud, workplace, home and 'on the move' settings including:

- cloud infrastructure
- public cloud services
- gaming software and hardware
- Pro AV and Pro audio
- retail electricals
- work from home technology

DCC Technology businesses are well-placed to ensure that these products and services find the most efficient route to market. Our businesses operate primarily in niche specialisms within each of our geographies, providing a high level of product and market knowledge for the benefit of our customers. Increasingly, we provide e-commerce solutions to manufacturers servicing both the business-to-business and direct-to-customer channels. The pandemic has accelerated the growth of the e-tailing sector and DCC Technology has developed service offerings to provide customers in that sector with direct-to-consumer drop-ship delivery capabilities.

Customer markets
DCC Technology partners with more than 2,400 of the world's leading technology brands to market and sell a range of products to over 50,000 customers including retailers, e-tailers, resellers and integrators. We supply consumer devices, small business equipment, enterprise technology solutions and Pro AV installations. We are also the largest distributor of musical instruments and related products in North America with a range of distribution relationships, many of which are on an exclusive basis, supplemented by a growing own-brand offering. DCC Technology's supply chain services offering provides specialist procurement and logistical services to manufacturers.

Geographies
Europe, North America and the UAE.

ambition is to grow our businesses by providing customers with sustainable energy solutions both now and in the future.

Customer markets
We serve customers across domestic heating and power, commercial power, heat and industrial processes, retail transport fuels and other bulk transport fuels. Our businesses supply energy products used by millions of customers across 12 countries.

Geographies
Europe, the US and Hong Kong & Macau in Asia.

Our divisions that service the market

LPG
Read more on page 42

Retail & Oil
Read more on page 50

Our division that services the market

Healthcare
Read more on page 58

Our division that services the market

Technology
Read more on page 66

How we are well positioned for success

Our ability to compete and evolve
DCC has a long track record of responding well to changing market dynamics and will continue to do so in the future. By continuing to focus on our purpose, our six strategic priorities and our values, our businesses will maintain the agility and resilience they need to respond to these changes. While the nature of the products and services that we provide will evolve, as they always have, the demand for energy, healthcare and technology products and services will continue to grow.

Responding to changing market dynamics and fostering a culture of innovation to drive growth is a key mindset in all our businesses. Our devolved management structure ensures that our teams can react quickly to changes in their markets and allows them to lead their business with the support of our experienced divisional teams. This provides a powerful combination of local market responsiveness and group scale to respond quickly to changes in local market dynamics.

We leverage our scale experience, long-term partnerships and our capital discipline in a variety of ways to unlock additional benefits for our businesses, helping them to achieve more growth and make further progress in their own markets.

Our ability to reinvest in further growth
We invest in growth in two ways:

Firstly, by investing to improve and grow our existing businesses organically. We invest in integrating more closely with our customers, in essential infrastructure and in developing new product capability as new energy, healthcare and technology products emerge. Our businesses benefit from the scale that the Group provides, which facilitates continued investment through different economic cycles. The Group has invested £1.6 billion in capital expenditure to generate organic growth over the last 27 years.

Secondly, we invest in acquisitions, where we are focused on adding new capability to our businesses, entering new product or geographic areas, or scaling up an existing presence. Our commitment to the diversity of our business means that we are always ready to pursue opportunities that arise in our chosen sectors. The identification, completion and integration of acquisitions is a key strength of DCC and our skills have been developed over the 300 acquisitions that we have completed in the last 27 years, investing £3.5 billion over this period. We have also demonstrated our ability to add significant value to our acquisitions.

Chairman's Statement

Supporting our stakeholders through a turbulent year

Dear Shareholder,

Purpose, Values and Business Model

This year, the commitment of DCC's people and the agility of our businesses ensured our customers received the energy, healthcare and technology products that they needed to keep going during the pandemic.

Our organisational purpose of enabling people and businesses to grow and progress and our core values of Safety, Integrity, Partnership and Excellence were much in evidence across DCC in this past year. In particular, the commitment of the Group's employees during a difficult and uncertain period was exemplary. I would like to extend the thanks of the Board to all of them. Some of our colleagues appear on the cover of this Report as a way of recognising the importance of them all.

The pandemic required our people and businesses to change the way they operated in fundamental ways. Our ability to respond successfully was enabled by core elements of our strategy and business model: our diverse activities, our devolved management structure, our focus on people and our robust partnerships with stakeholders.

The Board met virtually this year and had more frequent discussions on the pandemic as it unfolded. Our focus was on protecting the safety of our employees and maintaining operational performance while continuing to develop strategically.

Performance

DCC's values-based culture, our clear but agile strategic framework and our commitment to good governance combined to deliver another strong financial performance during the year. In a challenging period, the Group's resilience was apparent.

Group adjusted operating profit increased 7.3% to £530.2 million. Adjusted earnings per share increased by 6.6%.

Return on capital employed, a key metric for the Group, was 17.1%. The strong conversion of adjusted operating profits to free cash flow continued, at 130%.

At year end, the Group had net cash of £165.1 million (excluding lease creditors), cash resources of £1.7 billion and total equity of £2.7 billion.

Our continued balance sheet strength supports our targeted approach to acquisitions and we committed a further £375 million of acquisition capital in the year.

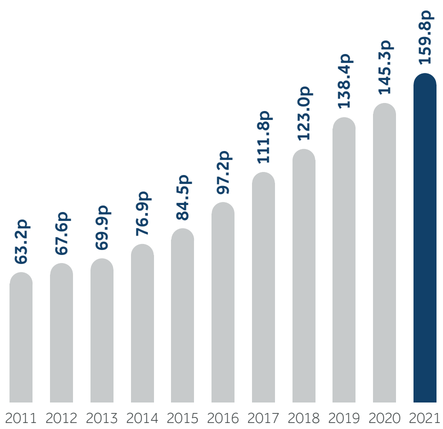
DCC's diverse and resilient business model, the essential nature of the Group's products and services and our extremely strong balance sheet ensures that the Group is well placed to continue its growth and development into the future.

Shareholder Returns

The Board is recommending a final dividend of 107.85 pence per share. This brings the total dividend per share for the year ended 31 March 2021 to 159.80 pence per share, up 10.0% on the previous year. This extends our record of 27 years of uninterrupted dividend growth. Total return to shareholders in the last 10 years has been 299%, taking account of growth in our share price and dividends paid.

Dividend (pence)

Years ended 31 March



Total Shareholder Return ('TSR')

TSR over 10 years: 299%

The chart above shows the growth of a hypothetical £100 holding in DCC plc shares since 1 April 2011.

> **"The commitment of DCC's people and the agility of our businesses ensured our customers received the energy, healthcare and technology products that they needed."**

Strategy

Our strategic objective continues to be to build a growing, sustainable, cash-generative business which consistently generates returns on capital employed significantly ahead of our cost of capital. We achieve this by adhering to six strategic priorities, four core values and acting consistently with our purpose as a company. The financial and non-financial value created for all of our stakeholders by this model makes the Group highly resilient and sustainable.

Other sections of the Strategic Report give more detail on these elements of our strategy. The Strategy in Action section on pages 16 to 26 gives examples of how our strategy was put into practice during the year.

Board Composition and Renewal

The Board has continued to evolve to reflect the nature of the DCC Group and its future development.

We welcomed Tufan Erginbilgic as a non-executive Director in April 2020. His experience and expertise in the downstream energy and lubricants sectors contributed strongly to Board discussions this year.

Kevin Lucey succeeded Fergal O'Dwyer as CFO and as an executive Director in July 2020, following Fergal's retirement after 31 years in DCC. Kevin has transitioned very effectively into this role. I would like to repeat my thanks to Fergal for his contribution as a Director during his time on the Board.

Leslie Van de Walle retired as a non-executive Director, Senior Independent Director and Chairman of the Remuneration Committee in July 2020. I would also like to thank Leslie, who contributed greatly to our Board over almost ten years. David Jukes replaced Leslie as Chairman of the Remuneration Committee.

In October 2020, Ger Whyte retired as Company Secretary, having held that role for 20 years. I would like to record our sincere appreciation to Ger for his service to the Board and the wider Group during that time. Ger was succeeded by Darragh Byrne as General Counsel & Company Secretary.

I am also very pleased to welcome Lily Liu to the Board as a non-executive Director and member of the Audit Committee, with effect from the conclusion of the AGM on 16 July 2021.

I will be retiring as Chairman of DCC at the conclusion of our AGM. I have had the great privilege of working with a wide range of talented and committed people during my time on the Board. I would like to thank them all for their support and dedication throughout that period.

We completed a comprehensive succession process during the year which resulted in the appointment of Mark Breuer as my successor. Mark has been a non-executive Director since 2018 and has been the Senior Independent Director since 2020. Mark has the expertise and breadth of knowledge to lead the Board in the years ahead. Mark will take over as Chairman with effect from the conclusion of the AGM. Caroline Dowling will succeed Mark as Senior Independent Director on the same date.

Jane Lodge will also retire from the Board and from the Audit Committee with effect from the conclusion of our AGM this year. I would like to thank Jane, who has contributed very significantly to the work of the Board and the Audit Committee and wish her every success in the future. Jane will be succeeded as Chairman of the Audit Committee by Cormac McCarthy, who has been a non-executive Director and member of the Audit Committee since May 2016.

The diversity of the Directors' expertise and experience enhances the quality of our Board discussions and decisions. As the Board and the Group continue to evolve, I am pleased that we are adding to this diversity. With the recent changes, the Board will meet the recommendations of the Parker Review following the AGM.

Further details on the evolution of the Board and Board Committees are set out in the Governance and Sustainability Committee Report on page 106.

People

I referred above to the exceptional performance and delivery by all colleagues across the Group in the past year. This is in large part due to the leadership of Donal Murphy, the Group's Chief Executive, his management team and business leaders across the Group. I would like to thank them all for their commitment, in this year above all.

Looking Ahead

DCC's strategy has been consistent and has delivered for shareholders over 27 years. It continues to provide the necessary clarity and agility to support the continued evolution and growth of your Company.

I would like to thank our shareholders for your support throughout my time as Chairman and, on behalf of the Board, express my appreciation for your commitment to the Group.

John Moloney
Chairman
17 May 2021

Chief Executive's Review

Resilience and diversity deliver for DCC

Donal Murphy reflects on the year and answers some key questions about DCC.

Q

DCC delivered a very strong performance this year. What were the highlights?

Despite the challenging and uncertain environment created by the Covid-19 pandemic, DCC delivered a very strong trading performance during the year. The strength of the performance demonstrates the resilience in DCC's business model, the essential nature of the products and services that DCC provides to its customers and the phenomenal capability, agility and commitment of our 13,700 colleagues who work across the 20 countries that DCC operates in. I'd like to say a big thank you to all my colleagues for delivering such a wonderful performance in the most challenging environment we have experienced in our lifetimes. They lived our core values of Safety, Integrity, Partnership and Excellence every day. The front cover of this Annual Report is testament to that endeavour: our people are by far the highlight of the year.

The Covid-19 pandemic really highlighted the essential nature of the products and services that DCC provides to its customers – whether it was the energy to heat their homes or the fuel to transport goods and services to the door as shops closed and more and more goods were purchased online, the personal protective equipment ('PPE') to allow medical practitioners to care for their sick patients, or the technology that forms such a central part of our lives today.

DCC's devolved business model empowers our teams to react quickly to changing market conditions such as Covid-19. This was really tested over the last year, but the results speak for themselves. The Group's adjusted earnings per share increased by 6.6%.

Return on capital employed, DCC's key metric, improved to 17.1% from 16.5% in the previous financial year. All divisions of DCC delivered profit growth. DCC maintained its consistent track record of organic growth, with almost half of our operating profit growth being organic. Finally, a very strong working capital performance resulted in excellent free cash flow conversion of 130%.

Our LPG division recovered from a weak first half to grow its profits. It had to overcome restrictions that limited commercial and industrial activity in many of its markets. The diversity within this division helped compensate for the impact of Covid-19, with volume demand for cylinders and domestic heating holding up well. The business continued to expand in the US. Having acquired UPG, it is now one of the top ten players in the US market with operations in 21 states, serving 230,000 customers.

Retail & Oil generated good organic profit growth despite the sharp slowdown in commercial activity at stages during the year. The business benefited from its continuing focus on providing its customers with essential liquid fuel products, increasing penetration of value-added products and services, including lower emission fuels and excellent cost control. The division added to its service range by expanding its electric vehicle ('EV') charging points, truck stops and lubricants businesses.

"Our team worked tirelessly to deliver essential products and services during the pandemic."

Our Healthcare division had an excellent year. benefiting from significant expansion in the US market in the prior year and strong demand in the health and beauty sector as consumers focus increasingly on their nutrition and well-being. DCC Vital played a pivotal role in the fight against Covid-19 by ensuring that healthcare systems in the UK and Ireland had essential PPE and other Covid-related products throughout the year.

The year taught us that we cannot live without modern technology. Our Technology division enabled the transition to a virtual working environment. It benefited from consumers' need to fill leisure time in new and different ways, with significant demand for consumer electronics and musical instruments. It was another example of diversity in action for DCC: business-to-consumer sales more than offset the decline in the business-to-business channel, leading to double-digit revenue and profit growth.

Allied to our excellent trading performance, we expanded significantly through acquisition and made great progress in supporting our customers on their energy transition journey. The Group set a net zero emissions target for 2050 or sooner last November and we are on track to meet our interim target of a reduction of 20% in our emissions by 2025. We are committed to decarbonising our activities and to leading our customers through the energy transition in the years ahead.

Q

The year has been a difficult one for everyone. What did DCC do to support its stakeholders?

The diversity of DCC is highlighted by the role that our Group played in the response to Covid-19. Every business worked to deliver essential products and services during the pandemic, helping health services to operate, giving people the extra nutrients and immunity benefits they sought, warming homes, making working from home viable through technology and maintaining supply chains by powering transport, commercial and industrial activity.

DCC Vital provided critical PPE and other Covid-related products in the UK and Ireland, so that healthcare systems could function and healthcare workers were protected. Our Health and Beauty business scaled up capacity to support our customers, which include many of the world's leading nutritional brands, to cope with the significant increase in demand for nutritional products.

We catered for the energy needs of well over eight million consumers. The vast majority of our domestic heating customers live off the natural gas grid. They rely on us to heat their homes through the winter. This service became even more essential over the last year, as many spent entire weeks at home. We fuelled fleets that delivered essential services, including ambulances, farm machinery that helped produce food and industrial infrastructure that protected livelihoods.

Eighteen months ago, it might have been unthinkable that hundreds of millions of people could work from home instead of the office. Our partnerships with essential technology providers made us central to keeping these elements of the economy operating.

The safety of our own people is paramount. We have adapted our business so everybody could work from home, unless this was infeasible. It was quite an achievement to generate strong returns for our shareholders while adapting seamlessly to a new operating environment. The year taught us that nothing is impossible.

We also played our part in supporting our local communities. At Group level, we extended our sponsorship of Social Entrepreneurs Ireland ('SEI') for another five years. SEI will be needed more than ever, as social entrepreneurs have a key role to play in dealing with the fallout from the pandemic. DCC's focus on the community also runs throughout our businesses, many of which champion their own local initiatives. We are showcasing their invaluable support to our wider stakeholders via social media and our website. Please see www.dcc.ie, LinkedIn: DCC plc, and Twitter: @dccplc for more information.

Q

What is DCC doing to respond to climate change?

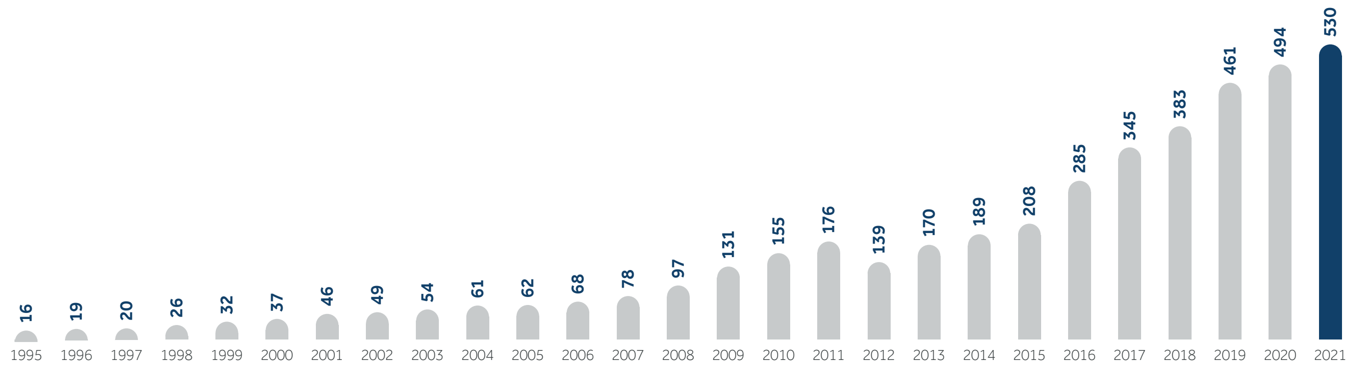
At our Enabling Energy Transition event in November 2020, we announced that we would reduce our scope 1 and 2 carbon emissions to net zero by 2050 or sooner and by 20% by 2025.

We are already well on the way to reaching that interim target. Every business in the Group is committed to reducing their own carbon emissions in line with this Group target. We have put in place internal structures to measure and to document progress against these targets. In this Annual Report, we outline some examples of how our businesses are meeting the challenge through initiatives such as EuroCaps installing solar panels on the roof of their facility in the UK, using our own green electricity to power our Irish businesses and filling our trucks with 100% biofuel in Sweden.

For DCC, it goes beyond leading by example: our role is to help our customers to decarbonise. In this year's Annual Report, we have covered energy transition in the Strategy in Action section on page 16. We supplement these case studies with details of the growth in our cleaner energy offering to customers in the Operating Reviews on pages 42 to 71. We have also included more detail on our carbon reporting targets and the steps we are taking to report in line with TCFD in the Sustainable Business Report on page 75.

Adjusted operating profit (continuing) (£'m)

27 year CAGR 14.2%



Chief Executive's Review continued

Q
How will energy markets evolve over the next few years and what role will DCC play in this?

DCC is very well positioned to enable energy transition and support our customers on their energy transition journey. DCC's energy business has grown and evolved to be a broadly-based provider of energy products and services to millions of consumers across 12 countries. We provide the energy required for mobility, for heating and to support commercial and industrial activities. Our role is to help our customers to decarbonise. The coming years in energy transition are the most critical and the most challenging for societies as the world will have to balance the dual complexity of moving to sustainable fuels in decentralised, hard to abate uses, while also making the transition equitable and affordable.

DCC is focused on the energy transition from the point of view of the customer. We are not a producer of energy, we are a distributor, and our role is to support our customers to transition to cleaner energy products and services. The evolution of the energy mix plays to DCC's strengths as an agile, experienced, multi-energy distribution business with leadership positions in the markets we operate in, backed by our scale. We will continue to build on this position of strength by developing partnerships with producers of new energies. We have leveraged this position to drive energy transition during the year and will add scale in the years to come.

I have set out a few examples below:

- We have created a leadership position in Oil2LPG conversions, significantly expanding our LPG business, but more importantly saving our customers c. 20% of their carbon emissions.
- We have created a leadership position in biofuels with c. 11% of our road transport fuels being bio-based today.
- We continue to invest in our retail network to support the electrification of the passenger car fleet. We increased our fast charging points by 50% during the year.
- We continue to expand our renewable electricity business and in Ireland added over 100,000 customers through the acquisition of Budget Energy.
- Together with our partners Shell and Neste we were the first to bring sustainable aviation fuels to our Danish customers.
- We expanded our range of energy solutions in the French market through the acquisition of two solar photovoltaic ('PV') businesses, providing power to industrial and agricultural customers through on-site installations and maintenance. DCC now provides transport fuels, LPG, bioLPG, natural gas, power, solar and wood pellets to our customers in France.

> **"We're making great progress in enabling people and businesses to decarbonise."**

DCC will continue to increase the range of the energy products and services it provides to its customers. We will provide a choice of low carbon energy solutions, increase penetration of biofuels and will continue to innovate to help our customers with their overall energy requirements through engineering solutions, digital solutions and energy efficiency services. As energy technologies evolve, we will be ready to support our customers on their energy transition journey – be it solar power for homes and businesses, heat pumps, EV charging, hydrogen solutions or innovations in carbon capture use and storage. DCC is a leading provider of the energy that is needed today and we will be a leading provider of the energy that is needed in the future.

Q
What role did acquisitions play in the Group's development last year?

While organic growth is our number one growth objective, acquisitions are also a key pillar of DCC's growth strategy. The astute allocation of capital has been central to DCC's success to date. Over our 27-year history as a listed company, we have deployed £3.5 billion on over 300 transactions. I'm delighted to say that notwithstanding the global pandemic, this was another strong year for development. Total capital committed since our preliminary results last year was approximately £375 million. All four divisions acquired businesses across nine countries.

Our ability to deploy this level of capital in an environment where our divisional teams and central M&A team were unable to travel internationally is a testament to the benefits of our devolved model and the M&A competency across the entire Group. Our local teams drove bolt-on acquisitions in their home markets, while our divisional and central M&A teams supported them virtually.

Notable acquisitions during the year included the significant expansion of our presence in the US LPG market. The acquisition of UPG in January 2021 and NES in September 2020, brought our total capital committed to the US LPG market to $445 million since our initial entry in 2018. We now have a business of real scale in the market: it has a presence in 21 states, employs 900 people, and serves the energy needs of over 230,000 customers. DCC Healthcare expanded its activities into Continental Europe through the acquisition of Wörner, a leading supplier of medical and laboratory products to the primary care sector in Germany and Switzerland. Wörner represents a significant scaling-up of our primary care business, building on our leadership position in the UK market. It also provides a platform for the expansion of DCC Vital's broader activities into Continental Europe, particularly in Germany, which is a large, well-funded and growing healthcare market.

Q
Innovation is one of DCC's strategic priorities. How is innovation fostered and what have been the results of this?

While we added innovation as a strategic priority just a few years ago, it has been an innate part of who we are for decades. We are constantly growing through new ideas and ways of doing things. That includes innovations within our businesses that allow us to serve customers better, or operate the business more effectively, or innovations that are added to the Group through new acquisitions. There is a constant focus on new ideas and doing things better.

We believe that innovation happens best close to the customer and close to our own operations. Our devolved business model creates the agility to turn ideas into action quickly and cost effectively. Then, by sharing these ideas across the Group, we can quickly scale them, bringing real value to the millions of customers we serve. Over the past year, despite the challenges of the Covid-19 pandemic, we continued to innovate.

Here are a few examples:

- We deployed robotic process automation technologies ('RPA') across a number of our businesses to automate routine processes.
- We launched a range of bioLPG cylinders in France and provided customers with a fully automated "click & collect" offering which proved very popular during the Covid-19 crisis.
- We enabled many of our retail customers to trade online with their consumers when their retail outlets were closed.
- We continued to innovate in our nutritional product formats including complex organic and vegetarian softgels and gummies.

We encourage our businesses to operate formal innovation programmes focused on their market and their sector. Not only does this keep a constant focus on innovation and maintain a regular pipeline of ideas, it ensures our teams are part of the conversation to improve their business. For instance, our Health & Beauty Solutions business conducts a lot of research on product innovation as a distinctive way to bring value to customers and our French LPG business runs an innovation programme to collaborate with start-ups relevant to the customers it serves.

Q

How well did DCC execute against its strategy during the year?

In many ways, the challenges presented by the pandemic accentuated the key elements of our strategy and how well our people across the Group executed against them.

We regularly refer to the agility of our business and how this is innate in our culture and our devolved model. This agility was demonstrated clearly over the past year, with all our businesses adapting to social and economic disruption in their local markets. Almost overnight we had to change our operating model and adapt to significant changes in product mix and demand patterns. Our teams reacted without skipping a beat.

Despite the pandemic we continued to execute across the pillars of our strategic framework. I have already discussed the continued performance of our M&A capability, a core part of our growth strategy that is helping us to *Build Market Leading Positions* and to *Extend our Geographic Footprint*. I have also discussed the key role *Innovation* has in the Group and how this continued to be demonstrated during the year. We have continued to make investments in our operations, supporting our priority of *Operational Excellence*. Investments in our technology and our infrastructure enable our businesses to be adaptive and responsive to changes in their local market.

We made several key internal appointments and ran our highly successful Graduate Programme virtually, demonstrating our commitment to; *Developing Our People*. Throughout, we have maintained our *Financial Discipline* and indeed increased our returns.

"Despite the pandemic we continued to execute across the pillars of our strategic framework."

It has been a remarkable year for testing our strategy, and it is a credit to our people for the performance and commitment they demonstrated in executing against our priorities during this time. It is also an important reflection on the strategic choices we have made about the nature of the markets that we operate in. We provide essential products and services that play an integral part in the everyday life of people and businesses across the world. Across energy, healthcare and technology we saw those markets, and particularly our place in them, demonstrate real resilience over the past year. This reinforces our commitment to our strategy and our purpose – enabling people and businesses to grow and progress.

Q

What have been the key leadership developments during the year?

During the year we had a number of changes to the Group Management Team with Kevin Lucey succeeding Fergal O'Dwyer as CFO and Darragh Byrne succeeding Ger Whyte as General Counsel & Company Secretary. These transitions have been seamless and reinforce DCC's focus on developing talent from within. I would like to thank both Fergal and Ger for their significant contribution to DCC over many decades and wish them well in their future endeavours.

We continued to build on our suite of leadership development programmes and adapted these programmes to deliver them virtually. We continued to enhance our succession planning process and are developing a strong group of high potential leaders across the organisation. DCC is a people business and by investing in the development of our people we will ensure we have the talent to drive our growth and development in the years to come.

John Moloney will retire as Chairman of DCC after our AGM on 16 July 2021. John has been a Director of DCC since February 2009 and Chairman since September 2014. His extensive business experience, his leadership of the Board and his commitment to the long-term success of DCC have been immensely valuable and greatly appreciated. I would like to thank John for his significant contribution to the growth and development of DCC during his tenure on the Board and in particular for his support, wise counsel and assistance to me as Chief Executive.

John will be succeeded as Chairman by Mark Breuer. I look forward to working closely with Mark as we continue to grow and develop the Group. Caroline Dowling will replace Mark as Senior Independent Director.

Lily Liu has been appointed as a non-executive Director and member of the Audit Committee with effect from 16 July 2021. Jane Lodge, non-executive Director and Chairman of the Audit Committee, will retire from the Board on the same date. I would like to welcome Lily to the Board and also to thank Jane for her contribution and wish her all the best for the future. Jane will be succeeded as Chairman of the Audit Committee by Cormac McCarthy.

Further details on these changes are set out on page 106.

Donal Murphy
Chief Executive Officer
17 May 2021

Strategy in Action

DCC LPG

DCC Retail & Oil

Leadership in energy transition

Energy transition is the change from fossil-based energy to renewable energy sources. DCC has been navigating this transition over its 43 years of operating in the energy sector. Just over a decade ago, DCC sold only oil and LPG in the UK and Ireland. Today, we sell LPG, bioLPG, bioLNG, biomass, renewable electricity, renewable hydro-treated vegetable oil ('HVO'), gas-to-liquid fuels, premium fuels and other products used by over eight million people and businesses in 12 countries across three continents.

DCC is enabling the energy transition. Our goal is to help our customers to decarbonise while continuing to generate strong returns from our energy businesses. We work with energy producers and other industry partners to bring existing lower carbon fuels to market and to develop new products and technologies that further support their energy transition.

During the year ended 31 March 2021 our energy businesses continued to expand their product offering in order to facilitate our customers' transition to lower carbon products.

In particular, for transport customers:

- We increased the number of fast chargers we operate by 50% during the year. Please refer to the first case study on the introduction of electric vehicle ('EV') charging infrastructure in Norway.
- We increased the amount of biofuel from 7% of total road transport fuel sold in 2018 to 11% in 2021. Please refer to the second case study on the introduction of HVO in Sweden.

For heating and power customers:

- We converted 396 commercial, industrial and residential premises from oil to LPG during the year. This was double the number of conversions in 2020, driven by domestic heating customers as Covid-19 restrictions limited the pace of conversions of commercial customers. LPG produces around 20% less carbon than oil and negligible levels of particulate matter.
- All of the electricity we provide to customers in Ireland comes from renewable sources.

In November 2020, DCC set a net zero target for scope 1 and 2 emissions by 2050 or sooner. We have also committed to reduce our emissions by 20% by 2025 from a 2019 base. Further information on this is available in the Sustainable Business Report on page 72. DCC is also leading by example, using HVO in our trucks and powering our EuroCaps business through our own solar panels and wind turbines. More detail on the steps we are taking to decarbonise our own operations is contained in the Operating Reviews on pages 42 to 71.

Case study

Investing in the fast-growing electric charging business in Norway

DCC is at the cutting edge of the energy transition in Norway, where sales of electric vehicles ('EV') have been expanding over the past decade. Tax subsidies have incentivised the purchase of EVs, neutralising the price difference versus traditional internal combustion engines. 54% of new cars sold in Norway in 2020 were powered solely by electricity, while another 20% were plug-in hybrids. Electric cars now represent 12% of the total passenger car population in Norway and more than of 20% in the larger cities.

EVs are quickly becoming the vehicle of choice in Norwegian households given the increasing model range and vehicle size (including 4x4s) and the extended range resulting from improved battery technology.

DCC invested in seven new locations and 27 new EV charging units in Norway during the last year, delivering a profitable cash contribution to the business. We are very pleased with the strength of take-up and returns on invested capital are already in line with targets. The locations of our Esso-branded retail network in Norway are attractive to consumers and are ideal for facilitating customer apps or in-car systems. The business has partnered with software providers such as Recharge, leading to fast take-up and strong utilisation of charging capability once sites are operational.

More than 1 million kWh of electricity – the equivalent of 5 million kilometres driven – was sold from our chargers in Norway in the financial year to March 2021. This is sourced entirely from renewable power production such as hydropower and wind. DCC aims to more than double the number of locations and chargers within the next 12 months.

As Norwegian drivers convert to EVs, electric chargers will gradually replace liquid fuel pumps on our forecourts. The average charging time at our locations is 20-25 minutes, so customers prefer locations with adjacent services such as food and beverage offerings, sit-down dining facilities and restrooms. Our sites with the market leading 'Deli de Luca' convenience stores are ideally positioned to meet these consumer requirements.

Strategic linkage

Operational excellence
Innovation

Read more: Strategy on pages 4 and 5

Case study

HVO: delivering an 80% carbon reduction for our customers

Hydrotreated Vegetable Oil ('HVO') is an alternative to diesel. It produces 80% to 90% lower carbon emissions than fossil fuels. It is generally produced from waste and residue fat. For example, used cooking oil, waste animal fat, waste fish fat, vegetable oils and residue oils can be used in its production.

We have been selling significant volumes of HVO in Sweden for some time and have developed a market-share of c. 25%. The business has strong partnerships with suppliers, including Neste who have developed world-leading capability in renewable liquid energy products. Neste's leading product Neste MY Renewable Diesel is fossil-free, produced from only renewable raw materials.

The fuel is adapted to the Nordic climate and is used for diesel engines. The fuel works in both light and heavy vehicles, has high ignition and good cooling performance to temperatures as low as -30°C. The engine needs only to have the manufacturer's approval to switch from diesel. HVO performs as well as, and is chemically identical to, ordinary diesel, but produces significantly lower carbon emissions.

We sell HVO mainly to bulk customers directly into their own tanks and we have also developed a growing network of 37 locations offering HVO at the pump. From these sites, we can also sell to a wide array of customers, mainly in transport, construction and municipalities, but also into the marine diesel market.

Strategic linkage

Market leading positions
Innovation

Read more: Strategy on pages 4 and 5

Strategy in Action

DCC LPG

Significantly expanding DCC LPG's presence in the US market

DCC LPG's US business, DCC Propane, completed five acquisitions during 2021 including NES Group and United Propane Gas ('UPG'). Since DCC's initial entry into the US LPG market in April 2018, we have committed $445 million of acquisition capital to build one of the leading businesses in the market.

Strategic linkage

Extend our geographic footprint
Market leading positions

Read more: Strategy on pages 4 and 5

DCC LPG's vision is to be a global leader in the sales, marketing and distribution of LPG, natural gas and electricity and related products and services.

As DCC LPG expands its US market presence, it has been actively delivering solutions to reduce carbon emissions for its customers and in its own operations.

Acquired in December 2020, UPG markets, sells and delivers propane and related products and services to customers in 13 mid-west and southern states, with a particularly strong presence in Kentucky, Tennessee and Alabama. Headquartered in Paducah, Kentucky, the business sells approximately 120,000 tonnes of LPG annually from 80 operating locations making it the 15th largest propane retailer in the US. UPG's operations are well invested and include a recently-constructed rail terminal in Nashville with the ability to store up to 90 rail cars with a capacity of 2.5 million gallons of propane. UPG's operations are largely contiguous to DCC LPG's existing operations in the US.

NES Group, acquired in September 2020, is DCC LPG's first acquisition in the north-east of the US and will provide a platform for further development in a region characterised by strong underlying demand for propane. Headquartered in Brooklyn, Connecticut, NES Group markets, sells, and delivers propane and related products and services to residential and commercial customers in Connecticut, Rhode Island, and Massachusetts. The business sells approximately 40,000 tonnes equivalent of product annually.

During the year ended 31 March 2021, DCC Propane made significant progress in enabling the energy transition. DCC Propane's first priority has been to reduce its own carbon footprint starting with changing its car fleet to hybrids and using bio-diesel fuel for part of its bulk fleet. The business is also piloting lower emission propane-powered bulk and service trucks. DCC Propane is also focused on improving its delivery efficiency metrics to lower its overall distance driven while still meeting the needs of its customers, including by increasing the use of tank monitors in selected locations.

DCC Propane is collaborating with DCC LPG's European businesses on developing oil to gas conversion solutions as customers look to reduce their carbon emissions. Clean energy sources for DCC Propane's customers are being explored particularly in the renewable dimethyl ether ('DME') and renewable LPG markets.

The acquisitions completed during the year are a further significant step in the execution of DCC LPG's strategy to build a business of scale in the highly fragmented US market.

DCC Propane is now one of the top ten distributors of LPG by volume in the attractive and growing US LPG market. The acquisitions completed during the year increased DCC Propane's geographic presence in the US from 10 to 21 states and more than doubled its customer base and employees to over 230,000 customers and 900 employees.

DCC Propane is well positioned to continue to grow in the US market through additional bolt-on acquisitions and a strong pipeline of opportunities has been identified.


Nashville rail & storage terminal

Strategy in Action

DCC Healthcare

Continuing to build DCC Healthcare internationally

DCC Healthcare's acquisition of Wörner represents a significant scale-up of its primary care operations and extends its sales and marketing activities into Continental Europe. DCC Healthcare is an important growth platform for the DCC Group and has delivered strong organic growth in recent years in the sales, marketing and distribution of medical products across primary care, community care hospitals and other fragmented healthcare settings.

DCC Healthcare, through DCC Vital, is involved in the manufacturing, sales, marketing and distribution of medical products to the British and Irish markets, selling a broad range of own and third-party products across hospitals, community care, primary care and other fragmented healthcare settings. DCC Vital has a strong track record of growth and over the last few years the business has streamlined its activities, improved its sales mix, exited lower margin activities and has realised efficiencies in its operations. Today, DCC Vital has a number of market leading positions across Britain, Ireland and the DACH region in various healthcare settings and has a growing portfolio of own-brand medical products.

Strategic linkage

Extend our geographic footprint
Innovation

Read more: Strategy on pages 4 and 5

DCC Healthcare's roadmap to Continental Europe

Digital capabilities
Scalable infrastructure

Over the last few years, DCC Vital has invested heavily in its British based primary care business. It has developed a scalable e-commerce platform that provides its customers with an improved digital experience. Customers can interact seamlessly via their preferred method, be it through a contact centre, online or mobile. Combining capabilities in personalised marketing, a unique CRM system and next day fulfilment, this omni-channel sales platform has provided DCC Vital with a competitive advantage in the British market. The business' focus on enriching the customers' digital experience, supported with appropriate technologies and market knowledge has allowed DCC Vital to provide its customers with a market leading offering, backed up by a strong value and service proposition.

Market research

As part of its overall growth strategy, DCC Healthcare has sought to expand its market reach into Continental Europe organically and by acquisition. Germany is an attractive market due to its size, strong economy and developed healthcare infrastructure. DCC Healthcare's management team concentrated time and resources on developing an understanding of the market, building relationships with key industry participants and identifying suitable targets. In addition, DCC Healthcare commissioned independent market research to gain a greater understanding of market dynamics in Germany. Very early on in the process, Wörner was identified as an interesting business, with strong similarities to DCC Healthcare's primary care business in Britain.

Entry into Continental Europe

Wörner, which was established in 1991, has grown organically and through bolt-on acquisitions to become one of the leading primary care suppliers in the fragmented German market, providing nationwide sales and distribution coverage. It also has a strong presence in the Swiss market. Wörner sells a broad range of products to approximately 20,000 customers, including general practitioners, primary care centres, specialist medical centres and laboratories. The acquisition of Wörner provides DCC Healthcare with a scale platform for further development. Wörner's management team has generated a pipeline of potential bolt-on acquisitions, which should enable Wörner to further expand in Europe.

Strategy in Action

DCC Technology

Digital transformation

DCC Technology partners with technology suppliers and customers in a wide array of sectors from consumer electronics and music to enterprise services and cloud software. It helps suppliers with the sales, marketing and distribution of their products and assists resellers and retailers to access and use those products most effectively.

Throughout last year DCC Technology has expanded its digital services to create more value for both its suppliers and customers and to improve its own operations.

These improvements have focused on a number of areas.

DCC Technology introduced a range of digital marketing tools and skills to enhance demand creation and customer acquisition. This enabled suppliers to launch campaigns and communicate with customers in a more relevant and meaningful fashion.

Digitisation was also used to create frictionless online trade. DCC Technology offers a suite of technology platforms and processes that allow it to rapidly establish and grow an online business presence for its suppliers or for customers to operate efficiently and provide a rich experience for consumers.

DCC Technology has expanded its range of digital products, such as gaming-as-a-service, infrastructure-as-a-service and device-as-a-service. This has enabled many small and medium sized resellers to effortlessly enter the software-as-a-service market.

DCC Technology then generates valuable insights using the data that is generated by these earlier steps. This can be used to support innovation, identify operational efficiencies and generate other competitive advantages, not only for DCC Technology but also for its customers and suppliers. This year, DCC Technology implemented robotic process automation initiatives within its own business which generated significant capacity allowing its specialist teams to focus on adding value for customers rather than completing mundane tasks.

DCC Technology recognises the importance of people and culture to the delivery of this expanded range of digital products and services and to its success overall. Therefore, it has taken steps to increase specialist knowledge and innovation, in addition to its focus on fostering a diverse range of views, all within a culture based on DCC's core values of safety, integrity, partnership and excellence.

DCC Technology recognises the importance of people and culture to the delivery of an expanded range of digital products and services and to its success overall.

Case study

Working in partnership with Microsoft

DCC Technology partnered with Microsoft in relation to the launch of the new Xbox series S and series X this year. It ran an array of digital marketing activities to engage customers on the launch. This generated high levels of engagement and feedback from customers, which in turn allowed Microsoft to further improve its offering.

Strategic linkage

Market leading positions
Innovation

Read more:
Strategy on pages 4 and 5

Case study

Helping retail customers develop and operate their online platforms

DCC Technology helped many retail customers develop and operate their online platforms during the pandemic, keeping their businesses going while their stores were closed. As an example, its UK online business more than doubled this year, but, more importantly, operational improvements and additions to capacity, such as the expansion of the National Distribution Centre which is detailed in the Operating Review on page 71, enabled a huge switch in demand from retail stores to smaller deliveries direct to the consumer and resulted in an enhanced customer experience over the same period.

Strategic linkage

Market leading positions
Innovation

Read more:
Strategy on pages 4 and 5

Strategy in Action

People development

Our Inclusion and Diversity Policy, 'You Belong Here', outlines the core principles and expectations we have for ourselves, our colleagues and our businesses to foster positive workplace environments. Our ambition is to be an organisation where everyone feels welcome, respected and valued; that they belong in DCC and have the same opportunity for success as anyone else.

This year we focused on raising awareness around inclusion and diversity where each of our businesses refreshed their local Inclusion and Diversity strategies and identified positive, purposeful steps to embed inclusive work practices that support diversity at all levels.

To support our businesses in setting their diversity ambition at a local business level, we held a number of virtual webinars throughout the year with our senior leaders that outlined the key areas for our businesses to focus on as they refreshed their local Inclusion and Diversity strategies.

All of our business were provided with a comprehensive business implementation toolkit to ensure comprehensive local plans targeting four priorities areas were developed. These four areas of practice included:

- Raising awareness and understanding
- Embedding Inclusion and Diversity practices in our People Practices
- Inclusive leadership behaviours
- Minimum requirements for every DCC business

The businesses' implementation plans also contained local approaches that reinforced their continuous commitment to improve inclusion in their business.

To support the businesses, we developed unconscious bias training to raise awareness of the behaviours that act as a barrier to inclusion as part of our suite of core compliance training.

Unconscious Bias at Work Training

All of our colleagues across the global group were invited to complete unconscious bias training. To ensure the training was accessible to all, this training module was made available in two delivery formats, an eLearning module and a classroom training module, both of which were offered in 17 languages.

The Unconscious Bias module was created to both raise awareness of the behaviours that act as a barrier to inclusive cultures and equip learners to help our people recognise and address the effects of unconscious bias by challenging assumptions. The interactive training module had clear learning objectives including how to raise self-awareness, challenge assumptions of others and how to apply tools to mitigate unconscious bias in the workplace.

Throughout the training module there were a number of interactive exercises enabling each of our colleagues to identify their own unique unconscious biases and apply frameworks to challenge their own assumptions.

Through the efforts of all our businesses working together, we are delighted to report all 13,689 colleagues completed this training during the year; 8,081 through our central learning management system and 5,608 attended in-person training whilst adhering to local Covid-19 safety measures or completed on a local learning management system.

Inclusion and Diversity strategy

Our Inclusion and Diversity strategy is enabled by focusing on a number of key areas including communication, education and awareness, people practices and measuring trends. As part of our people development strategy we will continue to focus on creating shared direction, alignment and commitment on key initiatives that will have the most impact in effecting change.

Case study

Celebrating International Women's Day

In our Inclusion and Diversity business implementation guide, we outline the importance of using celebration days to raise awareness around inclusion and to celebrate our differences as well as our common interests. Celebrating these days serves to both educate and unite us.

This year we collectively celebrated International Women's Day to create a shared sense of commitment to celebrate and support our female colleagues.

Across the Group we celebrated the work and achievements of women by profiling our female colleagues and the initiatives that our businesses have embarked on this year to support more inclusive workplace practices both internally and on social media.

Strategic linkage

Development of our people

Read more:
Strategy on pages 4 and 5

Strategy in Action

Case study

Women in the Warehouse

Exertis Sweden's employee demographic consists of a balanced mix of age, ethnicity and experience however this balance did not extend to the ratio of female colleagues to male colleagues in the warehouse.

In order to engage and hear how their female warehouse colleagues saw the importance of having an equal workplace, a workshop was held with the female colleagues in the summer of 2020. The purpose of the workshop was to:

- Highlight how women in the warehouse experience working in a male-dominated workplace
- Highlight how women adapt, what difficulties they face and what abilities they possess
- Address what the business needs to focus on in the future
- Set up strategies for implementing change and how the business will report on progress

In an open and safe forum, the participants had the opportunity through various exercises to talk about their experiences and together provided suggestions on how the environment could be improved through a stop, start and continue model.

Since implementing these changes employee satisfaction has increased and the number of women now working in Exertis Sweden's warehouse has increased from 5% to 29%. Due to the success of this initiative, there are now plans to leverage this initiative and hold similar workshops with Exertis Sweden's office-based colleagues while the business continues to embed positive changes in their warehouse.

Strategic linkage

Development of our people
Innovation

Read more:
Strategy on pages 4 and 5

Case study

The Journey from Customer Advisor to Managing Director

Amandine Besencourt began her career as a Customer Advisor 13 years ago. Today, she is the Managing Director of Logigaz Nord and Distrinord-Gaz.

When I joined Logigaz, I was part of a team of 36 people and today Logigaz now has over 300 employees. Two years after starting as a Customer Advisor, I was promoted to be a Manager in the Contract department prior to becoming the Head of Sales Administration.

In this role, I worked closely with Philippe Marsant, the previous Managing Director and Natacha Cambriels who is President of Logigaz Nord and Distrinord-Gaz and Managing Director, Butagaz.

Throughout my career, Logigaz has afforded me to develop my skills through a variety of on the job development, formal training, coaching and mentoring. During the three years preceding my appointment as Managing Director, both Phillippe and Natacha supported me through their mentoring and coaching to make the transition to this leadership role.

When I am asked what my secret is, I always say it is to listen to colleagues. For me, inclusion is about being open to perspectives different from my own and understanding that everyone's voice is important. Each and every one of our leaders should be ambassadors in creating inclusive cultures, leading by example, at all levels in the business.

At each stage of my career I always felt I was listened to and it is because of this I have been able reach my career aspirations and be rewarded and recognised for my hard work.

Strategic linkage

Development of our people

Read more:
Strategy on pages 4 and 5

Stakeholder Engagement

Enabling our stakeholders to grow and progress

Our success is based on enabling all of our stakeholders to grow and progress, in keeping with our purpose. In this section, we summarise how the interests of our stakeholders are reflected in our decision making.

Suppliers and Customers

What is Important to our Suppliers and Customers

Our suppliers rely on us to provide an efficient route to market for their products and to advise them on how markets are changing. Our customers, whether they are businesses or consumers, rely on us to provide a wide range of essential products and services at a competitive price and on time. Many of the Group's energy customers look to us to reduce their carbon emissions, while also providing reliable energy. For many of our suppliers and customers, the financial strength of the DCC Group is important.

How we Build Successful and Enduring Relationships

The year under review demonstrated the essential nature of the products and services supplied by DCC Group businesses. We worked closely with our suppliers and business customers to keep supply chains open; we supported healthcare providers dealing with Covid-19; we provided power, heat and office equipment to people working from home. Colleagues across the Group work every day to maintain and grow these supplier and customer relationships for the long-term. The commitment of everyone who works across the Group is the key to our success in this area.

How we Monitor our Performance

Businesses in DCC regularly and actively review how they are meeting the current and evolving needs of their suppliers and customers. The evolution of these relationships is reviewed with divisional management through monthly management reporting. The long-term development of the services Group businesses provide to their suppliers and customers is considered as part of our strategic planning process. More detail on how businesses in the Group are meeting supplier and customer needs are set out in the Operating Reviews on pages 42 to 71 and the Strategy in Action section on page 16. The Chief Executive's Review on page 12 sets out additional information on how DCC is responding to our customers' evolving energy requirements.

Board Decision Making

The Board receives at every meeting a report on trading performance across the Group, including material changes in supplier and customer relationships. In addition, each year the Board conducts a strategic review of the activities of the Group, which includes a review of how Group businesses are responding to developing supplier and customer needs.

Case study

Supplying Nutritional Products During Covid-19

During the year, Covid-19 heightened demand for preventative nutritional products such as vitamins and other supplements. DCC Health & Beauty Solutions experienced a significant increase in demand from its customers as a result. Its top priority was the implementation of measures to protect the safety of its employees. This allowed all of its facilities to remain fully operational throughout the pandemic. With the implementation of these additional safety measures, and with the support of its dedicated employees, DCC Health & Beauty Solutions was able to increase production to meet customer demand, benefiting from the strength of its supplier and employee relationships.

Stakeholder Engagement continued

Case study

Staying Connected

All of our businesses recognise the valuable contribution that each and every one of our people played throughout the pandemic. During this time, many of our people continued to work on site, observing Covid-19 safety protocols while others worked remotely, keeping each other safe by staying apart.

Businesses adapted their communications to ensure they preserved their culture and kept people connected not only to the business but also to each other.

Many of our businesses pivoted to virtual town halls. They also issued regular internal communications on regulatory updates, workplace changes and issued pulse surveys to understand how their people were adapting and what measures they could take to support their people further.

Employees

What is Important to our Employees

The workforce of today and the future wants to be inspired by a strong sense of purpose in an inclusive environment and it is this that keeps our people engaged.

As outlined in our Inclusion and Diversity Policy, 'You Belong Here', our people come from many diverse backgrounds and are all uniquely different. Against this context, we strive to create workplace cultures where all our people feel that they are welcome, respected and valued and for an employee experience that respects the individual differences of our people.

How we Build Successful and Enduring Relationships

We use various avenues at a global, divisional and company level to communicate with employees. Our employee engagement processes help us to understand our people's needs.

Our businesses use a variety of methods to engage with our people including local intranets, employee engagement surveys, town halls, listening and project groups, employee polls, pulse surveys, HSE forums and employee recognition programmes.

Throughout the pandemic DCC has ensured regular internal communication across our businesses on regulatory updates, workplace changes and health and wellbeing.

How we Monitor our Performance

Our businesses collect information on levels of engagement and findings are actioned by them. This year we will launch an annual Group-wide employee engagement survey that will allow us to hear the collective Employee Voice.

Board Decision Making

Mr. Cormac McCarthy has been designated as the non-executive Director with responsibility for workforce engagement for the purposes of provision 5 of the Corporate Governance Code. His report is contained on page 100. In addition to reports from Mr. McCarthy, the Board considers HR initiatives communicated by the Head of Group HR, who presents to the Board several times a year.

Investors

What is Important to our Investors
Our investors rely on DCC to operate a sustainable business that delivers returns on capital employed significantly ahead of the Group's cost of capital, converts profits from those operations to cash, shares some of those returns through a progressive dividend policy, and retains a further proportion of them to improve existing operations and generate further growth, including through acquisitions.

How we Build Successful and Enduring Relationships
We value the contribution of our investors and maintain regular contact with them throughout the year, in particular at the time of our annual results and interim reporting dates. We provide further access to senior Group management through meetings and roadshows held during the year. This year, members of the management team presented at 13 capital market conferences, conducted 272 institutional investor one-on-one and group meetings and presented to 15 broking firms. We also held the Enabling Energy Transition event that is described in the case study.

How we Monitor our Performance
Financial discipline is one of our strategic priorities. We have rigorous management reporting, strategic planning and budgeting processes in place to ensure that this discipline is maintained. Our regular interactions with investors enable us to ensure that the Group's strategy remains aligned with investors' interests. More information on our financial performance is set out in the Financial Review on page 34. More information on our non-financial performance is set out in the Sustainable Business Report on page 72.

Board Decision Making
The Board considers a detailed report at every meeting on how the Group is performing against its financial KPIs. The Board also regularly considers reports on engagement with the Group's investors. Non-executive Directors have the opportunity at every meeting and at other times as needed to discuss investor relations with the Chief Executive and CFO. Members of the Board also have direct engagement with investors on certain other issues, for instance as part of consultations on executive remuneration.

Case study

Enabling Energy Transition

In November 2020, we held a virtual conference, attended by our principal investors and analysts, on how our energy businesses are evolving to support their customers' transition to net zero. At the conference, we set out how our purpose, values and strategy, and our focus on our customers' needs, allow us to make a positive impact while leading this change. The conference is available to view on our website.

Stakeholder Engagement continued

Case study

Maintaining Supplies of Essential Products

At the outset of the Covid-19 pandemic, businesses across DCC worked with governments and regulators to ensure essential sources of energy and healthcare products were supplied to health services who were caring for patients. As a result of these initiatives vital supply chains were maintained.

Governments and Regulators

What is Important to the Governments and Regulators we deal with

DCC Group businesses deal with a wide range of regulatory authorities, including in the areas of tax, health & safety, environmental, product safety and employment standards. They expect us to comply with the laws and other rules they enforce and to support their work in developing better regulation within their areas of responsibility. More generally, governments expect businesses like DCC to add value to all of our stakeholders, ensuring that our contribution to society is a positive one.

How we Build Successful and Enduring Relationships

We aim to deal with all regulatory authorities openly and in accordance with our core value of integrity. Our focus on safety and compliance across all our activities, covered in more detail in the Sustainable Business Report, supports all our discussions in this area. Group businesses that deal with regulatory authorities are supported by central functions with relevant expertise where appropriate.

How we Monitor our Performance

We monitor a number of key risks in this area through our enterprise risk processes, described in more detail in the Risk Report on page 81, and our safety and compliance controls, described in more detail in the Sustainable Business Report on page 72.

Board Decision Making

The Board or its Committees receive and consider detailed reports on the Group's compliance with applicable laws, including safety and tax standards, and any material interactions with regulators in these areas. The Board and its Committees also have the opportunity to discuss the status of these relationships with relevant members of management throughout the year.

Case study

Supporting Social Entrepreneurs Ireland

For more than ten years, DCC has supported the work of Social Entrepreneurs Ireland, which supports high-potential entrepreneurs focused on solving social problems. In February 2021, we announced an extension of our financial and strategic partnership with SEI for a further five years. More information on our partnership with SEI is available on our website.

Communities and the Environment

What is Important to our Communities

Climate change, including the need to transition to lower-carbon forms of energy, is an issue of critical importance for every community we serve. We are responding to this challenge by taking steps to reduce our scope 1 and 2 carbon emissions and by supporting our customers in reducing their own carbon emissions.

How we Build Successful and Enduring Relationships

This year, for the first time, we set out specific targets, which are aligned to the goals of the Paris Agreement, to reduce our scope 1 and 2 carbon emissions. We will reduce our carbon emissions by 20% by 2025 and to net zero by 2050 or sooner, from a 2019 base.

We are also working with our customers to ensure their energy needs are met while they reduce their own carbon emissions. More detail on how we are doing this is set out in the Operating Reviews on pages 42 to 71 and the Strategy in Action section on page 16. The Chief Executive's Review on page 12 sets out additional information on how DCC is responding to our customers' evolving energy requirements.

Businesses across the Group support community organisations in the areas where they operate. The adjacent case study gives one example of this.

How we Monitor our Performance

More detail on the targets we have set to reduce our carbon emissions and our progress against them is set out in the Sustainable Business Report on page 72. The Sustainable Business Report also explains how we report in line with CDP and the steps we are taking to report in line with the TCFD framework.

Board Decision Making

The Board receives a quarterly report from the Head of Group Sustainability on the steps being taken to reduce our carbon emissions. The Governance and Sustainability Committee of the Board considers the activities of the Group in this area in more detail at each of its meetings.

Key Performance Indicators
Financial

The Group employs financial key performance indicators ('KPIs') which signify progress towards the achievement of our strategy. Each division has its own KPIs which are in direct alignment with those of the Group and are included in the divisional operating reviews on pages 42 to 71.

Strategic Linkages

Market leading positions | Operational excellence | Innovation | Extend our geographic footprint | Development of our people | Financial discipline | Linked to Directors' Remuneration discipline

Return on capital employed (excl. IFRS 16)

FY21 Performance

17.1%

2021	17.1%
2020	16.5%
2019	17.0%

Description and basis of calculation
Return on capital employed ('ROCE') is defined as adjusted operating profit expressed as a percentage of the average capital employed. The Group calculates ROCE both including and excluding the impact of IFRS 16 Leases as detailed in the Group's 'Alternative Performance Measures' on page 236.

Strategic linkage
ROCE is the key financial benchmark we use when evaluating both the performance of existing businesses and potential investments and is a key component of DCC's executive bonus plans and Long-Term Incentive Plan.

R

FY21 comment
The Group continued to generate very strong returns on capital employed, notwithstanding the substantial increase in the scale of the Group in recent years. The increase in return on capital employed versus the prior year reflects the good organic operating profit performance and excellent working capital management across each division.

FY22 outlook and aims
The achievement of returns on capital employed in excess of the Group's cost of capital will continue to be a key focus in order to ensure the efficient generation of cash to fund organic growth, acquisitions and dividend growth.

Growth in adjusted operating profit

FY21 Performance +7.3%

£530.2m

2021	£530.2m
2020	£494.3m
2019	£460.5m

Description and basis of calculation
The change in adjusted operating profit achieved in the current year compared to the prior year.

Strategic linkage
Adjusted operating profit measures the underlying operating performance of the Group's businesses and is an indicator of our revenue generation, margin management, cost control and performance efficiency.

FY21 comment
All four divisions recorded profit growth versus the prior year. The growth was driven by the excellent organic performance in DCC Healthcare and the strong organic growth in DCC Technology, along with the contribution from acquisitions completed in the current and prior year.

Although behind for the first half of the financial year, DCC LPG recovered during the second half and delivered modest growth for the full year. Operating profit increased by 1.3% (0.3% on a constant currency basis) to £231.3 million and declined modestly organically, with the recovery in the second half benefiting from the gradual easing of Covid-19 restrictions and the acquisitions completed in the US.

Operating profit in DCC Retail & Oil increased to £144.8 million, 3.3% ahead of the prior year (2.1% on a constant currency basis), almost all of which was organic. The good organic performance reflects the continuing focus in providing customers with essential liquid fuel products, increasing penetration of value-added products and services including lower emission fuels, and good cost control.

DCC Healthcare generated strong profit growth on its continuing activities. Underlying profit growth of 45.9% (i.e. excluding the UK generic pharma activities disposed of in September 2019), two thirds of which was organic, reflects strong organic growth in nutritional products in DCC Health & Beauty Solutions and the benefit of the prior year acquisitions in the US. DCC Vital also generated good growth, benefiting from its rapid response to changes in the product and service needs of the healthcare systems in Britain and Ireland.

DCC Technology delivered very strong operating profit growth of 11.0% (11.8% on a constant currency basis) during the year, approximately three quarters of which was organic. Although the pandemic created significant uncertainty across both retail and B2B markets, DCC Technology responded well to this uncertainty and benefited from the breadth of its customer base and product and service offering.

FY22 outlook and aims
The current year has demonstrated the resilience of DCC's business model and although the uncertainty created by the Covid-19 pandemic continues, the Group expects that the year ending 31 March 2022 will be another year of profit growth and development.

Key Performance Indicators
Financial continued

Growth in adjusted earnings per share ('EPS')

FY21 Performance +6.6%

386.6p

2021	386.6p
2020	362.6p
2019	358.2p

Description and basis of calculation
The change in adjusted EPS achieved in the current year compared to the prior year.

Strategic linkage
Adjusted EPS is a widely accepted metric used in determining corporate profitability. It also represents an important metric in determining the generation of superior shareholder returns and is a key component of DCC's executive bonus plans and Long-Term Incentive Plan.

FY21 comment
The increase in adjusted EPS of 6.6% reflects a 6.8% increase in adjusted earnings, driven by the factors mentioned under the adjusted operating profit KPI.

FY22 outlook and aims
The main driver of growth in EPS is the Group's operating profit performance which, as noted above, is expected to continue to grow.

Free cash flow

FY21 Performance

£687.8m

2021	£687.8m
2020	£492.3m
2019	£434.0m

Description and basis of calculation
Cash generated from operations before exceptional items and after net capital expenditure.

Strategic linkage
Free cash flow represents the funds available for reinvestment, acquisitions and dividends, so maintaining a high level of free cash flow is key to maintaining a strong, liquid balance sheet.

FY21 comment
The Group generated excellent free cash flow of £687.8 million during the year, driven by the adjusted operating profit of £530.2 million.

Working capital decreased by £177.7 million with each division delivering an excellent underlying working capital performance throughout the year. Both energy divisions achieved improved terms in some material supply contracts during the year, while DCC Healthcare and DCC Technology both achieved stock efficiencies.

Net capital expenditure amounted to £146.9 million for the year and reflects continued investment in organic initiatives across the Group, supporting the Group's continued growth and development.

FY22 outlook and aims
Cash generation and working capital management will remain a key focus of the Group.

Committed acquisition expenditure

FY21 Performance

£374.6m

2021	£374.6m
2020	£168.6m
2019	£368.3m

Description and basis of calculation
Cash spent and acquisition related consideration for acquisitions committed to during the year.

Strategic linkage
The Group constantly seeks to add value-enhancing acquisitions in order to provide shareholders with returns on capital in excess of our cost of capital.

FY21 comment
The Group committed to acquisition expenditure of £374.6m during the period which principally comprised the acquisitions of United Propane Gas ('UPG'), NES Group, Budget Energy and Primagaz (subject to competition authority approval) in DCC LPG and Wörner (April 2021) in DCC Healthcare.

FY22 outlook and aims
The Group will continue to pursue attractive opportunities in our traditional markets as well as looking to extend our business into selected new geographic markets. We continue to pursue a strong pipeline of opportunities, but acquisition targets must meet our demanding criteria and we will remain disciplined in our approach to acquisition spend.

Key Performance Indicators
Non-financial

The Group employs non-financial key performance indicators ('KPIs') to assess the activities that we see as important in conducting our operations responsibly and achieving our strategic objective of building a sustainable business which delivers long-term value to shareholders.

Strategic Linkages

Market leading positions | Operational excellence | Innovation | Extend our geographic footprint | Development of our people | Financial discipline | Linked to Directors' Remuneration discipline

Health and Safety

FY21 Performance

LTIFR

2021	1.0
2020	1.1
2019	1.2

LTISR

2021	25 days
2020	18 days
2019	24 days

Description and basis of calculation
Lost Time Injury Frequency Rate ('LTIFR') measures the number of lost time injuries per 200,000 hours worked.

Lost Time Injury Severity Rate ('LTISR') measures the number of calendar days lost per 200,000 hours worked.

Strategic linkage
The safety of our employees and the wider community is one of our core values and central to everything we do. A continually improving occupational and process safety culture is a key element in delivering on our strategic objectives.

FY21 comment
The marginal improvement in LTIFR continues a reduction in frequency rate across the Group over the past number of years, despite growth in the scale of the Group and reflects an ongoing commitment to performance improvement through robust risk controls, a proactive safety culture and learning from events.

The increase in the LTISR is almost entirely accounted for by two incidents in our Healthcare and Retail & Oil divisions which resulted in prolonged periods of absence. Most injuries continue to be relatively minor and involve short recovery times.

FY22 outlook and aims
The Group will continue to strengthen risk control measures, focusing on leading indicators and identifying further improvement opportunities as part of a new Three Year HSE Plan. Our promotion of a strong safety culture will continue, with added emphasis on cross-business collaboration and sharing of good practice. We will aim to reduce the LTIFR level to below 1.0.

Gender diversity

FY21 Performance

	Male	Female
2021	65%	35%
2020	65%	35%
2019	65%	35%

Description and basis of calculation
The percentage split of the overall workforce between female and male employees.

Strategic linkage
The Group benefits from attracting and developing a workforce with diverse skills, qualities and experiences.

FY21 comment
At 31 March 2021, female employees accounted for 35% of the overall workforce, 19% of senior management and 27% of Board members.

FY22 outlook and aims
The Group is committed to better gender balance at all levels of the organisation and actively supports the development of our high potential female talent. We continue to focus on supporting the progression of our female talent through our annual talent review process which creates visibility of all talent across the Group.

Read more: Strategy in Action, on pages 25 and 26

Carbon emissions

FY21 Performance

96kts

2021	96kts
2020	94kts
2019	95kts

Description and basis of calculation
Total scope 1 and 2 carbon emissions expressed in kilotonnes (kts) of CO_2e.

Strategic linkage
The Group has put in place scope 1 and 2 carbon reduction targets and is also assisting customers to decarbonise their activities by introducing more renewable forms of energy.

FY21 comment
Overall, there was a 2% increase in absolute carbon emissions. However, this was driven by acquisitions, which accounted for 12% of emissions in the year. The Group's existing businesses achieved significant reductions in their scope 1 and 2 emissions, for example by purchasing c. 30% of their electricity needs from renewable sources during the year.

FY22 outlook and aims
The Group will continue to put in place energy saving and carbon reduction measures in order to meet our carbon emission reduction targets. We will also continue to expand the range of renewable energy products we provide to customers.

Financial Review

Continuing to deliver sustainable growth and development

"Our very strong financial position allows us to look forward with confidence."

Kevin Lucey
Chief Financial Officer

The financial year under review was an extraordinary year. It began as the pandemic really took hold and all economies experienced the consequent 'first' lockdowns. The year ended with the third or fourth severe set of lockdown restrictions still in place, depending on location.

In between, we experienced on-going escalating and easing of restrictions, making business operations and planning extremely difficult. In DCC, our 13,700 colleagues right around the Group responded very effectively to these challenges. Notwithstanding the difficult environment, we continued to provide our customers with the essential products and services they require, while having the safety and welfare of colleagues, customers and suppliers front of mind at all times. If we needed to be reminded, the difficult environment demonstrated how important the products and services we provide are and how essential they are to the communities and economies we serve. This also highlighted our purpose as an organisation: to help people and businesses to grow and progress.

Highlights

The Group experienced the most difficult operating conditions during the first quarter of the financial year, although uncertainty persisted throughout the year. Despite this, we continued to make progress in pursuit of our core strategic aims:

- Growing our operating profit by 7.3% to £530.2 million;
- Recording an excellent cash flow performance, generating £687.8 million of free cash flow;
- Increasing our ROCE to 17.1% and ending the year with a very strong financial position;
- Continuing to evolve and grow within our core energy, healthcare and technology sectors – deploying £146.9 million on net capital expenditure and committing £375 million to new acquisitions during the period;
- Enabling our customers to transition to cleaner energy and setting out our ambition to be Net Zero within our own operations by 2050, or sooner; and
- Increasing the dividend for the year by 10.0% to 159.80 pence per share, our 27th consecutive year of dividend growth.

Looking Forward

As we enter the new financial year, the outlook for the economies in which we operate remains uncertain, given the ongoing impact of the pandemic. However, DCC is very well placed to continue its growth and development into the future. We remain focused on growing our profits organically, delivering very strong returns on capital and continuing to deploy capital to broaden the products and services we can offer to our customers and consolidate within our energy, healthcare and technology sectors. Our very strong financial position allows us to look forward with confidence.

Although the uncertainty created by the Covid-19 pandemic continues, we expect that the year ending 31 March 2022 will be another year of profit growth and development.

Table 1: Trading Overview

	2021 £'m	2020 £'m	Change on prior year %
Revenue	**13,412.4**	14,755.4	-9.1%
Adjusted operating profit			
DCC LPG	**231.3**	228.2	+1.3%
DCC Retail & Oil	**144.8**	140.3	+3.3%
DCC Healthcare	**81.7**	60.5	+35.0%
DCC Technology	**72.4**	65.3	+11.0%
Group adjusted operating profit	**530.2**	494.3	+7.3%
Share of equity accounted investments' profit after tax	**0.2**	1.0	
Finance costs (net)	**(59.3)**	(55.3)	
Profit before net exceptionals, amortisation of intangible assets and tax	**471.1**	440.0	+7.1%
Net exceptional items before tax and non-controlling interests	**(39.1)**	(66.4)	
Amortisation of intangible assets	**(66.9)**	(62.1)	
Profit before tax	**365.1**	311.5	+17.2%
Taxation	**(62.3)**	(57.3)	
Profit after tax	**302.8**	254.2	+19.1%
Non-controlling interests	**(10.2)**	(8.7)	
Net earnings	**292.6**	245.5	+19.2%
Adjusted earnings per share (pence)	**386.62p**	362.64p	+6.6%

Reporting Currency

The Group's financial statements are presented in sterling, denoted by the symbol '£'. The principal exchange rates used for the translation of results into sterling are set out in note 5.1 to the financial statements. The net impact of currency translation on the Group Income Statement versus the prior year was modest, with average sterling exchange rates marginally weakening against euro.

Revenue

Overall, Group revenue decreased by 9.1% to £13.4 billion primarily driven by lower activity levels in DCC Retail & Oil and the lower oil price that prevailed during the year.

Volumes in DCC LPG increased by 3.8% to 2.3 million tonnes, driven by acquisitions completed during the year in the US and Ireland. Organically, volumes declined by 2.1% as lower commercial and industrial demand during Covid-19 restrictions was somewhat offset by good demand from cylinder and domestic heating customers.

DCC Retail & Oil volumes of 10.2 billion litres were 12.3% behind the prior year (a decline of 12.5% organically) reflecting lower demand for transport and commercial fuels during Covid-19 restrictions.

Combined revenue in DCC Healthcare and DCC Technology was £5.1 billion, an increase of 14.4%, driven by strong organic revenue growth in DCC Technology and the first-time contributions of acquisitions.

Group Adjusted Operating Profit

Group adjusted operating profit increased by 7.3% (6.6% on a constant currency basis) to £530.2 million and approximately half of the constant currency growth was organic. The growth was driven by the excellent organic performance in DCC Healthcare and the strong organic growth in DCC Technology, along with the contribution from acquisitions completed in the current and prior year.

The growth in Group adjusted operating profit was achieved in uncertain and difficult trading conditions throughout the year. In particular, the first quarter of the financial year was difficult, given the first-time imposition of Covid-19 restrictions across all economies where the Group operates. The Group responded well to these challenges and continued to meet the needs of customers.

Financial Review continued

Table 2: Adjusted Operating Profit and Earnings per Share

	FY21			FY20			Growth		
Adjusted operating profit*	**H1 £'m**	**H2 £'m**	**FY £'m**	H1 £'m	H2 £'m	FY £'m	H1 %	H2 %	FY %
DCC LPG	**45.6**	**185.7**	**231.3**	49.0	179.2	228.2	-7.1%	+3.6%	+1.3%
DCC Retail & Oil	**65.2**	**79.6**	**144.8**	59.7	80.6	140.3	+9.2%	-1.1%	+3.3%
DCC Healthcare	**39.8**	**41.9**	**81.7**	28.5	32.0	60.5	+39.7%	+30.9%	+35.0%
DCC Technology	**25.5**	**46.9**	**72.4**	25.4	39.9	65.3	+0.7%	+17.5%	+11.0%
Group	**176.1**	**354.1**	**530.2**	162.6	331.7	494.3	+8.3%	+6.8%	+7.3%
Adjusted EPS* (pence)	**117.9p**	**268.7p**	**386.6p**	110.2p	252.4p	362.6p	+7.0%	+6.4%	+6.6%

*Excluding net exceptionals and amortisation of intangible assets

During this time, the Group initiated cost management initiatives including cessation of all discretionary or nonessential expenditure and certain of the Group's operations placed employees on temporary working arrangements and utilised government schemes to support the continued employment of staff in those parts of their businesses that experienced much reduced activity levels. All furlough or similar employee related government supports received during the year have now been repaid.

Whilst uncertainty prevailed throughout the year, as demand began to recover during the second quarter and trading conditions improved, DCC again adapted, recommencing expenditures in areas that had been curtailed, including development capital expenditure, and delivered strong growth in operating profit in the remainder of the financial year.

Although behind for the first half of the financial year, DCC LPG recovered during the second half and delivered modest growth for the full year. Operating profit increased by 1.3% (0.3% on a constant currency basis) to £231.3 million and declined modestly organically, with the recovery in the second half benefiting from the gradual easing of Covid-19 restrictions and the acquisitions completed in the US.

Operating profit in DCC Retail & Oil increased to £144.8 million, 3.3% ahead of the prior year (2.1% ahead on a constant currency basis) almost all of which was organic. The good organic performance reflects the continuing focus in providing customers with essential liquid fuel products, increasing penetration of value-added products and services including lower emission fuels, and good cost control.

DCC Healthcare generated strong profit growth on its continuing activities (i.e. excluding the UK generic pharma activities disposed of in September 2019 of 45.9%, two thirds of which was organic, reflecting strong organic growth in nutritional products in DCC Health & Beauty Solutions and the benefit of the prior year acquisitions in the US. DCC Vital also generated good growth, benefiting from its rapid response to changes in the product and service needs of the healthcare systems in Britain and Ireland.

DCC Technology delivered very strong operating profit growth of 11.0% (11.8% on a constant currency basis) during the year, approximately three quarters of which was organic. Although the pandemic created significant uncertainty across both retail and B2B markets, DCC Technology responded well to this uncertainty and benefited from the breadth of its customer base and product and service offering.

Finance Costs (net)

Net finance costs increased to £59.3 million (2020: £55.3 million). The increase reflects the interest charge associated with higher average lease creditors due to the growth of the Group, a reduction in interest earned on deposits given lower base rates, a higher average gross debt balance during the year and a lower contribution from the Group's modest joint venture arrangements. The average net debt, excluding lease creditors, was £215 million, compared to an average net debt of £342 million in the prior year, and reflects the excellent working capital performance throughout the year. The Group's private placement debt, which is the primary driver of finance costs, decreased modestly by year end versus the prior year reflecting the repayment of private placement debt and the strengthening of sterling against the euro and US dollar. Using the definitions contained in the Group's lending agreements, interest was covered 13.2 times by Group adjusted operating profit before depreciation and amortisation of intangible assets (2020: 13.0 times).

Profit before net Exceptional Items, Amortisation of Intangible Assets and Tax

Profit before net exceptional items, amortisation of intangible assets and tax increased by 7.1% to £471.1 million.

Net Exceptional Charge and Amortisation of Intangible Assets

The Group incurred a net exceptional charge after tax and non-controlling interests of £35.0 million (2020: net exceptional charge of £63.0 million) as follows:

	£'m
Restructuring and integration costs and other	(26.9)
Acquisition and related costs	(13.6)
IAS 39 mark-to-market gain	1.4
	(39.1)
Tax attaching to exceptional items	4.1
Net exceptional charge	(35.0)

There was a net cash outflow of £29.4 million relating to exceptional items.

Restructuring and integration costs and other of £26.9 million relates to restructuring of operations as part of the integration of completed acquisitions across a small number of businesses. It includes the costs related to the restructuring of DCC LPG's consumer gas and power business in France where a new partnership with a third party has been created to better leverage the strong brand presence while reducing risk associated with this market in France. It also includes the reducing dual running costs relating to the DCC Technology's UK SAP implementation which went live during the summer in the majority of the UK business. DCC Technology also incurred restructuring costs across a number of businesses where some right-sizing was required given the change in mix in the business as a result of the pandemic.

Table 3: Performance Metrics

	2021	2020
Growth:		
Adjusted operating profit growth (%)	**+7.3%**	+7.3%
Volume growth DCC LPG (%)	**+3.8%**	+4.7%
Volume growth DCC Retail & Oil (%)	**-12.3%**	-4.3%
Revenue growth – excluding DCC LPG and DCC Retail & Oil (%)	**+14.4%**	+6.7%
Adjusted operating profit margin – excluding DCC LPG and DCC Retail & Oil (%)	**3.0%**	2.8%
Adjusted earnings per share growth (%)	**+6.6%**	+1.3%
Return:		
Return on capital employed – excluding IFRS 16 (%)	**17.1%**	16.5%
Return on capital employed – including IFRS 16 (%)	**15.7%**	15.1%
Operating cash flow (before add-back for depreciation on right-of-use leased assets) (£'m)	**842.3**	665.8
Free cash flow (after IFRS 16) (£'m)	**687.8**	492.3
Conversion of adjusted operating profits to free cash flow (%)	**130%**	100%
Working capital days (days)	**(4.3)**	(0.6)
Debtor days (days)	**35.7**	39.9
Financial Strength/Liquidity/Financial Capacity for Development:		
EBITDA:net interest (times)	**13.2x**	13.0x
Cash balances (net of overdrafts and short-term debt) (£'m)	**1,716.9**	1,684.8
Net cash/(debt) – excluding lease creditors (£'m)	**165.0**	(60.2)
Net debt – including lease creditors (£'m)	**(150.2)**	(367.1)
Net debt (excluding lease creditors) as a % of total equity (%)	**n/a**	2.4%
Net debt:EBITDA (times)	**n/a**	0.1x

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £13.6 million.

The level of ineffectiveness calculated under IAS 39 on the Group's US private placement market debt and related hedging instruments is charged or credited as an exceptional item. In the year ended 31 March 2021, this amounted to an exceptional non-cash gain of £1.4 million. The cumulative net exceptional charge taken in respect IAS 39 ineffectiveness is £0.7 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

The charge for the amortisation of acquisition-related intangible assets increased to £66.9 million from £62.1 million in the prior year reflecting acquisitions completed in the current and prior year.

Profit before Tax
Profit before tax increased by 17.2% to £365.1 million.

Taxation
The effective tax rate for the Group was consistent with the prior year at 17.0%. The Group's effective tax rate is influenced by the geographical mix of profits arising in any year and the tax rates attributable to the individual territories.

Adjusted Earnings per Share
Adjusted earnings per share increased by 6.6% to 386.62 pence, reflecting the increase in profit before exceptional items and goodwill amortisation.

Dividend
The Board is proposing a 12.6% increase in the final dividend to 107.85 pence per share, which, when added to the interim dividend of 51.95 pence per share, gives a total dividend for the year of 159.80 pence per share. This represents a 10.0% increase over the total prior year dividend of 145.27 pence per share.

The dividend is covered 2.4 times by adjusted earnings per share (2020: 2.5 times). It is proposed to pay the final dividend on 22 July 2021 to shareholders on the register at the close of business on 28 May 2021.

Over its 27 years as a listed company, DCC has an unbroken record of dividend growth at a compound annual rate of 13.9%.

Financial Review continued

Table 4: Summary of Cash Flows

The Group generated excellent operating and free cash flow during the year as set out below:

Year ended 31 March	2021 £'m	2020 £'m
Group operating profit	**530.2**	494.3
Decrease in working capital	**177.7**	49.2
Depreciation (excluding right-of-use leased assets) and other	**134.4**	122.3
Operating cash flow (pre add-back for depreciation on ROU leased assets)	**842.3**	665.8
Capital expenditure (net)	**(146.9)**	(167.8)
	695.4	498.0
Depreciation on right-of-use leased assets	**61.4**	58.2
Repayment of lease creditors	**(69.0)**	(63.9)
Free cash flow	**687.8**	492.3
Interest and tax paid	**(108.9)**	(116.2)
Free cash flow (after interest and tax payments)	**578.9**	376.1
Acquisitions	**(272.6)**	(227.5)
Dividends	**(148.3)**	(139.2)
Exceptional items/disposals	**(29.4)**	5.8
Share issues	**–**	0.3
Net inflow	**128.6**	15.5
Opening net debt	**(367.1)**	(18.4)
Translation and other	**88.3**	(70.1)
IFRS 16 transition adjustment at 1 April 2019	**–**	(294.1)
Closing net debt (including lease creditors)	**(150.2)**	(367.1)
Free cash flow conversion	**130%**	100%

Analysis of closing net debt (including lease creditors):		
Net cash/(debt) at 31 March (excluding lease creditors)	**165.0**	(60.2)
Lease creditors at 31 March	**(315.2)**	(306.9)
	(150.2)	(367.1)

Cash Flow

The Group's operating cash flow amounted to £842.3 million, compared to £665.8 million in the prior year, an increase of 26.5%.

Working capital decreased by £177.7 million. Each division of DCC delivered an excellent underlying working capital performance throughout the year. Both energy divisions achieved improved terms in some material supply contracts during the year, while DCC Healthcare and DCC Technology both achieved stock efficiencies. The year-end working capital position benefited from the timing of the year end just prior to the Easter holiday period, which resulted in very strong cash collections and from relatively higher utilisation of supply chain financing. DCC Technology selectively uses supply chain financing solutions to sell, on a non-recourse basis, a portion of its receivables relating to certain larger supply chain/sales and marketing activities. The level of supply chain financing at 31 March 2021 was £25 million higher than the prior year, consistent with the increased sales to very large etail and retail customers.

Supply chain financing had a positive impact on Group working capital days of 4.9 days (31 March 2020: 5.1 days) or £232.6 million (2020: £207.8 million).

Overall working capital days were negative 4.3 days sales, compared to negative 0.6 days sales in the prior year.

As illustrated in the table on page 39, net capital expenditure amounted to £146.9 million for the year (2020: £167.8 million) and was net of disposal proceeds of £15.9 million (2020: £13.2 million). The level of net capital expenditure reflects continued investment in organic initiatives across the Group, supporting the Group's continued growth and development.

Capital expenditure in DCC LPG primarily comprised investment in relation to the Avonmouth LPG storage facility in the UK and further development expenditure to support the continued growth of the business, primarily in tanks (supporting the conversion of oil customers to LPG) and cylinders (including for bioLPG cylinders and the continued rollout of 'Click and Collect'). In the Retail & Oil division, there was continued investment in new retail sites and site upgrades, including adding further lower emission product capability, AdBlue and EV fast charging. It also included capital expenditure in relation to the ongoing project to optimise the depot network in the UK to bring greater network and capital efficiency over time. In DCC Healthcare, the capital expenditure primarily related to increased manufacturing capacity and additional product capability across DCC Health & Beauty Solutions, both in Europe and the US, to facilitate the strong growth in customer demand. The majority of capital expenditure in DCC Technology related to the SAP implementation which is now live in the UK business. Net capital expenditure for the Group exceeded the depreciation charge (excluding depreciation on right-of-use leased assets) in the year by £15.7 million.

The Group's free cash flow amounted to £687.8 million, representing an excellent 130% conversion of operating profit into free cash flow.

Committed Acquisition and net Capital Expenditure

Committed acquisition spend since the prior year preliminary results statement and net capital expenditure in the current year amounted to £521.5 million. An analysis by division is shown below:

	Acquisitions £'m	Capex £'m	Total £'m
DCC LPG	214.5	76.0	290.5
DCC Retail & Oil	36.6	34.2	70.8
DCC Healthcare	79.3	18.6	97.9
DCC Technology	44.2	18.1	62.3
Total	374.6	146.9	521.5

Throughout the year, DCC remained very active from a development perspective, notwithstanding the difficulties caused by the pandemic. Since the results announcement for the year ended 31 March 2020 in May 2020, DCC has committed approximately £375 million to new acquisitions across Europe and North America. The Group has the platforms, opportunities and capability to build the Group into a global leader in its chosen sectors. Recent acquisition activity of the Group includes:

DCC LPG

France Solar Acquisitions

In recent months the French LPG business has acquired two modest solar photovoltaic ('PV') businesses in France. The acquisitions further extend DCC LPG's product and service offering in the French energy market. The acquired businesses help customers design, build and manage their solar installations and provide energy management services. The businesses are based in west and south west France and mostly serve a commercial customer base of agricultural, manufacturing and public sector customers. Integrating the acquisitions into the broader product offering in France will allow DCC LPG to cross-sell the offering to new and existing customers. Following the acquisitions, DCC LPG now provides LPG, bioLPG, natural gas, power, solar and wood pellet offerings to its customer base in France.

United Propane Gas ('UPG')

In January 2021, DCC LPG completed the acquisition of UPG, materially expanding its presence in the US LPG market. Headquartered in Paducah, Kentucky, the business employs approximately 360 people, has over 110,000 active customers and sells approximately 120,000 tonnes of LPG annually from 80 operating locations. Together with a smaller bolt-on acquisition completed in Colorado in December 2020, the combined enterprise value of the transactions was $145 million (£106 million). UPG is DCC LPG's largest acquisition since initially entering the US market in April 2018 and follows the material bolt-on acquisitions of NES Group in September 2020 and Pacific Coast Energy in April 2019. It is a further significant step in the execution of the strategy to build a business of scale in the highly attractive and growing US LPG market.

The acquisition will considerably expand DCC LPG's geographic presence from 14 to 21 states, will almost double its customer base to over 230,000 customers and the combination will create the sixth largest business in the highly fragmented US LPG market.

NES Group

In September 2020, DCC LPG completed the acquisition of NES Group in the US market. Headquartered in Brooklyn, Connecticut, the business employs approximately 70 people, has over 22,000 active customers and sells approximately 40,000 tonnes equivalent of product annually.

Primagaz

During September 2020, DCC LPG agreed to acquire Primagaz from SHV Energy, subject to competition authority approval. The business is highly complementary to DCC LPG's existing business in the Benelux region. Primagaz, which focuses on the bulk and cylinder LPG markets, serves approximately 10,000 customers and supplies over 28,000 tonnes of LPG annually. The transaction is expected to complete during the first quarter of the current financial year.

DCC LPG also completed a number of other small bolt-on acquisitions during the year in the US, Germany and Austria.

DCC Retail & Oil

In April 2021, DCC Retail & Oil agreed to acquire Jones Oil in Ireland, subject to competition authority approval. The business distributes liquid fuels across the domestic, agricultural, commercial, industrial, and marine markets throughout Ireland. In December 2020, DCC Retail & Oil acquired Campus Oil Ireland ('Campus'). The acquisition of both Jones Oil and Campus are complementary to DCC's existing liquid fuels distribution business in Ireland. DCC Retail & Oil also recently completed the acquisition of a small bolt-on acquisition in the lubricants sector in the UK, building further scale in this growing business area. In addition, DCC Retail & Oil recently agreed to acquire a small portfolio of convenience service stations in the north of England and a small bolt-on acquisition in the retail market in Austria.

DCC Healthcare

Wörner

In April 2021, DCC Healthcare acquired Wörner Medizinprodukte Holding GmbH ('Wörner'), a leading supplier of medical and laboratory products to the primary care sector in Germany and Switzerland. Wörner sells a broad product range to approximately 20,000 customers annually, including general practitioners, primary care centres, specialist medical centre and laboratories. The business recorded revenue of approximately €70 million in 2020 and employs 158 people. Joining the DCC Vital group, Wörner will provide a platform for the expansion of DCC Vital's broader activities into Continental Europe, particularly in Germany, which is a large, well-funded and growing healthcare market. DCC acquired Wörner based on an initial enterprise value of approximately €80 million.

DCC Technology

Azenn

DCC Technology agreed to acquire Azenn Holding Développement ('Azenn'), a French valued added distributor in April 2021, subject to regulatory approval. Azenn is a leading distributor of structured cabling solutions and provision of logistics, refurbishment and staging services for network devices. The acquisition of Azenn will complement, enhance and extend the service offerings of DCC Technology's existing Exertis Connect business in France, and allow the expansion of Azenn's cabling and network device offerings to new customers. The business employs approximately 200 staff across five locations throughout France and had revenues of approximately €60 million in its most recent financial year.

JB&A and The Music People

In December 2020, DCC Technology agreed to acquire JB&A, a leading North American distributor of broadcast, post-production and Pro AV technologies, to system integrators and B2B resellers. Located in San Rafael, California, the business recorded revenues of $80 million in its most recent financial year and employs approximately 30 people. DCC Technology also completed the acquisition of The Music People in the US in November 2020. The acquisition of JB&A and The Music People continues DCC Technology's strategy of building a leading Pro AV, Pro Audio and consumer value-added distribution business in North America.

Total Cash Spend on Acquisitions for the Year Ended 31 March 2021

The total cash spend on acquisitions completed in the year was £272.6 million. The spend primarily reflects acquisitions committed and completed during the current year, but also includes the acquisition of Budget Energy, announced in the prior year's results in May 2020. Payment of deferred and contingent acquisition consideration previously provided amounted to £36.3 million.

Financial Review continued

Return on Capital Employed

The creation of shareholder value through the delivery of consistent, sustainable long-term returns well in excess of its cost of capital is one of DCC's core strategic aims. The return on capital employed by division was as follows:

	2021 excl. IFRS 16	2020 excl. IFRS 16	**2021 incl. IFRS 16**	2020 incl. IFRS 16
DCC LPG	**17.4%**	18.4%	**16.6%**	17.5%
DCC Retail & Oil	**19.2%**	18.5%	**16.9%**	16.0%
DCC Healthcare	**18.7%**	14.7%	**17.0%**	13.7%
DCC Technology	**12.3%**	11.0%	**11.0%**	10.0%
Group	**17.1%**	16.5%	**15.7%**	15.1%

The Group continued to generate very strong returns on capital employed, notwithstanding the substantial increase in the scale of the Group in recent years. The increase in return on capital employed versus the prior year reflects the good organic operating profit performance and excellent working capital management across each division of DCC.

The adoption of IFRS 16 on 1 April 2019 had a material impact on the Group's financial statements, creating a significant right-of-use leased asset and corresponding lease creditor. The net impact on the Group's current year return on capital employed was, as anticipated, a reduction of 1.4%.

Financial Strength

An integral part of the Group's strategy remains the maintenance of a strong and liquid balance sheet which, amongst other benefits, enables it to take advantage of development opportunities as they arise. The increasing scale and geographic diversity of DCC will enable the Group to evolve its approach somewhat into the future, leveraging a broader array of funding options and, over time, reducing the relative level of gross cash held on the balance sheet. At 31 March 2021, the Group had: net debt (including lease creditors) of £150.2 million; net cash (excluding lease creditors) of £165.0 million; cash resources (net of overdrafts) of £1.7 billion; undrawn, committed debt facilities of £400 million and total equity of £2.7 billion.

Key financial ratios	**2021 Actual**	Lender covenants	2020 Actual
Net debt:EBITDA (times)	**n/a**	3.5x	0.1x
EBITDA:net interest (times)	**13.2x**	3.0x	13.0x
Total equity (£'m)	**2,705.6**	425.0	2,541.5

The strong cash flow performance at year-end resulted in the Group reporting a modest net debt position of £150.2 million, or excluding lease creditors, a net cash position of £165.0 million. This modest net cash position (excluding lease creditors) is before acquisition expenditure committed during the year but not yet deployed at the balance sheet date of £152.0 million (i.e. the acquisition of Wörner). As such, on a pro-forma basis, the Group had a modest net cash position at year end of £13.0 million.

The Group's outstanding term debt had an average maturity of 5.2 years. Substantially all of the Group's debt has been raised in the US private placement market with an average credit margin of 1.65% over floating Euribor/Libor.

Kevin Lucey
Chief Financial Officer
17 May 2021

Financial Risk Management

Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors, most recently in February 2021. These policies and guidelines primarily cover credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions. DCC's Group Treasury function centrally manages the Group's funding and liquidity requirements. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign exchange, and, in conjunction with Group Commodity Risk Management, manage commodity price exposures, within approved policies and guidelines. Monitoring of compliance with the policies and guidelines is managed by the Group Risk Management function.

Further detail in relation to the Group's financial risk management and its derivative financial instrument position is provided in note 5.7 to the financial statements.

Foreign Exchange Risk Management

DCC's presentation currency is sterling. Exposures to other currencies, principally euro and US dollar, arise in the course of ordinary trading.

A significant proportion of the Group's profits is denominated in currencies other than sterling. Approximately 65% (2020: 60%) of the Group's adjusted operating profit for the year ended 31 March 2021 was denominated in currencies other than sterling, primarily euro, US dollar and Scandinavian currencies. DCC does not hedge the translation exposure on the profits of non-sterling subsidiaries. The modest weakening of the average translation rate of sterling versus the euro was offset by a modest strengthening against the US dollar resulting in a minimal impact on the Group's adjusted operating profit in the year ended 31 March 2021.

The Group has investments in non-sterling, primarily euro and US dollar denominated, operations which are cash generative and a significant proportion of the cash generated from these operations is reinvested in development activities rather than being repatriated into sterling. The Group seeks to manage the resultant foreign currency translation risk through borrowings denominated in (or swapped utilising cross currency interest rate swaps into) the relevant currency or through currency swaps related to intercompany funding, although these hedges are offset by the strong ongoing cash flow generated from the Group's non-sterling operations, leaving DCC with a net investment in non-sterling assets. The loss of £53.5 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2021 as set out in the Group Statement of Comprehensive Income mainly reflects the weakening in the value of the euro and the US dollar against sterling which was partly offset by a strengthening in the value of certain Scandinavian currencies against sterling.

Where sales or purchases are invoiced in currencies other than the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months.

Credit Risk Management

DCC transacts with a variety of high credit-rated financial institutions for the purpose of placing deposits and entering into derivative contracts. The Group actively monitors its credit exposure to each counterparty to ensure compliance with limits approved by the Board.

Interest Rate Risk and Debt/ Liquidity Management

DCC maintains a strong balance sheet with long-term debt funding and cash balances with deposit maturities up to three months. In addition, the Group maintains both committed and uncommitted credit lines with our relationship banks and borrows at both fixed and floating rates of interest. At 31 March 2021, 65% of the Group's fixed rate borrowings were swapped to floating interest rates, using interest rate and cross currency interest rate swaps which qualify for fair value hedge accounting under IAS 39. The Group mitigates interest rate risk on its borrowings by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings.

Commodity Price Risk Management

DCC, through its LPG and Retail & Oil divisions, procures, markets and sells LPG, natural gas, electricity and oil products and, as such, is exposed to changes in commodity cost prices.

In general, market dynamics are such that commodity cost price movements are promptly reflected in sales prices.

In certain markets, and in particular in the LPG division, short-term or seasonal price stability is preferred by certain customer segments which requires hedging a proportion of forecasted transactions, with such transactions qualifying as 'highly probable' for IAS 39 hedge accounting purposes. DCC uses both forward purchase contracts and derivative commodity instruments to support its pricing strategy for a portion of expected future sales, typically for periods of less than 12 months.

Fixed price supply contracts may be provided to certain customers for periods typically less than 12 months in duration. DCC fixes its cost of sales on contracted future volumes where the customer contract contains a take-or-pay arrangement that permits the customer to purchase a fixed amount of product for a fixed price during a specified period and requires payment even if the customer does not take delivery of the product.

Where a take-or-pay clause is not included in the customer contract, DCC hedges a portion of forecasted sales volume recognising that certain sales, such as natural gas and electricity in particular, are exposed to volumetric risk in the form of an uncertain consumption profile arising from a range of factors, including supply dynamics and the weather.

The LPG and Retail & Oil divisions do not hold significant amounts of commodity inventory relative to purchases and sales; however, for certain inventory, such as fuel oil and natural gas, DCC may enter hedge contracts to manage price exposures.

The LPG and Retail & Oil divisions both enter into commodity hedges to fix a portion of own fuel costs.

The net debt balance at 31 March 2021 includes a mark-to-market asset relating to the fair value of the derivative financial instruments used by the Group to hedge commodity price risk exposures.

Certain activities of individual businesses are centralised under the supervision of the DCC Group Commodity Risk Management function. Divisional and subsidiary management, in conjunction with the Group's Commodity Risk Management function, manage commodity price exposures within approved policies and guidelines.

All commodity hedging counterparties are approved by the Chief Executive and the Chief Financial Officer and are reviewed by the Board.

Operating Review

DCC LPG

What we do

DCC LPG is a leading liquefied petroleum gas ('LPG') sales and marketing business, supplying LPG in cylinder and bulk format to residential, commercial and industrial customers. In addition, DCC LPG is developing a broader customer offering through the supply of natural gas, power and renewable products, plus a range of specialty gases such as refrigerants and medical gases.

Key brands

Benegas*, Butagaz*, Flogas*, Gaz de Paris*, TEGA*, Hicksgas*, Propane Central*, Pacer Propane*, Pacific Coast Energy*, Saveway Petroleum*, Northeast Oil*, United Propane Gas* and Shell**.

* DCC-owned brands.
** Operated under a long-term brand licence agreement.

How we do it

Our suppliers

- Exploration, production and refinery
- Importation terminals
- Inbound supply

DCC LPG activities

- Inbound logistics
- Storage and filling
- Sales and marketing
- Services
- Outbound logistics

Our customers

- Domestic
- Commercial/ industrial
- Agriculture
- Retailers/ consumers

Performance for the Year Ended 31 March 2021

DCC LPG performed resiliently throughout the year, notwithstanding the difficult conditions within the commercial and industrial sectors resulting from the Covid-19 pandemic. After trading behind the prior year for the first half of the financial year, DCC LPG recovered well and delivered modest operating profit growth for the full year, benefiting from acquisitions in the US market and the gradual easing of Covid-19 restrictions. Operating profit increased by 1.3% (0.3% on a constant currency basis) to £231.3 million.

Volumes increased by 3.8% driven by acquisition activity in the US and Ireland. Organic volumes declined modestly (-2.1%) due to lower commercial and industrial demand, which particularly impacted the British and Irish businesses given their weighting towards these sectors. Operating profit per tonne reduced modestly due to the product mix impact of acquisition activity. A very good procurement performance ensured that the rising cost of product throughout the year did not materially impact profitability.

The French business performed well, benefiting in particular from strong cylinder demand, good procurement and cost control. Leveraging its strong brand, operations and supply chain in cylinders, the business strengthened its market position during the year benefiting from the introduction of both home delivery and bioLPG cylinders, as well as the 'Click and Collect' offering launched in previous years. These innovations proved attractive during Covid-19 restrictions. The business maintains a leading position in LPG in the French market and also continues to broaden its energy product and service offering to customers. Having introduced natural gas, electricity, wood pellets and bioLPG in recent years, the French business recently acquired two modest businesses providing solar photovoltaic ('PV') design, build and maintenance solutions. These services will complement its strong position in the retail and domestic LPG segments and its increasing presence in the commercial LPG, natural gas and power markets, enabling the business to offer a wider range of solutions to customers as they embrace energy transition.

In Britain and Ireland, DCC LPG recorded good growth with domestic and cylinder customers. However, this was offset by a decline in demand in the commercial and industrial sectors which were impacted most by Covid-19 restrictions. The business continued to invest in its 'Oil2LPG' offering, as customers are attracted to the lower energy cost and carbon intensity of LPG. The conversion of an existing LNG facility at Avonmouth in the UK into a large LPG storage terminal has progressed in line with expectations and is targeted to become operational in 2022. Once operational, the facility will improve the supply position of the British business. In Ireland, the natural gas and power business performed well and successfully integrated the recently acquired Budget Energy, and its attractive renewable energy offering, into its existing operations.

The US business delivered strong volume and operating profit growth during the year. It benefited from its weighting towards domestic customers where demand was resilient during lockdown and from the acquisitions of NES (September 2020) and UPG (January 2021). These acquisitions have considerably expanded the scale of DCC LPG's market presence in the US with the business now operating in 21 states compared to 10 states a year ago. The business has almost doubled its customer base to over 230,000 during the year.

The business in Hong Kong & Macau performed well during a difficult year for the region and continued to grow its customer base, adding several new large residential estates.

How we create value

- Providing cleaner, lower carbon energy solutions to our customers.
- Investing in digital technology to improve customer experience and drive supply chain efficiency.
- Delivered by passionate, engaged, and diverse teams.
- Committed to sustainable goals around safety, the environment and compliance.

Volume (tonnes) +3.8%

Strategic objective:
Drive increase in sales volumes

2.3m

2021	2.3m
2020	2.2m
2019	2.1m

Adjusted operating profit +1.3%

Strategic objective:
Drive for enhanced operational performance

£231.3m

2021	£231.3m
2020	£228.2m
2019	£201.8m

Adjusted operating profit per tonne

Strategic objective:
Grow adjusted operating profit per tonne

£102.36

2021	£102.36
2020	£104.87
2019	£97.11

Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

17.4%

2021	17.4%
2020	18.4%
2019	17.1%

Operating cash flow

Strategic objective:
Generate cash flows to fund organic and acquisition growth and dividends

£341.1m

2021	£341.1m
2020	£331.1m
2019	£242.7m

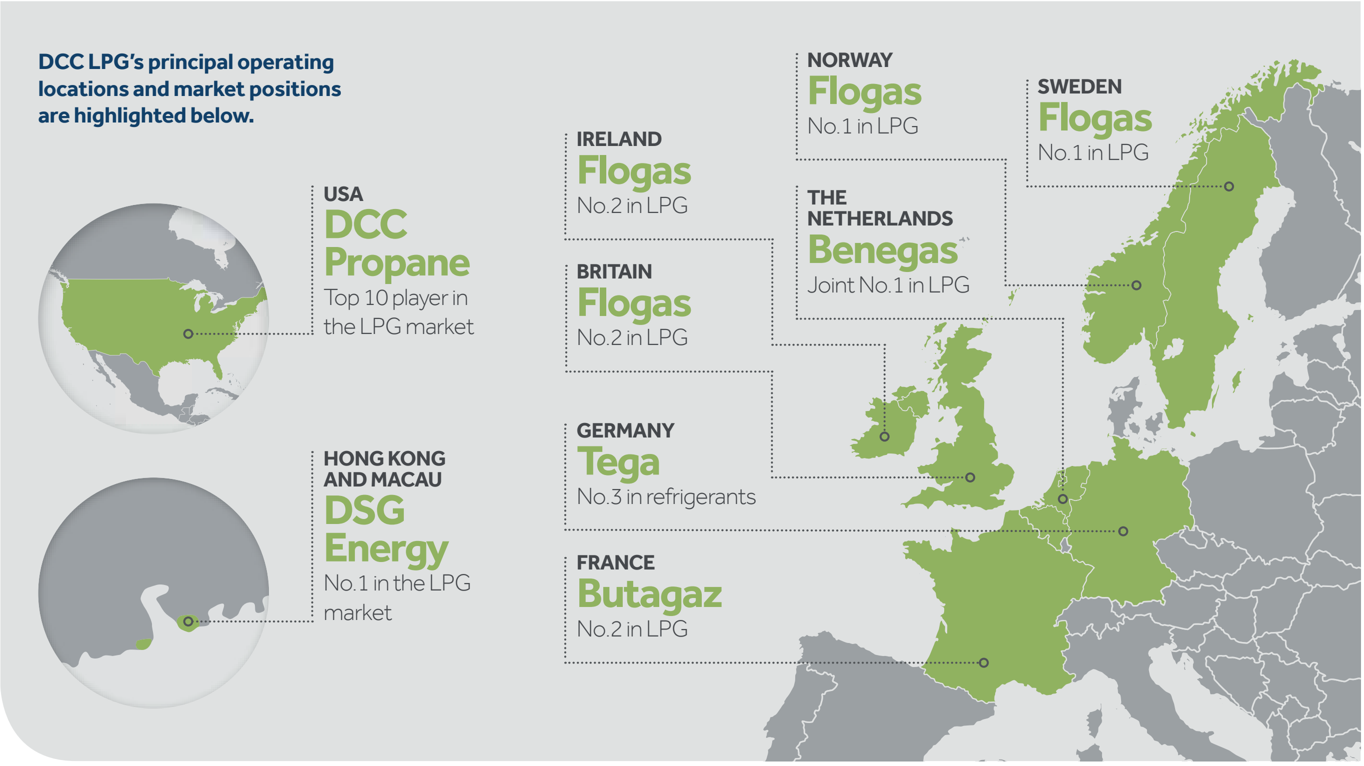
10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

24.4%

2021	24.4%
2020	21.7%
2019	19.8%

Operating Review continued
DCC LPG continued



Markets and Market Position

LPG

DCC LPG supplies LPG (propane and butane) in both cylinder and bulk formats to commercial, domestic, agricultural and industrial customers across ten countries in Europe, the US, and Hong Kong and Macau in Asia.

LPG is generally used where there is no natural gas grid for space heating, hot water and cooking and for agricultural, commercial and industrial processes. It is also used as a road fuel (autogas) and for powering forklift trucks.

LPG markets across Europe are relatively consolidated and DCC LPG has a leading position in each European market in which it operates as well as a leading position in the Hong Kong and Macau market and has progressed into a top 10 position in the US.

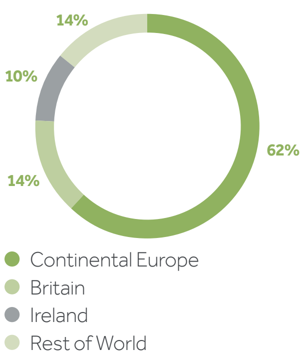
Natural Gas and Electricity

DCC LPG supplies natural gas to industrial, commercial, agricultural and domestic customers in France and Ireland and has a developing electricity supply businesses in France and Ireland.

Industrial

DCC LPG supplies refrigerant gases throughout Europe through TEGA (based in Germany and Austria), Butagaz (based in France) and Benegas (based in the Netherlands). Benegas also supplies LPG as an aerosol propellant to industrial businesses throughout Europe, and Flogas Britain supplies medical gases throughout the UK.

LPG volumes by geography



France

Butagaz is the second largest LPG distribution business in France where the market size is approximately 1.6 million tonnes. Butagaz has a market share of approximately 22% and operates from 50 depots nationally, distributing to 180,000 bulk customers, 16,000 points of sale (cylinder resellers) and 8,000 B2B cylinder customers. We estimate that Butagaz cylinders are used by approximately 4.4 million end-user customers annually. Butagaz has a strong supply base and sources LPG from several supply points across France and from Belgium, Spain and Germany.

In addition, Butagaz has completed the process of integrating back office and supply chain activities handled by third parties through the acquisition of Gazarmor, a service provider covering Western France. Gazarmor has 103 employees and the business has an experienced management team and a high-quality sales, marketing and operating infrastructure.

Butagaz is pursuing a multi-energy and multi-services strategy and recently acquired Soltea and Solewa, two solar photovoltaic installation companies.

Gaz Européen is a specialist retailer of natural gas and electricity, focused on supplying energy management solutions to companies, apartment blocks (with collective heating systems), public authorities and the service sector in France. Gaz Européen supplies approximately 8.4 TwH of natural gas and power to c.27,000 B2B sites across France. A key aim of the company is to boost energy efficiency for its customers by providing a range of innovative services.

Butagaz has been awarded for its customer service in the natural gas and power category for the second year as "Elu Service Client de l'Année 2021".

Since March 2021, the domestic consumers portfolio and offering are operated through a partnership with Mega Energy under the brand 'Butagaz par Mega'. This partnership leverages the strength of the Butagaz brand.

Britain

Flogas Britain is the clear number two LPG distributor in Britain with a market share of c.34% of the addressable market of at least 0.9 million tonnes, served through a nationwide infrastructure of 56 operating locations.

Flogas Britain has successfully grown the LPG market in both cylinders and bulk supply by switching oil consumers in several industrial sectors to LPG, and by supplying LPG to support the generation of bio methane which is injected into the gas grid. In addition to LPG, the business has continued to develop its position as the leading distributor of liquefied natural gas ('LNG') as an energy solution primarily to large industrial businesses. Flogas Britain distributes medical gas to regional health authorities and also distributes a wide range of LPG fuel appliances such as mobile heaters and barbecues, as well as renewable products.

USA

DCC Propane is headquartered in Illinois with annual sales of 209,000 tonnes of LPG to over 230,000 customers. The business is now one of the top 10 LPG businesses in the US by volume, with a presence in 21 states. DCC Propane's operational footprint expanded significantly in the year following the acquisitions of NES Group encompassing Saveway Petroleum and Northeast Oil, whose operations focus on the northeast of the US and United Propane Gas ('UPG'), headquartered in Kentucky with operations in a number of midwest and southern states. DCC Propane is actively looking to extend its footprint further in what is still a relatively unconsolidated market.

The business trades under seven key regional brands – Hicksgas, Pacer Propane, Propane Central, Pacific Coast Energy, Saveway Petroleum, Northeast Oil and United Propane Gas – and has a well-invested asset base supporting the business through a fleet of 600 company-owned LPG delivery vehicles operating from 133 customer service locations and 57 satellite facilities.

Ireland

Flogas Ireland is the number two LPG supplier on the island of Ireland, with a 43% share of the addressable market of approximately 200,000 tonnes. It supplies bulk and cylinder LPG to a wide range of industrial, commercial, and domestic customers, serviced by a developed network of authorised distributors and six depots. The LPG business has experienced strong growth in customer numbers in recent years, as new off-grid customers switch from oil to LPG to avail of the increased energy efficiencies and reduced carbon emissions offered by LPG.

Flogas Ireland has organically developed a natural gas and electricity business for both domestic and commercial customers. Following the acquisition of Budget Energy, an independent renewable electricity supplier, it now has a platform for a dual fuel offering to both customer segments throughout Ireland. In the year to 31 March 2021 the business supplied 1.9 TWh of natural gas and electricity to approximately 163,000 customers across Ireland, an increase from 46,000 in the prior year. Flogas is recognised for its innovation and is the only supplier in Ireland to offer carbon neutral dual fuel products.

Hong Kong and Macau

DSG Energy is the market leader in Hong Kong supplying piped LPG under long-term supply agreements and continues to expand its operations, most notably with the addition this year of a further 7,000 households in Discovery Bay. This increased our customer footprint to over 110,000 households based in very large residential complexes. DSG Energy has a number one position in the cylinder market as well as supplying autogas through Shell's retail network. It also has a market leading position in the smaller Macau market.

The business is supplied via the Shell terminal and filling plant on Tsing Yi Island and distributes c.60,000 tonnes of Shell-branded LPG annually under a long-term Shell brand licence agreement.

Germany

TEGA is an LPG and refrigerant gas distribution business with five operating sites based largely in southern Germany delivering c.36,000 tonnes of LPG and c.2,500 tonnes of refrigerants annually. TEGA recently completed the acquisition of Linde's Austrian refrigerant business, which it has previously supplied, further expanding its operational reach. The refrigerants business is focused on wholesalers and end-users for use in air-conditioning, commercial cooling systems and refrigerators, whereas the LPG business services c.15,000 domestic and commercial customers.

Sweden and Norway

In Sweden and Norway, Flogas operates from five locations which include two key importation facilities. Flogas is the market leader in both of these markets, distributing LPG predominantly to large steel and industrial customers, and has 45% and 50% market shares in Sweden and Norway respectively. The addressable market is estimated to be approximately 285,000 tonnes in Sweden and 215,000 tonnes in Norway.

The Netherlands and Belgium

In the Netherlands, where DCC LPG's business trades under the Benegas brand, the business has an estimated overall market share of 27% of the addressable market of approximately 290,000 tonnes and is joint market leader. Operating from one central depot and several third-party locations, the business delivers to commercial, industrial, agricultural and domestic customers in the Netherlands and Belgium and is also a significant player in the sale of LPG for aerosol and autogas use. In September 2020 DCC LPG announced it had reached agreement to acquire SHV's LPG business in the Netherlands, Primagaz B.V., subject to approval from the Dutch Authority for Consumers and Markets.

Strategy and Development

DCC LPG's vision is to be a global leader in the sales, marketing and distribution of LPG, natural gas and electricity and related products and services to energy consumers. DCC LPG's strategy is to:

- demonstrate the benefits of LPG as a cleaner, efficient fuel, and thereby convert commercial and residential oil consumers to LPG;
- cross-sell complementary green/renewable energy products and services;
- leverage our strong brands by selling related products, e.g. natural gas and LNG;
- optimise the customer interface and supply chain across our business, supported by the use of digital technology; and
- build scale through bolt-on acquisitions and expanding into new geographies.

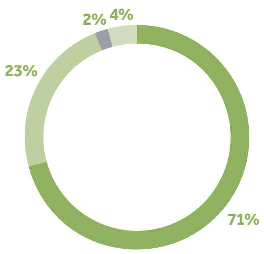
We will leverage our strong market positions in LPG by driving organic profit growth on a sector by sector basis. Building on recent success, we will continue to target growth by promoting LPG to commercial and residential energy consumers looking to switch to more environmentally friendly and competitively priced energy sources. We will actively leverage our capabilities around energy transition by broadening our current bio-LPG offering, expanding our recently acquired solar activities, and developing our gas and power position. We will also be extending our distribution of speciality products such as refrigerants via our current networks. We will continue to seek to expand through acquisition and consolidation in fragmented markets, as evidenced by the recent acquisitions of NES and UPG in the US, the Linde refrigerants business in Austria and the ongoing process to finalise the acquisition of SHV's LPG business in the Netherlands. We will also continue to expand our adjacency offerings as part of our energy transition strategy. This has been demonstrated recently by the integration of the Budget Energy business, which delivers electricity from renewable sources and also created the platform to launch the first renewable dual fuel offering in Ireland. In addition our recent solar acquisitions in France provide opportunities for growth in this renewable energy segment.

Operationally, the division will continue to look to develop innovative solutions to drive efficiencies and growth such as the Butagaz expanded cylinder offering which now includes bio-LPG and home delivery in addition to 'Click and Collect'. We will also look to further expand into adjacencies such as natural gas and power to add into our operations in France and Ireland, refrigerants which have now expanded into our Butagaz and Benegas operations as we leverage the expertise in TEGA, and solar in France and other markets.

Operating Review continued
DCC LPG continued

Customers
DCC LPG has a very broad customer base, selling directly to approximately 0.9 million customers across the geographies in which the businesses operate, and also has access to a broad range of retail and cylinder consumers, supplying cylinders to over 5 million consumers annually. Customers are primarily spread over the commercial, industrial, domestic, retail and agricultural markets. DCC LPG has no material customer dependencies.

LPG volumes by customer segment



- Commercial and industrial
- Domestic
- Retail
- Agriculture and other

Suppliers
As with its customer base, DCC LPG's supplier portfolio is broadly based. The top five suppliers represent less than 60% of total volumes supplied, with no one individual supplier accounting for more than 20% of volumes supplied in the current year. The major suppliers to the division are BP, Equinor, Esso, Gunvor, Philips66, Shell, SHV, Sinopec, Total and Valero Energy. We have built long-term strategic partnerships over many years with our suppliers and we have undertaken a strategic review of our procurement practices during the year as we look to strengthen these relationships for the future.

Our People
DCC LPG employs 3,598 people, of which, 24% are employed in the US, and operates through a devolved structure where our highly motivated local management teams are responsible for developing their respective businesses under strong local brands. These teams are committed to promoting processes and practices that support the well-being, development, diversity and engagement of our people. This ensures we deliver the service levels expected by our residential and commercial customers in a safe way, every day.

Developing our people is also critical to the longer term success of each business. As we seek to evolve our customer propositions as an energy provider, and deliver continuous improvement in our operations, we will continue to invest in our people and proactively support the broad diversity of our staff.

Each business operates a wide variety of employee training programmes that promote the ongoing development of our colleagues at all levels in the organisation. Employee training encompasses both personal development and role-specific training, in addition to formal training in areas such as sales effectiveness, engineering and technical services, health and safety, and compliance.

We continue to invest in developing our management resources, by providing exposure to other markets through a number of divisional best practice groups, and by creating increased career opportunities through our expanding geographic footprint. Further, all of our businesses are actively focused on building longer term leadership capability and participate in DCC's talent planning processes as well as the Group's leadership development programmes which include the DCC Management Essentials programme, the Finance for Non-Finance Managers programme and the flagship DCC Business Leadership Development programme. DCC LPG also participates in the DCC Graduate Programme, designed to create a pipeline of high potential and internationally mobile talent.

With 3,598 colleagues across 10 countries, DCC LPG is a multinational and multicultural organisation. We believe that to reap the benefits of our diverse and talented workforce we need inclusive work environments where all of our colleagues have the freedom to achieve their ambitions and a culture that cultivates the energy and passion our colleagues bring to work. This year, businesses within DCC LPG refreshed their local Inclusion and Diversity strategies that focused on raising awareness through the roll out of unconscious bias training and identified positive, purposeful steps to embed inclusive work practices that support diversity at all levels.

DCC LPG activated its business continuity planning protocols to mitigate the impacts from Covid-19 and to ensure a safe ongoing work environment for our people resulting in the majority of office-based staff operating from home and ensuring appropriate PPE and training for front line staff. Recognising the challenges which the new work environment presented, DCC LPG implemented additional employee well-being and mental health initiatives including confidential support services, ongoing employee engagement and feedback programmes and regular online employee social interaction.

Overall, the positive engagement of our employees is critical to the sustainability and development of DCC LPG, and something we track carefully through regular surveys and active internal communication programmes.

Health & Safety
As an LPG business operating networks of depots, filling plants, vehicle fleets and cylinder and bulk tank assets, the continuous improvement of our safety performance is a key priority for all directors and line managers. They are supported by experienced health and safety functions in each business.

Occupational and process safety is managed through systems and processes which identify, control and monitor health and safety risks. The health and safety performance of each business is reviewed regularly by the DCC LPG Divisional Board and by senior management across the division. The DCC LPG Board is focused on driving continuous improvement across all aspects of health and safety performance, including near miss reporting, process safety leadership and the promotion of a robust and proactive safety culture, and has linked performance in safety matters to senior managers' remuneration.

The potential for unplanned gas releases is a risk that is managed daily. From large storage facilities to domestic deliveries, a range of controls are in place to minimise the risk. Controls include the design and maintenance of vehicles and depots, the implementation of effective operational procedures and, critically, the engagement of competent, trained employees who are handling product, both LPG and refrigerants, safely every day.

All DCC LPG businesses have adopted 'Safety F1rst', an internally developed safety engagement toolkit focused on improving attitudes and behaviour towards safety and which is led by the senior management teams.

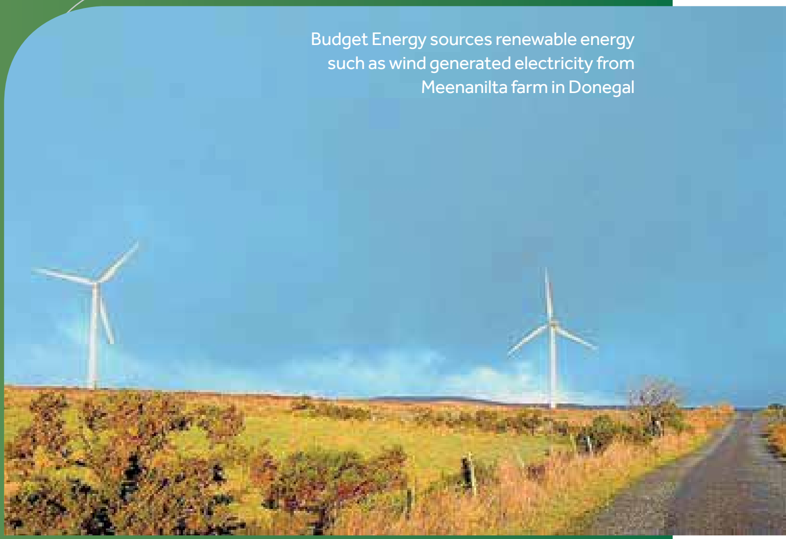
Key Risks
DCC LPG sold 2.3 million tonnes of product during the year ended 31 March 2021 and businesses in the division operate with inherent risks to people and the environment. Ensuring that our businesses maintain rigorous health and safety standards is one of our core business principles. Our focus is on reinforcing the 'Safety F1rst' programme and driving improvement through robust training, audit and review processes, quarterly communications campaigns and enhanced reporting structures.

DCC LPG's expansion into new territories, which now includes a presence in 10 countries across three continents, ensures a broad customer base and reduces the concentration on any single geographical location. This expanded geographical spread brings challenges from a cultural, governance and regulatory perspective but also mitigates the impact from localised economic cycles or changes in market dynamics, including increased taxation of fossil fuels.

Case study

Expanding DCC LPG's presence in the Irish electricity market and supporting energy transition

Following the acquisition of Budget Energy, Flogas Ireland became the sixth largest supplier of natural gas and electricity on the island of Ireland and the only supplier of carbon neutral offerings in the Irish residential market with its innovative and award winning Green Future Gas and Green Future Dual Fuel products.



Budget Energy sources renewable energy such as wind generated electricity from Meenanilta farm in Donegal

Paul Kenny, of Flogas Energy receiving a bonkers.ie award for Best Customer Innovation 2021

DCC LPG's vision is to be a global leader in the sales, marketing and distribution of LPG, natural gas and electricity and related products and services. The acquisition of Budget Energy enhances DCC LPG's presence in the Irish electricity market and represents an important step in its strategy to further develop its natural gas and power renewables offerings across the island of Ireland. Flogas Ireland is now the sixth largest supplier of natural gas and electricity on the island of Ireland with over 165,000 customers.

Flogas Ireland completed the acquisition of Budget Energy in May 2020. Budget Energy is an independent electricity supplier operating throughout the island of Ireland, supplying approximately 90,000 residential electricity customers at the time of acquisition. Budget Energy has a strong history of sourcing renewable energy, with agreements in place for the purchase of electricity generated from solar, wind and anaerobic digestion sources.

Flogas Ireland is committed to participating in, and accelerating, the energy transition and has taken substantial steps to reduce its own emissions as well as supplying 100% renewable electricity to its customers. In October 2020, Flogas Ireland launched innovative Green Future Gas and Green Future Dual Fuel products to the residential market. These remain the only carbon neutral offerings in the Irish residential market and approximately 8,000 customers have now contracted for these products.

Flogas Ireland's overall electricity offerings, and in particular, the Green Future products, support DCC's strategic objectives on innovation and energy transition. The Green Future products were recognised in the bonkers.ie National Consumer Awards with an award for Best Customer Innovation in the Irish market.

Operating Review continued
DCC LPG continued

DCC Group management resources have been deployed to assist with the integration of acquired businesses particularly when expanding into new geographical territories but also where there are key projects that require enhanced support and expertise. Local management resources continue to be further developed and expanded and are augmented by external specialist expertise where appropriate.

Whilst localised weather events can result in disruption to supply as well as cost of product and volume volatility, particularly for heating dependent products, the increased geographical spread mitigates the risk at a divisional level. The expansion of the non-heating product offering through TEGA's refrigerants business provides management expertise for further industrial gas growth through additional non-heating product offerings.

Our businesses have remained operational throughout the period of disruption caused by the Covid-19 pandemic and have continued to provide excellent service to our customers.

Environment

DCC LPG is committed to assisting our customers as they manage their energy transition journey to a lower carbon footprint and reduced environmental impact. This is being achieved through offering our customers cleaner, more efficient fuels and innovative solutions. This enables customers to monitor their own energy use and to quantify carbon emissions with LPG providing a 20% lower carbon impact than heating oil and over 96% less NO_x than diesel. We are seeing bioLPG and related bio gases as a further opportunity for customers to reduce their carbon intensity. Whilst the availability of such products today is limited, we see evidence that this will develop quickly to become a significant element of our product offering in the medium term.

Besides working with our customers, each DCC LPG business has an active plan to reduce its own carbon footprint in line with the overall DCC target of a 20% reduction by 2025. We are implementing a series of measures including switching our depot sites and filling plants to green electricity, trialling alternative fuels for our vehicle fleets, deploying digitally based route scheduling systems to improve delivery efficiencies, and engaging with customers digitally.

In our specialised gas business TEGA, we continue to work with key refrigerant suppliers to deliver lower Global Warming Potential ('GWP') refrigerants in line with the EU Fluorinated Gas ('F-Gas') directive. These products are moving towards a more organic high purity propane mix, and TEGA has invested in dedicated future-proofed supply and storage assets for these newly emerging lower GWP refrigerants.

With distribution assets located in predominantly rural communities, DCC LPG recognises that it is crucial to our sustainability that we have a high degree of trust within each locality. Butagaz was recently certified to Gold Medal standard for 2021 by the independent institute ECOVADIS, placing it among the top 5% best performing companies in terms of Corporate Social Responsibility.

All our businesses operate to the highest operating standards, invest appropriately in infrastructure and training, and encourage our staff to participate actively in the communities within which they work.

Case study

LNG reducing carbon emissions

Cutting costs and carbon by switching to LPG and LNG
DCC LPG has been working with commercial customers to reduce their energy costs and carbon output, and improve air quality by moving to LPG and liquefied natural gas ('LNG'). Switching to an LPG or LNG solution can reduce energy costs through improved operational efficiency and lower carbon emissions.

Flogas Britain working in partnership with Tyrrells crisps
One of the UK's largest potato crisp manufacturers, Tyrrells, has taken its latest step in a continued sustainability drive by converting its energy supply to LNG which will reduce its carbon emissions by over 14% per year.

Based at their potato crisp factory in Herefordshire and part of the KP Snacks family, Tyrrells produces over 86 million bags of crisps every year. With high energy demands to consider, the company wanted to find a way of increasing efficiencies to lower its carbon footprint.

In addition, a solution was needed to reduce the number of weekly fuel deliveries to enhance site safety, which was proving challenging with onsite vehicle movements. By working with Flogas and switching to LNG, Tyrrells will be reducing their carbon emissions by over 14% per annum and cutting their production costs in the process, thanks to the cleaner burning nature of natural gas. As the LNG storage is now self-contained and located to the side of the main factory, delivery trucks will no longer need to interact with site movements, which will minimise the risk to staff.

This solution will also allow Tyrrells to reduce site deliveries by 40%, resulting in lower transport emissions and less disruption to local residents.

By choosing Flogas LNG, Tyrrells also benefit from working with a supplier that is committed to offsetting all its scope 1 and scope 2 carbon emissions. Flogas launched a long-term strategy to reduce its own environmental impact year-on-year and to supply customers with 100% renewable energy by 2040. LNG will also help Tyrrells to meet energy legislation, which encourages businesses to use lower carbon, cleaner burning, off-grid fuels.

The switchover to LNG has been seamless. Factory downtime was kept to a minimum as the switchover was made in stages, with new tanks being installed on-site whilst existing tanks were still in operation. Tyrrells can now look forward to creating the same top-quality crisps they are known for but with less of an impact on the environment.

DCC LPG has taken a market leading position in gas conversions as it looks to assist customers with their energy transition requirements by providing cost effective solutions that deliver reductions in energy running costs and carbon emissions.

Operating Review

DCC Retail & Oil

What we do

DCC Retail & Oil is a leading provider of transport and heating energy, lower emission fuels, biofuels and related services to consumers and SME businesses across Europe and has a key focus on being a market leader in providing sustainable energy solutions to consumers.

Key brands

Retail Brands
Esso, Gulf, Shell, QStar*, Great Gas, Emo*, Certa*, Spritkonig.

Fuel Card Brands
Certas*, BP, Diesel Direct, Esso, Fastfuels, UK Fuels, Allstar, Gulf, Shell, QStar*, TruXtop*.

Oil Brands
Bayford, Brogan*, Bronberger & Kessler*, Butler Fuels*, Carlton Fuels*, Certas*, CPL Petroleum, DCC Energi*, Emo Oil*, Campus*, Energie Direct*, Gulf, Pace Fuelcare, QStar*, Scottish Fuels*, Shell, Swea*, Texaco, Top Oil* (in Austria).

* DCC-owned brands.

How we do it

Our suppliers

Exploration, production and refinery

Importation terminals

Inbound supply

DCC Retail & Oil activities

Inbound logistics

Storage

Sales and marketing

Retail Service stations

Outbound logistics

Branded fuel cards

Services

Our customers

Domestic

Agriculture

Commercial/industrial

Retail forecourts

Customers of DCC retail forecourts

Aviation

Marine

Performance for the Year Ended 31 March 2021

DCC Retail & Oil delivered good growth in operating profit and further improved its very strong return on capital employed, despite the disruption experienced across all economies during the year. Operating profit increased to £144.8 million, 3.3% ahead of the prior year (2.1% on a constant currency basis), almost all of which was organic. The good organic performance reflects the continuing focus on providing customers with essential liquid fuel products, increasing penetration of value-added products and services, including lower emission fuels, and good cost control. The business continues to develop its customer offering, launching a number of digital initiatives in Scandinavia during the year designed to improve customer experience and also continued its successful roll out of EV charging. Across the division, DCC Retail & Oil grew fast charging points by 50% in the year.

DCC Retail & Oil sold 10.2 billion litres of product, a decline of 12.3% on the prior year (12.5% decline organically). Having been significantly adversely impacted in the first quarter by Covid-19 restrictions, commercial and transport volumes improved steadily, reflecting the increased activity levels and mobility of customers, albeit mostly to lower levels than the prior year and variable by geography, depending on the severity of restrictions. The business experienced good demand in the domestic and agricultural sectors, particularly in Britain, Denmark, Austria and Ireland.

The business in Britain and Ireland performed robustly, given the material decline in volumes across the commercial, industrial and transport markets. Covid-19 restrictions and related home working drove higher than typical domestic demand in the first quarter, including strong demand for premium products, which offer customers a cleaner alternative to standard heating fuels. The business continued to make good progress in developing its retail site network, increasing its in-store, non-fuel sales in Britain, acquiring seven retail sites in the North East of England and fully integrating 22 former Tesco sites in Ireland. Recent investments in broadening the product and service offering of the business continued to deliver, with profits increasing in truck-stop and roadside services. The business also completed further bolt-on acquisitions in lubricants in Britain and bulk distribution in Ireland.

The Scandinavian business performed strongly, driven by a very good performance in the retail sector, while also benefiting from strong demand from agricultural and commercial customers. Although all markets in Europe experienced volume disruption, Scandinavia, and Sweden in particular, experienced relatively less disruption. Across Scandinavia, the business continued to see momentum in assisting customers to lower their carbon emissions by increasing the penetration of bio products, including Hydrogenated Vegetable Oil ('HVO').

In France, the business experienced significant volume declines due to Covid-19 restrictions in April and May. Thereafter, the business recovered steadily and, although faced with further restrictions on mobility throughout the year, subsequent restrictions had a more modest impact. The unmanned network performed well, reflecting customer preference for the local, low-cost, pay-at-the-pump model and a reduced propensity to use public transport. During the year the business also made good progress in improving the offering in the network, rolling out both lower emission E85 fuel and Adblue, a product that lowers nitrogen oxide emissions from diesel engines.

The Austrian business recorded strong profit growth driven by higher domestic demand in the first half of the year and continued to benefit from its focus on offering premium, cleaner products to customers.

How we create value

- Strong health and safety ethos, delivering potentially hazardous products safely and reliably.
- Passionate, experienced and committed team of people.
- Customer focused.
- Quality of service at competitive prices.
- Scale provides security of supply and ability to tailor contracts to customers' requirements.

Volume (litres) -12.3%

Strategic objective:
Drive increase in sales volumes

10.2bn

2021	10.2bn
2020	11.6bn
2019	12.2bn

Adjusted operating profit +3.3%

Strategic objective:
Drive for enhanced operational performance

£144.8m

2021	£144.8m
2020	£140.3m
2019	£133.7m

Adjusted operating profit per litre

Strategic objective:
Grow adjusted operating profit per litre

1.42p

2021	1.42p
2020	1.21p
2019	1.10p

Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

19.2%

2021	19.2%
2020	18.5%
2019	18.6%

Operating cash flow

Strategic objective:
Generate cash flows to fund organic and acquisition growth and dividends

£333.8m

2021	£333.8m
2020	£148.3m
2019	£210.5m

10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

4.8%

2021	4.8%
2020	7.5%
2019	10.3%

Operating Review continued
DCC Retail & Oil continued

Markets and Market Position

Bulk Liquid Fuels

DCC's bulk distribution business sells transport and heating fuels and energy to commercial, retail, domestic, agricultural, industrial, aviation and marine customers in Britain, Sweden, Austria, Germany, Denmark, Norway and Ireland. DCC Retail & Oil sells liquid fuels under a large portfolio of leading brands in Europe.

Bulk Oil – Britain

DCC Retail & Oil has been the consolidator of what was, and continues to be, a highly fragmented oil distribution market in Britain. DCC Retail & Oil first entered the market in September 2001 with the acquisition of BP's business in Scotland and since then has acquired and integrated 44 businesses including the oil distribution businesses of Shell (2004), Chevron Texaco (2008) and Total (2011). DCC Retail & Oil has grown to become, by far, the largest oil distributor in Britain and comprises transport fuels and heating energy to commercial, industrial, domestic, agricultural and dealer-owned petrol stations. In the year ended 31 March 2021, DCC Retail & Oil's oil distribution business in Britain sold 4 billion litres of product, giving it a market share of approximately 15% of the addressable market.

The total retail petrol station market in Britain is approximately 32 billion litres with approximately 45% of volumes sold through supermarket sites, 17% through company-owned and operated stations and 38% through independent dealer-owned stations. In addition, DCC Retail & Oil operates in the independent dealer-owned segment of the retail market and supplies approximately 770 dealers, of which 340 are Gulf-branded retail sites. DCC Retail & Oil has a market share of c.3% of the total market and supplies to approximately 10% of the dealer network.

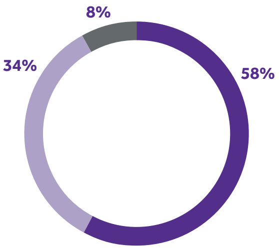
The business is a leading lubricant and Adblue distributor in the UK, providing customers with a portfolio of lubricants, oils and greases that help maximise efficiency, boost performance and reduce downtime to keep customers' businesses running smoothly. With its own blending capability and its long standing partnerships with leading global brands, the business is one of the UK's leading independent suppliers across multiple sectors including construction, transport, marine and agriculture. During the year, the business completed two bolt-on acquisitions in lubricants, further establishing itself as a leading player in the UK market.

Oil – Continental Europe

DCC's Swedish oil distribution business, QStar Energi (formerly Swea), is the market leader in Sweden with a share of approximately 18% of the addressable market which is estimated at 2 billion litres. QStar Energi is a leading distributor of HVO with approximately 26% market share in Sweden.

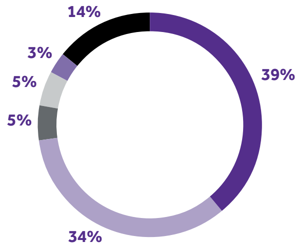
The addressable oil distribution market in Austria is estimated at 5 billion litres and DCC's subsidiary, Energie Direct, is number two in this market with a share of 16%. Energie Direct also includes Bronberger & Kessler, a distribution business in Bavaria, Germany.

Retail & Oil total volumes by business type



- Oil
- Retail
- Fuel Card

Retail & Oil total volumes by customer segment



- Commercial & industrial
- Retail
- Domestic
- Agricultural
- Marine
- Other

DCC Retail & Oil's principal operating locations and market positions are highlighted below.

BRITAIN
No.1
No.1 in oil distribution

Leading operator of unmanned retail petrol stations

Leading reseller of fuel cards

FRANCE
No.1
No.1 operator of unmanned retail petrol stations

DENMARK
No.2
No.2 in oil distribution

No.2 in aviation fuels

Leading operator of retail petrol stations

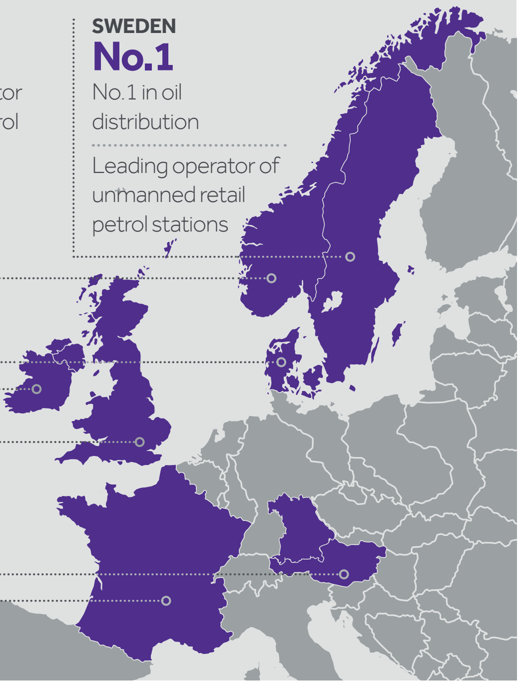
IRELAND
Leading player in oil distribution

AUSTRIA
No.2
No.2 in oil distribution

NORWAY
No.3
No.3 operator of retail petrol stations

SWEDEN
No.1
No.1 in oil distribution

Leading operator of unmanned retail petrol stations



In Denmark, DCC Energi Danmark has a market share of 18% making it the number two oil distributor. DCC Energi Danmark, in partnership with Shell, is also the second largest operator in the Danish aviation market, operating in seven of the eight largest Danish airports.

In Norway, the fuel distribution business supplies a broad customer base that includes bulk and fuel card sales to commercial, agriculture and construction customers.

Oil – Ireland

Emo Oil is one of the leading oil distributors in Ireland with a market share of 11%. DCC's addressable oil market in Ireland is estimated to be 5.8 billion litres. During the year, Emo acquired Campus Oil, growing its position in the Irish market and increasing its commercial and domestic customer base.

Retail and Fuel Card

The Retail business operates 1,143 retail petrol stations in France, Sweden, Denmark, Norway, Ireland, Austria and Britain and is one of the leading resellers of branded fuel cards in Britain.

Retail – France

The Esso Retail France business comprises an extensive network of 277 Esso-branded, unmanned retail petrol stations (64 of which include car washes), 43 Esso motorway stations and a further 136 Esso-branded dealer-owned stations. The business sold approximately 1.4 billion litres of fuel to consumers across France in the year, and was impacted by Covid-19 related mobility restrictions. Sustainability remains a key focus and the business has installed electric chargers on 11 motorway sites to-date, and has invested in lower emission fuels capability such as E85, which has an 85% bio-fuel content. The business operates from its office in Paris with pricing, supply and back office support provided by the retail hub based in Drogheda, north of Dublin, Ireland.

Hypermarkets have a strong presence in the French retail market with a combined market share of approximately 60% and Total is the largest individual network in the market with an estimated 23% market share. Esso Retail France's market share in terms of volumes is approximately 4%; however it is the market leader in France in terms of unmanned petrol stations.

Retail – Sweden

Trading under the QStar brand, DCC Retail & Oil sells approximately 380 million litres of fuel per year in Sweden. QStar provides national coverage through a network of 340 unmanned forecourts which is complemented by an additional 24 dealer-operated retail petrol stations trading under the Bilisten and Pump brands.

Case study

Launch of state-of-the-art HGV refuelling site in Southampton

With a national network of HGV refuelling sites across the UK, Certas Energy continues to develop services supporting the haulage and logistics sectors and during the summer of 2020, launched its new 24-hour heavy goods vehicles ('HGVs') refuelling site at the Port of Southampton.

Southampton is one of the UK's busiest deep-water ports. With facilities to handle virtually any type of cargo, it allows unrestricted access for the world's largest vessels.

The port is less than two miles from the M27 and is ideally situated to meet the needs of the high volume of heavy goods vehicles passing through the port. Certas Energy has built the new refuelling bunker on site at the port to make it easy for drivers needing to fuel-up safely, quickly and easily and to get back on their way.

Offering unparalleled refuelling facilities, high-speed pumps that can deliver over 120 litres of fuel per minute have been installed. For added speed, safety and convenience, easily accessible lanes can accommodate up to eight HGVs, enabling simultaneous refuelling, thereby – reducing wait times and delays.

Designed especially to allow ease of filling and movement for larger vehicles to service one of the UK's busiest commercial ports, the facility dispenses two types of road diesel, gas oil and AdBlue.

Supporting the drive for emissions reductions and air quality improvements, the Certas Energy facility also dispenses gas-to-liquid fuel which is a cleaner diesel alternative (e.g. Shell GTL Fuel). This 'drop-in' fuel is a direct cleaner emissions alternative to conventional road diesel that doesn't require engine or fuel tank modifications or special handling.

As an added benefit to fleet managers and drivers when refuelling at the bunker site, the facility accepts a variety of fuel cards including Certas Energy's own cards, Keyfuels, UK Fuels, AS24 and Morgan Fuels, with Certas Energy card customers benefiting from discounted diesel pricing.

Operating Review continued
DCC Retail & Oil continued

The QStar network is the fifth largest petrol retailer in Sweden and holds approximately 12% of the total share of sites in the market. The four largest players (Circle K, Preem, St1 and OKQ8) hold a combined market share of approximately 74% in terms of site numbers.

Retail – Denmark
The Danish Shell-branded retail petrol network includes 64 unmanned sites operated under the Shell Express brand, eight Shell branded truck sites, 56 franchise-operated sites under the Shell and 7-Eleven brands, 30 manned company-owned sites operated by franchisees and contracts to supply 79 dealer-owned sites. The forecourt offering also includes other value adding services including a network of car washes that are available on a pay-as-you-go or subscription basis. The business is investing in electric vehicle chargers, initially at five sites in high density areas. The business operates from its office in Naerum in Denmark, with pricing and back office support provided by the retail hub based in Ireland. The business sells approximately 450 million litres of diesel and petrol to consumers across Denmark annually.

Circle K is the largest player in the Danish retail market with a market share of c.28%. DCC Retail & Oil is the fifth largest player in the Danish retail petrol station market with a market share of approximately 11%.

Retail – Norway
The Esso network in Norway comprises 120 company-operated stations with convenience stores operated in partnership with Norgesgruppen, the largest grocery retailer and wholesaler in Norway, and a growing unmanned network of 44 stations. The business has contracts to supply a further 85 Esso-branded dealer-owned stations. In addition, the business has been successfully deploying electric vehicle charging stations, with 32 chargers currently operating across nine sites with a strong pipeline of additional locations.

The network is the fourth largest in the market selling approximately 430 million litres per annum. The market has four key players, Circle K, St1, Uno-X and Esso Retail Norway. DCC Retail & Oil has a market share of approximately 18% based on retail volume.

Retail – Other
Emo entered into a partnership with Tesco Ireland in 2020 to operate their 22 forecourts. These have now been fully rebranded as 'Certa' and have been fully integrated. Combined with the existing network of sites in Ireland, Emo is becoming the leading unmanned forecourt operator in Ireland.

In Austria, the business acquired six retail forecourt sites during the year and now operates 12 retail forecourt sites, complementing our bunker and distribution network.

In Britain, DCC Retail & Oil operates 98 forecourts, including 54 company-owned manned retail forecourts and 44 automated unmanned forecourts. During the year, the network was extended with the acquisition of seven forecourts in the North East of England.

Fuel Card – Britain
DCC Retail & Oil is one of the leading resellers of branded fuel cards in Britain in addition to the own-brand Certas fuel card. The business facilitates the sale of approximately 780 million litres of transport fuels annually and provides its customers with access to the breadth of the British retail petrol station and bunker networks, both owned and third party, through its portfolio of fuel cards under the Certas, BP, Esso, Shell, Texaco, UK Fuels, Allstar and Diesel Direct brands. As well as selling fuel cards, which are an essential tool for commercial organisations to manage their transport fuel costs, the Fuel Card business also offers customers an innovative range of easy to use value-added services that complement the fuel card portfolio. Through our innovative product range, the business supports customers to drive efficiencies in vehicle and expense management and to reduce emissions.

Strategy and Development
DCC Retail & Oil's vision is to be a leading distributor and provider of transport and heating energy, low carbon fuels and related services to consumers and SME businesses and to be market leading in providing sustainable energy solutions to consumers:

- with strong local market shares;
- operating under multiple brands;
- consolidating fragmented markets;
- selling a broad range of related products and services, focused on leading the energy transition in Europe;
- building a position in new geographies; and
- generating high levels of return on capital employed.

Bulk Liquid Fuels
DCC Retail & Oil's strategy for oil distribution is to become the leading oil distribution business in Europe by:

- continuing to consolidate existing oil markets to drive greater customer density and logistics efficiencies;
- focusing on the non-heating dependent segments of the market;
- expanding sales of differentiated products; premium fuels, cross selling add-on products and services, e.g. lubricants and heating services;
- optimising and building greater flexibility into logistics operations; and
- expanding into new geographies, where strong returns can be achieved.

DCC Retail & Oil's strategy for oil distribution in Britain is to continue to grow its market share to in excess of 20% of its addressable market.

Retail and Fuel Card
DCC Retail & Oil's strategy for the retail sector is to grow via:

- expanding business in the retail service station market;
  - unmanned: key pillar for growth;
  - retail company-owned: in partnership with retailer;
  - retail dealer-owned;
- leveraging our pricing, supply and back office hub to generate synergies from integration of new networks; and
- building a pan-European fuel card business leveraging our investment in retail networks.

The Retail business has been significantly strengthened over time by acquisitions including Esso's retail station networks in Norway and France, and Shell's retail petrol station network in Denmark which were significant steps in DCC Retail & Oil's strategy of capturing a greater share of the consumer margin in the transport sector of the market. Our experienced local management teams in France, Sweden, Norway, Ireland and Denmark are focused on leveraging the business platforms in those countries, expanding the networks organically and increasing market share.

DCC Retail & Oil's pricing, supply and back office hub in Ireland provides a platform to integrate acquisitions in existing and new territories, further enhancing the ability to grow its business.

In the Fuel Card business, DCC Retail & Oil is continuing to target high levels of organic growth through our extensive telesales team and by cross selling fuel cards to our broad energy distribution customer base. The Fuel Card business has continued to expand its customer offering by providing innovative non-fuel products to customers, increasing its focus on customer engagement and loyalty.

Customers
DCC Retail & Oil has a very broad customer base selling directly to millions of customers across the geographies in which the businesses operate. Customers are primarily spread over the commercial, retail, industrial, domestic, agricultural and marine markets. Within retail, the Club Certas loyalty programme in France has continued to grow, providing customers with e-receipts and promotions with partner brands. DCC Retail & Oil has no material customer dependencies.

Case study

First of a kind UK fuel facility for nuclear power station site

Hinkley Point C is one of Europe's largest construction projects. As part of a partnership to supply its fuel, Certas Energy has built the UK's first onsite fuel facility of its kind to keep this vast site moving.

Located on the Somerset coast, the nuclear power station is being constructed for EDF, Britain's biggest generator of zero carbon electricity. Once complete, it will provide six million homes with low carbon energy and will supply 7% of the UK's electricity over its 60-year lifespan.

With 34 tower cranes and 400 vehicles working on site every day, fuelling this enormous and complex 400-acre site is no small feat.

Legislation makes entering Hinkley Point C difficult. Vehicles are kept in holding pens and given staggered access to the site. This can lead to delays in refuelling that can, in a worst-case scenario, cause construction to grind to a halt.

Overcoming this, the state-of-the-art onsite refuelling hub ensures security of supply to the site's wide range of HGVs, buses and construction equipment and is the first of its kind to be built on a nuclear power station.

As the refuelling hub was to be located on a nuclear site, there were strict regulations and planning processes to adhere to before construction could take place. Certas Energy's specialist bunkering team proposed a refuelling hub that put compliance, safety and efficiency first.

The fuel facility has 24-hour access and is designed to maximise refuelling efficiency and minimise disruption to the local community. Contractors are able to fill up at the site at any time using fuel cards at the cashless payment terminals located by the tanks. Tanker drivers operating from the facility also have an expert knowledge of the site's layout, meaning fuel can be delivered without delay.

Always looking at ways to improve, Certas Energy has also added two new purpose-built tankers to its fuel facility fleet, enabling greater coverage of the site.

Improving safety and emissions by reducing onsite traffic, the two new tankers have been adapted uniquely to suit the site environment. Smaller and more agile, the 4x4 tankers enable access to the areas where the terrain is more challenging. This allows fuel to be delivered regularly to the small volume fuel bowsers around the site, maximising refuelling efficiency.

Equally important, the Hinkley Point C fuel facility is also helping to reduce the impact of refuelling on the local community. As there is no need for vehicles to travel to external refuelling sites or forecourts to fill up, this helps to reduce the number of vehicles on the road thus leading to less traffic and lower emissions.

Operating Review continued
DCC Retail & Oil continued

Suppliers
As with its customer base, DCC Retail & Oil's supplier portfolio is broadly based. The top five suppliers represent approximately 60% of total volumes supplied, with no one individual supplier accounting for more than 22% of volumes supplied in the current year. The major suppliers to the division are BP, Equinor, Essar, Esso, Ineos, Greenergy, Mabanaft, Neste, OMV, Philips66, Prax, Preem, Puma Energy, Shell, St1, Total and Valero Energy. We have built long-term strategic partnerships over many years with our suppliers and we have continued to strengthen these relationships during the year.

Our People
DCC Retail & Oil employs 3,389 people, predominantly based in Britain, led by strong, entrepreneurial management teams. DCC Retail & Oil's business is a people business at its core and we are therefore very focused on developing processes and practices that ensure the well-being, development and engagement of our people across all areas of the business and to ensure that we have the necessary resources, talent and skills to deliver the service levels expected by our customers in a safe way, every day.

Developing and investing in our people is a critical enabler of DCC Retail & Oil's strategy. We have highly experienced and ambitious management teams with deep knowledge of the markets in which our businesses operate. As our businesses have grown, we have augmented the existing management teams with experienced talent in senior roles, and continue to develop from within. We operate a wide variety of training programmes to promote an ongoing focus on development as well as specific formal training in areas such as health and safety, risk and compliance. All of our businesses are actively focused on building longer term leadership capability and participate in DCC's talent planning processes as well as the Group's leadership development programmes which include the DCC Management Essentials programme, the Finance for Non-Finance Managers programme and the flagship DCC Business Leadership Development programme. DCC Retail & Oil also participates in the DCC Graduate Programme, designed to create a pipeline of high potential and internationally mobile talent.

With 3,389 colleagues across eight countries, DCC Retail & Oil is a multinational and multicultural organisation. We believe that to reap the benefits of our diverse and talented workforce we need inclusive work environments where all of our colleagues have the freedom to achieve their ambitions and a culture that cultivates the energy and passion our colleagues bring to work. This year our businesses refreshed their local Inclusion and Diversity strategies that focused on raising awareness through the roll out of unconscious bias training and identified positive, purposeful steps to embed inclusive work practices that support diversity at all levels.

DCC Retail & Oil is committed to conducting its business in a sustainable manner and this is reflected in how we interact with our employees. In common with the rest of the DCC Group, the business has processes to assess and control material health and safety risks and aims to provide an attractive working environment for all our employees.

During the year, the majority of office based staff worked from home as part of societies' actions to mitigate the spread of the Covid-19 virus. To support this, DCC Retail & Oil rolled out a number of initiatives aimed at improving employee well-being and supporting employee's mental health, including regular group discussions, providing confidential support services, employee engagement initiatives and continued involvement in tackling some of the problems associated with mental health issues.

Health & Safety
Safety is the responsibility of all line managers and directors and remuneration is linked to safety performance. Occupational and process safety is managed through systems and processes which identify, control and monitor health and safety risks. Qualitative and quantitative reporting focuses on delivering continuous improvement to reduce accidents and develop a positive safety culture.

All Retail & Oil businesses use DCC's 'Safety F1rst' initiative to raise safety awareness and promote safe behaviours through regular health and safety interventions, campaigns and communications.

Key Risks
DCC Retail & Oil sold 10.2 billion litres of product during the year ended 31 March 2021 and businesses in the division operate with inherent risks to people and the environment. Ensuring that our businesses maintain rigorous health, safety and environmental standards is one of our core business principles.

DCC Retail & Oil has a broad customer base across a number of economies in Europe. A deterioration in these economies and its impact on consumer spending and confidence is a key risk faced by the business, including the impact on these economies as a result of the Covid-19 pandemic.

A significant proportion of DCC Retail & Oil's volumes and margins are generated through the sale of heating dependent products and, accordingly, the division can be impacted by climate change and related significant movements in weather conditions and by regulatory developments.

The strategic focus has been to reduce the dependence of the division on heating, through the development of the non-heating segments of the business. Over recent years, the acquisitions of retail businesses in Europe have been key building blocks in this strategy.

Demand for transport fuels is impacted by levels of international and national mobility, and is likely to be impacted by continued improvements in vehicle efficiencies, the transition to lower fossil fuels and technological and regulatory developments over the medium to long-term. DCC Retail & Oil's businesses, which are characterised by:

- a low cost retail platform;
- investment in high-quality retail assets to serve future needs of the consumer in convenience, liquid fuels and electric vehicle charging;
- partnerships with world class brands;
- a well-balanced network comprising urban, rural and transient/motorway sites; and
- a track record of margin management;

all leave the Group well positioned to deliver strong and sustainable returns on its invested capital.

DCC Retail & Oil has been highly acquisitive over the last number of years and ensuring the smooth integration of these acquisitions is critical to the success of the division. This is achieved through close monitoring of the acquired businesses and ongoing management development.

Environment
The potential for oil spills to impact on the environment is a risk that is managed on a daily basis. From domestic deliveries to large storage facilities in coastal locations, a range of controls are in place to minimise the likelihood of a loss of containment. Controls include the design and maintenance of vehicles and depots, the implementation of effective operational procedures and, critically, the engagement of competent, trained employees who are handling product safely every day.

All spills have the potential to cause harm to the environment, so in the event of any spill, immediate action is taken to contain and recover the product to minimise the impact on the surroundings and to identify the root causes. No significant spills occurred in the year.

DCC Retail & Oil is committed to assisting our customers in reducing their environmental impact and this is being supported through offering our customers cleaner, more efficient fuels and innovative solutions, enabling customers to monitor their own energy use and quantify carbon emissions.

Case study

TCO consultancy brings significant customer savings

Growing its innovative total cost of ownership ('TCO') proposition, Certas Energy has strengthened its commitment to delivering a market-leading service for major commercial customers, identifying opportunities to reduce their fuel-related total cost of ownership by up to 10%.

TCO includes both the direct and indirect costs of a product over its lifetime. For businesses where fuel is a major expenditure, the TCO of fuel-related operations can have a major influence to profitability.

For its strategic accounts, the Certas Energy TCO consultancy service provides a comprehensive and in-depth review of the complete fuel value chain, leading to recommendations that can drive typical savings of up to 10% on fuel-related costs over a three-year period.

In 2020, our UK construction services client Garic welcomed the opportunity for Certas Energy to both provide its TCO consultancy service and to also help implement some of the recommendations.

The nationwide plant and site equipment provider manufactures, hires and sells anything a business might need for a construction site from welfare units to power generators, delivering equipment throughout the UK. Naturally, this means fuel is a major expenditure for the business.

Certas Energy supplies fuel to Garic's head office in Bury as well as its customer sites across the UK and also advises on fuel safety and security on a regular basis.

Operating in this highly competitive sector as well as others such as highways, rail and many more, identifying opportunities to reduce the total cost of ownership of its fuel-related operations is understandably appealing, especially in a commercial environment where margins are already tight.

An expert team from Certas Energy partnered with a team drawn from various departments at Garic. The process involved taking the time to get to know Garic, its business model and the company's day-to-day challenges together with gathering the necessary data from key sources to be able to undertake detailed financial analysis.

The expert team reviewed specific fuel-related areas such as fuel selection and procurement, working capital analysis as well as addressing fuel usage, waste and idle time.

Certas Energy identified opportunities for significant efficiencies and savings in purchasing, storage, payment, fuel and fleet management.

Backed by extensive knowledge of the Garic business, plus knowledge of the fuel industry as a whole, Certas Energy not only made value adding and cost reducing recommendations, but has also helped to implement the required changes.

A key fuel partner, Certas Energy now works closely with Garic to supply considerable annual fuel volumes, fuel storage tank maintenance and carbon offsetting to help support the business' environmental credentials. The process is also ongoing to ensure the client continues to achieve impactful, long-term efficiencies and cost reductions.

For some organisations, opportunities arise in areas like safety, health, environment and quality ('SHEQ'). Others benefit in terms of administration, management and reporting to help with maintenance scheduling and avoiding unnecessary downtime.

Certas Energy also supports planning for future energy requirements, especially, as for many sectors like construction, reducing carbon emissions is becoming an increasingly high priority.

Operating Review

DCC Healthcare

What we do

DCC Healthcare is a leading healthcare business, providing products and services to health & beauty brand owners and healthcare providers.

DCC Health & Beauty Solutions

DCC Health & Beauty Solutions provides outsourced product development, manufacturing, packing and related services to Health and Beauty brand owners, specialist retailers and direct sales organisations in Europe and the US, principally in the areas of nutrition and beauty products. DCC H&BS operates eight high-quality contract manufacturing facilities – five in Britain and three in the US. Our manufacturing capability encompasses soft gels, tablets, capsules, effervescents, gummies, creams, liquids, powders and sprays across a range of packaging formats.

Key brands (we serve)

Alliance Pharma, Apoteket, The Body Shop, Elemis, Estée Lauder, Golden Hippo, Glanbia, Groupe Rocher, GSK, Healthspan, Holland & Barrett, Iovate Health Sciences, Lintbells, Nature's Bounty, Nestlé Health Science, Nuun Hydrate, Omega Pharma, Oriflame, P&G Health (Seven Seas, Nature's Best, Lamberts), Quincy Bioscience, Ren, Space NK, Schwabe (Nature's Way), Target, Vitabiotics.

How we do it

DCC Health & Beauty Solutions

Our services

Product development, contract manufacturing and packing of heath & beauty products

Our customers

Health & beauty brand owners

Specialist health & beauty retailers

Direct sales/mail order companies

How we do it

DCC Vital

Our suppliers

Third-party brand owners

Own brand products

Our activities

Sales marketing and distribution

Portfolio development

Procurement

Vendor management

Supply chain management and logistics services

Our customers

Hospitals

Primary care (GPs and Community Care)

Fragmented healthcare settings

DCC Vital

DCC Vital is involved in the manufacturing, sales, marketing and distribution of medical products in the British, Irish and DACH markets. DCC Vital markets and sells a broad range of own and third-party products and has comprehensive market coverage in Ireland and the UK across hospitals, community and primary care, and other fragmented healthcare settings; and, following the acquisition of Wörner, is a leader in the supply of products into primary care sector in Germany and Switzerland. DCC Vital has longstanding relationships with a range of leading international medical device companies. DCC Vital's own brand portfolio encompasses products across the areas of laparoscopic surgery, theatre consumables, cardiac monitoring, wound care and urology. The business exports internationally through a network of distributors.

Key brands

BioRad, Carefusion, CSL Behring, Comfi*, Demo, Diagnostica Stago, Espiner Medical*, Fannin*, ICU Medical, LIP Diagnostics*, Martindale Pharma, Medisource*, Mölnlycke, Nova, Rosemont, Siemens, Skintact*, Smiths Medical, Smith & Nephew, Williams Medical*, VacSax*.

*DCC-owned brands.

Performance for the Year Ended 31 March 2021

DCC Healthcare delivered another strong performance, generating excellent operating profit growth of 45.9% on a continuing basis, more than half of which was organic. DCC Health & Beauty Solutions generated very strong organic growth in nutritional products and also benefited from prior year acquisitions in the US. DCC Vital also generated good growth, benefiting from its rapid response to changes in the product and service needs of the healthcare systems of Britain and Ireland.

DCC Health & Beauty Solutions recorded excellent operating profit growth and benefited from its significantly expanded presence and enhanced capability in the US nutrition market, where the prior year acquisitions of Ion Labs (November 2019) and Amerilab Technologies (March 2020) each delivered very strong profit growth. The nutrition sector globally has seen increased focus from consumers on preventative healthcare, which is accelerating growth in both consumer penetration and consumption of nutritional products. DCC Health & Beauty Solutions responded quickly to increased demand from its customers in both Europe and the US, enabled by its high-quality facilities and agile business model. The business generated strong growth across the breadth of its product and form-factor offering, and in particular experienced increased demand for immunity-related products, with heightened consumer awareness of this product category post the onset of the Covid-19 pandemic. DCC Health & Beauty Solutions also performed very well in the beauty sector. The business continued to enhance its customer and product mix, moving the weighting further towards premium, complex products for leading cosmetic and consumer healthcare brands.

DCC Vital generated strong revenue and operating profit growth. Activity in the British and Irish healthcare systems was significantly impacted by the Covid-19 pandemic and resulted in substantially lower routine hospital procedures and in-person GP consultations. Despite these challenges, DCC Vital delivered good growth as it leveraged the breadth of its product range, its robust supply chain and extensive market reach to respond quickly and effectively to Covid-19 driven demand for PPE, ICU-related medical devices and other healthcare products. The business also benefited from the modest bolt-on acquisitions completed during the prior year and improved its operating margin as it exited a number of lower margin logistics services contracts in the UK. Importantly, DCC Vital has also now expanded its activities into continental Europe with the completion in April 2021 of the acquisition of Wörner, a leading primary care supplier in Germany and Switzerland. The acquisition provides DCC Vital with another growth platform in primary care and provides an opportunity to expand DCC Vital's broader activities into Continental Europe.

How we create value

- Full range of contract manufacturing and related services (including product development, formulation, regulatory support and packing) for international health and beauty brand owners from high-quality, well invested facilities.
- Strong product development capability and flexible, responsive customer service.
- Comprehensive sales channel coverage across hospitals, community care, primary care and other fragmented healthcare settings in the British, Irish and now DACH healthcare markets.
- Broad range of own and third-party medical products.
- Cost-effective operations with scalable IT platforms.

Revenue +13.4%

Strategic objective:
Drive for enhanced operational performance

£655.4m

2021	£655.4m
2020	£578.1m
2019	£576.4m

Adjusted operating profit +35.0%

Strategic objective:
Drive for enhanced operational performance

£81.7m

2021	£81.7m
2020	£60.5m
2019	£60.3m

Operating margin

Strategic objective:
Grow operating margin

12.5%

2021	12.5%
2020	10.5%
2019	10.5%

Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

18.7%

2021	18.7%
2020	14.7%
2019	16.6%

Operating cash flow

Strategic objective:
Generate cash flows to fund organic and acquisition growth and dividends

£110.2m

2021	£110.2m
2020	£77.6m
2019	£65.5m

10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

16.7%

2021	16.7%
2020	14.3%
2019	17.9%

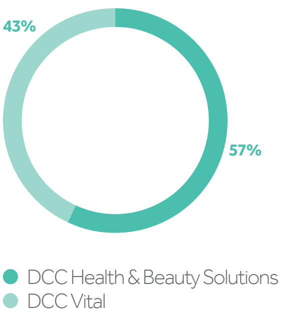
Operating Review continued
DCC Healthcare continued

Markets and Market Position

DCC Health & Beauty Solutions – services for health and beauty brand owners

DCC Health & Beauty Solutions is a leading outsourced contract manufacturing service provider to the health and beauty sector in Europe and the US. The business has a broad customer base of international and local brand owners, direct sales companies and specialist retailers. DCC Health & Beauty Solutions' range of outsourced services is focused principally on the areas of nutrition (vitamins and health supplements) and beauty products (skin care, hair care, bath and body). Its comprehensive service offering encompasses product development, formulation, stability and other testing and regulatory compliance, as well as manufacturing and packing.

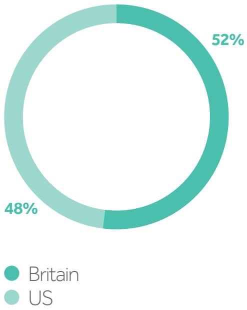
DCC Healthcare revenue by business



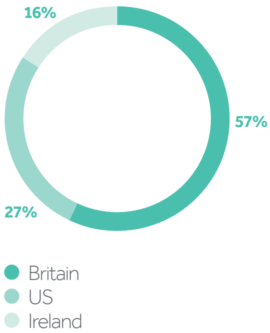
DCC Health & Beauty Solutions has capability across a wide variety of product formats (tablets, effervescents, soft gels, gummies, liquid capsules, capsules, powders, creams, liquids, sprays and gels) and packaging formats (pots, blisters, stickpacks, multi-packs sachets, bottles, tubes and pumps). The business operates five Good Manufacturing Practice ('GMP') certified facilities in Britain, four of which are licensed by the Medicines and Healthcare Products Regulatory Agency ('MHRA') and three facilities in the US (Missoula in Montana, Largo in Florida and Minneapolis in Minnesota). The US facilities comply with FDA current Good Manufacturing Practices ('cGMP') standards and are also certified by leading third-party regulatory bodies including NSF and USDA Organic.

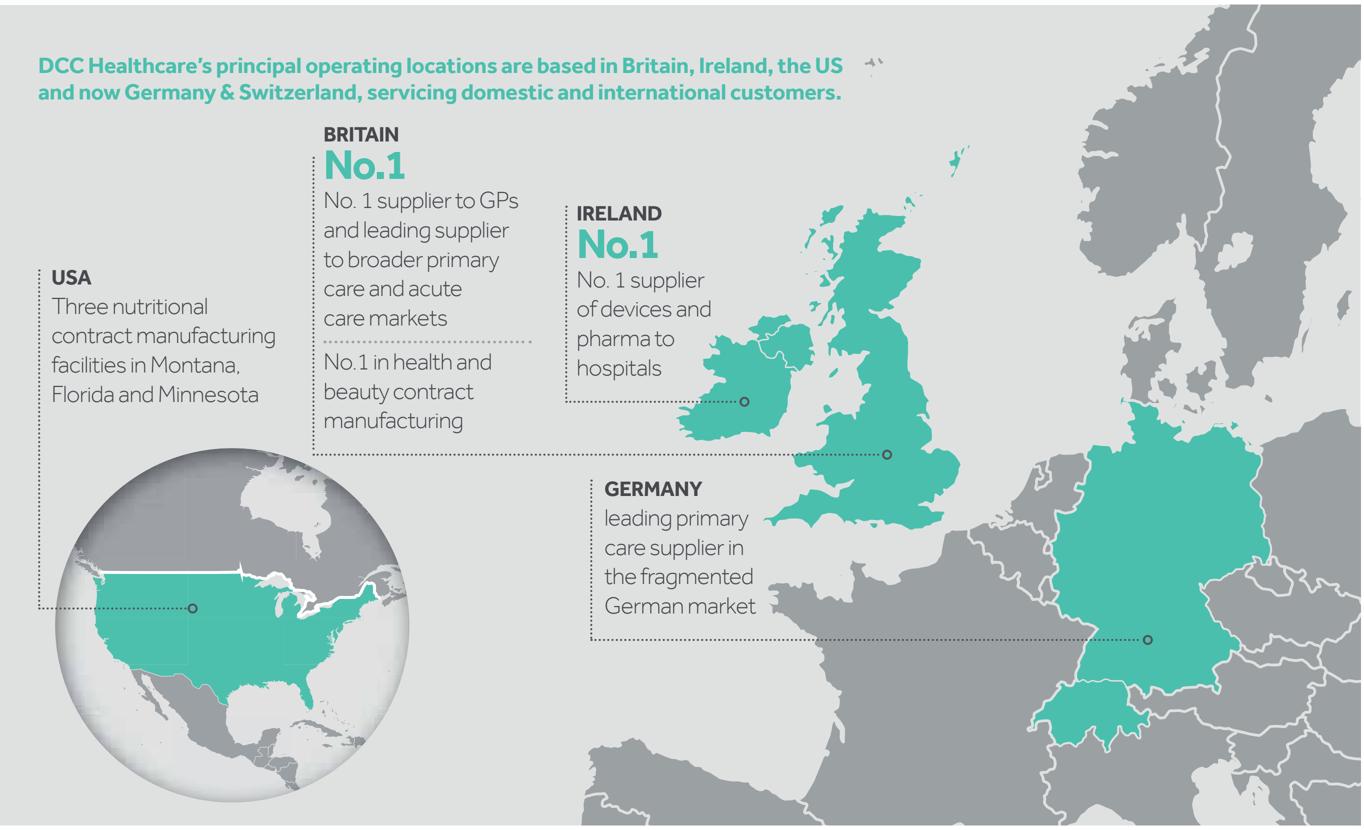
The development of our presence in the US nutritional contract manufacturing market has been a key strategic focus for DCC Health & Beauty Solutions over the last number of years. The US is the world's largest dietary supplements market and has enjoyed consistently strong growth for many years with continued growth forecasted. The market is significantly larger than the European market and has a greater level of fragmentation within the contract manufacturing base; both of these characteristics are attractive to a growth orientated, acquisitive business like DCC Health & Beauty Solutions. We believe that the US market offers DCC Health & Beauty Solutions significant opportunities for organic growth

DCC Health & Beauty Solutions revenue by geography



DCC Healthcare revenue by geography





(supported by capital investment) and further acquisitions. DCC entered the US market through the acquisition of Elite One Source Nutritional Services, Inc ('Elite') in early 2018, a specialist manufacturer of complex formulations in capsule and tablet formats. In November 2019, DCC Health & Beauty Solutions acquired Ion Labs, Inc. ('Ion') based in Florida, a business with a broad product format capability encompassing tablets, capsules, gummies, powders and liquids across a variety of product categories including herbal and botanical products, probiotics and liquid nutritionals. In March 2020, DCC Health & Beauty Solutions acquired Amerilab Technologies, Inc. ('Amerilab') based in Minnesota. Amerilab is a specialist manufacturer of effervescent nutritional products in powder and tablet formats, which are packed in stickpacks, sachets and tubes. Effervescents are a higher growth product segment within the US nutritional market, with attractive demographic characteristics and environmental credentials. DCC Health & Beauty Solutions' US customer base consists of high-quality consumer healthcare companies, specialty brand owners and direct sales organisations and its service offering includes (as with our UK based businesses) product development, formulation, manufacturing, packaging and regulatory services. Now with three facilities in the US, DCC Health & Beauty Solutions is leveraging its broad and complementary nutritional products capability to pursue cross-selling and other synergy opportunities.

DCC continually invests in its manufacturing facilities to expand capacity, add flexibility and enhance its service offering to customers. Over the last year, DCC Health & Beauty Solutions has commenced production in its expanded soft gel encapsulation facility in south Wales, one of the largest and most advanced soft gel facilities in Europe. This investment has increased our capacity to support organic growth and allows DCC Health & Beauty Solutions to leverage new soft gel encapsulation technologies including organic vegetarian soft gels, Algigel capsules (which offer an alternative to enteric coating) and cosmetic twist-off soft gels. During the year, DCC Health & Beauty Solutions progressed a number of other capital investments to support organic growth, including increased stick pack, tableting, blending and dispensing capacity to support increased customer demand in both the US and Europe. In addition to increasing capacity, DCC Health & Beauty Solutions has a strong programme of capital investment to enhance capability and improve operational efficiencies across all our facilities.

DCC Health & Beauty Solutions has built a reputation for providing a highly responsive and flexible service to its customers and for assisting customers in rapidly bringing new products from marketing concept through to finished product. The business has strong market shares in Britain, Scandinavia and Benelux and is building market share in the US and Continental Europe (especially in Germany and France).

Competitors in the beauty products sector include Meiyume, KDC/One and numerous smaller manufacturers of cosmetic creams and liquids in Britain.

DCC Vital – sales, marketing and distribution to healthcare providers

DCC Vital is involved in the manufacturing, sales, marketing and distribution of medical products in the British and Irish markets with a growing international business through a network of distributors. In April 2021, DCC Vital strengthened its European footprint when it completed the acquisition of Wörner Medizinprodukte Holding GmbH ('Wörner'), a leading supplier of medical and laboratory products to the primary care sector in Germany and Switzerland. Wörner provides a significant scale-up of DCC Vital's primary care operations and extends its sales and marketing activities into Continental Europe. Wörner provides an excellent platform for further acquisition activity, both in Germany, Europe's largest healthcare market, and across the DACH region.

In Britain and Ireland, DCC Vital markets and sells a broad range of own and third-party products and has comprehensive market coverage across hospitals, community, primary care and other fragmented healthcare settings. The products sold are typically single use in nature across a range of categories including critical care, diagnostics, wound care, electro surgical and GP supplies, with its own brand portfolio focused mainly on surgical products, including laparoscopic, theatre consumables, ECG, wound care and urology products and on GP supplies. In addition, DCC Vital has longstanding relationships with a range of leading international medical device companies and provides them with a tailored service through specialist and highly trained clinical sales teams. Leveraging the strength of its customer and supplier relationships and the breadth and quality of its product portfolio, in tandem with targeted acquisition activity, DCC Vital has built strong market positions including leadership positions in GP supplies, electrodes and diathermy consumables in Britain and in exempt medicinal products ('EMPs') and hospital supplies generally in Ireland.

DCC Vital has the most comprehensive sales channel coverage in the Irish healthcare market selling into the hospital, retail pharmacy, community and primary care channels. DCC Vital's unrivalled market coverage enables the business to provide holistic solutions to addressing the healthcare market in Ireland. The product portfolio extends across both own brand and third-party brands. DCC Vital has in excess of 150 highly trained customer-facing sales, marketing, engineering and customer support professionals who have strong relationships with senior management, clinicians and procurement professionals in the Irish healthcare sector (both the HSE and private hospitals), major and regional pharmacy wholesale/retail groups and private healthcare providers.

DCC Vital represents leading medical, surgical and diagnostics brands including BioRad, Diagnostica Stago, ICU Medical, Mölnlycke, ThermoFisher, Roche, Smiths Medical and Smith & Nephew. DCC Vital also has a strong presence in the supply of specialist pharmaceuticals representing manufacturers such as Bowmed, CSL Behring, Demo, Helsinn Birex, Martindale Pharma, Medac and Rosemount. In addition, DCC Vital has a leadership position in the specialist procurement and sale of exempt medicinal products in Ireland, through its Medisource business. EMPs are pharmaceutical products which are imported into a market with the authorisation of the relevant regulatory authority (in Ireland, the Health Products Regulatory Authority) in order to meet the requirements of specific patients where no suitable licensed product is available in that market. The products are typically licensed in another jurisdiction. Medisource's leadership position in Ireland is based on its excellent customer service and strong network of international suppliers.

DCC Vital is also the market leader in the supply of medical consumables, equipment and services to GPs in Britain and has a growing presence in other fragmented healthcare settings. In Europe, Wörner (acquired in April 2021) is a leading primary care supplier in the fragmented German market, providing nationwide sales and distribution coverage; it also has a strong presence in the Swiss market. Wörner sells a broad product range to approximately 20,000 customers annually, including general practitioners, primary care centres, specialist medical centres and laboratories. In Britain, DCC Vital services a customer base of some 9,000 GP surgeries, through an omni channel approach encompassing e-commerce, product catalogues and highly effective telesales, supported by a team of field based engineers and key account managers. Over the last number of years, DCC Vital has strengthened its position as the leading supplier of products to GPs in Britain through a number of complementary bolt-on acquisitions including e-Medical Supplies, OnCall Medical and Surgery Express. These acquisitions have expanded the customer base and allowed DCC Vital to enhance its product offering.

Operating Review continued
DCC Healthcare continued

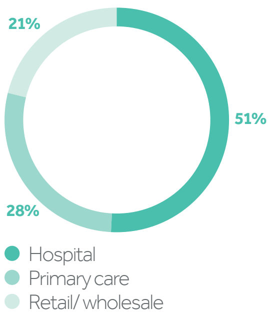
DCC Vital is focused on driving growth in the sales of its range of own brand medical products, though its own sales force in Britain and a range of international distributors in other geographies. Over recent years DCC Vital has invested in product development and value-added sourcing to strengthen its portfolio of own branded products and related services, which in the last financial year accounted for approximately 37% of DCC Vital's aggregate gross profit. In addition to the investment in new product development, DCC Vital has further strengthened its portfolio, particularly in the endoscopy/operating theatre arena through complementary product-based acquisitions. These acquisitions have strengthened the portfolio through the addition of complementary products and added further capability in new product development. DCC Vital's existing endoscopy/operating theatre product range includes Espiner (tissue retrieval bags for minimally invasive surgery), Skintact (electrodes and electro surgical equipment), VacSax (disposable suction devices used in operating theatres and hospital wards), Fannin IV sets and a range of equipment used to support anaesthetics.

DCC Vital principally operates in sectors of the healthcare market that are government funded. Fiscal budgets in Britain and Ireland had been constrained over recent years as the burden of care, particularly to support ageing populations, has grown; however the onset of the global Covid-19 pandemic in early 2020 resulted in significant additional resources being directed into the healthcare systems to cope with the impact of Covid-19 infections and increased infection control procedures. The onset of the pandemic and the significant re-purposing of the healthcare systems to address this immediate and urgent need resulted in the cancellation or postponement of normal healthcare activity including elective surgery.

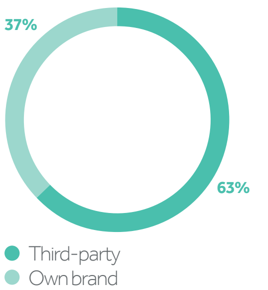
Over the last several years, public healthcare policy has moved towards seeking to shift the point of care to the most cost-effective location, which is typically away from expensive acute care settings to primary and community care settings. As Covid-19 vaccination programmes are rolled out and countries recover from the pandemic, there is additional pressure on healthcare systems to deal with the backlog of procedures and pent up demand for treatment that has resulted from cancellation and postponement of normal activity. Against this backdrop, healthcare payers and providers will continue to seek to leverage their procurement scale through increased use of tendering and framework agreements. They will continue to switch to equivalent quality, lower cost medical devices and will outsource activities deemed to be non-core. DCC Vital is very well placed to benefit from these trends given its scale, the positioning of its portfolio, the depth of its relationships with international suppliers and manufacturers and its strong understanding of the supply chain.

Competitors in this market sector include global healthcare companies as well as the large number of smaller medical, surgical and pharma brand owners and distributors in Britain and Ireland.

DCC Vital gross profit by channel



DCC Vital gross profit by brand



Strategy and Development

DCC Healthcare's vision is to build a substantial international healthcare business focused on the provision of contract manufacturing and related services to the health and beauty sector and the sales, marketing and distribution of medical products. DCC Healthcare seeks to drive continued strong profit growth in tandem with returns on capital in excess of the DCC Group's cost of capital.

DCC Health & Beauty Solutions

DCC Health & Beauty Solutions has an excellent track record of growth. The scale of the business has increased significantly over the last number of years with operating profits growing strongly through a combination of highly complementary acquisitions, product development for existing customers, new customer acquisitions and a focus on higher value, more complex products.

DCC Health & Beauty Solutions aims to continue growth through:

- further expanding the geographic footprint of our operations in the US, Europe and selectively targeting other regions;
- driving continued organic sales growth with existing customers by leveraging the strength and breadth of our product format capability and technical resources;
- attracting new customers with our high-quality facilities, strong product development capability and highly responsive and flexible customer service;
- focused capital investment in our facilities to expand both our capability and capacity; and
- enhancing and expanding the service offering, organically and by acquisition, with a particular focus on probiotics, nutritional liquids and gummies and companion pet nutrition.

DCC Vital

DCC Vital has a strong track record of growth, operating margin improvement and increasing returns on capital employed. This has been achieved through the streamlining of its activities, improving sales mix (increasing the proportion of higher value-added products and company owned brands), exiting lower margin activities, consolidating back office activities and relentlessly driving efficiency in its operations.

Targeted acquisition activity coupled with strong valuation discipline and integration execution has resulted in:

- a leading position in the supply of healthcare products in Ireland;
- a leading position in the supply of medical consumables, equipment and services to GPs and other primary care providers in Britain and DACH; and
- a growing portfolio of own-brand surgical products for the acute care sector in the British and international markets.

DCC Vital aims to continue this track record of growth through:

- expanding the product portfolio both organically (through focused new product development) and by acquisition, with a particular focus on:
  - own brand medical products in product categories which can deliver sustainable returns over the longer term; and
  - supplies and services for GPs, other primary care providers and other fragmented healthcare settings;

- leveraging the breadth of our market coverage in Britain as healthcare systems seek to treat patients in the most appropriate and cost-effective setting; and
- building on the expanded market reach in Continental Europe, particularly in the DACH region, organically and by acquisition.

DCC Vital has a strong regulatory capability which, combined with its strength in product sourcing, will generate opportunities for the business to extend its activities into new geographic markets over the coming years.

Customers

DCC Health & Beauty Solutions principally focuses on providing services to a broad customer base of UK, Continental European, US and international brand owners, direct sales companies and specialist retailers in the areas of nutrition and beauty products. DCC Health & Beauty Solutions works with leading brands (such as Elemis, Estée Lauder, Eve Lom, Nestlé Health Science, Nuun, Omega Pharma, Prevagen, P&G, Ren, Schwabe and Vitabiotics), direct selling companies (such as Healthspan, Nature's Best, Oriflame and Whole Body Research), specialist health and beauty retailers (such as Apoteket, The Body Shop, Holland & Barrett and Walgreen Boots) and consumer healthcare/pharma companies (such as Alliance Pharma, Dermal Laboratories, GSK and Stada).

DCC Vital services in excess of 30,000 customers across all channels to market. These channels include public and private hospitals, procurement groups, community healthcare providers, GPs, retail pharmacies, emergency services including ambulance, police and fire services and occupational healthcare settings) in Britain and Ireland

Case study

EuroCaps continues on its journey to becoming a carbon neutral business

Across DCC Healthcare, we continue to find innovative ways to provide our customers with more sustainable and lower carbon solutions particularly in our manufacturing facilities that are traditionally large users of energy.

As we consider and evaluate our capital investment decisions, we think about how we can innovate in terms of design and build to ensure that our actions will support DCC's overall energy transition and lower our businesses' carbon footprint.

Within DCC Healthcare, one business, in particular, has been able to deliver significant improvements in its operating model over the last few years and has successfully reduced its carbon footprint by 50% since 2019. EuroCaps, based in south Wales, is the European leader in softgel manufacturing, producing almost 2.5 billion oil, complex paste and vegetarian softgels last year. Over the last few years, we have designed, built and commissioned a facility extension which has resulted in a doubling of its manufacturing footprint and the addition of a number of new lines. Capacity will ultimately increase to in excess of 4 billion softgel capsules.

Over the last five years EuroCaps has completed a number of projects that have reduced energy consumption and has introduced sustainable energy solutions to its site. The journey has included the installation of voltage optimisation across the site (ensuring that the energy drawn from the grid to power plant and machinery is the minimum required), the installation of LED lighting throughout the facility and investing in heat recovery (where excess heat is recycled and used in other parts of the manufacturing process). In addition, 870 solar panels were installed on the roof of the original facility, with a capacity to deliver 190kW, generating approximately 5% of the facility's electricity requirements.

Following the success of the solar panel project and being located at the top of the beautiful yet breezy Welsh valleys, the management team embarked on a project to add wind generated electricity to the EuroCaps energy plan. Two 225kW wind turbines were installed on the site. These generate c.500,000kWh of power per year, providing a further 15% of the total electricity requirements.

As the EuroCaps management team developed the designs and plans for the recent facility extension, they made sure to leverage the learnings of the past and included in the design low voltage lighting, heat recovery and the use of equipment which met the highest energy efficiency ratings. In addition, the increased roof space has provided the space to add an additional 944 solar panels. Due to advances in solar panel technology, location and elevation, these will provide almost 10% of the electricity consumed in the expanded facility.

In addition, all of EuroCaps' remaining electricity requirements have been switched to fully renewable sources. In total, the use of sustainably sourced power has resulted in a 50% reduction in EuroCaps' carbon footprint over recent years. The introduction of renewable energy sources and efficiency management initiatives have not only delivered material benefits for the facility and a much-reduced carbon footprint, but have also enhanced EuroCaps' relationships with its customers who value its commitment to sustainability.

Operating Review continued
DCC Healthcare continued

as well as over 50 international distributors. DCC Vital has significantly enhanced its market coverage in recent years to offer unmatched primary and secondary care access in Britain and Ireland. Its primary care reach now extends to Germany and Switzerland.

DCC Healthcare has a broad customer base and its 10 largest customers account for approximately 29% of revenue in the year ended 31 March 2021.

Suppliers
DCC Health & Beauty Solutions sources from high-quality raw materials and ingredients suppliers across the globe in order to provide customers with high-quality, innovative and cost-effective solutions with an increasing focus on sourcing sustainably and ethically sourced raw materials.

DCC Vital represents leading medical, surgical and diagnostics device brands. DCC Vital works with leading innovative and generic pharma companies such as CSL Berhring, Demo, Martindale Pharma and Rosemont.

DCC Healthcare's supplier portfolio is broadly based, with the top 10 suppliers representing approximately 16% of cost of sales in the year ended 31 March 2021.

Our People
Since the onset of the global Covid-19 pandemic, DCC Healthcare has been focused on ensuring the health, safety and wellbeing of all our employees. As all of our businesses were designated as 'essential services', we needed to ensure that we provided safe and secure working environments for our employees to allow the businesses to remain operational. We quickly moved to introduce appropriate social distancing and health and safety measures in all of our operations, and we minimised the risk of cross contamination across our facilities through limiting personal and shift interaction. Throughout the year the broader DCC Healthcare team worked tirelessly to ensure that our customers (hospitals, GPs, healthcare professionals, the emergency services, clinics, and end consumers) continued to receive the products and services supplied by DCC Healthcare businesses in Britain, Ireland and the US.

DCC Healthcare, which is led by local, strong, entrepreneurial management teams employs 2,628 people, substantially all of whom are based in Britain, the US and Ireland. The completion of the acquisition of Wörner in April 2021 has added a further 160 employees in Germany and Switzerland. Developing and investing in our people is a critical enabler of DCC Healthcare's strategy. DCC Healthcare is focused on developing talent and provides ongoing training and development which is particularly essential in the highly regulated healthcare sector. We continually invest in ensuring that our people are experts in their respective product or service areas and are fully conversant with the relevant regulatory frameworks within which the business operates. DCC Healthcare's businesses conduct local training programmes with an emphasis on driving performance improvement in these businesses. Training focuses on safety, supervisory, environmental, technical and leadership skills. These training programmes are reviewed on an ongoing basis to ensure they meet the changing business environment and continue to deliver value. Our businesses are actively focused on building longer term leadership capability and participate in DCC's talent planning processes as well as the Group's leadership development programmes which include the DCC Management Essentials programme, the Finance for Non-Finance Managers programme and the flagship DCC Business Leadership Development programme. DCC Healthcare also participates in the DCC Graduate Programme, designed to create a pipeline of high potential and internationally mobile at an early career talent level for the Group.

Safety is a key priority within DCC Healthcare. It is embedded into everything we do within our operations. Driving a culture of 'safety first' is a key objective for all of our businesses. Each business is focused on ensuring ongoing employee engagement on safety and driving greater awareness, involvement and responsibility for safety across our daily activities and business model through a combination of:

- regular safety conversations and reviews at site level;
- a regular programme of safety audits (both formal and informal);
- processes to identify and minimise risks as well as formalised near miss reporting by employees and follow up actions to eliminate potential risks.

'Safety F1rst' (the brand used across our businesses to support safety communication) has clear leadership support from the top and buy-in across the businesses. Safety performance (both qualitative and quantitative) is monitored in monthly reports. Senior managers are actively involved in safety programmes including participating in regular management safety walk-arounds in their businesses.

We continue to support our employees through employee engagement initiatives aimed at improving employee well-being and supporting our employee's mental health including providing access to confidential support services. We are very committed to creating and embedding a diverse and inclusive workplace environment where all of our colleagues can thrive and during the year, our businesses refreshed their local Inclusion and Diversity strategies that focused on raising awareness through the roll out of unconscious bias training and identified positive, purposeful steps to embed inclusive work practices that support diversity at all levels of our business.

Key Risks
The global pandemic has had a significant impact on the healthcare system: normal activity (face to face consultations, elective surgery and population detection and screening programmes) significantly reduced, hospital waiting lists have grown and there remains an unmet demand for elective surgery and interaction with healthcare professionals outside emergency and Covid-19 related care.

Governments (directly or indirectly) fund a significant element of healthcare spending in the markets in which DCC Vital operates. Our competitive product portfolio and growing range of own brand products is providing new growth opportunities and is mitigating the impact of fiscal pressures on governments' healthcare budgets on our business. We work closely with our suppliers and customers to find innovative, cost-effective solutions to address the challenges of future capacity and financial constraints facing public healthcare systems.

DCC Healthcare is focused on expanding its product portfolio with a particular focus on own brand medical products in categories which can deliver sustainable returns over the longer term. There is an active pipeline of development projects and we have continued to invest in additional resource to strengthen our capability in this area. All development projects are subject to detailed and regular review by management and are tracked against project plans and we maintain close communication with all relevant third parties (regulatory bodies, contract manufacturers and others).

We continually invest in technical resources, quality systems, staff training and our facilities to ensure quality standards are consistently maintained and the requirements of the relevant regulatory authorities are met or surpassed. All our manufacturing sites are licensed or certified and subject to ongoing regular internal and external third-party audit reviews.

DCC Healthcare continues to be highly acquisitive and ensuring the smooth integration of these acquisitions is critical to the success of the division. This will be achieved through close monitoring of the acquired businesses and ongoing management development.

In addition, DCC Healthcare trades with a very broad supplier and customer base and our constant focus on providing a value-added service ensures excellent commercial relationships. Acquisitions and new commercial relationships have introduced new supplier relationships, an extended product portfolio and expanded customer reach. In the case of a very small number of key suppliers, principals and customers, their loss could have a serious operational and financial impact on the business.

Environment

DCC Healthcare is focused on improving the environmental sustainability of its businesses and its range of products and services. DCC Health & Beauty Solutions' customers remain very focused on our progress in this area and are keen to see their businesses and brands share in the successes we have delivered, particularly in the area of carbon reduction. DCC Healthcare businesses have significantly increased their procurement of renewable electricity. On a like for like basis (excluding acquisitions and divestments) this, and additional energy efficiency initiatives, reduced emissions in the division by c. 35% over the past two years. The ongoing transition to renewable electricity will continue to reduce emissions. In FY2021, c. 65% of total electricity used in the division was from renewable sources.

In addition, it will continue the roll out of energy management initiatives across its contract manufacturing sites, including the installation of voltage optimisation, solar panels, high efficiency steam boilers and installation of LED lights in offices and facilities.

We believe that our soft gel manufacturing facility is now one of the most environmentally friendly soft gel producers in the world following a number of investments over the last few years that have reduced our carbon footprint and delivered on-site electricity generation. This facility has been designed to be as energy efficient as possible including selecting the most appropriate building materials, 100% LED lighting, high efficiency chiller units (the units supply the new facility with the required cooling capacity at a lower like-for-like power consumption) and the addition of solar panels on the roof of the facility.

DCC Health & Beauty Solutions continues to enhance its procurement capability of sustainable ingredients and we continue to work with the Marine Stewardship Council, the Soil Association and Friends of the Sea to ensure the use of sustainable raw materials in our processes to ensure our suppliers source their raw materials from sustainable sources and utilise recycled material where possible.

Operating Review

DCC Technology

What we do

DCC Technology is a leading route-to-market and supply chain partner for global technology brands and customers. DCC Technology provides a broad range of consumer, business and enterprise technology products and services to retailers, resellers and integrators.

Key brands

Acer, Apple, Asus, Dell, Epson, Focusrite, Furrion, Google, HP, Huawei, Intel, Lenovo, LG, Logitech, Microsoft, Netgear, Oculus (Facebook), Poly, Samsung, Seagate, Sonos, Toshiba.

How we do it

Our suppliers

2,400+ Global technology brands and manufacturers

DCC Technology activities and services

exertis

- **Proactive sales & marketing**
- **Category, product & technical expertise**
- **Product sourcing, website & category management**
- **Product lifecycle solutions**
- **Stock hubbing, bundling & returns management**
- **Kitting, localisation & customisation of products**
- **Demand & logistics management, including import/export**
- **End-user fulfilment, white label services & in-store product positioning**

Our customers

- **Retailers**
- **E-tailers**
- **Resellers**
- **Integrators**

Performance for the Year Ended 31 March 2021

DCC Technology delivered very strong operating profit growth of 11.0% (11.8% on a constant currency basis), approximately three quarters of which was organic. Although the Covid-19 pandemic created significant uncertainty across both retail and B2B markets, DCC Technology responded well to this uncertainty and benefited from the breadth of its customer base and product and service offering.

The significant impact of the pandemic on customer behaviour resulted in strong demand throughout the year for higher volume, lower margin consumer and working-from-home products, particularly through e-tail and non-traditional retail channels. Trading conditions in the higher margin B2B sectors, such as the Pro AV product category, remained challenging through the year. Given the difficult market conditions in the first half of the year and changing demand patterns, DCC Technology delivered a good cost control performance. However, as the year progressed, the business resumed investment in its product and service offering.

The North American business performed very well, delivering strong organic revenue and operating profit growth. Sales of 'entertainment at-home' products, including consumer electronics, Pro Audio and music products, grew very strongly and the mobile living products introduced in the prior year also performed well. As in other markets, the business in North America experienced significantly lower demand in the Pro AV sector, where spend across large event, conference, and other 'at-work' locations was postponed. Despite the impact of the pandemic, the business remained active from a development perspective in North America and completed two complementary bolt-on acquisitions (The Music People and JB&A) which have strengthened DCC Technology's developing market presence and product portfolio.

In the UK, the business experienced strong demand for lower margin consumer products from e-tailers, grocers and non-traditional retailers and from B2B customers offering mobility and working-from-home products. This strong demand was more than offset by a reduction in sales of higher margin Pro AV, enterprise and other B2B categories and, as a result, operating profit was modestly behind the prior year. Despite the challenges of remote working, the business successfully transitioned to its new SAP ERP system during the first half of the year. This significant investment will enhance the service offering to all customers and suppliers. The business in Ireland performed strongly, with good organic revenue and operating profit growth driven by demand for consumer and mobile products which more than offset reduced demand in B2B sectors.

In Continental Europe, the business generated good organic revenue and operating profit growth. Sales of consumer and working-from-home products grew strongly, while the trading environment for B2B products remained challenging, particularly in the DACH region. In France, the consumer business benefited from operational improvements and a significant increase in sales of products from key vendors. The French B2B business also performed well, driven by strong growth in its range of own-brand accessories. In April 2021, the business agreed to acquire Azenn which will complement and enhance the product and service offering to DCC Technology's B2B customers in France. The business in the Benelux region also performed well, leveraging its technology-enabled services and customer integration capability, which particularly benefited e-tailers and retailers during the challenging trading environment. In Scandinavia, the business also reported strong revenue and profit growth, particularly in the consumer category.

How we create value

- Proactive sales and marketing approach reaching a very broad customer base across a number of countries.
- Excellent supplier portfolio providing market access and extended reach.
- Agile, responsive and service-focused specialist sales organisation, leveraging our infrastructure and geographic footprint.
- Cost-effective and tailored solutions, including ecommerce and direct-to-consumer offerings, for customers and suppliers.
- Technical, digital, supply chain and value-added service expertise, simplifying the complex.

Revenue +14.6%

Strategic objective:
Drive for enhanced operational performance

£4.5bn

2021	£4.5bn
2020	£3.9bn
2019	£3.6bn

Adjusted operating profit +11.0%

Strategic objective:
Drive for enhanced operational performance

£72.4m

2021	£72.4m
2020	£65.3m
2019	£64.7m

Operating margin

Strategic objective:
Grow operating margin

1.6%

2021	1.6%
2020	1.7%
2019	1.8%

Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

12.3%

2021	12.3%
2020	11.0%
2019	14.3%

Operating cash flow

Strategic objective:
Generate cash flows to fund organic and acquisition growth and dividends

£118.6m

2021	£118.6m
2020	£166.9m
2019	£88.8m

10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

7.2%

2021	7.2%
2020	7.2%
2019	8.4%

Operating Review continued
DCC Technology continued

Markets and Market Position

DCC Technology partners with many of the world's leading technology brands to market and sell a range of consumer, business and enterprise products and services to a broad geographically spread customer base. Our strong relationships with suppliers and customers allow us to win business on both national and global bases.

The past year has seen a move towards concentration in key markets, with the larger players consolidating and gaining share at the expense of smaller competitors, although the overall market remains quite fragmented. The business has maintained or grown its share in these key markets in the period. Covid-19 resulted in a significant increase in demand for consumer and working from home products and DCC Technology was successful in leveraging its strong supply chains and market presence to grow volumes in these segments. Conversely, there was a negative impact on demand in B2B segments and the business has focused on retaining market share and maintaining expertise and infrastructure to benefit from the expected bounce back in demand as the impact of the pandemic subsides.

Another impact of the pandemic has been an acceleration of the growth of e-tail at the expense of traditional retail. DCC Technology has been successful in growing its share of this e-tail business by making it easy for suppliers and customers to trade, for example through managing the relationship with key providers such as Amazon and through the provision of innovative drop-ship services for direct to consumer deliveries.

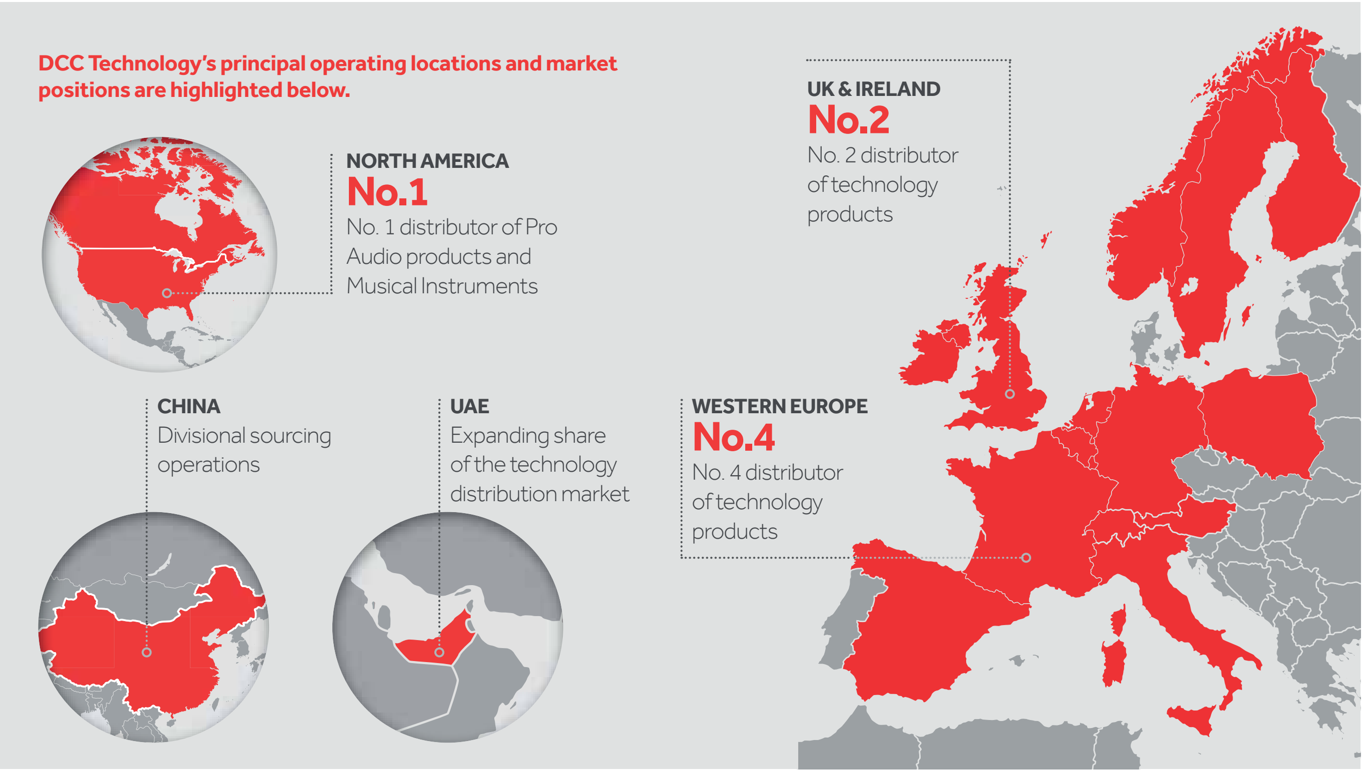
DCC Technology also provides a broad range of consumer, business and enterprise technology products and services to retailers, e-tailers, resellers and integrators. The primary categories of consumer technology products include:
- consumer electronics (including smart home products);
- televisions;
- gaming consoles;
- digital & physical software;
- wearable technology; and
- accessories.

Business and enterprise technology products include:
- computing (including tablets, notebooks and desktops);
- components;
- displays;
- networking & security products;
- communications (smartphones, feature phones, accessories and unified communication technologies);
- servers & storage;
- cloud Software as a Service ('SaaS');
- Pro AV;
- printers;
- peripherals;
- cables & connectors; and
- consumables.

DCC Technology provides technology brand owners and manufacturers with an exceptionally broad customer reach and proactively markets their products through product and customer focused sales teams. The business provides a range of value-added services to both its customers and suppliers, including end-user fulfilment, digital distribution, product lifecycle solutions, category management and merchandising. In addition to this, DCC Technology provides product customisation and cross supplier bundling, third-party logistics and web site / web-shop development and management. Key to the provision of these services is access to, and interpretation of, relevant data from across the technology supply chain.

Reflecting the global nature of the technology supply chain, the business provides global supply chain services through its dedicated supply chain operations. These services include product sourcing and procurement, supplier hubbing, consignment stock programmes, supplier identification and qualification, quality assurance and compliance, supplier and customer fulfilment and pan-EU fulfilment services for Amazon, and are designed to minimise cost, capital and complexity for its global partners.

DCC Technology's principal addressable markets are the retail, e-tailers and reseller channels for consumer and business technology products in Europe and

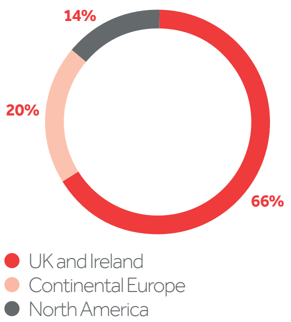


North America. The value of the technology distribution market in these territories is estimated to be £190 billion.

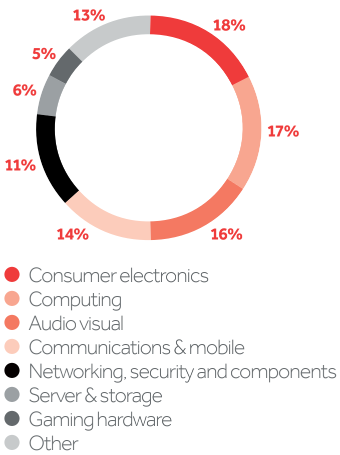
During the year, DCC Technology completed two complementary bolt-on acquisitions in the US which have expanded the product portfolio and strengthened the presence in the region. The Music People, specialists in Pro Audio equipment and premium instrument accessories was acquired in November 2020, as an addition to Jam Industries, the Montreal based, Pro Audio, musical instrument and consumer electronic specialists. JB&A, a leading North American distributor of broadcast, post-production and Pro AV technologies to system integrators and B2B resellers was acquired in December 2020. Located in San Rafael, California, the acquisition of JB&A helps to build on the existing Pro AV business in North America and expand further into the broadcast and post-production space. The acquisitions of The Music People and JB&A continue DCC Technology's strategy of building a leading Pro AV, Pro Audio and music value-added distribution business in North America.

DCC Technology is the leading distributor of Pro Audio products and musical instruments in North America, the fourth largest distributor of technology products in Europe with leading positions in the UK and Ireland, France and the Nordic region.

DCC Technology total revenue by business unit



DCC Technology revenue by product type



Strategy and Development

DCC Technology's vision is to become the leading specialist integrated technology distribution and supply chain services business, delivering an industry-leading service offering, whilst realising consistent long-term growth in both profit and return on capital employed.

Our strategic objectives are focused on:

- creating an integrated, multi-country operating model, with best-in-class infrastructure;
- expanding our channel and geographic presence in specialist areas; and
- establishing the business as the industry leader in providing end-to-end market development and channel optimisation services.

DCC Technology will grow organically by attracting new suppliers, opening new channels and routes to market for our suppliers' products and by continuing to develop value-added services. The business will also grow through acquisition, particularly through leveraging our infrastructure and geographic footprint to bolt-on similar businesses and realise operational synergies. DCC Technology will also seek to develop a global organisation focused on a range of specific product sectors with services tailored to the needs of the SME and consumer markets. In particular, DCC Technology's supply chain operations are focused on ensuring that it delivers solutions that minimise cost, capital and complexity for its global clients.

The business is constantly reviewing trends and innovations in technology products and services, all of which is supported by a dedicated data and insights team, and is focused on ensuring that the business continues to be the best positioned to benefit from future growth in these areas.

The successful implementation of SAP in the UK is part of a long-term strategy to upgrade and consolidate our ERP and ICT infrastructure, realising the efficiencies and operational benefits of newer technologies. DCC Technology has also completed a number of new robotic process automation and data integration projects, the benefits of which have started to be realised, with further development planned in the future.

Covid-19 accelerated the digital transformation in the regions in which we operate, with the business providing the necessary infrastructure and solutions to our suppliers to get ahead of the changes in the operating environment. DCC Technology has continued to invest in digital, cloud, and ecommerce solutions to support our suppliers and customers, launching Exertis Cloud within the UK business and extensive SaaS offerings.

Customers

The business has an extensive customer base, selling to approximately 50,000 customers globally. In the year ended 31 March 2021, DCC Technology's largest customer accounted for approximately 12% of revenue and the 10 largest customers together accounted for 35% of total revenue.

DCC Technology seeks to provide an excellent standard of customer service by combining an extensive range of services with a commitment to identifying the most cost-effective and flexible solutions to meet our customers' requirements. By constantly focusing on building the breadth of the reseller and retail customer base, DCC Technology ensures that our service offering is always developing to adapt to their growing demands, as well as delivering an exceptional route-to-market for our suppliers. The introduction of SAP into the UK business is helping to expand the customer breadth, especially for products in the SME market with the introduction of a significantly enhanced web offering.

Our supply chain services customers include outsourced equipment manufacturers, IT, consumer electronics and telecommunications equipment manufacturers. The business also has customers in the industrial and pharma sectors.

Suppliers

DCC Technology has a diverse supplier base and partners with thousands of suppliers including many of the world's leading technology brands such as Acer, Apple, Asus, Dell, Epson, Focusrite, Furrion, Google, HP, Huawei, Intel, Lenovo, LG, Logitech, Microsoft, Netgear, Oculus (Facebook), Poly, Samsung, Seagate, Sonos and Toshiba. The largest supplier represented 12% of total revenue in the year ended 31 March 2021 and the top 10 suppliers represented 44% of total revenue.

The business adopts a proactive approach to the identification and recruitment of new suppliers and technologies and seeks to position itself as the obvious choice for owners of growing brands to access the retail and reseller channels. In addition, DCC Technology seeks to ensure that we have a position of strategic relevance with our principal partners.

When providing supply chain services to technology manufacturers and brand owners, a core element of the service provided by the business is the identification of appropriate component and supply chain partners for the manufacturer or brand owner and carrying out the quality assurance on those suppliers to ensure that they comply with required quality, regulatory and ethical standards.

Operating Review continued
DCC Technology continued

Our People
DCC Technology employs 3,991 people in Europe, North America and Asia and recognises that our people are fundamental to the continued success of the business. At all levels, employees are encouraged to adopt an innovative, service-oriented approach to meeting the demands of suppliers and customers. This has been demonstrated by the maintenance of exceptional levels of customer service provided through a combination of office based and remote working during the past year. Every business in DCC Technology remained operational throughout the pandemic due to the continued efforts of our teams who worked diligently to observe public health protocols and keep each other safe while going about their work.

At senior management level, our operating businesses are run by some of the most highly regarded management teams in the industry. DCC seeks to foster and maintain an entrepreneurial culture, coupled with a commitment to ensuring that the highest ethical standards in business conduct are maintained.

DCC Technology is committed to conducting its business in a sustainable manner and this is reflected in how we interact with our employees. Consistent with the rest of the DCC Group, the business has processes to assess and control material health and safety risks and aims to provide an attractive working environment for all our employees. The business also undertakes regular employee surveys in order to hear the employee voice and embed a culture of continuous listening and improvement. DCC Technology is highly committed to fostering diversity at all levels of the organisation, from recruitment through to progression to senior management positions.

DCC Technology is a multinational and multicultural organisation operating across nineteen countries in Europe, North America and Asia. We believe that to reap the benefits of our diverse and talented workforce we need inclusive work environments where all of our colleagues have the freedom to achieve their ambitions and a culture that cultivates the energy and passion our colleagues bring to work. This year our businesses refreshed their local Inclusion and Diversity strategies that focused on raising awareness through the roll out of unconscious bias training and identified positive, purposeful steps to embed inclusive work practices that support diversity at all levels.

DCC Technology operates a wide variety of employee training programmes within individual businesses to promote the ongoing development of our colleagues in the organisation. Employee training encompasses both personal development and role-specific training, in addition to formal training in areas such as health and safety, risk and compliance.

DCC Technology continues to place specific focus on the development of leadership skills for its management team, including succession planning at senior levels. Our businesses are actively focused on building longer term leadership capability and participate in DCC's talent planning processes as well as the Group's leadership development programmes which include the DCC Management Essentials, the Finance for Non-Finance Managers and the flagship DCC Business Leadership Development programmes. DCC Technology also actively participates in DCC's Graduate Programme which supports the development of a high-potential and mobile talent pool at graduate level.

Key Risks
DCC Technology faces several strategic, operational, compliance and financial risks.

Significant external risks associated with Covid-19 and Brexit continue to be addressed operationally and as part of longer term strategic initiatives. The effectiveness of the response to these issues has demonstrated the quality of the businesses' systems and the flexibility of its people when faced with unprecedented challenges. During the past year, DCC Technology has been instrumental in providing drop-ship solutions, single item delivery to the home or office, allowing customers to keep pace with unprecedented

Case study

New Mobile living division hits the road

Exertis Mobile Living, the new North American business unit which launched in January 2020 with a Furrion exclusive five-year distribution agreement, is growing and expanding rapidly. During the first full year of the agreement the Exertis Mobile Living business unit shipped over $110m worth of product.

This accelerated growth comes against a backdrop of rising enthusiasm by North Americans for mobile living, in part because of Covid-19 but also because a growing number of aging 'baby boomers' are deciding to up roots and see the country. Given the choice of staying at home or getting out on the road, Americans are opting in record numbers for the great outdoors and an active lifestyle centered around road trips, camping and hiking.

Today's generation of recreational vehicle ('RV') owners expect to travel with a certain degree of luxury onboard, including their favourite entertainment and work-related technology. This is generating increased demand for all the adjacent products that complement a luxury mobile RV lifestyle. Furrion's broad range of electronics, appliances and energy solutions provides AV entertainment, cooking and refrigeration, as well as off-grid energy and power distribution solutions for RVs and boats.

To meet demand, Exertis Mobile Living expanded the division's 200,000 square feet of warehousing in South Bend, Indiana by an additional 25,000 square feet in March.

ecommerce demand. The business supplied the technology needed to keep many of our key partners operational, and provided technology to consumers working, teaching, and requiring entertainment at home.

The business partners with a broad range of suppliers and customers with whom we have built excellent commercial relationships. However, the business would be negatively impacted by the loss of a small number of key suppliers or customers, a decline in demand for particular technology products or ineffective stock management processes.

Further risks include the widespread commoditisation of products, lagging digitalisation, changing market dynamics, concentration of supply chain to a particular region/country and failure to realise anticipated benefits from acquisitions.

The large scale-project to replace the core ERP system in Exertis UK was successfully completed during the year. While further functionality remains to be implemented in the coming year, the risk of serious disruption to the business deriving from this project has been greatly reduced.

Given the strength of the management teams in DCC Technology, the loss of a key number of individuals represents a risk to the business. There is an ongoing focus on leadership development and succession planning to mitigate this risk.

DCC Technology's market leading position in both geographic and product areas is strengthened by ongoing acquisition activity which helps to mitigate margin erosion in what is a competitive environment. Acquisition activity remains a key driver of growth for the business. Failure to identify, execute or integrate acquisitions could have a material impact on the business and, as such, significant focus is placed on the due diligence process for potential acquisitions.

Environment

DCC Technology is committed to minimising the impact of our business operations on the environment. As a global technology distributor, we produce zero industrial waste and our energy consumption is low due to the nature of our activities. Nevertheless, where we do have an environmental impact, our policy ensures that we are continually monitoring and reducing carbon emissions, transportation, energy consumption, and complying with regulations for the disposal of waste. Many of our businesses have already migrated to using renewable energy sources and Exertis UK is in the process of installing solar energy technology at its National Distribution Centre in Burnley which will reduce carbon emissions by c.450 tonnes per annum.

Our Exertis UK business partners with retailers, mobile handset manufacturers and insurance companies to provide a second-life to used and unwanted phones, reducing the number of technology units that may otherwise end up in landfills around the UK.

Case study

Exertis UK responds quickly to market demands

In 2020 Exertis UK carried out a significant expansion to its National Distribution Centre ('NDC') in Burnley, building a mezzanine-level area that added 6,000 square metres without increasing the land footprint. The goal was to increase both capacity and capability, enabling Exertis UK to better support customer requirements and to facilitate growth.

A mezzanine-level expansion in the NDC enabled Exertis UK to effectively double and optimise usable space, in order to fulfil the high volumes customers required during the second half of the year, as Exertis UK played a key role in satisfying countrywide demand for working-from-home and leisure technology. Along with big increases in demand for gaming products and large-format TVs, there was also a significant increase in the demand for smaller deliveries direct to the consumer rather than just pallet deliveries to retailers.

The addition of the new mezzanine level created space for expanding specialist service centre capabilities. After months of planning, the build began in September 2020 and was successfully completed by the end of the calendar year. Although the NDC is a 24/7 operation, the building works were performed during the night in order to minimise disruption to the warehouse and operational teams.

The new mezzanine floor covers 6,000 square metres, weighs over 180 tonnes and includes a new ESD-compliant (electrostatic discharge) area for handling specialist electronic components and assembly. The new floor includes 2,200 metres of sprinkler pipes and 1,300 metres of cabling.

This successful project has contributed to enhanced operational excellence and innovation in delivery, all while executing the build over the busiest trading period. The NDC team continued to manage day-to-day operations at ground level while the mezzanine build took place above. The build was delivered within the allocated time frame and budget. Moving the retail operation onto the mezzanine level contributed to Exertis UK shipping 27 million units last year.

Sustainable Business Report

Sustainable Growth

Our purpose, strategy and values support the development of long-term stakeholder partnerships. This makes our business truly sustainable.

Introduction

DCC's strategy and business model has delivered financial and non-financial benefits for all our stakeholders for many years. This will continue to be the case as we evolve and grow. This ability to generate consistent stakeholder value makes our business highly resilient and sustainable. The performance of the Group during the year was an example of this.

In this year's Sustainable Business Report, we set out significant progress in the following areas:

- **Oversight of Sustainability**.
  We established Board and senior management committees to oversee our sustainability activities. We also aligned the performance objectives of senior management with our updated targets and metrics described below.

- **Reporting**.
  We agreed targets and metrics for the most important aspects of our operations which are aligned to reporting frameworks like GRI, SASB and the UN Sustainable Development Goals. We will use these to report on our non-financial performance in future years. We also took steps to report in accordance with the Task Force on Climate-Related Disclosures ('TCFD') framework.

- **Climate Change and Energy Transition**.
  We committed to reduce our carbon emissions to net zero by 2050 or sooner, in line with the Paris Agreement, with an interim reduction of 20% by 2025. We put in place internal reporting structures to allow us to measure and report on progress against these targets. We held an investor presentation which outlined the important role of DCC as an enabler of the energy transition.

- **Safety and Environmental Protection**.
  We delivered a good performance against our safety and environmental KPIs. We also put in place a new HSE Three Year Plan which will guide our activities in this area until 2024.

- **People and Social**.
  We introduced a new Inclusion and Diversity Policy and provided training on unconscious bias across the Group.

- **Governance & Compliance**.
  We took steps to develop the diversity of the Board. We introduced a new Human Rights Policy and provided training on the protection of human rights to over 5,000 colleagues.

Our Sustainable Growth Model on page 6 describes the relationship between our sustainability programme, our stakeholders and our business activities in more detail. For more detail on our stakeholders and how their interests are reflected in our decision making, see the Stakeholder Engagement Report on page 27.

The remainder of this Report covers the following areas:

1. Governance of Sustainability
2. Development of our Reporting, including alignment with reporting frameworks
3. Progress Against our Four Pillars
   a. Climate Change & Energy Transition
   b. Safety & Environmental Protection
   c. People & Social
   d. Governance & Compliance

Governance of Sustainability

Since our last Report we reviewed and revised our governance structures for sustainability to support the Group's sustainability activities.

First, we expanded the role of the Nomination and Governance Committee to include sustainability. The Committee, led by DCC's Chairman, has been renamed the Governance and Sustainability Committee as a result. We also established a new Executive Sustainability Committee led by the Group Chief Executive. These Committees oversee and support the development of our sustainability programme. Their role is further detailed in the Governance and Sustainability Report on page 106.

Each Committee will meet six times during the financial year ending 31 March 2022 and will receive detailed reports on progress in relation to key sustainability initiatives. The Board retains overall responsibility for sustainability issues across the Group.

Development of our Reporting

Following a review during the year of the issues that are most material to our stakeholders and the Group's long-term success, we identified four pillars for use in our future sustainability reporting. Within each of these pillars we selected relevant targets and metrics which we will use to report in detail on our non-financial performance. These are set out in the following table. This reporting framework is aligned to the UN Sustainable Development Goals ('SDG'), the aims of which we support. It is also aligned to relevant elements of the GRI and SASB reporting standards.
For references to individual GRI and SASB standards, please refer to the Additional Sustainability Information section on page 231.

Pillar	Target	Metric	UNSDG
Climate Change & Energy Transition	We will reduce our carbon emissions by 20% by 2025 and to net zero by 2050.	Scope 1 and 2 carbon emissions.	7: Affordable and Clean Energy 13: Climate Action
Safety & Environmental Protection	We keep our people safe.	Lost time injury frequency rate (LTIFR) and severity rate (LTISR).	8: Decent Work and Economic Growth
		Number of serious personal injuries to employees and contractors.	
		Number of API Tier 1 and Tier 2 process safety events.	
	We protect the environment in the communities where we operate.	Number of significant spills.	12: Responsible Consumption & Production
People & Social	We support the development of our people.	Number and rate of senior management turnover by age group, gender, and region.	8: Decent Work and Economic Growth
		Number of employees by age group, gender and region who received a performance review.	
		Average hours of training by age group, gender, and region.	
	We support inclusion and diversity.	Gender balance of senior management teams.	5: Gender Equality 10: Reduced Inequalities
		Number of incidents of discrimination, the status of incidents reviewed and confirmation of remediation.	
		Monetary loss from employment discrimination related legal proceedings.	
Governance & Compliance	We protect human rights.	Human rights breaches in our business and our supply chains.	12: Responsible Production and Consumption
	We prevent corruption.	Number of significant cases and monetary losses related to bribery and corruption.	
	We sell safe products.	Product safety-related compliance failures.	

We report on a number of these metrics in the sections of the Report that follow. We will extend our reporting in future years to report against the others.

Sustainable Business Report continued

Climate Change & Energy Transition
Central to our climate action initiatives is the reduction of carbon emissions from our directly managed operations.

Scope 1 and 2 Carbon Emissions
All DCC businesses record their use of energy (transport fuels, heating fuels and electricity). This data is then converted into greenhouse gas ('GHG') emissions by CDP-accredited software. The data collated is subject to a limited assurance audit, conducted by EY, whose assurance opinion is set out on page 230. The majority of the Group's emissions are of carbon dioxide. In this Report, we therefore use the term carbon to refer to all GHGs.

The chart below shows DCC's scope 1 and 2 carbon emissions. Our scope 1 emissions total is 77,000 tonnes of carbon. None are covered by emission limiting regulations. Scope 2 emissions represent 20% of our carbon emissions. Compared to the prior year, there was an absolute increase of 2% in carbon emissions. Covid-19 contributed to a decline in emissions (using a location-based approach) in some parts of our operations and to an increase in others. Acquisitions, such as Amerilab Technologies, NES and UPG in the US, increased emissions by c. 12%.

In previous Reports, we have reported scope 2 carbon emissions using a location-based approach.

This year we have also included scope 2 emissions using the market-based approach as set out in the GHG Protocol. This approach uses the relevant electricity suppliers' actual emissions factors to calculate scope 2 emissions, thereby taking into account the amount of renewable energy purchased by DCC businesses. This currently represents c.30% of total kWhs used. We anticipate this to increase in the short term as procurement decisions prioritise renewable sources of energy.

Energy Use
DCC used 1.5 million gigajoules of energy during the year, a slight increase compared to the prior year. Two thirds of this energy was used by our LPG and Retail & Oil divisions in making deliveries to customers using our transport fleet.

Our transport fleet efficiency is a key part of our energy saving initiatives, looking for savings through efficiencies in driving, vehicle engines, design and routing. Additional energy saving initiatives are targeted to reduce electricity and heating fuels with more efficient lighting and heating controls and equipment.

Carbon Emissions Reduction Target
In November 2020, DCC announced a carbon emissions reduction target: to achieve net zero by 2050 or sooner and a reduction of 20% by 2025, relative to a baseline year of 2019 and using the market-based approach to calculating scope 2 emissions. These targets are consistent with the goals of the Paris Agreement.

The 2025 target was built into the Group's most recent three-year planning cycle. This resulted in every business in the Group setting specific actions to achieve at least the same reduction in their own activities. Initiatives include procurement of renewable electricity, increasing use of biofuels in own-fleet vehicles and ongoing energy efficiency projects for buildings and equipment.

In addition, we have updated our capital expenditure approval processes to require an assessment of the carbon impact of the investment in question, to incentivise lower carbon investments.

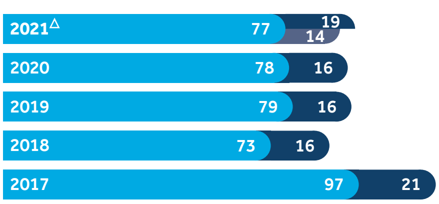
We have built the monitoring of progress against these reduction targets into our management reporting systems.

CDP Reporting
DCC submits information annually to CDP on our carbon emissions. DCC's 2020 CDP score of 'C' was in line with previous years, above our sector average and in line with the global average. Our 2021 submission will set out our enhanced sustainability governance structures and our carbon emission reduction targets which are described above.

Scope 3 Emissions
Scope 3 emissions are the indirect emissions resulting from business activities but not directly generated by them, such as the emissions our customers generate by using the products they buy from us. In our 2020 CDP submission we provided a breakdown of our scope 3 emissions. The most material element of our scope 3 emissions relates to the use of the fuel products we sell. The second important category of our scope 3 emissions relates to the upstream extraction and transportation of the same fuels. These two categories account for around 99% of all scope 3 emissions in the Group.

The steps we are taking to support our customers in the energy transition, including by reducing the carbon levels in the fuels that we sell will result in a reduction in the intensity of our scope 3 emissions in future years.

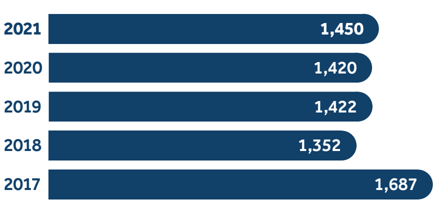
Absolute Carbon Emissions by Scope (000's tonnes)



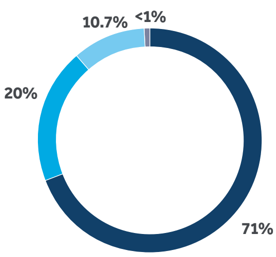
- Scope 1 (Direct – Road transport and heating fuels, fugitive emissions)
- Scope 2 (Indirect – Electricity) Location-Based
- Scope 2 (Indirect – Electricity) Market -Based

△ Refer to EY Report on page 230

Energy Usage (000's gigajoules)



Energy Use by Source Category



- Mobile combustion
- Electricity
- Stationary combustion
- Fugitive emissions

Taskforce for Climate-Related Financial Disclosures

In 2020, we completed a review of the TCFD reporting framework to assess our current alignment with its disclosure recommendations and identify actions to further integrate climate governance, strategy, risk management and metrics and targets into our business processes.

Our CDP reporting, referred to above, is broadly aligned with TCFD in its coverage of climate related metrics, governance, and disclosures. The Additional Sustainability Information section on page 232 maps our existing reporting against the 11 TCFD expectations and indicates the sections of this Report where commentary on those expectations is provided.

We will further develop our reporting to ensure we report in accordance with the framework.

The Climate Change & Energy Transition section on page 74 discloses scope 1 and 2 emissions and scope 3 emissions are detailed in our CDP report each year. The primary climate related targets in place are those relating to our own emission reduction. Those targets are live as of 1 April 2021 and will be reported on in subsequent years.

In addition to these carbon metrics, developments in the Group's risk management processes are described in the Risk Report.

Safety & Environmental Protection

Safety Governance

Safety is a core value of DCC. We believe that a successful approach to safety must be grounded in a widespread and empowering culture of openness that is built on trust and encourages every DCC employee and contractor to identify and raise concerns, whether it is about safety or any other aspect of operating responsibly.

The Group Health & Safety Policy, which links directly to the DCC Code of Conduct, is available on our website, and sets out clear expectations in key areas including leadership, risk management, asset integrity, training, and emergency preparedness. It aligns with HSE management system good practice and ISO standards.

Case study

Virtual safety tours

Covid-19 significantly restricted the ability of our leadership team to undertake routine operational safety assessments, which form an important part of safety governance in DCC.

In order to maintain visible safety leadership, and ensure our business teams remained focused during this time, technology was employed to conduct virtual site safety tours by video conference.

Business teams used drone footage, live and pre-recorded video, site plans and employee interviews to provide the senior management team with an overview of their operations, occupational and process safety arrangements and ongoing challenges. The approach enabled access to areas and processes that would normally be impossible without specific training or equipment, providing managers with insights that might not otherwise be possible.

The ability for a relatively large audience to have meaningful discussions with operators, albeit remotely, provided the opportunity to challenge existing practice and reflect on continuous improvement ideas.

The experience has proven so positive that it will likely become a routine practice across DCC.

Sustainable Business Report continued

Safety Governance continued
Every Group business has in place a health & safety management system reflecting the specific risks that arise from their operations. These are aligned with the high-level expectations set out in the Group Health & Safety Policy. Group-wide tools, such as our Safety F1rst programme, Learning from Events processes and performance metrics support the development of a positive and proactive safety culture across all our businesses. Our Group Health & Safety Policy expectations extend to contractor organisations working on our behalf or at our facilities, and specific standards are defined for activities in hazardous process areas. Certas Energy, Exertis Supply Chain Services and Laleham are certified to the OHSAS18001/ISO45001 standard.

In addition to business-led audit programmes, health & safety audits are conducted every year by the Group HSE function using the International Sustainability Rating System ('ISRS') audit protocol. In response to Covid-19, we successfully switched to a virtual audit process, combining offline document reviews with videoconference interviews and remote site inspections. Further independent assurance is provided by the numerous external regulatory inspections of our sites and management systems.

Covid-19
Successful implementation of our business continuity plans meant we were able to meet our customers' needs during the Covid-19 pandemic while maintaining robust health & safety standards. The impact of Covid-19 infection across our organisation was minimised as a result of these steps. Several of our businesses underwent successful regulatory Covid-19 spot-check inspections during the year. We also adapted our governance processes, such as safety tours and HSE audits, to the constraints imposed by the pandemic.

Case study

Zero-based safety review

HSE representatives from several of our LPG businesses undertook a review of the process safety risks associated with the end-to-end value chain associated with our operations, with the aim of identifying potential blind spots in our safety performance assurance process.

Whilst the traditional Bow-Tie analysis process is largely focused on activities at our fixed facilities, this review also examined up and downstream processes such as transportation, delivery and projects/aftersales.

As a result, the project team identified new performance indicators that will provide assurance that off-site activities with significant hazard potential are being appropriately managed. Routine reporting of this data will commence in FY22.

Process Safety

Process safety management is a disciplined framework for managing the integrity of hazardous operating systems and processes in our LPG and Retail & Oil divisions by applying good design principles, engineering controls and operating practices. It deals with the prevention and control of incidents involving the release of hazardous materials or energy, such as fire or explosion during the movement of fuel, fire within fuel vapour recovery systems, loss of containment leading to the formation of a vapour cloud, or a hydrocarbon spill.

Process safety risks are managed through detailed risk analysis, asset management, high reliability engineering controls and employee awareness training. This year a "zero-base" process safety review was conducted for the whole LPG value-stream to identify safety assurance improvement opportunities. In addition, the Process Safety Working Group led the development of Group guidance on the creation and implementation of Permit to Work arrangements. In response to Covid-19, our process safety training for senior managers moved online to ensure our focus on process safety leadership, the understanding of risks, controls, and monitoring systems was maintained.

Process Safety Performance Indicators are used to provide assurance that process safety risks continue to be managed appropriately and are routinely discussed in management review meetings at company, divisional and Board level. This year, there were no API-754 Tier 1 or Tier 2 process safety incidents.

Tier 3 indicators, which capture challenges to our safety systems, such as equipment reliability and process alarm activations, generally show a stable or improving picture. The chart opposite showing the incidence of overdue general maintenance tasks illustrates this.

Tier 4 indicators that measure operating discipline and management system performance include maintenance, safety inspections and emergency drills. Covid-19 restrictions did in some cases limit our ability to obtain specialist maintenance support, impacting on-time work completion, but all safety critical equipment was managed to take account of any such delays. The chart opposite shows the results of testing of safety critical assets during the year.

Occupational Safety

All safety incidents, including personal injuries, product spills, road traffic accidents and near misses, are recorded to evaluate potential consequences and identify underlying causes, control weaknesses and learnings. Both qualitative and quantitative HSE information is included in monthly reporting processes. Our objective is to continually improve our performance towards a goal of zero harm to people or the environment, and our Learning from Events process is a key tool for sharing knowledge and driving improvement in safety management across the Group.

Lost Time Injuries ('LTIs'), defined as an accident resulting in at least one day lost after the date of the accident, remain an important lagging indicator for overall HSE performance. Injury reporting requirements apply to all employees and workers who have a contract with a third party but work under the direction and supervision of DCC such as agency staff. Although injuries to third-party contractors may be recorded, they are not included in DCC performance figures.

There were no employee or contractor fatalities this year. The LTI frequency rate, defined as the number of lost time accidents per 200,000 hours worked, continued in a long-term downward trend, against a background of continued company growth. The LTI severity rate increased slightly compared to last year, largely as a result of two incidents, one in the Retail & Oil division and one in the Healthcare division that resulted in extended periods of lost time. The majority of LTIs were relatively minor including slips, trips, and manual handling injuries such as sprains and strains. The Total Recordable Injury Rate ('TRIR') in the year ended 31 March 2021 was 1.14.

Environmental Protection

We are committed to continually improving our environmental performance through careful management of our operations. All DCC businesses are covered by the Group Environment Policy. This requires that they minimise the environmental impact of their operations with appropriate business specific systems and processes to ensure compliance with regulatory requirements. Several businesses in the Group operate to management systems that are certified to the ISO 14001 standard.

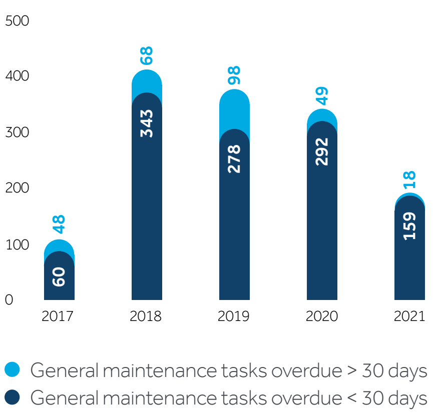
Spills

A spill is defined as any unplanned release to ground or the environment. All spills, and near misses, for which DCC is responsible are recorded regardless of quantity in order that we can learn the lessons from such events. Spills are categorised using a risk matrix. The nature and materiality of the spill varies across the four divisions with spills in Healthcare or Technology divisions being different in nature to those in the two energy divisions.

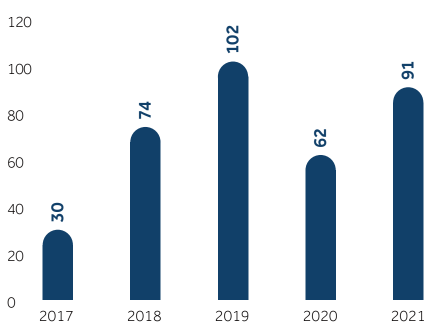
In 2021 there were in total 798 spills of all levels of significance across our energy businesses, or 3.8 spills per 10,000 deliveries. Of those, there were 129 categorised above the minimum reporting level in 2021, a rate of 0.6 per 10,000 deliveries. This is an improvement over 2020 when there were 0.9 spills per 10,000 deliveries above the minimum category. In 2020, 20% of spills were rated above the minimum risk category, and in 2021 this reduced to 16%.

Any spills of significance are reported to the relevant environmental authorities and are cleared to their standards resulting in no long-term environmental impact. This year, one spill required remediation.

Overdue General Maintenance Tasks



Safety Critical Assets Failure on Test/Inspection



Sustainable Business Report continued

HSE Three Year Plan
We adopted during the year a new Three Year HSE Plan, which will guide our improvement activities over the next few years. The Plan sets out initiatives in the areas of leadership, safety culture, training, incident investigation and reporting, among others.

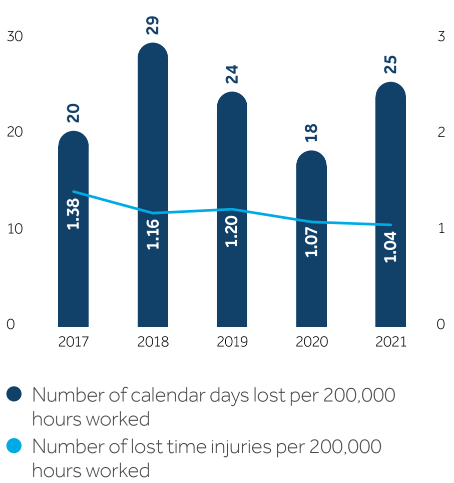
People
DCC's continued success and strong growth is due to the commitment and hard work of our people who have ensured the supply of essential products and services throughout the Covid-19 pandemic enabling our customers and society to continue to operate in this challenging period.

We strive to create a workforce that is as diverse as our customers and communities, where everyone has the same opportunity to develop and progress, recognising that our people are critical to sustaining competitive advantage and long-term success.

At 31 March 2021, we employed 13,689 people, which is a 3% increase on the prior year.

Our employee turnover rate during this financial year was 20% and our new joiners amounted to 24% of all employees. Both of these figures include our seasonal workforce, who support our businesses in peak periods of trading, many of whom return year after year to work for us. We work to limit the impacts of seasonality and provide assistance to employees and managers when it is necessary. Fair and flexible hiring and lay-off practices apply, particularly in our seasonal businesses. For major operational changes, appropriate notice periods and change management procedures are implemented. For the financial year ending 31 March 2022, we intend to collect data measuring employee turnover in line with our overall sustainability targets.

Lost Time Injury ('LTI') Rates



Throughout the pandemic, we tried to reduce the number of roles directly impacted by Covid-19 and as of 31 March 2021 there were no furloughed employees across the Group.

Talent Development Practices
We have made significant progress over the past number of years in developing common structures and processes in core areas of Talent Management across the Group and we continue to see the benefits of that investment.

Talent Planning and Career Pathing
The purpose of our annual talent planning process is to ensure we continue to identify and develop talent to meet the future needs of our businesses and offer our people the opportunity to grow and progress their careers in the Group.

All of our businesses actively engage in the annual process and use a consistent approach to focus on succession planning for high impact roles and identify talent for development purposes. The number of roles in scope for succession planning has grown considerably over the past number of years in line with our acquisitive growth over the same period.

We strive to make talent visible and identify career paths for people within their own business as well as across the Group. About 78% of our management team positions currently have internally identified successors from within our businesses. Of those, all identified critical positions have succession coverage and we have worked hard to create visibility of our internal talent options.

Common Talent Management System
We continue to invest in our common talent platform to help us identify internal talent and ensure talent management processes are embedded consistently across the Group. The platform currently supports the automation of succession planning and performance management processes across 17 geographies. As more of our businesses have recognised the value of the system, we have had a 30% increase in the number of users in the last 12-month period. At 31 March 2021, 45% of our total employee population have a presence on the platform compared to 35% as of 31 March 2020.

High Performance Culture
Our people are driven to achieve and have an unwavering focus on results. We are open and transparent on performance and constantly measure our progress. Every member of our business management team actively engages in our annual performance review process. In the financial year ended 31 March 2020, 96% of our business management population completed the annual performance cycle.

Our performance management process includes financial and personal objectives and, where relevant, embeds key metrics related to sustainability. The core competencies required for leadership in DCC are also fully integrated into our performance management cycle.

To support and drive our high performance culture, we offer regular coaching skills based training to our business management teams at key points during the performance cycle. We will report in the future on how many of our people participated in an annual performance review process.

Developing Leaders
We strive to foster a culture of continuous development for our people, ensuring we have the talent and capabilities we need, now and in the future. This year, as a result of the Covid-19 pandemic, in-person classroom training was not possible and we pivoted our Executive Development offerings to virtual deliveries and self-directed digital learning.

All of our key leadership and management programmes were redesigned to be delivered in remote live settings including the DCC Management Essentials programme, the DCC Finance for Non-Finance Managers programme and our flagship DCC Business Leadership Development programme.

During this period, the demand for e-learning significantly increased and we reviewed our Learning Management System capability to enable scalable access to quality e-learning 'on the go' support for our people. We will continue to invest in this area to facilitate broader access to e-learning across the Group.

DCC Graduate Programme
The DCC Graduate Programme is an integral part of the Group's talent development, designed to create a pipeline of high potential, internationally mobile, early career talent for the Group. This year we adopted our attraction, recruitment and onboarding processes to take place virtually, including the creation and delivery of a customised virtual assessment centre.

DCC is a fast-paced environment and graduates on our two-year programme are exposed to the 70-20-10 model for learning and development. Graduates get unrivalled on-the-job experience through placements in our international operations where they learn about the diversity of the markets and sectors in which we operate. The remaining development is through formal training focused on targeted learning modules and ongoing mentoring and coaching. Throughout this year, all learning provision was successfully delivered remotely.

Local Skills Based Training Support

DCC encourages and supports talent development at all levels in the organisation. Each business within DCC has the autonomy to develop and roll out local development programmes with an emphasis on driving performance improvement at an individual business level.

To ensure best practice knowledge on remote programme design and delivery was shared, the DCC Leadership Development community continued to be very active this year ensuring ongoing access to training and learning continued throughout the year.

For the financial year ending 31 March 2022, we will collect data at an aggregate level on the average hours of training per year per employee.

Inclusion and Diversity

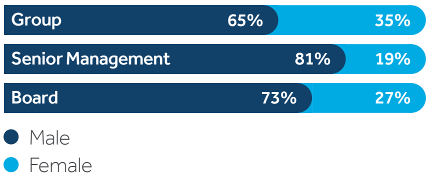
With 13,689 colleagues across 20 countries, DCC is a multinational and multicultural organisation. We believe that to reap the benefits of our diverse and talented workforce we need inclusive work environments where all of our colleagues have the freedom to achieve their ambitions and a culture that cultivates the energy and passion our colleagues bring to work.

Our Inclusion and Diversity Policy, 'You Belong Here' outlines the core principles and expectations we have for ourselves, our colleagues and our businesses to foster positive workplace environments. Our ambition is to be an organisation where everyone feels welcome, respected and valued; that they belong in DCC and have the same opportunity for success as anyone else.

Our Inclusion and Diversity strategy focuses on a number of key areas, including communication, education and awareness, people practices, and measuring trends. We will continue to focus on creating shared direction, alignment and commitment on key initiatives that will have the most impact in affecting change. For more on this, see Strategy in Action on pages 24 to 26.

Gender Balance in DCC

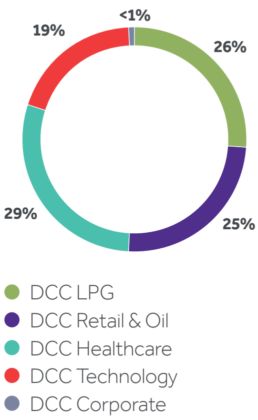
Gender Diversity



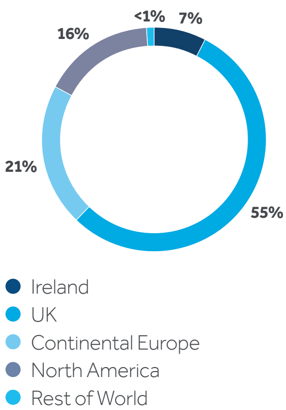
We actively support the 30% Club which consists of Chairs and CEOs committed to better gender balance at all levels of their organisations. A number of our colleagues participate in development programmes that will be helpful in building a pipeline of future female leadership talent for DCC and will we continue to track gender representation on these programmes. These programmes include the 30% Club Board Ready Programme and the Mentoring Foundations FTSE 100 cross company mentoring programme for next generation women leaders. We are also members of the Employers Network for Equality and Inclusion which works in partnership with our UK businesses to ensure we adopt best practice approaches to equality and human rights in the workplace.

We will in the future report on diversity in line with our overall sustainability targets.

DCC Employees by Division



DCC Employees by Geographic Area



People Strategy

Over the past three years we have made good progress in developing common structures and processes in core areas of Talent Management across the Group. While our work on evolving our core Talent Management foundational areas will continue, for the next three years we will focus on three themes – Workforce of the Future, Culture and Engagement, and Inclusion and Diversity.

We have identified a number of new project workstreams associated with these themes to support our FY21-24 People Strategy. Each of the project workstreams are supported by cross-divisional teams from our global HR network ensuring further collaboration across the function and continued sharing of best practice.

Rewarding Our Employees

DCC offers fair and competitive rates of pay to attract and retain our employee base while offering benefits in line with industry, local or national practice. We are committed to meeting high standards of business conduct in every area of our activities. As part of this commitment, we regularly review our reward policies to ensure we reward employees fairly and comply with any minimum wage requirements. We believe in performance-related rewards for our colleagues, dependent upon their contribution to the success of the business and to what extent they demonstrate company values.

Transparency

We welcome increased focus on transparency on pay practices. A number of countries in which we operate have mandatory reporting requirements in relation to remuneration practices with which we fully comply.

- UK: Under UK legislation, employers in the UK with more than 250 employees are required to publish key metrics on their Gender Pay Gap. Our affected UK businesses publish individual reports annually as required by legislation and are committed to taking action, at a local level, in terms of deeper analysis of the data and implementation of appropriate initiatives.
- France: Our French businesses with more than 250 employees are obliged to calculate and to publish a Gender Pay Equality Index which has been extended to businesses between 50 and 250 employees since March 2020.
- Canada: Businesses based in Canada with more than 10 employees are required to complete a Pay Equity exercise and a maintenance exercise every five years.

Sustainable Business Report continued

Governance & Compliance

Governance

DCC is committed to operating in accordance with the highest standards of corporate governance. For more detail on our governance please see the Corporate Governance Statement on page 96.

Compliance

Protecting Human Rights

We have had internal controls in place for a number of years to ensure that human rights are protected within own operations and in our supply chains.

Our Supply Chain Integrity Policy requires businesses in the Group to have a suitable process to assess their supply relationships from the perspective of both product quality and supplier integrity, to carry out additional due diligence where this risk assessment requires, and to maintain where needed suitable preventative controls to ensure, insofar as practicable, that human rights abuses, among other compliance breaches, do not arise.

In the year under review, we enhanced our internal controls in this area by adopting a Human Rights Policy which sets out the Group's commitment to the protection of human rights and underpins the existing controls described above.

Our Supply Chain Integrity Policy and our Human Rights Policy are available on our website www.dcc.ie.

We provided online training on the importance of protecting human rights to over 5,000 employees across the Group over the course of the year. Further training will be provided during the year ending 31 March 2022. The large majority of DCC Group businesses operate in countries where breaches of human rights do not present a material risk. This training was designed to maintain and raise awareness of where human rights risks can exist, especially where products are sourced from other countries.

DCC Group businesses maintain suitable HR policies and procedures to ensure that the rights of employees in those businesses are fully respected. The section of this report on Rewarding our Employees deals with our approach to standards of pay.

DCC has issued a statement under section 54 of the UK Modern Slavery Act 2015 covering the year ended 31 March 2021. A number of DCC Group businesses are subject to that reporting provision in their own right and have issued statements on their own websites. Those statements note where the activities of Group businesses or their suppliers present particular risks and the measures being taken to reduce those risks.

No breaches of human rights were identified during the year under review.

Prevention of Bribery

DCC has a detailed Anti-Bribery and Corruption Policy in place, which states that no employee or representative of any Group business is to offer or accept any bribe, including small facilitation payments, or engage in any other form of corrupt practice. The Policy is available on our website www.dcc.ie. The Policy is provided to every employee of the Group as part of their induction and training on the key provisions of the Policy is also provided to relevant employees.

In addition to prohibiting involvement in bribery or other forms of corruption, the Policy requires that every business in the Group maintains suitable risk-assessed policies, procedures and records in relation to the provision and acceptance of gifts, hospitality and sponsorship and the disclosure of conflicts of interest, and employs enhanced due diligence and controls when doing business with a party in a country where corruption is a particular problem, in particular, when appointing any representatives.

No Group business was involved in any public legal case regarding corruption during the year under review.

There was no monetary loss as a result of legal proceedings associated with employment discrimination, covering inclusion and diversity and related issues.

There was also no monetary loss from legal proceedings associated with product safety.

Governance of Compliance

Businesses in the Group report twice a year on their compliance controls. A report on these performance indicators is then provided to the Executive Risk Committee and Audit Committee. More detail on how compliance risks are addressed within the Group is set out in the Corporate Governance Statement on page 99.

DCC will continue to ensure that a robust approach is taken to operating within all of the laws and regulations that apply to our activities.

Risk Report

Ensuring appropriate risk management

The Board recognises that the effective management of risk requires the involvement of people at every level of the Group and seeks to encourage this through a culture of open communication in addition to formal risk management and internal control processes.

Risk Management
The Board of DCC is responsible for setting the Group's risk appetite and ensuring that appropriate risk management and internal control systems, designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives, are in place.

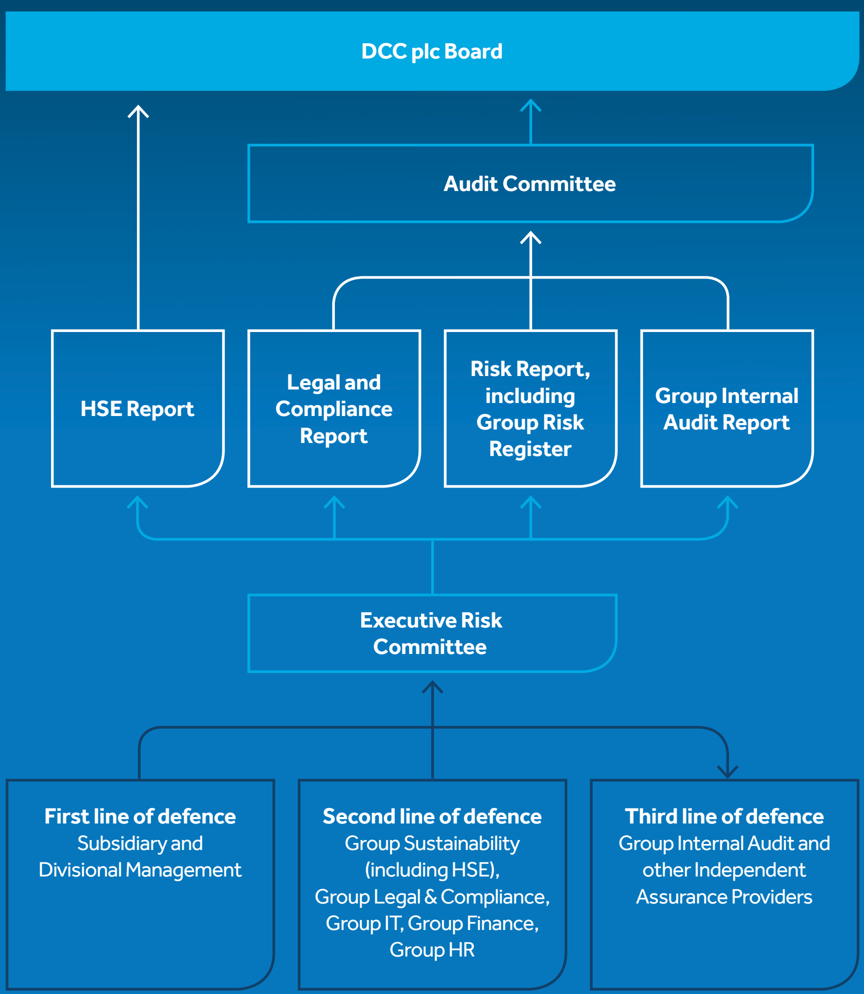
The Board has approved a Risk Appetite Statement specifying the levels of risk that the Group is prepared to accept in key areas of activity in achieving its strategic objectives. This Statement informs the risk management and internal control systems that are maintained in those areas.

The Board has also approved a Risk Management Policy which sets out delegated responsibilities and procedures for the management of risk across the Group.

Risk Management Framework
The risk management framework has been designed using a 'three lines of defence' model, as shown in the adjacent diagram, and is embedded within the Group's organisational structure.

The detailed roles and responsibilities assigned under the risk management framework are summarised opposite, along with the reporting structures.

Risk Management Framework



Risk Report continued

Roles, responsibilities and reporting under the risk management framework	
Oversight	
Board	• Approves the Group's Risk Appetite Statement and the Risk Management Policy. • Monitors the Group's risk management and internal control activities through the review of a Risk Report which focuses on the Group's principal risks, as set out in the Group Risk Register, on emerging risks, on risk mitigation activities and on developments in risk management practice. • Receives a briefing from the Chairman of the Audit Committee at each Board meeting on risk management and internal control matters. • Recognising that health and safety is a very significant risk area for the Group, particularly in the LPG and Retail & Oil divisions, the Board takes specific responsibility for this area through direct quarterly reporting to it by the Head of Group Sustainability, who is responsible for the Group HSE function.
Audit Committee	• Assists the Board by taking delegated responsibility for risk identification and assessment and for reviewing the Group's risk management and internal control systems and making recommendations to the Board on them. • Oversees the Group Risk Register, including principal risks, emerging risks and risk mitigation activities. • Reviews regular reports from Group Internal Audit and from second line assurance providers, including Group Legal & Compliance. • Oversees the annual review of the effectiveness of the Group's risk management and internal control systems, which is undertaken by Group Internal Audit, and reports on this to the Board. • Further detail on the activities of the Audit Committee is set out in its Report on page 109.
Executive Risk Committee	• The Executive Risk Committee is chaired by the Chief Executive and comprises members of senior Group management. • Maintains the Group Risk Register, the Integrated Assurance Report and the emerging risks watchlist. • Analyses on a continuous basis the principal risks facing the Group, including emerging risks, the controls in place to manage those risks and related monitoring procedures. • Evaluates all audit reports prepared by second- and third-line assurance providers and ensures prompt action is taken to address control weaknesses.
First line	
Subsidiary and Divisional Management	• Responsible for day-to-day risk management activity including maintaining risk registers, identifying emerging risks and designing, implementing and maintaining effective internal controls to address the risks on those registers. • Subsidiary risk registers are reviewed and updated at monthly meetings attended by both subsidiary and divisional management. • Divisional management consider subsidiary risk registers and emerging risks in preparing and updating divisional risk registers.
Second line	
Group Sustainability (incorporating HSE)	• Operates a risk-based HSE audit programme which provides independent assurance on key HSE management processes and controls, focused on process safety, occupational safety and environmental management. • Sets policies and standards, facilitates the exchange of best practice and supports a number of HSE working groups, which are focused on key areas, including transport safety and process safety. • Further detail on these activities is set out in the Sustainable Business Report on page 72.
Group Legal & Compliance	• Maintains a structured compliance programme which is designed to provide reasonable assurance that all of the Group's operations comply with applicable legal and ethical standards. • The directors of each Group subsidiary are primarily responsible for ensuring that their business complies with applicable legal and ethical standards. The Group Legal & Compliance function assists them through the identification of relevant requirements and the development and implementation of suitable controls, such as policies and training. More detail on the compliance programme is contained in the Corporate Governance Statement on page 103 and in the Sustainable Business Report on page 80. • Carries out compliance audits in Group subsidiaries and reports on these to the Executive Risk Committee and Audit Committee.
Group IT	• Responsible for setting the Group's IT strategy for major IT projects and for managing IT security risks. • The Group's IT Security Manager provides ongoing technical support, including managing cybersecurity and Payment Card Industry Data Security Standards ('PCI DSS') requirements, and is also responsible for user security training and network penetration testing. • The Group Infrastructure & Technical Manager supports the Group's strategic IT agenda and the deployment of relevant cross-business platforms. • The Group's Project Management Office provides support to key projects and change management programmes.
Group Finance	• Group Finance incorporates the Group reporting, corporate finance, treasury, taxation, corporate control, financial planning and analysis and commodity risk management functions, which are responsible for implementing appropriate risk management practices and having oversight of subsidiary activities in their areas of operation.
Group HR	• Responsible for the Group Talent Strategy. • Reports to the Board on leadership development and succession planning.
Third line	
Group Internal Audit	• Reviews the risk management and internal control processes identifying areas for improvement and provides independent and objective assurance on risk matters to senior management and the Audit Committee. • Develops an annual, risk-based internal audit programme, which is approved by the Audit Committee. • Group Internal Audit incorporates a dedicated IT Assurance function which is focused on ensuring the Group Information Security Policy and related IT Standards are consistently applied and key risks with respect to IT, cybersecurity and business continuity are regularly reviewed.

Risk Management Process

Risk Registers

DCC's risk register process is based on a Group-wide approach to the identification and assessment of risks and the manner in which they are managed and monitored.

Risk registers, covering strategic, operational, financial and compliance risks are completed, with the impact and likelihood of occurrence for each risk determined. New risks are added to the risk registers when they are identified and are considered to have become material. Emerging risks are also monitored.

The risk register process, as set out below, is embedded in the Group's businesses and forms part of ongoing management processes. This facilitates frequent review and updating of the divisional and Group risk registers and related assurance reports.

The principal risks to the attainment of the Group's strategic priorities, which were confirmed by the risk register process, are set out on pages 85 to 89.

Subsidiary risk registers
Each subsidiary is required to maintain a risk register, including details of key controls and mitigation activities. The registers are reviewed and updated to reflect changing circumstances and emerging risks at monthly meetings attended by both subsidiary and divisional management.

Risk survey
Each subsidiary completes a half-yearly online risk survey as an additional review of current and emerging risk trends.

Divisional risk registers
Divisional management is responsible for regularly reviewing the subsidiary risk registers, subsidiary risk survey results and emerging risks and then updating the divisional risk registers, which are submitted to the Executive Risk Committee.

Group Risk Register
Maintained by the Executive Risk Committee, the Group Risk Register is updated regularly to reflect any significant changes in the divisional risk registers, in Group-level risks or in emerging risks.

Emerging Risks

The Group recognises that it faces certain emerging threats and uncertainties that have the potential to become principal risks in the future. In some cases, there may be insufficient information available now to fully understand the impact, scale or likelihood of these. This may limit management's ability to define a strategy for the mitigation of such emerging risks. A watchlist of emerging risks that may become Group principal risks in the future is maintained, regularly reviewed and updated and reported on. Changes to the impact, scale or likelihood of these risks are monitored and where appropriate, risks are added to the Group Risk Register.

Integrated Assurance

An Integrated Assurance Report ('IAR') is maintained to identify the assurance activities, both current and planned, across the three lines of defence, which are intended to address the key risks identified by the risk register process. The IAR is updated and discussed by the Executive Risk Committee at each meeting. The Group Risk Register and the IAR are then reviewed by the Audit Committee and the Board.

Enhancements during the year

Task Force on Climate-Related Financial Disclosures ('TCFD')
A review was undertaken during the year to begin an alignment between the Group's risk management procedures and TCFD risk-assessment requirements. During the year, specific questions on climate risk were added to the subsidiary risk survey and guidance on climate risk was provided as part of the subsidiary risk register process. The output of this was considered during the divisional and Group risk register review processes. The climate-related risks that are considered to be principal Group risks and the principal mitigation measures in respect of these are described on page 88. We will further develop our assessment of climate-related risks during the financial year ending 31 March 2022.

Emerging risk watchlist
The review of risks on the emerging risks watchlist continued to develop during the year, with the Executive Risk Committee and Audit Committee spending additional time reviewing, updating and monitoring the risks on the watchlist. For instance, adapting to the changing world of work after the Covid-19 crisis was monitored as an emerging risk before being added to the Group Risk Register during the year.

Risk Report continued

Going Concern and Viability Statement

In accordance with the relevant provisions set out in the UK Corporate Governance Code, the Board has taken account of the principal risks and uncertainties, as set out in the table on pages 85 to 89, in considering the statements to be made in regard to the going concern basis of accounting and the viability statement. These statements are set out below:

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report.

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on page 34. In addition, note 5.1 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The Company has very considerable financial resources and a broad spread of businesses with a large number of customers and suppliers across different geographic areas and industries. Having assessed the relevant business risks, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Viability Statement

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years to 31 March 2024. The Directors' assessment has been made with reference to the resilience of the Group and its strong financial position, the Group's current strategy, the Board's risk appetite and the Group's principal risks and how these are managed, including the continuing disruption experienced by all economies from the Covid-19 pandemic, as described in the Strategic Report.

Period of Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code, the Directors have considered the length of time to be reviewed in the context of the Viability Statement.

The Directors believe that the three year period to 31 March 2024 represents an appropriate period. The length of this period aligns with the Group's annual strategic review period, which is a bottom-up review, prepared business by business, which considers the risks, opportunities and development plans for each business and is ultimately approved by the Board. The period also aligns with the period used for a number of other Group matters, including the performance period for the Group's Long-Term Incentive Plan. Finally, inherent uncertainty increases with regard to longer-term financial forecasting as time horizons extend. A three year period is deemed to provide an appropriate balance between near term and longer term influences.

Approach to Assessing Viability

In making a viability statement, the Directors are required to consider DCC's ability to meet its liabilities as they fall due, taking into account the Group's current position and principal risks.

The Group operates a devolved operational structure and has sales, marketing and support services operations across a diverse mix of industry sectors. The Group has an extremely broad spread of customers and suppliers across 20 countries, three continents and distinct market sectors. Importantly, the Group is supported by a very well-funded and liquid balance sheet and strong operational cash flows.
A robust financial model of the Group is built on a business by business basis. This model is subjected to sensitivity analysis and those sensitivities are reviewed on an ongoing basis to ensure they remain appropriate given changing circumstances in the business, markets and economies. This sensitivity review focuses on the Group's liquidity, solvency and gearing metrics, with particular consideration given to the Group's principal debt covenants, including its Net Debt:EBITDA and Interest Cover covenants.

Given the diverse nature of the Group's activities, the principal sensitivities considered in the review are those where negative economic and other impacts could be experienced across the entire range of the Group's activities. These sensitivities consider situations from depressed activity levels globally to a material and persistent rebasing of the Group's profitability due to a range of factors. The Group also reviewed a sensitivity to consider the potential impact of a very material 'shock' which would have a significant and immediate impact on profitability and where recovery would take a number of years. Finally, the review considered a 'reverse' stress test to determine what level of disruption would need to be experienced before a breach of the Group's debt covenants was unavoidable.

This review and analysis also considers the principal risks facing the Group, as described on pages 85 to 89 and the potential impacts these risks would have on the Group's business model, future performance, solvency or liquidity over the assessment period.

The Board considers that the diverse nature of the sectors and geographies in which the Group operates acts significantly to mitigate the impact any of these risks might have on the Group.

Principal Risks and Uncertainties

The principal risks and uncertainties that have the potential, in the short to medium term, to have a significant impact upon the Group's strategic objectives are set out below, together with an indication of the particular strategic priorities to which they relate, the principal mitigation measures in place in each case, developments in 2021 and areas of focus for 2022.

This represents the Board's view of the principal risks at this point in time and does not represent an exhaustive list of all the risks that may impact the Group. There may be other matters that are not currently known to the Board or are currently considered of low likelihood or low potential impact which could emerge or evolve and give rise to material consequences.

The mitigation measures that are in place in relation to these risks are designed to provide a reasonable and proportionate, and not an absolute, level of protection against the impact of the events in question, in line with the Group's agreed risk appetite.

The Board has reviewed the principal risks against the background of emerging risks and relevant external and internal factors such as the ongoing impact of the Covid-19 pandemic, continued growth in the scale of the Group, geographic expansion, the devolved structure of the Group and market conditions. While there has not been a significant change in the composition or assessment of the principal risks in the past year, specific risk factors continue to evolve, along with the principal mitigation measures in place to address them.

Principal Group Risks: Key focus areas during the year	
Global pandemic	While the strong performance of the Group during a year of unprecedented disruption to all economies demonstrates the resilience and agility of DCC's business model, the Board recognises the continuing high levels of uncertainty and the risk of new viruses developing and spreading which could lead to further pandemics and has therefore not changed its assessment of this risk. As well as monitoring and managing that principal risk, the Board and management have continued to assess the impact of the Covid-19 pandemic on certain other risks. Where relevant, the impact is explained as part of the commentary on developments and areas of focus in the table of principal risks and uncertainties that follows on page 86.
Projects/change management	Several projects were successfully completed or progressed during the year; however, this has not resulted in a change in the assessment of this risk as several significant projects and change management programmes continue to be implemented across the Group.
Climate change	The Group recognises the increasing global focus on both transitional and physical climate change risks, but this is not considered to result in an increase in the risk assessment due to the continuing developments in mitigation measures and also in the opportunities created by energy transition.
Ability to attract/retain management resource	The principal risk was expanded to reflect the impact of changes in the world of work post Covid-19. Risks relating to these changes were previously included on the emerging risks watchlist and were elevated to the Group Risk Register due to the significance and pace of potential changes.

Risk Report continued

Principal Risks and Uncertainties continued

Strategic Linkages

Market leading positions | Operational excellence | Innovation | Extend our geographic footprint | Development of our people | Financial discipline

Risk and Impact	Principal Mitigation Measures	Developments and Areas of Focus
Major HSE or environmental incident **The Group is subject to HSE laws, regulations and standards across multiple jurisdictions.** **The principal risks faced relate to fire, explosion or multiple vehicle accident, an incident resulting in significant environmental damage and a HSE or security event requiring the activation of our crisis management plan.** **Such risks may give rise to injuries or fatalities, legal liability, significant costs and damage to the Group's reputation.**	HSE management systems are maintained in proportion to the nature and scale of applicable risks. Inspection and auditing processes in relation to HSE management systems are conducted by subsidiary management, by Group Sustainability, incorporating HSE, and by external assurance providers, as appropriate. There is a strong focus on process safety and ongoing communication with the relevant safety authorities, particularly within the LPG and Retail & Oil divisions. Emergency response and business continuity plans are in place and tested to minimise the impact of any significant incidents. Insurance cover is maintained at Group level for significant insurable risks.	While there have been no significant changes to the assessment of these risks, management continued to evolve HSE practices during the year. Notably, safety and environmental protection were included as core elements of our sustainability reporting structures, which are outlined in more detail in the Sustainable Business Report on page 72. Improvements were made during the year in process safety performance indicators in the LPG division and in the standardisation of HSE management reporting. Further development of HSE controls and management systems will continue in 2022 in line with a revised Three Year HSE Plan put in place during the year, with a particular focus on the onboarding of recent acquisitions, increased use of leading performance indicators to drive continuous improvement and the implementation of a divisional peer-to-peer HSE performance review process.
Global pandemic **Global public health emergencies, such as the Covid-19 pandemic, could have a significant impact on the Group's employees, customers and business operations. The full impact of Covid-19 remains difficult to predict. There is a risk of sustained economic impacts arising from this or future pandemics, which could significantly impact on performance.**	Group, divisional and local management are continuing to actively review and respond to the risks and uncertainties arising from the Covid-19 crisis and to monitor the risk of future pandemics. A broad range of preventative measures have been implemented and are regularly re-assessed to help ensure the safety of our employees, customers, suppliers and other stakeholders. Business continuity response plans have been implemented as required to ensure essential business activities are maintained. There is a focus on communications with employees to ensure their continued well-being. Regular reporting is in place to facilitate tracking of key metrics by Group management. The Group's crisis management and business continuity plans would be implemented in response to any future pandemics, taking lessons learned during the Covid-19 crisis into account.	The diversity and resilience of the Group's activities was a feature of the year under review. The Board and management will continue to monitor the Covid-19 situation and ensure that the Group's response and mitigation measures evolve as required. The Group's businesses will continue to focus on the health and well-being of employees and on maintaining essential business activities. Changes to the environment in which our businesses operate will continue to be addressed as they arise and the Group will adapt as required to new ways of working and doing business, while protecting the safety of our employees, customers, suppliers and other stakeholders.

Risk and Impact	Principal Mitigation Measures	Developments and Areas of Focus
Acquisitions and project/ change management **A failure to identify, execute or properly integrate acquisitions or to effectively complete change management programmes or other significant projects could impact on profit targets and impede the strategic development of the Group.**	Group and divisional management teams engage in a continuous and active review of potential acquisitions. All potential acquisitions are subject to an assessment of their ability to generate a return on capital employed well in excess of the cost of capital and of their strategic fit within the Group. The Group conducts a stringent internal evaluation process and due diligence prior to completing any acquisition. Performance against original acquisition proposals is reported to the Board annually and account is taken of learnings. Projects and change management programmes are resourced by dedicated and appropriately qualified internal personnel, supported by external expertise, and significant projects or programmes are subject to oversight by the Group Chief Information Officer, the Group Project Management Office, by divisional and Group management and by the Board.	The Group continues to be active from a development perspective including the recent acquisitions by DCC LPG of UPG and by DCC Healthcare of Wörner. Acquisition activity in the current financial year will continue to be subject to robust internal evaluation processes and due diligence. A large-scale project in Exertis UK to replace the core ERP system successfully went live during the year. The implementation of further functionality in the current financial year will continue to be a key focus area and is subject to internal and external oversight and review.
Compliance with legal and ethical standards **A material failure to comply with applicable legal and ethical standards could result in penalties, costs, reputational harm and damage to relationships with suppliers or customers.**	The Group promotes a culture of compliance and 'Doing the Right Thing' in all activities, consistent with our value of Integrity. An assessment of our compliance culture is included in staff surveys and questions in online training. A Code of Conduct is in place and is supported by more detailed policies where needed, including a Supply Chain Integrity Policy, a Human Rights Policy, an Anti-Bribery and Corruption Policy and a Data Protection Policy. Training programmes are provided for employees on key compliance risks. All employees can raise concerns using the Group's whistleblowing facilities. The Group Legal & Compliance function performs compliance audits and a range of compliance controls are reviewed by Group Internal Audit as part of their audits.	There were no significant changes to legal and ethical standards or regulations impacting on the Group during the year. Legal and regulatory changes as a result of Brexit continue to be monitored and appropriately managed. A Group Human Rights Policy was put in place during the year. This Policy reinforces the Group's commitment to protecting human rights, which has been a longstanding feature of our internal supply chain controls. For more detail on this, see the Sustainable Business Report on page 80. The Group Legal & Compliance function will ensure any new regulatory requirements are appropriately considered, will apply the standards set out in the Group Compliance Programme in new acquisitions and will continue its compliance audit programme.

Risk Report continued

Principal Risks and Uncertainties continued

Strategic Linkages

Market leading positions | Operational excellence | Innovation | Extend our geographic footprint | Development of our people | Financial discipline

Risk and Impact	Principal Mitigation Measures	Developments and Areas of Focus
Climate change **Transitional climate change risks and opportunities, including energy transition and changes in policy, regulation, technologies and societal views have the potential to impact on demand for some of the Group's products.** **Physical climate change risks, such as extreme weather events, could affect the operation of our businesses.**	The Group maintains a focus on policy, regulatory, technological and societal developments in the sectors in which it operates. The Group has relationships and structures in place to be well-positioned to enable energy transition, including introducing lower carbon forms of energy as these emerge. Key sustainability initiatives are overseen by the Governance & Sustainability Committee and the Executive Sustainability Committee. The Group's businesses have appropriate business continuity and crisis management plans in place.	The Group continues to monitor the particular implications of climate change which may impact on its businesses. The Group set specific targets on carbon reduction in the year under review. Action is being taken across the Group to achieve these targets. For more detail, see the Sustainable Business Report on page 72. Group businesses are also supporting their customers as they transition to lower carbon forms of energy. For examples, see Strategy in Action on page 16. Management will continue to monitor transitional and physical climate change risks in the current financial year and consider their impact on the Group.
IT system failure/cybercrime **Data security** **Our IT systems and infrastructure may be affected by loss of service or system availability, significant system changes or upgrades or cybercrime, which could result in financial or reputational damage.** **The personal data we hold may be affected by accidental exposure or deliberate theft of sensitive or personal information, which could result in a regulatory breach or financial or reputational damage.**	Dedicated IT personnel in Group subsidiaries implement IT standards, oversee IT security and are provided with technical expertise and support from Group IT. Cybersecurity reviews are performed by a dedicated internal IT Assurance team and external technical experts to provide independent assurance. The Group's businesses have appropriate business continuity, IT disaster recovery and crisis management plans in place. DCC centrally maintains a level of cyber insurance. Our Group Data Protection Policy, which is supported by detailed guidelines, requires Group businesses to ensure appropriate controls are in place over personal data.	The potential impact of IT system failure or cybercrime is limited by the devolved structure of the Group. While global cybercrime trends continue to evolve, in part due to the increase in remote working, the Group continues to strengthen its mitigation measures. Developments in mitigation measures during the year included the continuing roll out of multifactor authentication and a significant review of IT security training. Group IT and Group IT Assurance will continue to focus on raising awareness of cyber threats in the current financial year and on ensuring that the Group's IT standards and policies, including in relation to the security of personal data, are consistently applied.
Ability to attract/retain management resource **The Group's devolved management structure has been fundamental to the Group's success. A failure to attract talent, particularly in new markets, a failure to retain or develop high-quality entrepreneurial management throughout the Group, particularly in recent acquisitions, or a failure to adapt as the world of work evolves after the Covid-19 crisis, could impact on the attainment of strategic objectives.**	The Group maintains a constant focus on this area in line with our sustainability priorities of supporting the development of our people and supporting inclusion and diversity. Key mitigation measures include structured succession planning, international mobility practices, and management development and remuneration programmes, incorporating long and short-term incentives. A graduate recruitment programme is also in place. These programmes and the Group Talent Strategy are reviewed regularly by Group Human Resources, divisional management, the Chief Executive and the Board.	The transition to a new CFO and other senior management changes were successfully completed during the year. Talent requirements resulting from recent acquisitions have been assessed and addressed. The development of our people has been included in the sustainability targets and metrics set during the year and described in more detail in the Sustainable Business Report on page 72. The Group will continue to focus on developing and embedding its HR programmes and strategy in the current financial year, particularly in recently-acquired businesses, and on adapting to new ways of working.

Risk and Impact	Principal Mitigation Measures	Developments and Areas of Focus
Financial reporting **The Group is exposed to foreign exchange, commodity and interest rate risks.** **Failure to accurately report or forecast financial results through error or fraud could result in regulatory sanctions and damage the Group's reputation.**	Group financial risk management is governed by policies which are reviewed and approved annually by the Board. Standard reporting packs are prepared, including weekly forecasts and monthly submissions, and are subject to review by local, divisional and Group management as well as Group Internal Audit.	The Group continued its programme of replacing legacy systems with appropriate enhanced financial reporting systems in the year ended 31 March 2021. Further improvements in this area will be undertaken in the current year.
Changing market dynamics **External factors outside the direct influence of the Group, including economic cycles and technological changes, can significantly impact on performance.**	The impact of external factors is mitigated through a focus on strong financial management, a broad spread of products and customers across the Group and careful geographic expansion.	The Group's diversity, in terms of sectoral focus, customer and supplier breadth and geographic mix, and the essential nature of our products and services, have continued to contribute to our resilience as market dynamics evolve. The impact of the Covid-19 pandemic on the global economy and on individual markets, and specifically the potential for economic recession, continues to be monitored.

Governance

Chairman's Introduction

The Board of DCC is committed to high standards of corporate governance, reflecting the interests of our investors, employees, suppliers and customers, and other stakeholders.

Dear Shareholder

On behalf of the Board, I am pleased to report full compliance with the UK Corporate Governance Code ('the Code') other than provision 19 in relation to my own term as Chairman, which is addressed on page 106.

The highlights of the year from a governance perspective include Board renewal, Chairman and Chief Financial Officer succession, an externally-facilitated Board evaluation and a greater focus on sustainability within our governance structures.

I have set out below some of the key updates in relation to these items and our priorities for the year ahead.

Board operations in the context of Covid-19

Since March 2020, Board and Board Committee meetings have been held remotely. While the lack of in-person interaction, both in formal and informal settings, presents certain challenges, these meetings have proved to be very effective.

Protecting the health, safety and well-being of employees, and ensuring the continued supply of our essential products and services to customers has been a key priority for the Group during the year. At the outset of the pandemic, regular Board update calls were held, and the Board received regular reports on the impact of Covid-19 on our employees and on the Group's activities during the year.

Board Composition and Diversity

I remain focused on ensuring that we have the right balance of skills, knowledge and experience on the Board, taking account of our business model, the specific sectors in which the Group operates and developments in terms of scale, location and best practice in corporate governance.

During the year, there were a number of changes to the composition of the Board with the retirements of Leslie Van de Walle as a non-executive Director and Chairman of the Remuneration Committee and Fergal O'Dwyer as executive Director and Chief Financial Officer. On behalf of the Board, I want to record our sincere appreciation to both Directors for their service to the Group during their time on the Board, and in Fergal's case, his extensive career over 31 years in the Group.

On 6 April 2020, we welcomed Tufan Erginbilgic to the Board. Kevin Lucey succeeded Fergal O'Dwyer as Chief Financial Officer on 17 July 2020.

Jane Lodge will not be seeking re-election at the Annual General Meeting ('AGM') on 16 July 2021 and will retire from the Board as a non-executive Director and Chairman of the Audit Committee.

Jane will be succeeded as Chairman of the Audit Committee by Cormac McCarthy, a non-executive Director and member of the Audit Committee since May 2016.

Lily Liu will be appointed as a non-executive Director and a member of the Audit Committee with effect from the conclusion of the AGM. Lily is currently CFO of Essentra plc. This experience will make her an excellent addition to the Board and Audit Committee. This appointment will bring valuable additional diversity to the Board. From July, the Board will therefore meet the recommendations of the Parker Review.

Chairman Succession

I am also retiring as Chairman and non-executive Director after 11 years on the Board. Following a comprehensive selection process, Mark Breuer will be appointed my successor at the conclusion of the AGM. Further details on the succession process are set out on page 106.

Caroline Dowling will succeed Mark Breuer as Senior Independent Director on 16 July 2021.

Change of Company Secretary

On 2 October 2020, Ger Whyte retired from DCC, after 20 years as Company Secretary and 33 years in the Group. I would like to thank Ger for his service to the Board and the wider Group during this time. Darragh Byrne succeeded Ger Whyte and was appointed General Counsel & Company Secretary on the same date, having previously been DCC's Head of Group Legal & Compliance.

Stakeholder Engagement

Stakeholder engagement is important for the Board to help us in understanding their views and taking them into account when making business decisions. Further details on this issue are set in the Stakeholder Engagement section on page 27.

Sustainability

While building a sustainable business has been part of DCC's strategy for many years, we have given the issue greater emphasis within our corporate governance to reflect the increased reporting requirements that now exist in this area. Specifically, we expanded the remit of the Nomination and Governance Committee to include oversight of sustainability matters. The title of the Committee was changed to the Governance and Sustainability Committee to reflect this change. Further information on the Company's approach to sustainability issues is available in the Sustainable Business Report on page 72.

External Board Evaluation

In 2021, an external evaluation was undertaken which was facilitated by Heidrick & Struggles. I am pleased to report that the results of the 2021 evaluation process were positive. A number of actions were agreed which will be implemented during the current year. These are designed to drive Board effectiveness as the Group continues to grow and develop.

More information on the 2021 process can be found on page 102 of the Corporate Governance Statement.

Board Committees

Our Board Committees have continued to perform very effectively. You will find, on pages 104 to 135, individual reports, introduced by the Chairman of each Committee, giving details of their activities during the year.

Remuneration Policy

Due to the introduction of a new LTIP, we will be amending our Remuneration Policy to reflect changes in the LTIP Rules. As such, following a shareholder consultation, the Remuneration Policy, will be submitted to an advisory, non-binding vote at the 2021 AGM.

Board Development

Board development continued during the year, albeit in a virtual setting, with a number of visits to Group businesses. Where possible, these visits included a virtual tour of facilities as well as a discussion with the management team on the performance of their business, development areas, risks and opportunities, safety and compliance and employee engagement.

I continue to encourage non-executive Directors to arrange virtual meetings with Group subsidiaries in order to familiarise themselves with the Group's operations and meet with subsidiary management.

Priorities for the Year Ahead

The governance priorities for the coming year include the transition of the Chairman and Board renewal with a continued focus on supporting diversity. We will also be focused on monitoring progress against our sustainability targets.

John Moloney
Chairman
17 May 2021

Board of Directors

Committee Membership Key:

- A Audit Committee Chair
- A Audit Committee Member
- G Governance and Sustainability Committee Chair
- G Governance and Sustainability Committee Member
- R Remuneration Committee Chair
- R Remuneration Committee Member

John Moloney

Non-executive Chairman G R

Date of appointment
John joined the Board in February 2009 and was appointed non-executive Chairman in September 2014.

Expertise
John has extensive top management and board level experience, having held the position of Group Managing Director of Glanbia plc until November 2013. He previously held a number of roles within that organisation including CEO Agribusiness and CEO Food Ingredients. John was previously a non-executive director of Greencore Group plc.

John's experience as a CEO, chairman and non-executive director on a number of listed companies brings a detailed understanding of operational, strategic and governance requirements.

Key external appointments
Non-executive director of Smurfit Kappa plc.

Donal Murphy

Chief Executive

Date of appointment
December 2008

Expertise
Donal joined DCC in 1998 and has a detailed knowledge of the operations of the Group, having held a number of senior leadership roles, including Managing Director of DCC Technology from 2004 to 2006 and Managing Director of DCC Energy from 2006 to 2017. He led the very significant growth of the Energy division and its transition from a small UK and Irish business to a substantial international business operating in 12 countries.

Donal was appointed Chief Executive in July 2017.

Key external appointments
None.

Kevin Lucey

Chief Financial Officer

Date of appointment
July 2020

Expertise
Kevin joined DCC in 2010 as Finance & Development Director of the Technology division and since then has held a number of senior Group finance roles, including most recently Head of Capital Markets. Kevin is a Chartered Accountant and has extensive international M&A, capital markets and operational finance experience. Prior to joining DCC, Kevin was CFO and a principal of a leading Irish private equity firm.

Key external appointments
None.

Mark Breuer

Non-executive Director, Senior Independent Director and Chairman Designate A G

Date of appointment
November 2018

Expertise
Mark is a highly experienced corporate financier and has operated at senior levels in the UK and abroad. He worked in investment banking for 30 years, the last 20 of which were for J. P. Morgan, where he served in numerous client facing and management roles, delivering mergers and acquisitions and broader corporate finance advice to both domestic and international clients. Mark's wide-ranging corporate finance experience is particularly relevant given DCC's acquisition focus.

Key external appointments
Chairman and non-executive director of Derwent London plc.

Caroline Dowling

Non-executive Director A R

Date of appointment
May 2019

Expertise
Caroline is a highly experienced business leader with extensive global knowledge in the technology sector, specifically electronic, technical and logistic services. Caroline was, until her retirement in February 2018, the Business Group President of Flex, an industry-leading, Fortune Global 500 company with operations in 30 countries. In this role, she led the Telecommunications, Enterprise Compute, Networking and Cloud Data Centre and was also responsible for managing the Global Services Division, supporting complex supply chains. Caroline was previously a non-executive director of the Irish Industrial Development Agency.

Caroline's leadership experience and areas of expertise are particularly relevant to key sectors in which DCC operates.

Key external appointments
Non-executive director of CRH plc and IMI plc.

Tufan Erginbilgic

Non-executive Director G R

Date of appointment
April 2020

Expertise
Tufan was BP's Downstream Chief Executive, and a member of its executive team, from 2014 to March 2020, with responsibility for BP's global fuels, lubricants and petrochemicals businesses. Prior to that Tufan was Chief Operating Officer of BP's Downstream segment, Chief of Staff to the Group Chief Executive, Chief Executive, Castrol Lubricants and held several other management and executive roles within BP. Tufan previously held various management roles in Mobil Oil. Tufan is a former non-executive director of GKN plc.

Tufan's detailed knowledge and leadership experience in global fuels businesses and new energy technologies are of particular relevance to DCC.

Key external appointments
Partner at Global Infrastructure Partners. Non-executive director of Türkiye Petrol Rafinerileri A.Ş. ('Tüpraş') and CNH Industrial N.V. and member of the strategic advisory board of the University of Surrey.

David Jukes

Non-executive Director R

Date of appointment
March 2015

Expertise
David has over 40 years of international chemical distribution experience. In May 2018, he was appointed President and CEO and a director of Univar Solutions Inc. Prior to this appointment, he held a number of senior positions with Univar across global locations including President and Chief Operating Officer. Other previous roles include Senior Vice President of Global Sales, Marketing and Industry Relations for Omnexus and VP Business Development for Ellis & Everard Plc.

David's distribution experience brings valuable perspective to the Board.

Key external appointments
President and Chief Executive Officer of Univar Solutions Inc.

Pamela Kirby

Non-executive Director G R

Date of appointment
September 2013

Expertise
Pamela has more than 30 years' experience in the international healthcare sector. She was the CEO of Quintiles Transnational Corporation and previously held senior executive positions at AstraZeneca plc and F. Hoffman-La Roche.

Pamela was chairman of Scynexis Inc and Oxford Immunotec Ltd and she has held a number of non-executive director roles at companies including Novo Nordisk A/S and Smith and Nephew plc and was senior independent director at Informa plc and Victrex plc.

Through her executive and non-executive roles, Pamela brings a wealth of international experience to the Board of DCC.

Key external appointments
Non-executive director of Hikma Pharmaceuticals plc and Reckitt Benckiser Group plc and member of the supervisory board of Akzo Nobel N.V.

Jane Lodge

Non-executive Director A

Date of appointment
October 2012

Expertise
Jane was a senior audit partner with Deloitte, where she spent over 25 years advising multinational manufacturing companies including businesses in the food and automotive sectors. Her extensive experience with manufacturing companies and her strategic work with Deloitte has given her an international business perspective. She was a member of the CBI Manufacturing Council until 2011. Other previous roles include non-executive director of Sirius Minerals plc, Devro plc and Costain Group PLC.

Jane brings substantial audit, risk and audit committee experience to the Board.

Key external appointments
Non-executive director of Glanbia plc and Bakkavor Group plc.

Cormac McCarthy

Non-executive Director G A

Date of appointment
May 2016

Expertise
Cormac was Chief Financial Officer ('CFO') of Paddy Power plc, an international multi-channel betting and gaming group, having joined the company in 2011 as a non-executive director and being appointed CFO in 2012. Following the successful completion of the merger of Paddy Power plc and Betfair Group plc, he stepped down as CFO of Paddy Power plc in February 2016. Cormac was previously Chief Executive of Ulster Bank (a subsidiary of Royal Bank of Scotland) and also served in various roles within Royal Bank of Scotland in Europe and the Middle East.

Cormac brings considerable plc financial expertise to the Board.

Key external appointments
Chairman of University College Dublin Foundation Limited and chairman of H&K International Limited.

Mark Ryan

Non-executive Director A

Date of appointment
November 2017

Expertise
Mark is a highly experienced board director and business leader who has successfully operated at senior management levels in Ireland and internationally. Mark was Country Managing Director of Accenture in Ireland between 2005 and 2014. During his career with Accenture, he spent extended periods working in the US and UK. Mark served in numerous management and executive roles in delivering major strategy, IT and business change programmes both locally and internationally. Mark was previously a non-executive director of Immedis.

Mark brings a strong understanding of commercial leadership and business perspective to the Board.

Key external appointments
Non-executive director of Wells Fargo Bank International, Econiq and Publicis and chairman of Kefron Group.

Group Management Team

Donal Murphy
Chief Executive

See Donal's biography on page 92.

Kevin Lucey
Chief Financial Officer

See Kevin's biography on page 92.

Henry Cubbon
Managing Director, DCC LPG

Henry has been Managing Director of DCC's LPG division since 2018, having joined DCC in 2008 as Managing Director of Flogas Britain. Prior to joining DCC, he was Managing Director of Antalis from 2000 to 2008, overseeing its paper distribution business in the UK, Ireland and South Africa. Previously, he held a strategic planning role at paper manufacturer Arjo Wiggins Appleton and was a senior manager at Barclays Bank, Paris, having started his career on their graduate programme.

Eddie O'Brien
Managing Director, DCC Retail & Oil

Eddie has been the Managing Director of DCC Retail & Oil since 2018. Eddie joined DCC in 2012 as the Managing Director of Oil and was subsequently Managing Director of Retail & Fuel Cards. Prior to joining DCC, Eddie was CEO at Topaz Energy, Ireland's largest fuel and convenience brand. Before this, he spent 13 years at Statoil across a number of finance, pricing, commercial and leadership roles, including Vice President Finance and Vice President Retail Operations at Statoil Fuel and Retail in Oslo.

Conor Costigan
Managing Director, DCC Healthcare

Conor has been the Managing Director of DCC Healthcare since 2006. Conor joined DCC in 1997 and has held a number of senior leadership roles within the Group, including in the Food & Beverage division and Investor Relations. Conor moved into the Healthcare division in 2003, initially as Finance & Development Director before being appointed Managing Director in 2006.

Tim Griffin
Managing Director, DCC Technology

Tim has been the Managing Director of DCC Technology since he joined DCC in 2018. Having spent over a decade of his 30 year career in roles based in Australia and Singapore for NCR and Dell, Tim has extensive experience in performing regional and global functional, operational and general management roles. At Dell he led Global Services & Solutions for Consumer & Small Business and was GM of Displays & Client Peripherals, before being appointed CEO & Senior Vice President of Dell's business in the UK.

Darragh Byrne
General Counsel & Company Secretary

Darragh was appointed General Counsel & Company Secretary in October 2020, having previously been Head of Group Legal & Compliance. Darragh joined DCC in 2012. Before that, he held a number of senior in-house legal positions in other organisations. Darragh is qualified as a solicitor in Ireland and in England and Wales.

Nicola McCracken
Head of Group Human Resources

Nicola has been the Head of Group Human Resources since she joined DCC in May 2016. Prior to joining DCC, Nicola was the HR Director responsible for Talent and Reward at CRH plc from 2007 to 2016. Prior to that, she enjoyed a consulting career with PricewaterhouseCoopers in Europe and North America where she helped global organisations from multiple industry sectors adapt their human capital strategies to improve business performance.

Conor Murphy
Director of Group Finance

Conor assumed the role of Director of Group Finance in July 2020 from his previous role, Head of Group Financial Planning & Control, which he held since July 2017. Conor joined DCC in 1998 and has held a number of senior financial leadership roles across the Group, including Finance Director of DCC Energy, Finance & Development Director DCC Technology and Investor Relations Manager. Prior to joining DCC, Conor trained as an accountant with KPMG.

Peter Quinn
Chief Information Officer

Peter has been Chief Information Officer since he joined DCC in 2004. He also spent three years as Chief Operating Officer of DCC's largest oil distribution business, Certas Energy UK. Prior to joining DCC, Peter worked as an IT consultant with an international firm where he specialised in the delivery of complex IT solutions across a range of business sectors. He had previously worked in the food and transport industries in a variety of IT leadership roles.

Corporate Governance Statement

DCC's corporate governance is subject to the UK Corporate Governance Code ('the Code'). This statement details how DCC has applied the principles and complied with the provisions of the Code during the year under review.

DCC plc – Corporate Governance Framework

Board of Directors

The Board is collectively responsible for the long-term success of the Group. Its role is to provide leadership, to establish purpose, values and strategy, to oversee management and to ensure that the Company provides its stakeholders with a balanced and understandable assessment of the Group's current position and prospects. It is also responsible for establishing a framework to assess and manage risk.

The Board receives reports at its meetings from the Chairmen of each of the Committees on their current activities.

Governance and Sustainability Committee

- Responsible for considering the composition and structure of the Board and succession planning
- Reviewing leadership needs of the organisation, both executive and non-executive
- Monitoring the Company's compliance with legal and regulatory requirements in relation to corporate governance
- Oversight of the Group's sustainability activities

Further details of the activities of the Governance and Sustainability Committee are set out in its Report on pages 104 to 106.

Audit Committee

- Assisting the Board in assessing the principal and emerging risks facing the Company and monitoring the effectiveness of risk management and internal control systems
- Monitoring the integrity of the Group's financial statements, including reviewing significant financial reporting judgements contained in them
- Reviewing the operation of the Group Internal Audit function
- Overseeing the relationship with the external auditor

Further details of the activities of the Audit Committee are set out in its Report on pages 107 to 111.

Remuneration Committee

- Determining the Remuneration Policy
- Determining the remuneration packages of the Chairman, executive Directors and senior management
- Oversight of other Group and subsidiary remuneration structures
- Operation of the Company's long-term incentive schemes

Further details of the activities of the Remuneration Committee are set out in the Remuneration Report on pages 112 to 135.

Chief Executive

The responsibilities of the Chief Executive are set out on the next page.

Executive Risk Committee

The responsibilities of the Executive Risk Committee are set out in the Risk Report on page 82.

Group Management Team

Supports the Chief Executive in executing his responsibilities.

Reports to the Chief Executive at weekly management meetings.

Executive Sustainability Committee

Supervises and makes operational decisions in relation to the Group's sustainability activities.

Role and Responsibilities

Chairman
A clear division of responsibility exists between the Chairman, who is non-executive, and the Chief Executive.

The Chairman's primary responsibility is to lead the Board, to ensure that it has a common purpose, is effective as a group and at individual Director level and that it upholds and promotes high standards of integrity, probity and corporate governance.

The Chairman is the link between the Board and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive, for ensuring effective and appropriate communications with shareholders and other stakeholders and for ensuring that members of the Board develop and maintain an understanding of the views of all stakeholders.

Before the beginning of each financial year, having consulted with the other Directors and the Company Secretary, the Chairman sets a schedule of Board and Committee meetings to be held in the following two years, which includes the key agenda items for each meeting. Further details on these agenda items are outlined on page 99.

Chief Executive
The Chief Executive is responsible for:
- day-to-day management of the running of the Group's operations and for the implementation of Group strategy and policies agreed by the Board;
- playing a key role in the process for the setting and review of strategy; and
- instilling the Company's purpose, values, culture and standards throughout the Group.

In executing his responsibilities, the Chief Executive is supported by the Chief Financial Officer and the Company Secretary, who, together with the Chief Executive, are responsible for ensuring that high-quality information is provided to the Board on the Group's operational, financial and strategic performance.

Senior Independent Director
The duties of the Senior Independent Director are set out in writing and formally approved by the Board.

The Senior Independent Director acts as an intermediary for other Directors, if necessary, and is available to shareholders who may have concerns that cannot be addressed through the Chairman or Chief Executive.

The Senior Independent Director leads the annual Board evaluation process, as detailed under 'Board Performance Evaluation' on page 102, and the succession planning process for the Chairman. The Senior Independent Director chairs meetings of the Board if the Chairman is unavailable or is conflicted in relation to any agenda item.

Non-Executive Directors
The Board consists of an appropriate combination of a non-executive Chairman, two executive Directors and eight independent non-executive Directors, such that no one individual or small group of individuals dominates the Board's decision-making.

There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the business.

Non-executive Directors have a prime role in appointing and removing executive Directors. Non-executive Directors scrutinise and hold to account the performance of management and individual executive Directors against agreed performance objectives. The Chairman holds meetings with the non-executive Directors without the executive Directors present.

Company Secretary
The Directors have access to the advice and services of the Company Secretary, whose responsibilities include ensuring that Board procedures are followed, assisting the Chairman in relation to corporate governance matters and ensuring compliance by the Company with applicable legal and regulatory requirements.

Schedule of Matters Reserved for Board Decision
The Schedule of Matters Reserved for Board Decision is regularly reviewed to ensure it meets with current best practice.

The Schedule includes the matters set out below:
- Group strategy.
- Annual budget.
- Oversight of the Group's operations.
- Interim and annual accounts.
- Major acquisitions and disposals.
- Significant capital expenditure proposals.
- Approval of changes to the Group's capital structure.
- Composition of the Board and of its Committees.
- Remuneration policy.
- Dividend policy and dividends.
- Treasury policy.
- Risk management policy.

Corporate Governance Statement continued

Board of Directors

Leadership
The Board's leadership responsibilities involve working with management to set corporate purpose and values and to develop strategy, including deciding which risks it is prepared to take in pursuing its strategic objectives.

Oversight
The Board's oversight responsibilities involve it constructively challenging the management team in relation to operational aspects of the business, including approval of budgets, and probing whether risk management and internal controls are sound. It is also responsible for ensuring that accurate, timely and understandable information is provided about the Group to investors and regulators.

Purpose and Values
DCC's purpose is 'enabling people and businesses to grow and progress'. The Board continued to promote the Group's purpose and core values through ongoing virtual site visits to Group companies throughout the year.

The Board supports, and strives to operate in accordance with, the Group's purpose and values at all times and challenges management as to whether strategic decisions are aligned to the purpose and values of the Group.

Further details on how the Company's purpose and values are reflected in its business model are contained in the Our Sustainable Growth Model section on page 6.

Strategy
DCC's strategy is set out on pages 4 and 5 and the Board's responsibilities in regard to strategy are summarised on page 99.

Culture
The Board monitors culture to ensure it is aligned with purpose, values and strategy. This is achieved through senior management briefings, review of employee surveys and engagement during site visits. Board and individual Director virtual site visits including interaction with local management teams and employees and through the activities of the Workforce Engagement Director are another key means of monitoring culture.

Activities
The Board's activities during the year are set out on pages 99 and 100.

Board of Directors: Attendance at meetings during the year ended 31 March 2021	Board	Audit Committee	Remuneration Committee	Governance and Sustainability Committee
Meetings held during the year ended 31 March 2021	**9**	**6**	**8**	**8**
John Moloney	9	–	8	8
Mark Breuer[1]	9	6	–	5
Caroline Dowling[2]	9	3	8	2
Tufan Erginbilgic[3]	9		8	8
David Jukes	9	–	8	–
Pamela Kirby	9	–	8	8
Jane Lodge	9	6	–	–
Kevin Lucey[4]	6	–	–	–
Cormac McCarthy[5]	9	6	–	1
Donal Murphy	9	–	–	–
Fergal O'Dwyer[6]	3	–	–	–
Mark Ryan	9	6	–	–
Leslie Van de Walle[7]	3	–	3	3

1. Mark Breuer was appointed as a member of the Governance and Sustainability Committee on 18 May 2020 and has attended all meetings since his appointment.
2. Caroline Dowling was appointed as a member of the Audit Committee on 18 May 2020 and has attended all meetings since her appointment. Caroline resigned as a member of the Governance and Sustainability Committee on the same day.
3. Tufan Erginbilgic was appointed as a non-executive Director and a member of the Governance and Sustainability Committee and Remuneration Committee on 6 April 2020. Tufan attended all meetings held during his period as Director and member of the respective Committees.
4. Kevin Lucey was appointed as an executive Director on 17 July 2020. Kevin attended all meetings held during his period as Director.
5. Cormac McCarthy was appointed as a member of the Governance and Sustainability Committee on 9 November 2020 and has attended all meetings since his appointment.
6. Fergal O'Dwyer resigned as an executive Director on 17 July 2020.
7. Leslie Van de Walle resigned as an executive Director and as a member of the Remuneration Committee and Governance and Sustainability Committee on 17 July 2020.

In addition to the scheduled Board meetings set out above, the Board attended regular update calls in respect of the impact of Covid-19 on employees and the Group's activities.

Board activities during the year

A schedule of Board and Committee meetings is circulated to the Board for the following two years, which includes the key agenda items for each meeting. Board papers are circulated electronically one week in advance of meetings. The key recurrent Board agenda themes are divided into normal business and developmental issues.

Normal Business

Trading performance

- Received reports from the Chief Executive at every meeting in respect of operational and financial performance and outlook
- Approved the Group's Preliminary Results Announcement, Annual Report and Accounts, Interim Report and Half-Year Group Accounts and Interim Management Statements
- Approved the Group Budget for the year ending 31 March 2022 including capital expenditure

Stakeholder Engagement

- Further details on the Group's stakeholder engagement can be found on pages 27 to 30

Investor relations

- Received regular reports from the Group Investor Relations function, including presentations from the new Head of Investor Relations
- Reviewed regular reports from the Company's brokers and from analysts
- Received a presentation on sustainability from the Company's broker, J.P. Morgan Cazenove
- Reviewed stock exchange announcements

Risk

- Received a report at each meeting from the Chairman of the Audit Committee on its risk activities
- Considered the Group Risk Register and Integrated Assurance Report
- Received a quarterly report from the Head of Group Sustainability covering sustainability and HSE matters
- Received regular reports from the General Counsel & Company Secretary on relevant legal and regulatory matters, including the operation of the Group Compliance Programme
- Considered and approved the Statement of Principal Risks and Uncertainties to be set out in the Annual Report

IT matters

- Received regular reports on IT projects and developments from the Chief Information Officer
- Reviewed the Group's progress on business continuity planning, IT project assurance, IT risk and security and cybersecurity, including through reports from the Audit Committee on its oversight of the Group IT Assurance function

Developmental Issues

Strategy

- At a two-day Board meeting in December, discussed the strategic priorities across the Group and approved key actions for the next three years
- Reviewed future capital allocation plans
- Received regular divisional strategy updates
- During the year, the Board attended virtual site visits with local management at five businesses in Europe and the US, across each of the divisions, to gain a better understanding of the businesses

Acquisitions

- Considered potential acquisition opportunities requiring Board approval and received updates at every Board meeting on other development opportunities
- The Investment Committee, comprising the Chairman, the executive Directors and up to two non-executive Directors, continued to review and evaluate the pipeline of proposed acquisitions, prior to their consideration by the Board
- Reviewed post-acquisition business performance

Leadership, management development and succession planning

- Received regular reports on the impact of Covid-19 on the Group's employees and activities during the year
- Received a report at each meeting from the Chairman of the Governance and Sustainability Committee on its activities
- Reviewed the Board's composition, diversity and succession plans, including Chairman Succession
- Approved the appointment of Kevin Lucey as Chief Financial Officer following a process overseen by the Governance and Sustainability Committee
- Considered detailed presentations from the Chief Executive and Head of Group HR on Talent Strategy and Development, to ensure the appropriate focus on management development and succession planning
- Supported the professional development of Board members
- Approved the appointment of Tufan Erginbilgic and Lily Liu as non-executive Directors
- Approved the appointment of Darragh Byrne as General Counsel & Company Secretary

Governance and remuneration

- Received reports on and discussed relevant regulatory developments
- Oversaw an externally-facilitated Board evaluation process
- Received a report at each meeting from the Chairman of the Remuneration Committee on its activities
- Received reports from the designated non-executive Director on workforce engagement activities
- Received quarterly updates on Sustainability
- Expanded the remit of the Nomination and Governance Committee to include Sustainability
- Oversaw the Migration of DCC's securities from CREST to Euroclear Bank

Corporate Governance Statement continued

Virtual Site Visits

It has been the Board's practice to hold a number of Board meetings at subsidiary locations each year in order to provide Directors with the opportunity to meet local teams, see operations on the ground and have presentations on current operations, projects and future plans.

Due to Covid-19 restrictions, Board meetings could not be physically held at subsidiary locations. Therefore, during the year, Directors attended virtual site visits in TEGA, Certas Energy, Amerilab Laboratories, Ion Laboratories and Amacom. Where possible, these visits included a virtual tour of the business as well as a presentation from the local teams, allowing time for questions and answers. In advance of the meetings, the Directors were provided with pre-read materials on the business, covering financial performance, development areas, risks and opportunities, safety and compliance, employee engagement and the impact of Covid-19. Following each visit, the Company Secretarial team asked the non-executive Directors for feedback on the visits and implemented changes accordingly.

Board Engagement with Stakeholders

The five principal stakeholder groups in DCC are our Investors, Employees, Suppliers and Customers, Governments and Regulators, and Communities and the Environment.

The Group engages with stakeholders through various means including meetings with Investors, employee engagement surveys, townhalls, meetings with the Workforce Engagement Director and regular communications with customers and suppliers. Further details on the Group's stakeholder engagement can be found on pages 27 to 30.

The Annual General Meeting ('AGM') is an opportunity for shareholders to hear directly from the Board on the Group's performance and strategic direction and, importantly, to ask questions. Details in relation to the 2021 AGM can be found on page 228 and on the website.

Update from the Workforce Engagement Director

by Cormac McCarthy

Since April 2019, I have been the designated non-executive Director for the purposes of engagement with the workforce, in accordance with Provision 5 of the UK Corporate Governance Code ('the Code').

The purpose of the role is to ensure that the Board receives, understands and considers the views of our employees and takes account of employee interests in its discussions and decision making.

During the year, I have committed significant time to meeting my responsibilities, as set out in a formal Terms of Reference. My primary concern during the year was ensuring that the impact of the Covid-19 pandemic on the Group's employees was mitigated in suitable ways.

Some of the specific areas where I have focused attention during the year are listed below. Due to Covid-19, these activities took place virtually.

- I attended regular Board update calls and received regular reports on the impact of Covid-19 on our employees including measures taken to prioritise the health, safety and well-being of employees both working on-site and from home, as well as preparations for the future return to the workplace.
- I regularly met with the Head of Group HR to discuss developments in regard to employee engagement activities across the Group, sharing feedback and findings where applicable.
- I conducted a number of virtual visits to businesses during the year, both on my own and with other Directors, where a comprehensive overview of operations and employee engagement was provided.
- I sought feedback from other non-executive Directors on meetings with businesses they undertook, either as part of their induction or ongoing development.
- I regularly updated the Board and other executives on my observations and recommendations. The Board also heard from executive and non-executive Directors on meetings which they had attended.
- Following the extension of the remit of the Nomination and Governance Committee to include sustainability, I was appointed as a member of the Committee, which is now named the Governance and Sustainability Committee, reflecting the importance of employee issues to DCC's sustainability activities.

I am satisfied that the employee engagement process is effective, despite constraints as a result of Covid-19. Overall, the Board is well informed of the views of the Group's employees, which assists it in assessing and monitoring the culture of the organisation.

Over the next year, as restrictions begin to ease, I look forward to meeting more employees from across the Group.

Finally, I would like to take this opportunity to note the exceptional performance of the Group's employees during the year. They continued the supply of essential energy, healthcare and technology products to our customers at a critically important time.

Key Responsibilities

- To liaise with the Group HR function on the employee engagement mechanisms in place across the Group's businesses, to ensure they remain effective and relevant over time.
- To be kept informed, by Group HR, of trends and issues emerging from those employee engagement mechanisms and of management's action plans in response to these trends and issues.
- To consolidate my observations and the observations of other non-executive Directors on engagement with Head Office and subsidiary management and employees, in particular following group or individual non-executive Director visits to subsidiary locations.
- To brief the Board regularly on my activities and findings/observations on the views and interests of employees.
- To ensure that these views and interests are considered in Board discussions.

Composition
The Board of DCC currently comprises the non-executive Chairman, eight other non-executive Directors and two executive Directors, including the Chief Executive.

Independence
The Board has carried out its annual evaluation of the independence of each of its non-executive Directors, taking account of the relevant provisions of the Code, namely whether the Directors are independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

The Board is satisfied that each of the current non-executive Directors fulfils the independence requirements of the Code.

John Moloney has been Chairman of the Company since September 2014. The Governance and Sustainability Committee is conscious of the provisions of the Code in respect of Chairman tenure. Following a comprehensive selection process led by the Governance and Sustainability Committee of the Board, Mark Breuer will succeed John Moloney with effect from the conclusion of the Company's AGM on 16 July 2021. Further details are set out in the Governance and Sustainability Committee Report on page 106.

While Mr. Moloney holds a number of other directorships outside of the DCC Group, the Board is satisfied that these have not interfered with the discharge of his duties to DCC.

Appointment of Directors
The Governance and Sustainability Committee agrees criteria for new non-executive Director appointments, including experience of the industry sectors and geographies in which the Group operates and professional background, and has regard to the need for a balance in relation to diversity. The detailed appointment process is set out in the Governance and Sustainability Committee Report on page 106.

Following appointment by the Board, all Directors are, in accordance with the Articles of Association, subject to election at the following AGM.

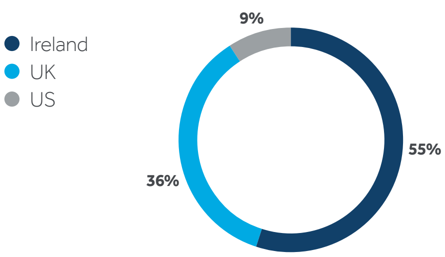
In accordance with the provisions of the Code, all Directors submit to re-election at each AGM.

The expectation is that non-executive Directors would serve for a term of six years and may also be invited to serve an additional period thereafter, generally not extending beyond nine years in total. After three years' service, and again after six years' service, each non-executive Director's performance is reviewed by the Governance and Sustainability Committee, with a view to recommending to the Board whether a further period of service is appropriate, subject to the usual annual approval by shareholders at the AGM.

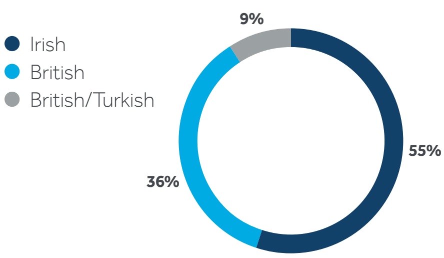
The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

Details of the length of tenure of each Director on the Board as at 31 March 2021 are set out in the chart below.

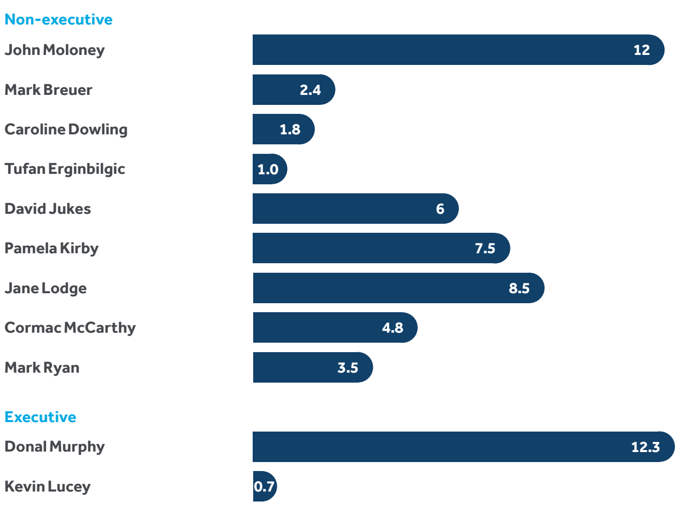
Geographic location of Directors



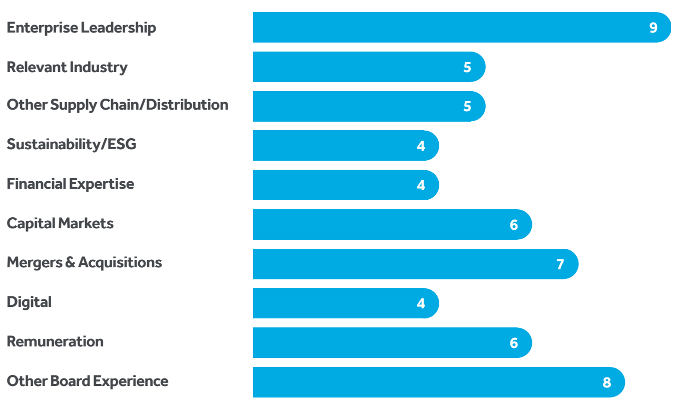
Nationality of Directors



Length of tenure on Board as at 31 March 2021 (years)



Experience and Skills of the Non-executive Directors



Corporate Governance Statement continued

Induction and Development

New non-executive Directors undertake a structured induction process which includes a series of meetings with Group and divisional management, detailed divisional presentations, visits to key subsidiary locations and a briefing with the external auditor.

The Board encourages overseas Board meetings which are instrumental in gaining a better understanding of the Group's diverse businesses and the environments in which they operate.

Due to Covid-19 restrictions, scheduled visits for the new Directors to key Group companies were not possible, however, virtual meetings with senior management in those locations were arranged.

The Chairman invites external experts to attend certain Board meetings to address the Board on relevant industry and sectoral matters and on developments in corporate governance, risk management and executive remuneration.

The Chairman and Company Secretary review Directors' training needs, in conjunction with individual Directors, and match those needs with appropriate external seminars and speakers. The Chairman also discusses individual training and development requirements for each Director as part of the annual evaluation process and Directors are encouraged to undertake appropriate training on relevant matters. In addition, all Directors have access to online resources which are regularly updated with relevant publications.

Non-executive Directors are expected to meet, outside of Board meetings, with members of senior management throughout the Group and meet with a number of subsidiaries to familiarise themselves with the business in more detail than is possible during Board meetings.

All Directors are encouraged to avail of opportunities to hear the views of and meet with the Group's shareholders and analysts.

There is an established procedure for Directors to take independent professional advice in the furtherance of their duties, if they consider this necessary.

Board Performance Evaluation

The Board conducts an annual evaluation of its own performance, that of each of its principal Committees, the Audit, Remuneration and Governance and Sustainability Committees, and that of the Chairman, Committee Chairmen and individual Directors.

In 2021, the entire performance evaluation was facilitated by Heidrick & Struggles, in accordance with the requirement under the Code to have it externally-facilitated every three years.

The various phases of the external performance evaluation process, which commenced in early January 2021 and concluded in March, are set out below:

- The Chairman spoke with each of the Directors to appraise their individual performance and to enquire if they had any views they wished to express on the performance of any other Director.
- Experienced evaluators from Heidrick & Struggles conducted a confidential and open interview with each Director and with regular attendees at Board and Committee meetings. They also observed an Audit Committee meeting and a Board meeting.
- At the Board meeting on 30 March, the Board considered a report from Heidrick & Struggles at which Heidrick & Struggles attended that meeting to facilitate a discussion on their report.

Arising from the evaluation process, a number of actions were agreed by the Board which are set out below and will be implemented during the current year.

2021 Board Evaluation

Topic	Findings and agreed actions
Board Diversity	Continue to improve diversity at Board and senior management levels.
Agenda Items	It was agreed that progress had been made in regard to achieving an appropriate balance between operational and strategic/development items. It was agreed that further work should be done to ensure that Board discussions are focused on issues of strategic importance to the Group.
Board Papers	It was agreed to continue the practice of providing detailed pre-read material in advance of Board meetings, with shorter papers being presented at meetings.
Senior Management Succession	It was agreed to place a particular focus on succession planning for senior Group executives.

Compliance

Compliance Programme

The key message of the Group compliance programme is that directors, managers and employees across the Group should be 'Doing the Right Thing' at all times. This means not merely following the laws and policies that apply to their work, but also exercising good judgement to ensure that their actions are seen as fair and ethical.

Code of Conduct

Our current Group Code of Conduct, which is available on our website, was introduced in 2017. The Code sets out the standards that are expected in a range of areas, including anti-bribery and corruption, supply chain integrity, the protection of personal information and competition law. The Code also explains how employees can ask questions about compliance issues and raise concerns if they believe that something wrong is happening, including through a confidential and independent service available 24 hours a day, every day of the year. A copy of the Code is provided to every employee when they join.

Compliance Policies and Training

The Group also maintains more detailed policies on a range of relevant areas, complementing the general requirements set out in the Code of Conduct. The areas covered by more detailed policies include health and safety, anti-bribery and corruption, supply chain integrity, human rights, competition law, data protection, information security, diversity and inclusion and share dealing. Depending on the nature of their role, employees of the Group receive more detailed training on those policies.

Whistleblowing

Employees across the Group are required to raise a concern if any of our activities are being undertaken in a manner that may not be legal or ethical and are supported if they do so. Concerns can be raised with a member of management in the business where the employee works, with the General Counsel & Company Secretary or externally with SafeCall, a third-party facility which is independent of DCC and available in multiple languages and on a 24-hour basis. Employees may raise concerns anonymously if they wish. Our internal policies make clear that retaliation against any employee who raises a concern is prohibited. Our Human Rights Policy also sets out the ways in which non-employees can raise concerns in relation to any breach of human rights that may have occurred within our operations or our supply chains. Where concerns are raised, they are investigated in an appropriate and independent manner.

The Audit Committee has oversight responsibility for our whistleblowing facilities and how they operate. This is referred to on page 109, as part of the Audit Committee Report.

Share Ownership and Dealing

Details of the Directors' interests in DCC shares are set out in the Remuneration Report on page 129.

The DCC Share Dealing Code ('the Dealing Code') applies to dealings in DCC shares by the Directors and Company Secretary of DCC, directors of all Group companies and all DCC Head Office employees. Under the Dealing Code, Directors and relevant executives are required to obtain clearance from the Chairman or Chief Executive before dealing in DCC shares and are prohibited from dealing in the shares during prohibited periods, as defined by the Dealing Code.

In addition, the Dealing Code specifies preferred periods for share dealing by Directors and relevant executives, being the four 21-day periods following the updating of the market on the Group's trading position through the preliminary results announcement in May, the Interim Management Statement in July (at the AGM), the interim results announcement in November and the Interim Management Statement in February.

Migration from CREST to Euroclear Bank

Since 1996, CREST has been the depository for the settlement of Irish issuers' equity securities trading in Dublin and/or London. As a result of Brexit, CREST was no longer available to any Irish incorporated issuers, irrespective of whether they are listed in Ireland, London or both, and all Irish issuers had to migrate from CREST to the market's chosen replacement system, Euroclear Bank Belgium. An Extraordinary General Meeting was held on 4 February 2021 to seek shareholder approval to the migration of the Company's securities to Euroclear Bank's central securities depository and to approve associated changes to the Articles of Association. All resolutions were passed and the migration took effect on 15 March 2021. Further details in this regard are set out on page 228.

Risk Management and Internal Control

The Board is responsible for the Group's system of risk management and internal control. It is designed to manage rather than eliminate the risk of failure to achieve business objectives and provides reasonable but not absolute assurance against material misstatement or loss. Details in relation to the Group's risk management structures are set out in the Risk Report on page 109.

The Board has delegated responsibility for the detailed monitoring of the effectiveness of this system to the Audit Committee. Details in relation to the Audit Committee's work in this regard are set out in the Audit Committee Report on page 109.

There is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, which has been in place for the year under review and up to the date of approval of the financial statements. This process is regularly reviewed by the Board.

The Board has considered a report from the Audit Committee on the conduct of and the findings and agreed actions from the annual assessment of risk management and internal control. Further details on this annual assessment are set out in the Risk Report on page 81 and in the Audit Committee Report on page 109.

The consolidated financial statements are prepared subject to the oversight and control of the Chief Financial Officer, ensuring correct data is captured from Group locations and all required information for disclosure in the consolidated financial statements is provided. A control framework has been put in place around the recording of appropriate eliminations and other adjustments. The consolidated financial statements are reviewed by the Audit Committee and approved by the Board.

Compliance Statement

DCC has complied, throughout the year ended 31 March 2021, with the provisions set out in the Code other than provision 19 in relation to the tenure of the Chairman, which was addressed on page 106.

John Moloney, Donal Murphy
Directors
17 May 2021

Governance and Sustainability Committee Report

The focus of the Committee continues to be on developing governance structures that deliver sustainable long-term success.

John Moloney
Chairman, Governance and Sustainability Committee

As Chairman of DCC's Governance and Sustainability Committee, I am pleased to present the report of the Committee for the year ended 31 March 2021.

The Governance and Sustainability Committee is responsible for keeping Board composition under constant review, reviewing leadership needs and monitoring the Company's compliance with legal and regulatory requirements in the area of corporate governance, taking account of the Group's activities and strategic direction.

During the year, the Board expanded the Committee's remit to include sustainability matters. This is reflected in the revised title of the Committee.

This report sets out the Governance and Sustainability Committee's key areas of focus during the year ended 31 March 2021, as well as the Committee's priorities for the current year ending 31 March 2022.

A key priority for the Committee during the year was the selection process for my successor as Chairman. The Committee conducted a comprehensive process in the selection of Mark Breuer as my successor. Further details are set out on page 106.

The year saw a number of important changes to the composition of the Board. Leslie Van de Walle retired as a non-executive Director and Chairman of the Remuneration Committee with effect from 17 July 2020. Fergal O'Dwyer retired as executive Director and Chief Financial Officer, after 33 years with DCC, on the same date. Fergal was succeeded as executive Director and Chief Financial Officer by Kevin Lucey. The Board also welcomed Tufan Erginbilgic as a new non-executive Director on 6 April 2020.

Lily Liu will be appointed as a non-executive Director and member of the Audit Committee with effect from the conclusion of the Annual General Meeting on 16 July 2021. Further details are set out on page 106.

The Committee oversaw an external evaluation of the effectiveness of the Board and its Committees during the year. The results of this process were positive. A number of actions were agreed which will be implemented during the current year. These are designed to drive Board effectiveness as the Group continues to grow and develop. More information on the evaluation process is set out on page 102 of the Corporate Governance Statement.

Sustainability has long been a focus of DCC's strategy and its governance structures and the Company has a strong record of delivering long-term benefits for investors and a wide range of other stakeholders, including employees, customers and suppliers.
The Committee oversaw a number of developments during the year that will support the sustainability of the Group and enhance how we report to our stakeholders on this issue. These are covered in more detail in the Sustainable Business Report on page 72.

In the current year, Board balance and diversity, senior management succession planning and sustainability reporting will continue to be priorities for the Committee.

On behalf of the Governance and Sustainability Committee.

John Moloney
Chairman
Governance and Sustainability Committee
17 May 2021

Terms of Reference
The responsibilities of the Governance and Sustainability Committee are summarised in the table on page 105 and are set out in full in its Terms of Reference, which are available on the DCC website, **www.dcc.ie**.

Governance

Committee Composition, Attendance and Tenure

At the date of this Report, the Governance and Sustainability Committee comprised John Moloney (Chairman) and four independent non-executive Directors, Mark Breuer, Tufan Erginbilgic, Pamela Kirby and Cormac McCarthy. Tufan Erginbilgic joined the Committee on 6 April 2020. Mark Breuer joined the Committee on 18 May 2020, replacing Caroline Dowling, who had served on the Committee since May 2019. Cormac McCarthy joined the Committee on 9 November 2020.

Biographical details for the members of the Committee are set out on page 92.

The Governance and Sustainability Committee met eight times during the year ended 31 March 2021 and attendance details are set out in the table on page 98 of the Corporate Governance Statement.

The Company Secretary is the Secretary to the Governance and Sustainability Committee.

Meetings

The Chief Executive is invited to attend all meetings of the Committee. Other Directors, executives and external advisors are invited to attend as necessary.

The Committee also meets separately, as required, to discuss matters in the absence of any invitees.

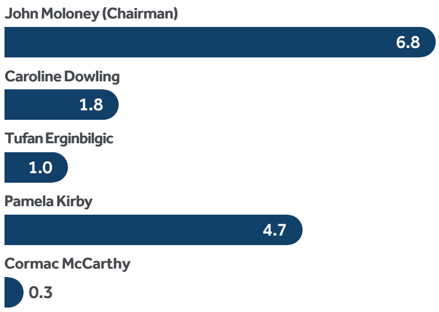
Since March 2020, all Board and Committee meetings have taken place virtually. This has proved to be very effective with full attendance by all Board and Committee members.

Annual Evaluation of Performance

The Board conducts an annual evaluation of its own performance and that of its Committees, Committee Chairmen and individual Directors. In 2021, this process was externally-facilitated in accordance with the UK Corporate Governance Code ('the Code'). The conclusion from this process was that the performance of the Committee and of the Chairman of the Committee was satisfactory and that no changes were necessary to the Committee's Terms of Reference.

Further details on this process are set out in the Corporate Governance Statement on page 102.

Length of Tenure on the Governance and Sustainability Committee as at 31 March 2021 (years)



Reporting

The Chairman of the Governance and Sustainability Committee reports to the Board at each meeting on the activities of the Committee.

The Chairman of the Governance and Sustainability Committee attends the Annual General Meeting to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

Role and Responsibilities

Board Composition and Renewal

- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board with regard to any changes.
- Before making a nomination, to evaluate the balance of skills, knowledge, independence and experience on the Board, and, in the light of this evaluation, to prepare a description of the role and capabilities required for a particular appointment.
- Make recommendations to the Board as regards the reappointment of non-executive Directors at the conclusion of their term of office and the re-election of all Directors by shareholders at the Annual General Meeting.
- Keep under review the Board Diversity Policy and the setting of measurable objectives for implementing the Policy.

Leadership Needs

- Give consideration to succession planning for Directors.
- Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring its continued ability to compete effectively in the marketplace.

Corporate Governance

- Monitor the Company's compliance with corporate governance best practice and with applicable legal and regulatory (including but not limited to the Companies Acts, the UK Listing Authority's Listing Rules and the UK Corporate Governance Code) and recommend to the Board such changes or additional action as the Committee deems necessary.
- Advise the Board of significant developments in the law and practice of corporate governance.
- Oversee the conduct of the annual evaluation of Board, Committee and individual Director performance.

Sustainability

- Provide overall strategic guidance to the Group's sustainability programme.
- Monitor the Group's compliance with sustainability best practice and with relevant legal and regulatory requirements and recommend to the Board such changes or additional action as the Committee deems necessary.
- Approve recommendations from the Executive Sustainability Committee in respect of the key sustainability issues and related objectives that are material to the Group as a whole.

Governance and Sustainability Committee Report continued

Principal Activities in 2021

Board Composition and Renewal

The Governance and Sustainability Committee considers, on an ongoing basis, the composition of the Board to ensure it has the appropriate balance of skills, knowledge, experience, gender and ethnicity, taking account of the development of the Group in terms of scale, activities and geographic locations, and of the tenure of existing Directors.

The Committee oversaw a detailed process for the selection of a new Chairman, to replace John Moloney, during the year. This included engaging MWM Consulting, a professional search firm, and considering possible external candidates. Current Board members were also invited to apply for the position. A number of interviews were conducted, with the process being led by Pam Kirby. It was agreed that Mark Breuer's blend of experience and skills met the criteria which had been agreed for the role. The Committee then recommended to the Board on 17 May that Mark be appointed Chairman with effect from the conclusion of the Company's AGM on 16 July 2021. Upon Mark's appointment as Chairman, we will be compliant with provision 19 of the Code.

The Committee also commenced a process in 2020 to identify a new non-executive Director with financial expertise to replace Jane Lodge, who was approaching nine years' service as a Director. The Committee appointed Russell Reynolds to carry out a search for suitable candidates. Russell Reynolds produced a list of candidates in early 2021 which the Committee reviewed. Shortlisted candidates were interviewed by the Chairman and other members of the Committee. When Lily Liu was selected as a leading candidate, she met with a number of other Directors, before a proposal was made to the Board. It was agreed that the skills, knowledge and experience of Lily met the criteria which had been agreed for the role, primarily relating to financial expertise and experience in a global business operating in a relevant but not competing sector. On 17 May, the Committee then recommended her appointment to the Board with effect from the conclusion of the Company's AGM on 16 July 2021.

Succession Planning

The Committee is focused on the leadership needs of the Group at Board and senior management level. The Committee gives full consideration to succession planning for Directors, in particular the Chairman, the Chief Executive and Chief Financial Officer, taking into account Group strategy, as well as the challenges and opportunities facing the Group and the skills, knowledge and experience required for these roles.

In addition to the work of the Committee, the Board received updates from the Head of Group HR on succession planning and talent development initiatives for the senior management teams at Group, divisional and subsidiary levels. Board and senior management succession and talent planning will continue to be a key area of focus for the Committee and the Board during the year.

Re-appointment of Non-executive Directors

During the year, Mark Ryan and David Jukes completed terms as non-executive Directors. After detailed consideration, including of performance and independence, the Committee made recommendations to the Board and the Board requested that the non-executive Directors serve additional terms.

A number of recommendations in respect of renewed Committee membership were also made during the year.

The length of tenure of the Directors on the Board is set out on page 101. The length of tenure of members of Board Committees is dealt with in the individual Committee reports.

External Commitments

The Committee is conscious of other commitments and demands on Directors' time, including other external appointments, when making recommendations to the Board in respect of new non-executive Director appointments and the re-appointment of existing non-executive Directors.

The Committee is satisfied that the external commitments of the incoming Chairman and the non-executive Directors do not conflict in any way with their duties and commitments to the Company and that all Directors are fully committed, dedicate appropriate time to their responsibilities as Directors and are also available at short notice for any unscheduled Board meetings.

The Committee has also concluded that the external commitments of the non-executive Directors can bring valuable perspective to the Board.

In accordance with the Code, Directors must seek the prior approval of the Board in advance of undertaking any additional external appointments. Before approving any additional external appointment, the Board considers the time commitment required for the role. This requirement has been included in all letters of appointment and in the Matters Reserved for Board Decision.

Sustainability

Since our last report, the Board reviewed and extended our governance structures for sustainability issues.

First, the role of this Committee was expanded to include sustainability. The Company also established a new Executive Sustainability Committee. These Committees oversee and support the development of our sustainability programme.

The Sustainable Business Report on page 72 describes the improvements made in relation to sustainability during the year, including the steps we are taking to reduce our carbon emissions and to report in the future in line with the GRI, SASB and TCFD reporting frameworks on the non-financial issues that are most material to the long-term success of the Group.

Diversity

One of the regular agenda items at Committee meetings addresses Board diversity. In reviewing the composition of the Board and giving consideration to the appointment of new non-executive Directors, the Committee takes into account the benefits that diverse skills, experience, business backgrounds and geographical location, as well as gender and ethnic diversity, bring to the Board. A Board Diversity Policy, developed by the Committee and approved by the Board in 2013, is available on the Company's website.

The Board is currently comprised of 27% female Directors and, with effect from 16 July, will have one Director from a minority ethnic background. Increasing the gender diversity of the Board in line with the 33% recommendation in the Hampton-Alexander Review will remain a priority for the Committee.

At senior management level, a number of our female colleagues participate in development programmes that we believe will be helpful in building a pipeline of future female leadership talent for DCC.

The Inclusion and Diversity Policy entitled 'You belong here', which was introduced across the Group, requires every Group business to take active steps to foster diverse teams and inclusive practices in the workplace. Further details on the introduction of this Policy and how the Group will be developing its reporting on diversity are set out in the Sustainable Business Report on page 79.

Corporate Governance

The Committee advises the Board on significant developments in the law and practice of corporate governance and monitors the Company's compliance with corporate governance best practice, with particular reference to the UK Corporate Governance Code.

We have reported full compliance with the Code for the year ended 31 March 2021 other than provision 19 in relation to the tenure of the Chairman, which was addressed above.

Audit Committee Report

Ensuring the integrity of the Group's financial reporting, risk management and assurance processes continues to be the Committee's key priority.

Jane Lodge
Chairman, Audit Committee

As Chairman of DCC's Audit Committee, I am pleased to present the report of the Committee for the year ended 31 March 2021.

This report provides an overview of the Audit Committee's principal activities and key areas of focus during the year, as well as the Committee's priorities for the year ending 31 March 2022.

The Committee is responsible for supporting the Board in assessing the principal risks facing the Group, reviewing the Group's risk management and internal control systems and overseeing the operation of the Group Internal Audit function. We describe this work, which encompasses the ongoing monitoring and review of audit effectiveness, on page 109.

The Committee is also responsible for monitoring the integrity of the Group's financial statements and assisting the Board in determining that the Annual Report and Accounts, when taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy. Further details on this work and our engagement with the Company's external auditor are provided on page 110.

Other areas to which the Committee devoted time during the year are set out on page 110.

Covid-19 Pandemic
Throughout the year, the Committee continued to engage with Group management to ensure that robust internal controls and risk management systems were maintained, and that the Group Internal Audit function operated effectively in a virtual environment, while recognising the additional pressure on the management and employees of the Group's businesses as a result of the pandemic.

At the outset of the pandemic, we also discussed with Group management the additional work done in respect of the Going Concern and Viability Statements to seek to assess the impact, in the short to medium term, of the pandemic on the Group's prospects.

Following a detailed planning process, KPMG again conducted a largely remote audit across the Group and ensured all necessary standards and requirements were adhered to and maintained.

Priorities for the Year Ahead
The Committee's key priorities for the year ahead will include supporting the transition to a new Committee Chairman, a continued focus on the impact of the pandemic, cybersecurity, ensuring recommendations from Group Internal Audit reviews are implemented on time and giving effect to the actions from the external quality assessment ('EQA') of the Group Internal Audit function.

The Board, the Audit Committee and Group management remain fully committed to continuous improvement of risk and financial management across the Group, taking account of the Group's continuing growth and expanding geographical reach.

I will retire from the Board of DCC and as Chairman of the Audit Committee with effect from the conclusion of the Company's AGM on 16 July 2021. I would like to thank Group management for the quality of the information presented to the Committee and compliment all the members of the Committee, Group management and the Group's external auditors for their contribution to the open and comprehensive discussions at our meetings throughout my tenure as Chairman.

I also wish my fellow Board member, Cormac McCarthy, who will succeed me as Chairman of the Committee, the very best in this role.

On behalf of the Audit Committee

Jane Lodge
Chairman, Audit Committee
17 May 2021

Terms of Reference
The responsibilities of the Audit Committee are summarised in the table on page 108 and are set out in full in its Terms of Reference, which are available on the DCC website, **www.dcc.ie**.

Audit Committee Report continued

Governance

Committee Composition, Attendance and Tenure

The Audit Committee currently comprises five independent non-executive Directors: Jane Lodge (Chairman), Mark Breuer, Caroline Dowling, Cormac McCarthy and Mark Ryan. Jane Lodge will retire as a non-executive Director and member of the Audit Committee on 16 July 2021. Cormac McCarthy will succeed Jane as Chairman of the Audit Committee and Lily Liu will be appointed as a member of the Audit Committee on 16 July 2021.

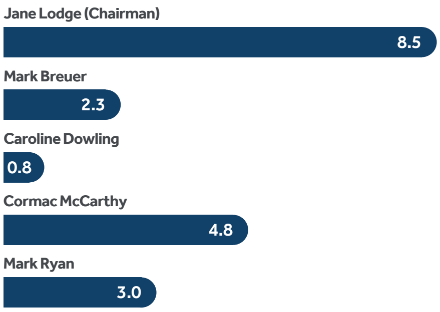
Biographical details for the current members of the Committee are set out on page 92.

The Board is satisfied that the members of the Audit Committee bring a wide range of skills, expertise and experience in commercial, financial and audit matters arising from the senior positions they hold or held in other organisations and that Jane Lodge, Mark Breuer and Cormac McCarthy meet the specific requirements for recent and relevant financial experience set out in the UK Corporate Governance Code ('the Code'). The Board is also satisfied that the Committee, as a whole, has competence relevant to the sectors in which DCC operates.

The Committee met five times during the year ended 31 March 2021 and there was full attendance by all members of the Committee.

The Company Secretary is the Secretary to the Audit Committee.

Length of Tenure on the Audit Committee as at 31 March 2021 (years)



Meetings

The Chief Executive, Chief Financial Officer, Head of Group Internal Audit, Director of Group Finance and representatives of the external auditor are typically invited to attend all meetings of the Committee. Other Directors and executives are invited to attend as necessary.

The Committee meets separately a number of times each year with the external auditor and with the Head of Group Internal Audit, without other executive management being present.

The Committee also meets in private, as required, to discuss matters in the absence of any invitees.

Annual Evaluation of Performance

The conclusion of the externally-facilitated 2021 Board evaluation process was that the Audit Committee and the Chairman of the Committee operated effectively.

All actions from the 2020 evaluation process were implemented during the year.

Reporting

The Chairman of the Audit Committee reports to the Board at each meeting on the activities of the Committee since the previous meeting.

The Chairman of the Audit Committee attends the Annual General Meeting to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

Role and Responsibilities

Financial Statements

- Monitor the integrity of the Group's financial statements, including reviewing significant financial reporting judgements contained in them.
- Provide advice on whether the Annual Report and Accounts, when taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Risk Management and Group Internal Audit

- Assist the Board in its responsibilities in regard to the assessment of the principal risks facing the Company, the monitoring of risk management and internal control systems, including the review of effectiveness, and the Going Concern and Viability Statements.
- Review the operation and effectiveness of the Group Internal Audit function.

External Audit

- Make a recommendation to the Board on the appointment, reappointment and removal of the external auditor.
- Oversee the relationship with the external auditor, including approval of remuneration and terms of engagement.
- Review the effectiveness of the external audit process.
- Ensure external audit is put to tender at least every 10 years.
- Develop and implement a policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence.

Whistleblowing

- Review, on behalf of the Board, the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

Principal Activities in 2021

Risk Management and Internal Control

Details of the Group's system of risk management and internal control are set out in the Risk Report on pages 81 to 89.

The Audit Committee is briefed in detail at each meeting by the Head of Group Internal Audit ('GIA') and by executive management on the Group Risk Report, including the Group Risk Register. The Group Risk Report includes an assessment of emerging risks. The Group Risk Report also ensures – through an Integrated Assurance Report – changes to the Group's risk profile are matched by enhancements to risk assurance activities.

During the year, the Committee considered the impact of Covid-19 on the Group's activities and internal control framework, in particular the effective conduct of remote audits and risks associated with increased remote working. The Committee received regular updates from the Head of Group Internal Audit in this regard. In addition, the Committee reviewed the impact of Covid-19 on the financial statements with management and the external auditor.

The General Counsel & Company Secretary provides an update on legal and compliance risks, on related assurance activities and on broader developments in his area of responsibility at each meeting of the Committee.

Findings from audits and other reviews completed by the GIA function are discussed with the Committee and appropriate responses are agreed. A detailed review is undertaken at each meeting of the Committee on the timely implementation of actions from previous GIA audits.

The Chairman of the Audit Committee briefs the Board at each meeting on the Committee's activities in regard to the Group's risk management and internal control systems. To facilitate this, the papers relating to risk management and internal control which are reviewed by the Committee are also made available to all Directors. In addition, the Board receives a report at each of its meetings on health, safety and environmental matters and is briefed on these matters directly by the Head of Group Sustainability every quarter.

The Audit Committee conducted during the year, on behalf of the Board, an assessment of the operation of the Group's system of risk management and internal control, as required under the Code. This assessment was based on a detailed review carried out by GIA, including of the risk register process described in the Risk Report on page 83. This review took account of the principal business risks facing the Group, the controls in place to manage those risks and the procedures in place to monitor them. Where areas for improvement were identified the necessary actions have been or are being taken.

The Chairman of the Audit Committee reported to the Board on the conduct of and the findings and agreed actions from this annual assessment of risk management and internal control. The Board statement on Risk Management and Internal Control is included in the Corporate Governance Statement on page 103.

Whistleblowing Arrangements

The Board has delegated responsibility to the Audit Committee for ensuring that the Group maintains suitable whistleblowing arrangements for employees.

Those arrangements are outlined in the Corporate Governance Statement on page 103 and are also described in our Code of Conduct which is available on the Company's website.

The Committee reviewed the operation of the Group's whistleblowing facilities, including the matters raised and how they were resolved, on the basis of a report from the General Counsel & Company Secretary.

Group Internal Audit

The Audit Committee approves the charter and the annual work programme for the GIA function, ensures that it is adequately resourced and that it has appropriate standing within the Group.

The Head of GIA, the Deputy Head of GIA and the Head of IT Assurance, together with other executives from the GIA function, report to each meeting of the Committee on:
- the findings from each audit, IT audit and any special investigations completed;
- reviews being undertaken in respect of newly acquired subsidiaries;
- audits in progress and the short-term audit plan;
- the timely implementation of agreed audit actions; and
- progress on other projects.

Issues arising from audits completed and related corrective action plans are tracked. The Audit Committee reviews progress on these corrective actions with the Head of GIA at each of its meetings.

Remote auditing carried out by the GIA team continued to work satisfactorily with no delay in the internal audit plan.

External Quality Assessments ('EQAs') by independent external consultants are conducted at least every five years to confirm compliance by the GIA function with the International Standards for the Professional Practice of Internal Auditing ('IIA Standards'). An internal review against the same standards is completed on an annual basis. The most recent EQA was completed during the year by EY.

The result of the external review was that the GIA function is very effective in providing independent assurance to the Group and is in compliance with the IIA Standards and the IIA Code of Practice. EY noted the progress made since the previous EQA completed in 2016.

The review also highlighted a small number of agreed actions to be undertaken by GIA in respect of auditor rotation, visibility of data analytics, opportunities for continuous monitoring, report timelines and guidance for responding to audit points to further enhance the operation of the function. Several of these have been completed, and the remainder have been incorporated into the GIA Three Year Plan.

The Audit Committee ensures co-ordination between GIA and the external auditor, KPMG, with regular meetings being held each year to maximise the benefits from clear communication and co-ordinated activities.

The Head of GIA has direct access to the Chairman of the Audit Committee and the Audit Committee meets with the Head of GIA on a regular basis without the presence of management.

IT Assurance

In addition to IT audit reports, the Head of IT Assurance reports to the Audit Committee on initiatives being undertaken around the Group in relation to IT security, cybersecurity and IT project management. This includes compliance with the Group Information Security Policy and the implementation of the Group cybersecurity programme and Target IT Standards within the framework of that Policy.

A dedicated resource continues to develop the GIA function's data analytics expertise. Various data analytics tools, including ACL and QlikView, are used to support the audit process.

Financial Reporting and Significant Financial Judgements

The Committee's role is to ensure that management's disclosures reflect the supporting detail or challenge them to explain and justify their interpretation. The Committee reports its findings and makes recommendations to the Board accordingly. The statutory auditor supports the Committee in this role, who in the course of the audit, considers whether accounts have been prepared in accordance with IFRS and whether adequate accounting records have been kept. Furthermore, the Company's own internal audit team also contributes to the assurance process by reviewing compliance with internal processes. The statutory auditor presents its findings to the shareholders as the owners of the business, and its report can be found on pages 142 to 145.

Audit Committee Report continued

Other Areas of Focus in 2021

The Committee considered the following matters, in addition to other principal activities detailed on page 109:

Emerging Risks
The Committee continued to monitor emerging risks, both through the review of reports prepared by an external risk advisory company and discussions with Group management and GIA of the risk register process.

External Auditor Partner Changes
The Committee engaged with KPMG on a change in lead partner for the audit of the Group's financial statements, in respect of the financial year ending 31 March 2022.

External Quality Assessment
The Committee oversaw an external quality assessment of the Group Internal Audit function during the year, conducted by EY. Further information on the results of this review is detailed on page 109.

IAASA
The Committee has been briefed regularly by Group management on interaction with the Irish Auditing and Accounting Supervisory Authority ('IAASA') in respect of their review of the Group's financial statements in line with their statutory functions and normal practice. All matters arising from this review have been concluded satisfactorily.

In relation to the 2021 Annual Report and Accounts, the Committee assessed whether suitable accounting policies had been adopted and whether management had made appropriate estimates and judgements. The Committee obtained support from the external auditor in making these assessments.

The Committee focused on matters it considered to be important by virtue of their impact on the Group's results and particularly those which involved a relatively higher level of complexity, judgement or estimation by management. The table on page 111 sets out the significant issues considered by the Committee in relation to the financial statements for the year ended 31 March 2021.

Management confirmed to the Committee that they were not aware of any material misstatements in the financial statements and KPMG confirmed that they had found no material misstatement in the course of their work.

Fair, Balanced and Understandable

As required by the Code, the Board should present a fair, balanced and understandable assessment of the Company's position and prospects and specifically confirm that it considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

At the request of the Board, the Committee considered whether the 2021 Annual Report and Accounts met these requirements.

The Committee considered and discussed with management the established and documented processes put in place by management for the preparation of the 2021 Annual Report and Accounts, in particular planning, co-ordination and review activities. The Committee also noted the formal review process undertaken by KPMG. This enabled the Committee, and then the Board, to conclude that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and that it provides the necessary information for shareholders to assess the Group's performance, business model and strategy.

Going Concern and Viability Statement

The Audit Committee reviewed the draft Going Concern and Viability Statements prior to recommending them for approval by the Board. These statements are included in the Risk Report on page 84.

Group management reported specifically to the Committee on work undertaken in respect of the Going Concern and Viability Statements to assess the impact, in the short to medium term, of the Covid-19 pandemic on the Group's prospects.

External Auditor

The Audit Committee oversees the relationship with the external auditor, KPMG, including approval of the external auditor's fee.

The Audit Committee reviewed KPMG's external audit plan at its meeting held in November 2020 and received an update at its meeting in March 2021, at the commencement of the audit.

This review focused on key audit risks identified by KPMG, materiality thresholds, the background and experience of the KPMG audit partners responsible for the largest local teams and the extent of oversight and review by the Irish firm, including of the small number of Group components not audited by KPMG.

Following the audit, the Audit Committee met with KPMG to review the findings from their audit of the Group financial statements.

More generally, the Audit Committee meets with the external auditor on a regular basis without the presence of management.

The Audit Committee also discusses with the external auditor their approach to audit quality. In the year under review, the Committee discussed with the external auditor reports issued by financial regulators on audits completed by KPMG firms in the UK and Ireland.

In accordance with its Terms of Reference, the Audit Committee is required to make a recommendation to the Board on the appointment, reappointment and removal of the external auditor.

As noted above, the Committee engaged with KPMG on audit lead partner changes which will apply in respect of the financial year ending 31 March 2022.

Effectiveness

As part of its review of the effectiveness of an external audit process, the Committee reviewed the results of an external audit effectiveness questionnaire, which was completed by relevant members of management.

This process involved the Chief Financial Officer obtaining the views of Group and subsidiary finance executives. Their responses were summarised by management in a report to the Audit Committee. Based on its consideration of this report and its own interaction with KPMG, in the form of reports and meetings, the Audit Committee noted that the overall feedback was positive and that a number of areas for improvement had been agreed.

The Audit Committee's conclusion that the external audit process was effective was conveyed to the Board.

Significant Issues in relation to the Financial Statements for the Year Ended 31 March 2021

Goodwill and Intangible Assets
As set out in note 3.3 to the Group financial statements, the Group had goodwill and intangible assets of £2,206.7 million at 31 March 2021. In order to satisfy itself that this balance was appropriately stated, the Committee considered the impairment reviews carried out by management. The Group's annual impairment reviews are normally carried out using the carrying values of subsidiaries at 31 December and the latest Three Year Plan information.

In performing their impairment reviews, management determined the recoverable amount of each cash generating unit ('CGU') and compared this to the carrying value at the date of testing. The recoverable amount of each CGU is defined as the higher of its fair value less costs to sell and its value in use. Management uses the present value of future cash flows to determine the value in use. In calculating the value in use, management judgement is required in forecasting cash flows of CGUs, in determining the long-term growth rate and selecting an appropriate discount rate.

Management reported to the Committee that future cash flows of each CGU had been estimated based on the most up to date Three Year Plan as approved by the Board, and discounted using discount rates that reflected the risks associated with each CGU. Sensitivity analysis was considered on the discount rate, cash flows and the long-term growth rate. The Committee considered and discussed with management the key assumptions to understand their impact on the CGUs recoverable amounts. The Committee in particular considered and discussed with management the assumptions in relation to two CGUs where the sensitivity analysis, under certain scenarios, indicated that the value in use was lower than the carrying value. The Committee was satisfied that the significant assumptions used for determining the recoverable amounts had been appropriately scrutinised, challenged and were sufficiently robust. The Committee agreed with management's conclusion that the cash flow forecasts supported the carrying value of goodwill and intangible assets.

Other Matters
In addition, the Committee considered and is satisfied with a number of other judgements which have been made by management including revenue recognition, business combinations, exceptional items, lease accounting, provisioning for impairment of trade receivables and inventories, tax provisioning and the carrying amounts of the Parent Company's investments in subsidiary undertakings and the amounts owed by these subsidiary undertakings.

Independence
The Audit Committee has a process in place to ensure that the independence of the audit is not compromised, which includes monitoring the nature and extent of services provided by the external auditor through an annual review of fees paid to the external auditor for audit and non-audit work and seeking confirmation from the external auditor that they are in compliance with relevant ethical and professional guidance and that, in their professional judgement, they are independent from the Group. On the basis of this process, the Committee is satisfied that KPMG remain independent.

The Audit Committee has approved a policy on the employment of employees or former employees of the external auditor. This policy provides that the Chief Executive will consult with the Chairman of the Audit Committee prior to appointing to a senior financial reporting position, to a senior management role or to a Company officer role any employee or former employee of the external auditor, where such a person was a member of the external audit team in the previous two years. No such appointments were made in the year ended 31 March 2021.

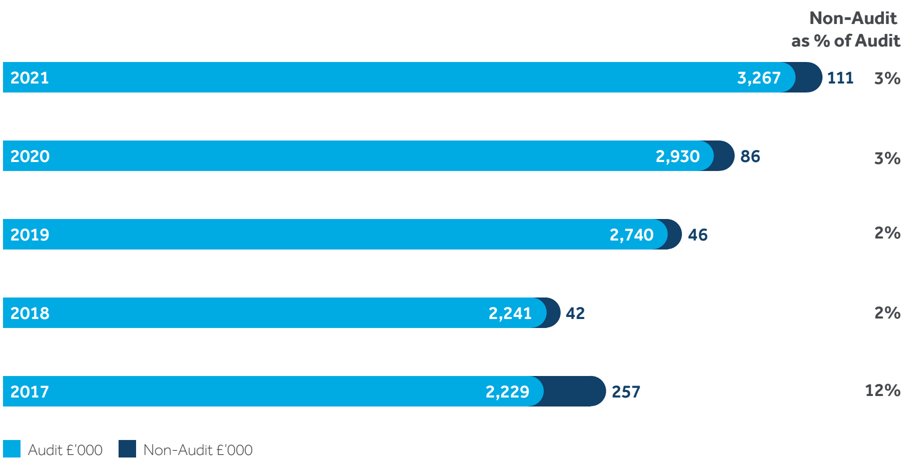
Non-Audit Services
The Audit Committee has approved a policy on the engagement of the external auditor to provide non-audit services, which provides that the external auditor is permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence, providing they have the competence to carry out the work and are the most appropriate to undertake it. In addition, a number of specific types of non-audit services are prohibited under the policy.

The policy also provides that any non-audit work which would result in the aggregate of non-audit fees paid to the external auditor exceeding 50% of annual audit fees must be approved in advance by the Chief Executive and the Chairman of the Audit Committee.

The Committee is kept informed by management of all non-audit assignments being undertaken by the external auditor and the aggregate level of fees to be paid for such assignments is pre-approved by the Audit Committee.

Details of the amounts paid to the external auditor during the year for non-audit services are set out in note 2.3 on page 159. The table below sets out the audit and non-audit fees paid to the external auditor over the five-year period from 2017 to 2021 inclusive.

Audit vs Non-Audit Fees



Remuneration Report

Executive remuneration reflected a strong business performance during an unprecedented year.

David Jukes
Chairman, Remuneration Committee

Chairman's Introduction

I am pleased to present the Remuneration Report for the year ended 31 March 2021.

The Report includes the following sections:
- This Chairman's Introduction
- Remuneration at a Glance (page 115)
- Remuneration Policy Report (pages 116 to 122)
- Annual Report on Remuneration (pages 123 to 135)

The purpose of DCC's Remuneration Policy is to incentivise executive Directors and other senior Group executives to create shareholder value on a consistent and sustainable basis. Consequently, their remuneration is weighted towards performance, both in terms of financial and non-financial objectives.

Performance for the Year

DCC delivered a strong performance in the year ended 31 March 2021, notwithstanding the disruption and uncertainty generated by Covid-19.

- Group adjusted operating profit was 7.3% ahead of the prior year.
- Adjusted earnings per share grew by 6.6% and it is proposed that the total dividend for the year will be increased by 10%.
- Return on capital employed, a key metric for DCC, was 17.1% and is again substantially in excess of the Group's cost of capital.
- DCC generated strong shareholder returns as illustrated in the charts on page 113.

The Committee is satisfied that the executive Directors' short- and longer-term remuneration, as detailed on page 113, properly reflects the Group's strong performance in the year.

Terms of Reference

The responsibilities of the Remuneration Committee are summarised in the table on page 134 and are set out in full in its Terms of Reference, which are available on the DCC website, **www.dcc.ie**.

Furlough Supports

Several Group subsidiaries obtained government funding during the year under government schemes designed to protect jobs that were placed at risk by the Covid-19 pandemic. The total amount obtained under these schemes was modest in the context of the Group. However, as trading across the Group proved resilient over the year, DCC has repaid all furlough or similar employee related government supports received during the year.

2021 Targets

In our 2020 Annual Report, we advised that due to the onset of the pandemic, the Committee postponed setting financial targets for bonuses and long-term incentives.

In the first half of the financial year, the Committee approved Group and divisional financial targets for the year for the purposes of annual bonuses and the Committee agreed performance conditions for the purposes of the Company's Long-Term Incentive Plan ('LTIP') related to ROCE, EPS and TSR. These LTIP performance conditions were set out in a stock exchange announcement dated 4 September 2020.

Salaries

The executive Directors (Donal Murphy and Fergal O'Dwyer) did not receive any salary increases during the year ended 31 March 2021, in recognition of the prevailing uncertainty at the time. Similarly, the non-executive Directors' fees were not increased in the same period. Kevin Lucey, on his appointment as CFO on 17 July 2020, received a salary of €450,000.

Further details in relation to remuneration arrangements for the year ended 31 March 2021 are set out on page 123.

Bonuses

For the year ended 31 March 2021, annual bonuses for the executive Directors were based on performance against targets for growth in Group adjusted earnings per share ('Group EPS') and overall contribution and attainment of personal/strategic objectives.

The Committee reviewed the calculated outcomes under agreed bonus structures and, based on the strong performance of the Group, determined that the bonus payout was appropriate at that level.

Group and individual Director performance against these targets has been reflected in bonus outcomes for each of the current executive Directors, Donal Murphy and Kevin Lucey, of 180% and 149.55% of salary respectively (compared to maximum potentials of 180% for Donal Murphy and 150% of salary for Kevin Lucey).

Further details of the performance targets and achievement against those targets are set out on pages 123 to 125.

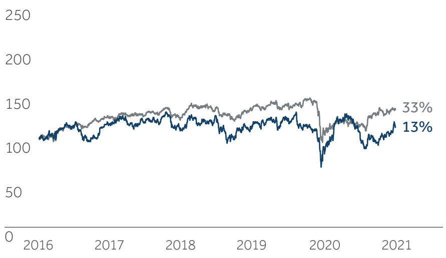
Long-Term Incentive Plan

Vesting of Long-Term Incentives

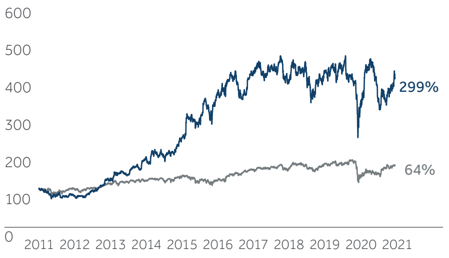
In November 2020, the Remuneration Committee determined that 62.75% of the share options granted in November 2017 under the LTIP would vest in November 2022, based on DCC's performance over the three-year period ended 31 March 2020 under the ROCE, EPS and TSR conditions. This was consistent with the estimated vesting of 62.75% included in last year's Report. The earliest exercise date will be November 2022.

The extent of vesting of the share options granted in November 2018, which was based on DCC's performance over the three-year period ended 31 March 2021, under the ROCE, EPS and TSR conditions, will be determined by the Remuneration Committee in November 2021. It is expected that 64% of the share options granted will vest. The earliest exercise date will be November 2023.

DCC's TSR versus the FTSE 100 over the last 5 years



DCC's TSR versus the FTSE 100 over the last 10 years



DCC FTSE 100

The charts above show the growth of a hypothetical £100 holding in DCC plc shares since 1 April 2016 and 1 April 2011 respectively, relative to the FTSE 100 Index.

Further details on these vestings are set out on page 125.

Further details in relation to the LTIP are set out on page 118.

Grant of Long-Term Incentives

The performance conditions for LTIP awards to be made in the year ending 31 March 2022 are set out on page 132.

Details of share options granted to the executive Directors during the year are set out in the table on page 130. Details of the performance conditions are also set out on page 131.

Renewal of LTIP and Amendment to Remuneration Policy

As our current LTIP expires in July 2021, the Committee reviewed the structure of the LTIP, with external advice, to ensure it continues to align executive incentives with the interests of shareholders and reflects the Group's culture of long-term performance-based incentivisation.

Following this review, the Committee concluded that the present LTIP structure works well and is proposing minor changes to the LTIP Rules to bring them in line with corporate governance best practice. The primary change is that awards will have a three-year vesting period, with a two-year post-vest sale restriction for executive Directors, rather than the current five-year vesting period.

At the Annual General Meeting ('AGM') in July, shareholders will be asked to approve this new LTIP.

The changes to the new LTIP will require an amendment to our existing Remuneration Policy. The updated Policy is set out on pages 116 to 122. It will also be submitted to an advisory, non-binding vote at the 2021 AGM.

A letter in relation to the new LTIP, outlining the change in vesting period and the Remuneration Policy described above, was sent by me to the Company's major shareholders (representing 41% of the Company's issued share capital), to the Investment Association and to various proxy voting agencies earlier this year. The General Counsel & Company Secretary, Darragh Byrne, and I subsequently engaged with a number of these shareholders to hear their views on the proposed changes, which were overall very positive.

Executive Director Remuneration

For the year ending 31 March 2022, the Committee undertook a review of the salary and bonus opportunity levels of the executive Directors with the support of its remuneration advisors, Willis Towers Watson.

Having had no salary increase since 2019, the Committee approved a salary increase for Donal Murphy, Chief Executive, of 3% to €883,019, which is broadly in line with increases across the Group as a whole.

As the economies in which we operate come out of the pandemic, it is critical that DCC continues its growth and development over the short to medium term. To reinforce this focus during an important period for the Company, the Committee increased the annual incentive opportunity for Donal Murphy, from 180% of salary to 190% of salary. This remains below the maximum of 200% of salary approved by shareholders.

Kevin Lucey's salary has been adjusted in recognition of his contribution in the role of CFO since his appointment in July 2020. Kevin's salary was increased by 5% to €472,500 with effect from 1 April 2021. His annual bonus opportunity has been increased from 150% of salary to 160% of salary, for the same reasons of DCC's continued growth and development as noted above. Again, this remains below the limit of 200% approved by shareholders.

Further details in relation to remuneration arrangements for the year ending 31 March 2022 are set out on page 131.

Non-executive Director Remuneration

The Board has agreed to increase the basic non-executive Director's fee by 2% with effect from 1 April 2021. This change took into consideration both the average workforce increase as well as advice from the Company's external remuneration consultants, Willis Towers Watson, on the level of fees in a range of comparable Irish and UK companies.

In relation to the Chairman's fee, as John Moloney is retiring at the AGM in July, the total fee for his successor Mark Breuer has been set at €340,000, which represents an increase of 8.4% from the current fee.

Full details of these fees are set out on page 133.

Remuneration Report continued

Alignment of Remuneration and Non-Financial Performance

The Committee considers that the LTIP performance measures currently employed (ROCE, EPS and TSR) align executive incentives with the delivery of long-term sustainable performance. The Committee recognises the importance of performance being assessed using suitable non-financial as well as financial measures. As set out in the Sustainable Business Report on page 72, DCC has developed targets and metrics that will measure the Company's non-financial performance. Appropriate sustainability/ESG targets will be included in short-term bonus targets for the year ending 31 March 2022.

CFO Succession

On 17 July 2020, Fergal O'Dwyer retired as CFO and Kevin Lucey (formerly DCC's Head of Capital Markets) was appointed as CFO and as an executive Director. Details of Fergal's remuneration arrangements for the period from 1 April 2020 up to his retirement, which were in line with the current Remuneration Policy, are set out in the Annual Report on Remuneration on page 123. Details of Kevin Lucey's remuneration as CFO, which are also in line with Remuneration Policy, are also set out in the Annual Report on Remuneration.

Shareholder Engagement

The Committee engages in dialogue with major shareholders on remuneration matters, particularly in relation to planned significant changes in Policy. The Committee also takes into account the views of shareholder organisations and proxy voting agencies. The Committee acknowledges that shareholders have a right to have a 'say on pay' by putting the Remuneration Report and the Remuneration Policy, as required, to advisory votes at the AGM. At the 2021 AGM, a resolution on the Remuneration Report, excluding the Remuneration Policy, will again be put to shareholders, on an advisory rather than on a binding basis. The Remuneration Policy will also be put to shareholders, again on an advisory basis.

Details of shareholders' proxy votes on the 2020 Remuneration Report and Remuneration Policy are set out in the chart opposite, along with a history of votes on remuneration reports and/or policies since 2016.

Employee Engagement

The Committee is conscious of the provisions in the UK Corporate Governance Code on taking account of workplace remuneration in setting policy for executive Director remuneration. The Committee's approach to this matter is detailed on page 119.

UK Companies (Miscellaneous Reporting) Regulations 2018 and Shareholders Rights Directive II

As an Irish-incorporated company, DCC is not subject to the 2018 Regulations. Given our listing on the London Stock Exchange, we continue our established practice of substantially applying these regulations on a voluntary basis.

Following the implementation of the EU Shareholder Rights' Directive II ('SRD II') into Irish law in March 2020, Irish company law now requires an advisory shareholder vote on remuneration report and remuneration policies at AGMs. However, the SRD II requirements only apply to companies whose shares are admitted to trading on an EU regulated market, which, following Brexit, does not include DCC. Nonetheless, we have in this year's Report, substantially reported against SRD II requirements as a matter of good practice.

Priorities for the Year Ahead

Our priorities for the coming year include:

- Adoption of the new LTIP, once approved.
- Taking appropriate account of any potential impacts of the ongoing pandemic.
- Embedding a comprehensive set of ESG metrics in the annual bonus structure.

Conclusion

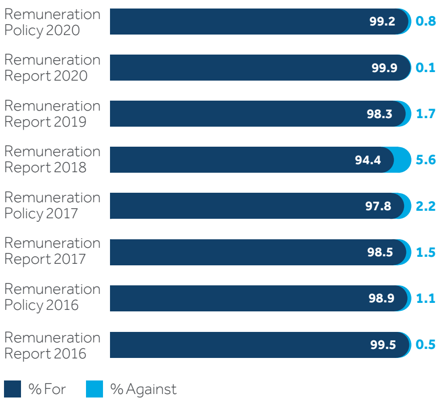
I am satisfied that the Remuneration Committee has implemented the Group's existing Remuneration Policy in the year ended 31 March 2021 in a manner that properly reflects the performance of the Group in the year. I strongly recommend that shareholders vote in favour of the proposed new LTIP, Remuneration Policy and the Remuneration Report at the 2021 AGM.

We welcome and will consider any shareholder feedback on the Remuneration Policy and the Remuneration Report.

On behalf of the Remuneration Committee

David Jukes
Chairman, Remuneration Committee
17 May 2021

AGM Votes on Directors' Remuneration Report and Policy



Remuneration at a Glance

DCC delivered a strong performance in the year ended 31 March 2021 and this strong performance is reflected in the executive Directors' short- and longer-term remuneration.

Adjusted operating profit +7.3%

2021	£530.2m
2020	£494.3m
2019	£460.5m

Adjusted EPS +6.6%

2021	386.6p
2020	362.6p
2019	358.2p

Return on capital employed

2021	17.1%
2020	16.5%
2019	17.0%

Salary

	2022 €	Increase %	2021 €	Increase %	2020 €
Donal Murphy	883,019	3%	857,300	0%	857,300
Kevin Lucey[1]	472,500	5%	450,000	n/a	n/a
Fergal O'Dwyer[2]	–	–	522,750	0%	522,750

1. 2021 salary is with effect from 17 July 2020.
2. 2021 salary is up to 17 July 2020.

Pension

	% of base salary 2022 €	2021 €
Donal Murphy	15%	15%
Kevin Lucey	14%	14%
Fergal O'Dwyer	–	15%

Annual Bonus

The maximum bonus potential that applied to the executive Directors for the year ended 31 March 2021 was 180% of base salary for Donal Murphy and Fergal O'Dwyer (pro-rated for time served) and 150% of base salary for Kevin Lucey.

70% of the annual bonus was based on performance against targets for growth in EPS and 30% was based on overall contribution and attainment of personal/strategic objectives.

Financial objectives – Target growth in EPS:

MIN	MAX
307.0p	371.4p

Actual: 386.6p

Personal/Strategic objectives:
The Remuneration Committee, in determining the achievement of personal/strategic objectives, considered the factors set out on page 124.

Resultant bonus payouts:

	Donal Murphy – % of Salary		Kevin Lucey – % of Salary		Fergal O'Dwyer – % of Salary	
	Max %	Payout %	Max %	Payout %	Max %	Payout %
Growth in EPS	126.0	126.0	105.0	105.0	126.0	126.0
Personal/Strategic objectives	54.0	54.0	45.0	44.55	54.0	54.0
	180.0	180.0[1]	150.0	149.55[1]	180.0	180.0[2]

1. 33% of bonus is deferred into DCC shares and available after 3 years.
2. Bonus payment based on pro-rated salary for time served. As noted in last year's report, deferral does not apply to Mr. O'Dwyer.

For the year ending 31 March 2022, the maximum bonus levels that will apply are 190% of base salary for Donal Murphy and 160% of base salary for Kevin Lucey.

Long-Term Incentive Plan

The extent of vesting of the LTIP awards granted in November 2018 was based on results for the three-year period ended 31 March 2021. The performance conditions which applied to these awards, the actual performance under those conditions and the expected vesting are summarised below.

ROCE

MIN	MAX
14%	17%

Actual: 16.9%

Extent of vesting

39%

EPS excess over UK RPI

MIN	MAX
3%	7%

Actual: 5%

Extent of vesting

25%

TSR outperformance of FTSE 350 Index

MIN	MAX
Index	8%

Actual: -3.7%

Extent of vesting

0%

Total amount of November 2018 awards to vest: 64%

Further details on LTIP on page 125.

Remuneration Report continued

Remuneration Policy Report

DCC's Remuneration Policy ('the Policy') is set out below. As an Irish-incorporated company, DCC is not required to comply with UK regulations that require UK companies to submit their remuneration policies to a binding shareholder vote. In addition, following Brexit, requirements under Irish company law implemented to give effect to the Shareholders Rights Directive II only apply to companies whose shares are admitted to trading on an EU regulated market. However, we recognise the need for our remuneration policies, practices and reporting to reflect best corporate governance practice and have substantially applied these regulations.

The Remuneration Policy, reflecting the renewal of the Company's LTIP outlined in the Chairman's Introduction and on pages 116 to 122, will be submitted to an advisory, non-binding vote at the 2021 AGM.

The Company intends to operate its remuneration arrangements in line with the Remuneration Policy from the date of the 2021 AGM, subject to shareholder approval.

The Policy is designed and managed to support a high performance and entrepreneurial culture, taking into account competitive market positioning.

The Board seeks to align the interests of executive Directors and other senior Group executives with those of shareholders, within the framework set out in the UK Corporate Governance Code. Central to this Policy is the Group's belief in long-term, performance based incentivisation and the encouragement of share ownership.

The basic Policy objective is to have overall remuneration reflect performance and contribution, while maintaining salary rates and the short-term element of incentive payments that are broadly in line with arrangements for companies of similar size, scale and complexity.

DCC's strategy of fostering entrepreneurship requires well-designed incentive plans that reward the creation of shareholder value through organic and acquisitive growth while maintaining high returns on capital employed, strong cash generation and a focus on good risk management. The typical elements of the remuneration package for executive Directors are base salary, pension and other benefits, annual performance-related bonuses and participation in long-term performance plans which promote the creation of sustainable shareholder value.

The Remuneration Committee seeks to ensure:
- that the Group will attract, motivate and retain individuals of the highest calibre;
- that executives are rewarded in a fair and balanced way for their individual and team contribution to the Group's performance;
- that executives receive a level of remuneration that is appropriate to their scale of responsibility and individual performance;
- that the overall approach to remuneration has regard to the sectors and geographies within which the Group operates and the markets from which it draws its executives; and
- that risk is properly considered in setting remuneration policy and in determining remuneration packages.

The Remuneration Committee takes external advice from remuneration consultants on market practice within similar-sized UK-listed and Irish companies to ensure that remuneration remains competitive and structures continue to support the key remuneration policy objectives. Benchmarking data is used to inform remuneration decisions, but not to drive changes.

In its decision-making process regarding the determination of the revised LTIP and Remuneration Policy, the Remuneration Committee considered its appropriateness to support the business, its alignment with shareholders' interests and evolving best practice and regulatory developments. The Committee also consulted with the Company's major shareholders on the revised LTIP and their views were overall very positive.

The Committee is mindful of managing any conflicts of interest. No individual was involved in determining his/her own remuneration arrangements.

Element and link to strategy	Operation	Maximum opportunity	Changes from previous policy
Base Salary			
Attract and retain skilled and experienced senior executives.	Base salaries are reviewed annually on 1 April. The factors taken into account include: • Role and experience • Company performance • Personal performance • Competitive market practice • Salary increases across the Group • Benchmarking versus companies of similar size and complexity within UK and Irish markets When setting pay policy, account is taken of movements in pay generally across the Group.	No prescribed maximum base salary or maximum annual increase. General intention that any increases will be in line with the increase across the Group's workforce. Increases may be higher in certain circumstances such as changes in role and responsibility or significant changes in market practice.	No change.
Benefits			
To provide market competitive benefits.	Benefits include the use of a company car, life/disability cover, health insurance and club subscriptions.	No maximum level has been set as payments depend on individual circumstances.	No change.
Annual Bonus			
To reward the achievement of annual performance targets.	Bonus payments to executive Directors are based upon meeting pre-determined targets for a number of key measures, including Group earnings and overall contribution and attainment of personal/strategic objectives. The personal/strategic targets are focused on areas such as delivery on strategy, organisational development, IT, investor relations, financing, risk management, sustainability/ESG and talent development/succession planning. The measures, their weighting and the targets are reviewed on an annual basis. The current measures for the executive Directors, and their weighting, are set out on page 132. The targets are considered commercially confidential and will not be disclosed on a prospective basis, but, to the extent no longer confidential, will be disclosed retrospectively. Bonus levels are determined by the Committee after the year end based on actual performance achieved. The Committee can apply appropriate discretion in specific circumstances in respect of determining the bonuses to be awarded. In particular, the Committee has the discretion to reduce bonuses in the event that a pre-determined target return on capital employed is not achieved. In regard to the executive Directors, 33% of any bonus earned, once the appropriate tax and social security deductions have been made, will be invested in DCC shares which will be made available to them after three years, or on their employment terminating if earlier, together with accrued dividends. A formal clawback policy is in place for the executive Directors, under which bonuses are subject to clawback for a period of three years in the event of a material restatement of financial statements or other specified events. Further details on clawback policy are set out on page 119. The Committee has discretion in relation to bonus payments to joiners and leavers.	The maximum bonus potential, for the executive Directors, permitted under the Policy is 200% of base salary. The Remuneration Committee will set a maximum to apply for each financial year, which will be disclosed in the Annual Report on Remuneration. A defined target level of performance has been set for which 50% of maximum bonus is payable.	No change.

Remuneration Report continued

Element and link to strategy	Operation	Maximum opportunity	Changes from previous policy
Long-Term Incentive Plan ('LTIP')			
To align the interests of executives with those of the Group's shareholders and to reflect the Group's culture of long-term performance based incentivisation.	The LTIP provides for the Remuneration Committee to grant nominal cost (€0.25) options to acquire shares to Group employees, including executive Directors. The vesting period is normally three years from the date of grant, with the extent of vesting being determined over three years, based on the performance conditions set out in the Annual Report on Remuneration. There is a two-year hold period as a post vest sale restriction for the executive Directors. In addition to the detailed performance conditions, an award will not vest unless the Remuneration Committee is satisfied that the Company's underlying financial performance has shown a sustained improvement in the three-year period since the award date. The extent of vesting for awards granted to participants will be determined by the Remuneration Committee, in its absolute discretion, based on the performance conditions set out in the Annual Report on Remuneration each year. No re-testing of the performance conditions is permitted. The performance conditions and their relative weighting may be modified by the Remuneration Committee in accordance with the Rules of the LTIP, provided that they remain no less challenging and are aligned with the interests of the Company's shareholders. A formal clawback policy is in place, under which awards are subject to clawback in the event of a material restatement of financial statements or other specified events. Further details on this clawback policy are set out on page 119.	The market value of the shares subject to the options granted in respect of any accounting period may not normally exceed 200% of base salary. In exceptional circumstances, the market value of the shares subject to the options granted in respect of any accounting period may not exceed 300% of base salary. This higher limit will only be used in exceptional circumstances, for example if necessary, in the case of external recruitment.	Reduce the vesting period from five years to three years and put in place a two-year hold period as a post-vest sale restriction for executive Directors.
Pension			
To reward sustained contribution.	The executive Directors are eligible to participate in a defined contribution pension scheme (or receive cash in lieu of contributions to a defined contribution pension scheme).	Pension contributions (paid into the defined contribution scheme or paid as cash in lieu) for existing executive Directors are capped at 15% of base salary, in line with the broader workforce. Newly appointed executive Directors will receive pension contributions in line with the broader workforce. Pensionable salary is defined as base salary.	No change.

Remuneration Committee Discretion
The discretion available to the Committee in respect of the various elements of executive remuneration is summarised below.

Pay element	Discretion available
Bonus	The Committee can apply appropriate discretion in specific circumstances in respect of the financial and personal/non-financial/strategic targets which determine the bonuses to be awarded and, in particular, the Committee has the discretion to reduce bonuses in the event that a pre-determined target return on capital employed is not achieved.
LTIP	The extent of vesting for awards granted to participants is determined by the Remuneration Committee, in its absolute discretion, based on certain performance conditions.

Payments from Existing Awards
Subject to the achievement of the applicable performance conditions, executive Directors are eligible to receive payment from any award made prior to the approval and implementation of the Remuneration Policy detailed in this Report.

Clawback Policy
Bonus payments made to executives may be subject to clawback for a period of three years from payment in certain circumstances including:
- a material restatement of the Company's audited financial statements;
- a material breach of applicable health and safety regulations; or
- business or reputational damage to the Company or a subsidiary arising from a criminal offence, serious misconduct or gross negligence by the individual executive.

The LTIP allows for the giving of discretion to the Remuneration Committee to reduce or impose further conditions on awards prior to vesting in some circumstances as outlined above.

Remuneration Policy for Recruitment of New Executive Directors
In determining the remuneration package for a new executive Director, the Remuneration Committee would be guided by the principle of offering such remuneration as is required to attract, retain and motivate a candidate with the particular skills and experience required for a role, if it considers this to be in the best interests of the Company and the shareholders. The Remuneration Committee will generally set a remuneration package which is in accordance with the terms of the approved Remuneration Policy in force at the time of the appointment, though the Committee may make payments outside of the Policy if required in the particular circumstances and if in the best interests of the Company and the shareholders. Any such payments which relate to the buyout of variable pay (bonuses or awards) from a previous employer will be based on matching the estimated fair value of that variable pay and will take account of the performance conditions and the time until vesting of that variable pay.

For an internal appointment, any variable pay element awarded in respect of the prior role and any other ongoing remuneration obligations existing prior to appointment would be honoured.

Remuneration Policy for Other Employees
While the Remuneration Committee's specific oversight of individual executive remuneration packages extends only to the executive Directors and a number of senior Group executives, it aims to create a broad policy framework, to be applied by management to senior executives throughout the Group, through its oversight of remuneration structures for other Group and subsidiary senior management and of any major changes in employee benefits structures throughout the Group.

DCC employs 13,700 people in 20 countries. Remuneration arrangements across the Group differ depending on the specific role being undertaken, the industry in which the business operates, the level of seniority and responsibilities, the location of the role and local market practice.

Consultation with Employees
Wider company pay policies are considered by the Remuneration Committee at various meetings throughout the year. The Committee takes these and broader pay practices and trends into account when making compensation decisions for executive Directors. The Annual Report sets out the relationship between executive Director pay and the average remuneration of Group employees and also how salary increases and pension contributions for executive Directors align with the broader workforce. A copy of the Annual Report is issued to every business in the Group. Internal communication events, such as town halls, then allow employees to raise any questions that they may have on this and other issues.

Consultation with Shareholders
The Committee engages in dialogue with major shareholders on remuneration matters, particularly in relation to planned significant changes in Policy. The Committee also takes into account the views of shareholder organisations and proxy voting agencies.

The Committee acknowledges that shareholders have a right to have a 'say on pay' by putting the Remuneration Report and the Remuneration Policy, as required, to advisory votes at the AGM.

Remuneration Report continued

Exit Payments Policy
The provisions on exit in respect of each of the elements of pay are as follows:

Salary and Benefits

Exit payments are made only in respect of base salary for the relevant notice period. The Committee may in its discretion also allow for the payment of benefits (such as payments in lieu of defined contribution pension) for the notice period. In all cases, the notice period applies to both the Company and the executive.

Annual Bonus

The Remuneration Committee can apply appropriate discretion in respect of determining the bonuses to be awarded based on actual performance achieved and the period of employment during the financial year.

In relation to deferred bonuses which have been invested in DCC shares, they will be made available on the participant's cessation date, together with accrued dividends.

Long-Term Incentive Plan

To the extent that a share award or option has vested on the participant's cessation date, the participant may exercise the share award or option during a specified period following such date but in no event may the share award or option be exercised later than the expiry date as specified in the award certificate.

In general, a share award or option that has not vested on the participant's cessation date immediately lapses.

The Committee would normally exercise its discretion when dealing with a participant who ceases to be an employee by reason of certain exceptional circumstances e.g. death, injury or disability, redundancy, retirement or any other exceptional circumstances. In such circumstances, any share award or option that has not already vested on the participant's cessation date would be eligible for vesting on a date determined by the Remuneration Committee. The number of shares, if any, in respect of which the share award or option vests would be determined by the Remuneration Committee.

The approach for 'good leavers' is to pro-rate awards based on time served as a proportion of the three-year vesting period. The extent of vesting under the performance conditions will be determined in the normal way at the end of the three-year vesting period.

In the event that a participant ceases to be an employee by reason of a termination of his employment for serious misconduct, each share award and option held by the participant, whether or not vested, will automatically lapse immediately upon the service of notice of such termination, unless the Committee in its sole discretion determines otherwise.

Pension

The rules of the Company's defined contribution pension scheme contain detailed provisions in respect of termination of employment.

Service Contracts
Donal Murphy has a service agreement with the Company with a notice period of six months. This service agreement provides that either he or the Company could terminate his employment by giving six months' notice in writing. The Company may, at its sole discretion, require that Mr. Murphy, instead of working out the period of notice, ceases employment immediately in which case he would receive compensation in the form of base salary only in respect of the notice period. The service contract also provides for summary termination (i.e. without notice) in a number of circumstances, including material breach or grave misconduct. The service agreement does not include any provisions for compensation for loss of office, other than the notice period provisions set out above.

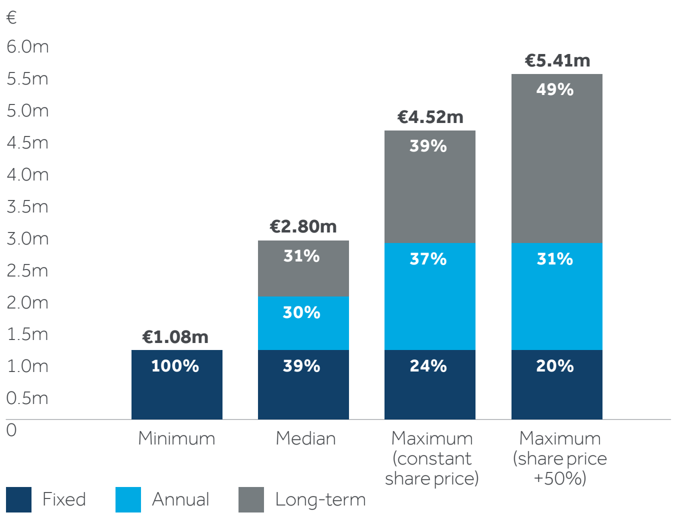
Kevin Lucey has a letter of appointment which provides for a six month notice period. This letter of appointment provides that either he or the Company could terminate his employment by giving six months' notice in writing. The Company may, at its sole discretion, require that Mr. Lucey, instead of working out the period of notice, ceases employment immediately in which case he would receive compensation in the form of base salary only in respect of the notice period. The letter of appointment also provides for summary termination (i.e. without notice) in a number of circumstances, including material breach or grave misconduct. The letter of appointment does not include any provisions for compensation for loss of office, other than the notice period provisions set out above.

Scenario Charts

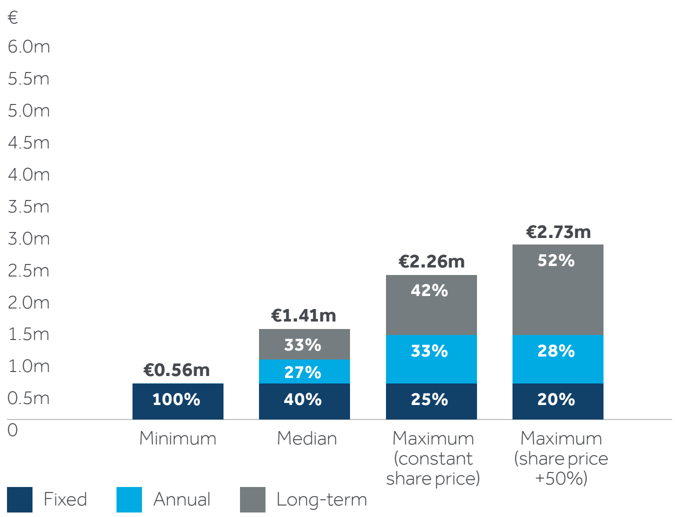
Set out below is an illustration of the potential future remuneration that could be received by each executive Director for the year ending 31 March 2022 at minimum, median and maximum performance (assuming (i) a constant share price and (ii) an uplift of 50% in the share price).

As the Directors are paid in euro, the Remuneration Committee considers it appropriate that the figures disclosed in this Report continue to be presented in euro.

Donal Murphy, Chief Executive



Kevin Lucey, Chief Financial Officer



Notes:

Minimum Performance comprises:
- Fixed pay – base salary, benefits and retirement benefit expense.
- No annual bonus payout.
- No LTIP vesting.

Median Performance comprises:
- Fixed pay – base salary, benefits and retirement benefit expense.
- 50% annual bonus payout i.e. 95% of salary for CE and 80% of salary for CFO.
- 50% vesting of LTIP i.e. 100% of salary.

Maximum Performance (constant share price) comprises:
- Fixed pay – base salary, benefits and retirement benefit expense.
- 100% annual bonus payout i.e. 190% of salary for CE and 160% of salary for CFO.
- 100% vesting of LTIP i.e. 200% of salary.

Maximum Performance (share price + 50%) comprises:
- Fixed pay – base salary, benefits and retirement benefit expense.
- 100% annual bonus payout i.e. 190% of salary for CE and 160% of salary for CFO.
- 100% vesting of LTIP and 50% uplift in share price, equating to 300% of salary.

Share Ownership Guidelines

DCC's Remuneration Policy has at its core a recognition that the spirit of ownership and entrepreneurship is essential to the creation of long-term high performance and that share ownership is important in aligning the interests of executive Directors and other senior Group executives with those of shareholders.

A set of share ownership guidelines is in place, effective from 1 April 2011, under which the Chief Executive, other executive Directors and other senior Group executives are encouraged to build, over a five-year period, a shareholding in the Company with a valuation relative to base salary as follows:

Executive	Share ownership guideline
Chief Executive	3 times annual base salary
Other executive Directors	2 times annual base salary
Senior Group executives	1 times annual base salary

The position of the executive Directors and senior Group executives under the Share Ownership Guidelines is reviewed annually by the Remuneration Committee. The position of the executive Directors as at 31 March 2021 is set out in the Annual Report on Remuneration on page 131.

Remuneration Report continued

Post-Employment Share Ownership Requirements

In accordance with the requirements of Provision 36 of the UK Corporate Governance Code, the Remuneration Committee has introduced, with effect from 1 April 2019, Post-Employment Share Ownership Requirements under which the Chief Executive and other executive Directors are required, after leaving the Group, including through retirement, to maintain a shareholding in the Company for a two-year period, as below:

Executive	Ratio of Share Ownership to Base Salary
Chief Executive	3 times annual base salary
Other executive Directors	2 times annual base salary

Base salary will be the base salary of the Director in effect at the date of ceasing employment.

For the purposes of these Requirements, share ownership will include shares, vested share options, unvested options no longer subject to performance conditions, deferred bonus share awards, restricted stock awards and any other vested or unvested share awards made under incentive plans operated by the Company which are not subject to performance conditions.

Shares held by a Director's spouse and/or minor children and shares held in any trust for the benefit of the Director and/or his/her spouse and minor children will be counted towards the share ownership requirement.

The valuation of the shareholdings in the Company will be reviewed at the end of each year, based on the closing market price of the Company's shares. If the required ratio fails to be met due to factors other than a decrease in the market price of the Company's shares, the Director will be allowed an additional period of 12 months, or such other period as the Remuneration Committee may determine, to bring the shareholding back to the required level.

Policy on External Board Appointments

Executive Directors may accept external non-executive directorships with the prior approval of the Board. The Board recognises the benefits that such appointments can bring both to the Company and to the Director in terms of broadening their knowledge and experience. The fees received for such roles may be retained by the executive Directors.

Mr. Murphy and Mr. Lucey do not currently hold any external board appointments.

Policy for non-executive Directors

Fees	Operation	Maximum Opportunity
The fees paid to non-executive Directors reflect their experience and ability and the time demands of their Board and Board Committee duties. A basic non-executive Director fee is paid for Board membership. Additional fees are paid to the members and the chairmen of Board Committees, to the Chairman and to the Senior Independent Director. Additional fees may be paid in respect of Company advisory boards.	The remuneration of the Chairman is determined by the Remuneration Committee for approval by the Board. The Chairman absents himself from the Committee meeting while this matter is being considered. The remuneration of the other non-executive Directors is determined by the Chairman and the Chief Executive for approval by the Board. The fees are reviewed annually, taking account of any changes in responsibilities and advice from external remuneration consultants on the level of fees in a range of comparable Irish and UK companies.	No prescribed maximum annual increase. In accordance with the Articles of Association, shareholders set the maximum aggregate ordinary remuneration (basic fees, excluding fees for committee membership and chairman fees). The current limit of €850,000 was set at the 2019 AGM. Non-executive Directors do not participate in the Company's LTIP and do not receive any pension benefits from the Company.

Non-executive Directors' Letters of Appointment

The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company.

Annual Report on Remuneration

This section of the Remuneration Report gives details of remuneration outcomes for the year ended 31 March 2021, sets out how DCC's proposed new Remuneration Policy, as described on pages 116 to 122, will operate in the year ending 31 March 2022 and provides additional information on the operation of the Remuneration Committee.

Remuneration Outcomes for the Year Ended 31 March 2021

The table below sets out the total remuneration and breakdown of the elements received by each serving Director in relation to the year ended 31 March 2021, together with prior year comparatives. An explanation of how the figures are calculated follows the table.

Executive Directors' Remuneration Details

	Salary		Benefits		Bonus		Retirement Benefit Expense		Restricted Retirement Stock		LTIP		Audited Total	
	2021 €'000	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000
Donal Murphy	**857**	857	**65**	66	**1,543**	815	**129**	129	**–**	–	**1,136**	747	**3,730**	2,614
Kevin Lucey[1]	**316**	–	**22**	–	**473**	–	**44**	–	**–**	–	**285**	–	**1,140**	–
Fergal O'Dwyer[2]	**155**	523	**10**	34	**280**	501	**23**	78	**170**	575	**385**	456	**1,023**	2,167
	1,328	1,380	**97**	100	**2,296**	1,316	**196**	207	**170**	575	**1,806**	1,203	**5,893**	4,781

1. Kevin Lucey was appointed as CFO and to the Board on 17 July 2020. His remuneration reflected in the above table relates to remuneration for the period 17 July 2020 to 31 March 2021.
2. Fergal O'Dwyer retired as CFO and from the Board on 17 July 2020. His 2021 remuneration reflected in the above table relates to remuneration for the period 1 April 2020 to 17 July 2020.

Fixed remuneration comprises Salary, Benefits, Retirement Benefit Expense and, in the case of Mr. O'Dwyer, Restricted Retirement Stock. Variable remuneration comprises Bonus and LTIP. The proportion of fixed and variable remuneration for the year ended 31 March 2021 for Mr. Murphy was 28:72, for Mr. Lucey was 34:66 and for Mr. O'Dwyer was 35:65.

Salary

The salaries of the executive Directors for the year ended 31 March 2021 were not increased from the prior year as shown in the table below.

Fergal O'Dwyer's salary was paid up to 17 July 2020 (the date of his retirement as CFO). Kevin Lucey's salary of €450,000 commenced on 17 July 2020 (the date of his appointment as CFO).

	Salary €	Increase %
Donal Murphy	857,300	0%
Kevin Lucey	450,000	n/a
Fergal O'Dwyer	522,750	0%

Benefits

Benefits include the use of a company car, life/disability cover, health insurance and club subscriptions.

Determination of Bonuses for the Year Ended 31 March 2021

Several Group subsidiaries obtained government funding during the year under government schemes designed to protect jobs that were placed at risk by the Covid-19 pandemic. The total amount obtained under these schemes was modest in the context of the Group. However, as trading across the Group proved resilient over the year, DCC has repaid all furlough or similar employee related government supports received during the year.

The Committee is satisfied that the executive Directors' short- and longer-term remuneration properly reflects the Group's strong performance in the year.

The table below sets out the performance in the year ended 31 March 2021 in terms of growth in Group adjusted earnings per share ('Group EPS') compared to the performance target range set for the year.

	Target		
	Minimum	Maximum	Outcome
Group EPS	307.0p	371.4p	386.6p

The Group EPS outcome compared to the range set resulted in the Remuneration Committee determining that there should be payment of 100% of the bonuses related to this performance target.

Remuneration Report continued

In regard to the achievement of targets set for overall contribution and personal/strategic objectives, the Remuneration Committee considered the following matters:

Executive Director	Area	Measure of Success	
Donal Murphy, Chief Executive	Operational Excellence:	Ensured successful implementation and development of large-scale ERP projects, without business disruption.	●
	Innovation:	Deepened Group focus on Innovation across 'product, process and business models'. Championed the drive to 'digitise' the business, particularly throughout the global pandemic and set clear Group priorities and supporting measures.	●
	Strategy:	Continued to evolve and adapt approaches to strategy and development against the challenging and dynamic environment presented by the pandemic. In spite of this challenging environment, the Group committed approximately £375 million to acquisitions in the year ended 31 March 2021.	●
	Climate Change & Energy Transition:	Further developed our approach to energy transition, including an assessment and planning approach for new energy technologies.	●
	People & Social:	Supported the smooth transition of a new Group CFO. In close consultation with the Board and the Head of Group HR, developed appropriate plans to ensure succession coverage for senior management roles. Developed and 'rolled out' a clear plan to engage DCC colleagues and the wider stakeholders on the Group's purpose. Rolled out the new inclusion and diversity policy/programme across the Group.	●
	Safety & Environment:	Worked decisively and effectively to formulate and implement plans to respond to the impact of the Covid-19 pandemic and ensure the safety, health and well-being of all DCC employees.	●
Kevin Lucey, Chief Financial Officer (from 17 July 2020)	Innovation:	Worked closely with the CEO in the drive to 'digitise' the business, particularly throughout the global pandemic and set clear Group priorities and supporting measures.	●
	Financial Strategy:	Against the backdrop of a challenging environment, continued to successfully steward DCC's financial strategy and developed plans to optimise DCC's capital structure.	●
	Climate Change & Energy Transition:	Worked closely with the CEO to ensure the Group's strategy on energy transition was effectively communicated to the market.	●
	People & Social:	Strengthened the Group Finance function including the significant strengthening of the IR function. In close consultation with the CEO, worked effectively to formulate and implement plans and initiatives to respond to the impact of the Covid-19 pandemic and ensure the safety, health and well-being of all DCC employees.	●
	Safety & Environment:	Was a visible leader in re-enforcing DCC's strong safety culture.	●

● Fully met ● Partially met ● Not met

The Remuneration Committee considered the outcomes as set out above and determined that they were appropriate in the circumstances and no discretion was applied.

In relation to Mr. O'Dwyer, the Committee concluded that his performance against personal/strategic objectives during the period up to his retirement on 17 July 2020 merited full payment (pro-rated to reflect time served) in respect of this element of remuneration.

Accordingly, the Committee determined that 100% of this element of the bonus should be awarded to Mr. Murphy, 99% of this element of the bonus should be awarded to Mr. Lucey and 100% of this element of the bonus should be awarded to Mr. O'Dwyer.

The resultant bonus payout levels for the year ended 31 March 2021 were as follows:

	Donal Murphy – % of Salary		Kevin Lucey – % of Salary		Fergal O'Dwyer – % of Salary	
Component	Max %	Payout %	Max %	Payout %	Max %	Payout %
Group EPS	126.0	126.0	105.0	105.0	126.0	126.0
Contribution and Personal/Strategic	54.0	54.0	45.0	44.55	54.0	54.0
	180.0	180.0	150.0	149.55	180.0	180.0

In the case of Mr. Murphy and Mr. Lucey, 33% of their bonuses, net of tax and social security deductions, will be invested in DCC shares, which will be made available to them after three years, or on employment terminating if earlier, together with accrued dividends. As noted in last year's report, deferral will not apply to Mr. O'Dwyer. In addition, his bonus payment will be based on pro-rated salary for time served.

Retirement Benefit Expense

Retirement Benefit Expense for Donal Murphy and Fergal O'Dwyer comprised 15% of base salary in the form of a cash allowance, in lieu of contribution to a defined contribution pension scheme. Kevin Lucey is part of a defined contribution pension scheme in which a 14% employer contribution is in place.

Restricted Retirement Stock

Fergal O'Dwyer received an annual award of DCC plc shares with a value of €575,000 (pro-rated for the period 1 April 2020 to 17 July 2020). Mr. O'Dwyer has a right to 25,793 shares in total under the Restricted Retirement Stock arrangement. These shares vested upon Mr. O'Dwyer's retirement on 17 July 2020.

Long-Term Incentive Plan

The values of the LTIP as shown in the table on page 123 for 2021 and 2020 relate to awards made in November 2018 and November 2017 respectively.

LTIP – 2021
(November 2018 grants)

The LTIP awards granted in November 2018 will vest in November 2023 (five years after the grant date). The extent of vesting will be formally determined by the Committee in November 2021 and will be based on ROCE performance (40% of the total award), EPS performance (40% of the total award) and TSR performance (20% of the total award) over the three-year period ended 31 March 2021.

DCC's average ROCE for the three years ended 31 March 2021 was 16.9%. As this was within the range of 14% to 17% set for minimum to maximum vesting, 97.5% of this portion of the award (39% of the total award) will vest.

DCC's adjusted EPS increased by 7.2% annualised over the three-year period. UK RPI increased by 2.2% annualised over the same period. As the excess over RPI was greater than the 3% minimum and less than the 7% excess set for maximum vesting, 62.5% of this portion of the award (25% of the total award) will vest.

An analysis was conducted by Willis Towers Watson to measure the level of DCC's TSR performance relative to the FTSE 350 Index over the three-year period ended 31 March 2021. This analysis showed that DCC's TSR annualised underperformance of the FTSE 350 Index was -3.7%. As such, none of this portion of the award will vest.

Consequently, the Group's ROCE, EPS and TSR performance is expected to give rise to a vesting of 64%.

The value of the LTIP for the year ended 31 March 2021 of €1,805,775 is estimated using the number of options expected to vest in November 2023 (and in the case of Mr. O'Dwyer pro-rated based on time served as a proportion of the 3-year vesting period) and the share price at 31 March 2021 of €73.82 (£62.90) less the amount payable to purchase the shares (i.e. the exercise cost).

As the share price at the end of the performance period on 31 March 2021 was higher than the share price at the date of grant, the values attributable to share price appreciation were €64,045 for Donal Murphy, €16,068 for Kevin Lucey and €21,694 for Fergal O'Dwyer.

LTIP – 2020
(November 2017 grants)

The LTIP awards granted in November 2017 will vest in November 2022 (five years after the grant date). The extent of vesting, which has been determined by the Committee, was based on ROCE performance (40% of the total award), EPS performance (40% of the total award) and TSR performance (20% of the total award) over the three-year period ended 31 March 2020.

DCC's average ROCE for the three years ended 31 March 2020 was 17%. As this was within the range of 14% to 18% set for minimum to maximum vesting, 81.25% of this portion of the award (32.5% of the total award) will vest.

DCC's adjusted EPS increased by 8.5% annualised over the three-year period. UK RPI increased by 2.8% annualised over the same period. As the excess over RPI was greater than the 3% minimum and less than the 7% excess set for maximum vesting, 75.62% of this portion of the award (30.25% of the total award) will vest.

An analysis was conducted by Willis Towers Watson to measure the level of DCC's TSR performance relative to the FTSE 350 Index over the three-year period ended 31 March 2020. This analysis showed that DCC's TSR annualised underperformance of the FTSE 350 Index was -5.4%. As such, none of this portion of the award will vest.

Consequently, the Remuneration Committee determined that 62.75% of the November 2017 awards will vest in November 2022.

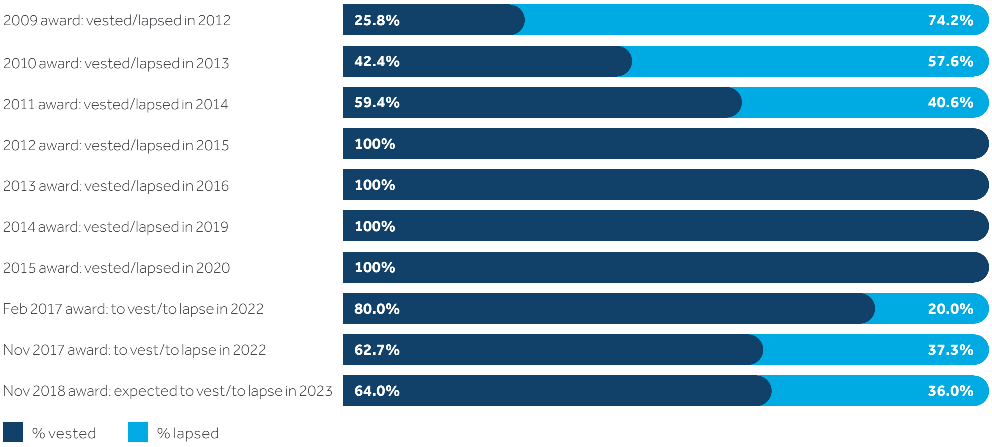
The value of the LTIP for the year ended 31 March 2020 of €1,203,000 is calculated using the number of options which will vest in November 2022 and the share price at 31 March 2020 of €57.54 (£51.00) less the amount payable to purchase the shares (i.e. the exercise cost).

As the share price at the end of the performance period on 31 March 2020, was lower than the share price at the date of grant, there is no value attributable to a share price uplift to be disclosed.

Remuneration Report continued

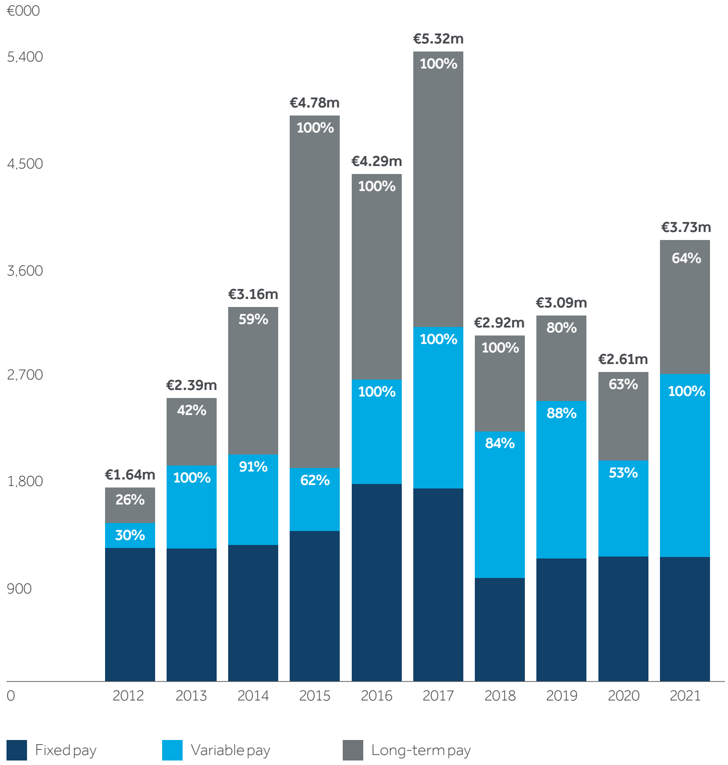
LTIP – Vesting

The extent of vesting of awards made under the LTIP since its introduction in 2009 is set out below.



Chief Executive's Remuneration

The chart below shows the total remuneration for the Director undertaking the role of Chief Executive for the ten years from 1 April 2011 to 31 March 2021. The years 2012 to 2017 inclusive relate to Tommy Breen and the years 2018 to 2021 relate to Donal Murphy.



Notes:
1. Fixed pay comprises salary, benefits and retirement benefit expense.
2. Variable pay comprises the annual bonus; the percentage shown is the value of the bonus paid as a percentage of the maximum opportunity.
3. Long-term pay comprises the value of awards under the DCC plc Long-Term Incentive Plan 2009; the percentage shown is the value of the awards vested as a percentage of the maximum opportunity (actual vesting for 2012 to 2020 and expected vesting for 2021).

Changes in Remuneration of the Directors

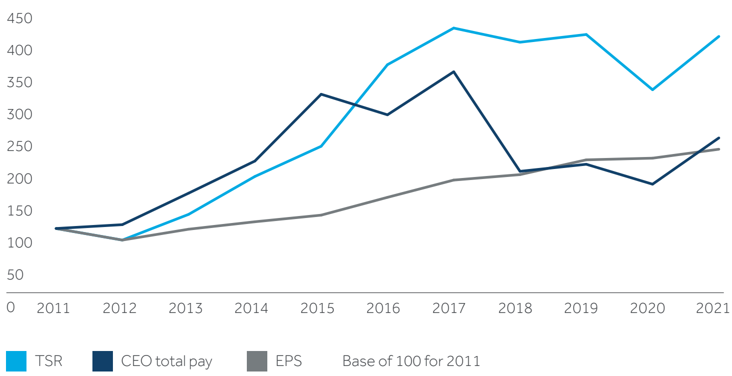
Details of the percentage change in each Director's salary, benefits and annual bonus, along with the average total remuneration of Group employees, from the year ended 31 March 2020 to the year ended 31 March 2021, are set out in the table below.

	% change between 2019/2020 and 2020/2021		
	Salary/Fees	Benefits	Bonus
Executive Directors			
Donal Murphy	0%	-1%	+89%
Kevin Lucey	n/a	n/a	n/a
Fergal O'Dwyer[1]	0%	0%	+88%
Non-executive Directors[2]			
John Moloney	0%	n/a	n/a
Mark Breuer	16%	n/a	n/a
Caroline Dowling	19%	n/a	n/a
Tufan Erginbilgic	n/a	n/a	n/a
David Jukes	14%	n/a	n/a
Pamela Kirby	0%	n/a	n/a
Jane Lodge	0%	n/a	n/a
Cormac McCarthy	1%	n/a	n/a
Mark Ryan	0%	n/a	n/a
Leslie Van de Walle[3]	0%	n/a	n/a
Average remuneration of Group employees[4]	+1%		

1. As Mr. O'Dwyer retired from the Board on 17 July 2020, his 2020/2021 remuneration relates to the period from 1 April 2020 to 17 July 2020. As such, for the purposes of this table, his 2019/2020 remuneration has been pro-rated for an equivalent period.
2. The increases for the non-executive Directors reflect Committee membership and role changes. There were no changes to fee levels during the year.
3. As Mr. Van de Walle retired from the Board on 17 July 2020, his 2020/2021 remuneration relates to the period 1 April 2020 to 17 July 2020. As such, for the purposes of this table, his 2019/2020 remuneration has been pro-rated for an equivalent period.
4. This is the average increase for all Group employees as a whole.

Chief Executive's Remuneration versus EPS and TSR

This graph maps the total remuneration for the Director undertaking the role of Chief Executive against the 10-year trend in EPS and TSR, using a base of 100 for 2011 for comparator purposes.



Chief Executive Pay Ratio

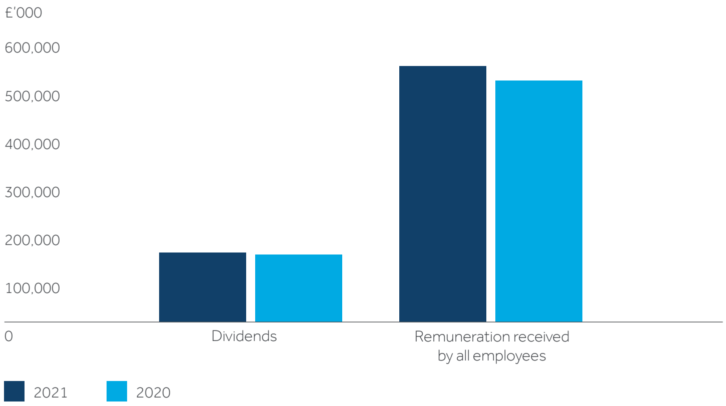
The Chief Executive's total remuneration for the year ended 31 March 2021 is 81 times that of the average Group employee for the same period.

In addition, taking account of the UK Companies (Miscellaneous Reporting) Regulations, we are voluntarily disclosing the ratio of Chief Executive's total pay to the average UK employee's total pay, based on UK gender pay gap data, of 95 times.

Remuneration Report continued

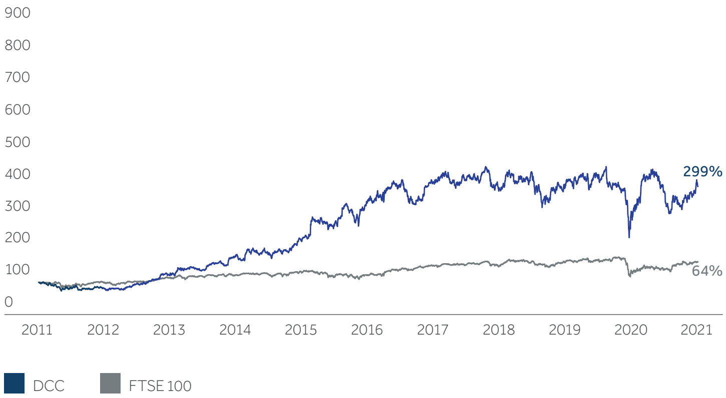
Relative Importance of Spend on Pay

The chart below sets out the amount paid in remuneration to all employees of the Group compared to dividends to shareholders, for 2021 and 2020.



Total Shareholder Return

The chart below shows the growth of a hypothetical £100 holding in DCC plc shares since 1 April 2011, relative to the FTSE 100 Index.



Non-executive Directors' Remuneration Details

The remuneration paid to non-executive Directors for the year ended 31 March 2021 is set out below. Non-executive Directors are paid a basic fee. Additional fees are paid to the members and the Chairmen of Board Committees, to the Chairman and to the Senior Independent Director.

	Basic Fee		Committee Chair and Membership Fees		Chairman/Senior Independent Director Fees		Audited Total	
	2021 €'000	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000	**2021 €'000**	2020 €'000
John Moloney	**73**	73	**8**	8	**233**	233	**314**	314
Mark Breuer	**73**	73	**8**	8	**13**	–	**94**	81
Caroline Dowling[1]	**73**	65	**13**	7	**–**	–	**86**	72
Tufan Erginbilgic	**73**	–	**8**	–	**–**	–	**81**	–
David Jukes	**73**	73	**5**	5	**11**	–	**89**	78
Pamela Kirby	**73**	73	**8**	8	**–**	–	**81**	81
Jane Lodge	**73**	73	**23**	23	**–**	–	**96**	96
Cormac McCarthy	**73**	73	**9**	8	**–**	–	**82**	81
Mark Ryan	**73**	73	**8**	8	**–**	–	**81**	81
Leslie Van de Walle[2]	**22**	73	**7**	23	**4**	15	**33**	111
Total	**679[3]**	649	**97**	98	**261**	248	**1,037**	995

1. Caroline Dowling was appointed as a Director on 13 May 2019.
2. Leslie Van de Walle retired as a Director on 17 July 2020.
3. Compares to current shareholder approved limit of €850,000.

All of the above fees are considered to be fixed remuneration under the Shareholders Rights Directive II.

Total Directors' Remuneration

	Audited Total 2021 €'000	2020 €'000
Executive Directors		
Salary	**1,328**	1,380
Benefits	**97**	100
Bonus	**2,296**	1,316
Retirement Benefit Expense	**196**	207
Restricted Retirement Stock	**170**	575
LTIP	**1,806**	1,203
Total executive Directors' remuneration	**5,893**	4,781
Non-executive Directors		
Fees	**1,037**	995
Total non-executive Directors' remuneration	**1,037**	995
Total Directors' remuneration	**6,930**	5,776

Executive and Non-executive Directors' and Company Secretary's Interests

The interests of the Directors and the Company Secretary (including shares held by connected persons) in the share capital of DCC plc at 31 March 2021 (together with their interests at 31 March 2020) are set out below:

	No. of Ordinary Shares At 31 March 2021	No. of Ordinary Shares At 31 March 2020
Directors		
John Moloney	**2,000**	2,000
Donal Murphy[1]	**145,334**	129,849
Mark Breuer	**1,197**	340
Caroline Dowling	**500**	–
Tufan Erginbilgic[2]	**–**	–
David Jukes	**94**	94
Pamela Kirby	**2,500**	2,500
Jane Lodge	**3,000**	3,000
Kevin Lucey[3]	**10,000**	10,000
Cormac McCarthy	**2,000**	1,200
Fergal O'Dwyer (FY 2021 holding at date of leaving on 17 July 2020)[4]	**213,480**	213,480
Mark Ryan	**9,696**	9,696
Leslie Van de Walle (FY 2021 holding at date of leaving on 17 July 2020)	**670**	670
Company Secretary		
Darragh Byrne[5]	**6,743**	5,252
Gerard Whyte (FY 2021 holding at date of leaving on 2 October 2020)	**160,000**	155,000

1. Donal Murphy's 2021 and 2020 holdings include 6,707 and 6,529 shares respectively held under the deferred bonus arrangement as detailed on page 117.
2. Tufan Erginbilgic was appointed as a Director on 6 April 2020.
3. Kevin Lucey was appointed as CFO on 17 July 2020 and his opening shareholding is reflected as at that date.
4. Fergal O'Dwyer's 2021 and 2020 holdings include 4,591 shares held under the deferred bonus arrangement as detailed on page 117. In addition to the above holdings, Mr. O'Dwyer has a right to 25,793 shares under the Restricted Retirement Stock arrangement. These shares vested upon Mr. O'Dwyer's retirement on 17 July 2020.
5. Darragh Byrne was appointed as General Counsel & Company Secretary on 2 October 2020 and his opening shareholding is reflected as at that date.

All of the above interests were beneficially owned. Apart from the interests disclosed above, the Directors and the Company Secretary had no interests in the share capital or loan stock of the Company or any other Group undertaking at 31 March 2021.

There were no changes in the above Directors' and Secretary's interests between 31 March 2021 and 17 May 2021.

Details of the share ownership guidelines which apply to the executive Directors are set out on page 131 of this Report.

The Company's Register of Directors' Interests (which is open to inspection) contains full details of Directors' shareholdings and share options.

Remuneration Report continued

Executive Directors' and Company Secretary's Long-Term Incentives

DCC plc Long-Term Incentive Plan 2009

Details of the executive Directors' and the Company Secretary's awards, in the form of nominal cost (€0.25) options, under the DCC plc Long-Term Incentive Plan 2009 are set out below:

	Number of options									
	At 31 March 2020	Granted in year	Exercised in year	Lapsed in year	**At 31 March 2021**	Date of grant	Market price on grant	Three-year performance period end	Normal exercise period	Market price at date of exercise £
Executive Directors										
Donal Murphy	12,059	–	(12,059)	–	**0**	12.11.13	£28.54	31 Mar 2016	12 Nov 2016 – 11 Nov 2020	£67.07
	16,686	–	(16,686)	–	**0**	12.11.14	£34.56	31 Mar 2017	12 Nov 2019 – 11 Nov 2021	£67.07
	10,830	–	–	–	**10,830**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020 – 16 Nov 2022	
	9,366	–	–	–	**9,366**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022 – 09 Feb 2024	
	20,783	–	–	(7,742)	**13,041**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022 – 15 Nov 2024	
	24,127	–	–	–	**24,127**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023 – 14 Nov 2025	
	21,373	–	–	–	**21,373**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024 – 13 Nov 2026	
	–	26,715	–	–	**26,715**	12.11.20	£57.08	31 Mar 2023	12 Nov 2025 – 11 Nov 2027	
	115,224	**26,715**	**(28,745)**	**(7,742)**	**105,452**					
Kevin Lucey[1]	4,307	–	–	–	**4,307**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020 – 16 Nov 2022	
	3,693	–	–	–	**3,693**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022 – 09 Feb 2024	
	5,211	–	–	(1,941)	**3,270**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022 – 15 Nov 2024	
	6,053	–	–	–	**6,053**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023 – 14 Nov 2025	
	5,362	–	–	–	**5,362**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024 – 13 Nov 2026	
	–	12,270	–	–	**12,270**	12.11.20	£57.08	31 Mar 2023	12 Nov 2025 – 11 Nov 2027	
	24,626	**12,270**	**–**	**(1,941)**	**34,955**					
Darragh Byrne[2]	3,138	–	(3,138)	-	**0**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020 – 16 Nov 2022	£54.50
	2,170	–	–	–	**2,170**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022 – 09 Feb 2024	
	3,010	–	–	(1,121)	**1,889**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022 – 15 Nov 2024	
	3,494	–	–	–	**3,494**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023 – 14 Nov 2025	
	3,124	–	–	–	**3,124**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024 – 13 Nov 2026	
	–	4,674	–	–	**4,674**	12.11.20	£57.08	31 Mar 2023	12 Nov 2025 – 11 Nov 2027	
	14,936	**4,674**	**(3,138)**	**(1,121)**	**15,351**					
Former CFO										
Fergal O'Dwyer	17,481	–	(17,481)	–	**0**	12.11.14	£34.56	31 Mar 2017	12 Nov 2019 – 11 Nov 2021	£67.07
	11,138	–	–	–	**11,138**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020 – 16 Nov 2022	
	9,366	–	–	–	**9,366**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022 – 09 Feb 2024	
	12,672	–	–	–	**12,672**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022 – 15 Nov 2024	
	14,711	–	–	–	**14,711**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023 – 14 Nov 2025	
	13,032	–	–	–	**13,032**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024 – 13 Nov 2026	
	78,400	**–**	**(17,481)**	**–**	**60,919[3]**					

	Number of options									
	At 31 March 2020	Granted in year	Exercised in year	Lapsed in year	**At 31 March 2021**	Date of grant	Market price on grant	Three-year performance period end	Normal exercise period	Market price at date of exercise £
Former Company Secretary										
Gerard Whyte	5,559	–	(5,559)	–	**0**	12.11.13	£28.54	31 Mar 2016	12 Nov 2016 – 11 Nov 2020	£67.07
	5,834	–	(5,834)	–	**0**	12.11.14	£34.56	31 Mar 2017	12 Nov 2019 – 11 Nov 2021	£67.07
	3,574	–	–	–	**3,574**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020 – 16 Nov 2022	
	3,006	–	–	–	**3,006**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022 – 09 Feb 2024	
	3,875	–	–	–	**3,875**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022 – 15 Nov 2024	
	5,113	–	–	–	**5,113**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023 – 14 Nov 2025	
	4,530		–	–	**4,530**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024 – 13 Nov 2026	
	31,491	**–**	**(11,393)**	**–**	**20,098[3]**					

1. Kevin Lucey was appointed as CFO on 17 July 2020 and his opening position is reflected as at that date.
2. Darragh Byrne was appointed as General Counsel & Company Secretary on 2 October 2020 and his opening position is reflected as at that date.
3. Details at 31 March 2021 in respect of Mr. O'Dwyer and Mr. Whyte show the positions at date of leaving of 17 July 2020 and 2 October 2020 respectively.

The extent of vesting of the LTIP awards which were granted in November 2020 will be based on the three-year performance period from 1 April 2020 to 31 March 2023. The requirements/ranges set by the Remuneration Committee in respect of these performance conditions were set out in a stock exchange announcement dated 4 September 2020.

As at 31 March 2021, the total number of options granted under the LTIP, net of options lapsed, amounted to 1.6% of issued share capital, of which 0.7% is currently outstanding.

Other Information

The market price of DCC shares on 31 March 2021 was £62.90 and the range during the year was £47.62 to £72.04.

Additional information in relation to the DCC plc Long-Term Incentive Plan 2009 appears in note 2.5 to the financial statements on pages 161 to 162.

For the purposes of Section 305 of the Companies Act 2014 (Ireland), the aggregate gains by Directors on the exercise of share options during the year ended 31 March 2021 was €3.4 million (2020: €3.7 million).

Share Ownership Guidelines

The shareholdings held by the executive Directors as at 31 March 2021 are shown below.

Executive	Number of shares held as at 31 March 2021	Shareholding as a multiple of base salary for the year ended 31 March 2021	Share ownership guideline
Donal Murphy	145,334	12.5	3
Kevin Lucey	10,000	1.6	2

The shareholdings in the table comprise the shares held by the executive Directors (including those shares held in trust as part of the deferred bonus arrangement), valued based on the share price at 31 March 2021 of £62.90 (€73.82). Unvested and unexercised share options are not included. Under the Guidelines, Mr. Lucey has five years from the date of his appointment as CFO in July 2020 to achieve the level set out.

Operation of Remuneration Policy in the year ending 31 March 2022

Salary

The salaries of the executive Directors for the year commencing on 1 April 2021, together with comparative figures, are as follows:

Executive Director	Year ending 31 March 2022 €	Year ended 31 March 2021 €
Donal Murphy	883,019	857,300
Kevin Lucey	472,500	450,000

Kevin Lucey's 2021 salary commenced on 17 July 2020 upon his appointment as CFO. The salaries of Donal Murphy and Kevin Lucey will be increased for the year commencing 1 April 2021.

This year the Committee approved a salary increase in Donal's salary of 3%, to €883,019 with effect from 1 April 2021. Having had no increase in 2020, this increase is broadly in line with increases across the Group as a whole.

In recognition of Kevin's contribution in the role as CFO, the Committee has approved an increase in his salary of 5% to €472,500 with effect from 1 April 2021.

Remuneration Report continued

Benefits
Benefits payable to the executive Directors for the year ending 31 March 2022 include the use of a company car, life/disability cover, health insurance and club subscriptions.

Bonus
The Remuneration Committee has increased the maximum bonus potential that will apply for the year ending 31 March 2022. All of these potentials are below the Policy maximum of 200%, as shown below.

In order to provide a greater weighting to performance related pay, the Committee has increased Donal's maximum annual bonus opportunity level from 180% to 190% of salary.

The Committee has also increased Kevin's maximum annual bonus opportunity level from 150% to 160% of salary.

Executive Director	Maximum bonus potential	Deferral of bonus
Donal Murphy Kevin Lucey	190% of salary 160% of salary	33% of any bonus earned by the executive Directors will be deferred into DCC shares and be available after three years.

The extent of payment of bonuses to the executive Directors will be determined as follows:

Executive Director	Performance Targets
Donal Murphy Kevin Lucey	70% based on growth in Group adjusted EPS and 30% based on overall contribution and attainment of personal/strategic objectives.

Growth in Group adjusted EPS will be measured against a pre-determined range, with zero payment below threshold up to full payment at the maximum of the range.

Personal objectives enable a focus on priority areas aligned with DCC's short-and medium-term strategic objectives that promote long-term performance. In this regard, sustainability/ESG targets will be included in short-term bonus targets for the year ending 31 March 2022.

The Committee considers that information on the Group adjusted EPS range and on the personal/strategic objectives is commercially confidential and therefore it will not be disclosed on a prospective basis but, to the extent no longer commercially confidential, will be disclosed on a retrospective basis.

The Committee will keep the performance targets under review in light of acquisition and other development activity during the year ending 31 March 2022.

The Committee has the discretion to reduce bonuses in the event that a pre-determined target return on capital employed is not achieved.

Retirement Benefits
For Donal Murphy, retirement benefits comprise a cash allowance, paid in lieu of contributions to a defined contribution pension plan, at a rate of 15% of base salary.

For Kevin Lucey, he is entitled to contributions to a defined contribution pension plan at a rate of 14% of base salary.

Long-Term Incentives
The extent of vesting for awards granted during the year commencing 1 April 2021, under the new LTIP, will be based on the performance conditions set out below.

Return on Capital Employed ('ROCE'):
Up to 40% of an award will vest depending on ROCE achieved over a three-year period, with the Remuneration Committee to set a range for threshold and maximum vesting in respect of each award in the light of development activity, including any significant corporate transactions, three-year plans for the Group and prevailing business and economic circumstances.

Average ROCE	% of total award vesting
Below % set as threshold	0%
At % set as threshold	10%
Between % set as threshold and % set as maximum	10% to 40% pro-rata
Above % set as maximum	40%

For the purposes of the ROCE performance condition, the Remuneration Committee has set a ROCE range for threshold and maximum vesting of 11.5% to 15.5% for awards to be made in the year ending 31 March 2022.

Earnings per Share ('EPS'):
Up to 40% of an award will vest depending on EPS growth over a three-year period starting on 1 April in the financial year in which the award is granted. The intention is that the specified threshold percentage and specified maximum percentage will be set in respect of each award in the light of development activity, including any significant corporate transactions, three-year plans for the Group and prevailing business and economic circumstances.

Annualised EPS growth	% of total award vesting
Less than % set as threshold	0%
At % set as threshold	10%
Between % set as threshold and % set as maximum	10% to 40% pro-rata
Above % set as maximum	40%

For the purposes of the EPS performance condition, the Remuneration Committee has set EPS growth for threshold and maximum vesting of 3% to 9% for awards to be made in the year ending 31 March 2022.

Both the ROCE range and the EPS range will be kept under review and adjusted if necessary, in light of acquisition and other development activity in the year ending 31 March 2022.

Total Shareholder Return ('TSR'):
Up to 20% of an award will vest depending on TSR performance over a three-year period, starting on 1 April in the financial year in which the award is granted, compared with the FTSE 100.

TSR	% of total award vesting
Below median	0%
At median	5%
Between median and upper quartile	5% to 20% pro-rata
Above upper quartile	20%

For the year ending 31 March 2022, the Committee has agreed that the market value of the shares subject to the options which will be granted to Donal Murphy, the Chief Executive and Kevin Lucey, the Chief Financial Officer will be up to 200% of base salary.

Non-executive Directors Remuneration
The Board has agreed to increase the basic non-executive Director's fee by 2% with effect from 1 April 2021. This change took into consideration both the average workforce increase as well as advice from the Company's external remuneration consultants, Willis Towers Watson, on the level of fees in a range of comparable Irish and UK companies. The Chairman's fee will increase to €340,000.

	Year ending 31 March 2022 €	Year ended 31 March 2021 €
Chairman (to include basic and Committee fees)	340,000	313,650
Basic Fee	74,650	73,185
Committee Fees:		
Audit	8,000	8,000
Nomination and Governance	3,000	3,000
Remuneration	5,000	5,000
Additional Fees:		
Audit Committee Chairman	15,000	15,000
Remuneration Committee Chairman	15,000	15,000
Senior Independent Director Fee	15,000	15,000

Remuneration Report continued

Role and Responsibilities

- To ensure that remuneration policy and practice is aligned to the Company's purpose and values and is clearly linked to delivery of the Company's long-term strategic goals.
- To determine and agree with the Board the policy for the remuneration of the Chief Executive, other executive Directors and certain Group senior executives (as determined by the Committee).
- To determine the remuneration packages of the Chairman, Chief Executive, other executive Directors and senior executives, including salary, bonuses, pension rights and compensation payments.
- To oversee remuneration structures for other Group and subsidiary senior management and to oversee any major changes in employee benefits structures throughout the Group.
- To nominate executives for inclusion in the Company's long-term incentive schemes, to grant options or awards under these schemes, to determine whether the criteria for the vesting of options or awards have been met, to determine if these criteria have been met and to make any necessary amendments to the rules of these schemes.
- To review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive Director remuneration.
- To ensure that contractual terms on termination or redundancy, and any payments made, are fair to the individual and the Company.
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- To develop a formal policy for post-employment shareholding requirements, encompassing shares, vested award and unvested awards.
- To obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity.
- To agree the policy for authorising claims for expenses from the Directors.
- The Committee shall, through the Chairman of the Board and the Chairman of the Remuneration Committee, as appropriate, ensure the Company maintains contact as required with its principal shareholders about remuneration and has engagement with the workforce to explain how executive remuneration aligns with wider Company pay policy.

Governance

Committee Composition, Attendance and Tenure

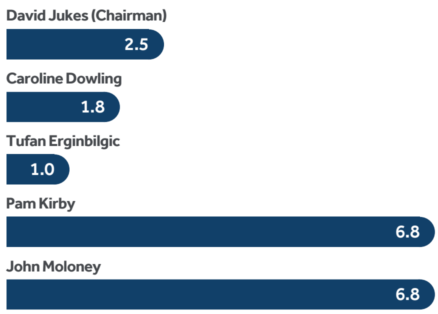
At the date of this Report, the Remuneration Committee comprised five independent non-executive Directors, David Jukes (Chairman), Caroline Dowling, Tufan Erginbilgic and Pamela Kirby, and the Chairman of the Board, John Moloney. Tufan Erginbilgic was appointed as a member of the Committee on 6 April 2020. Mr. Leslie Van de Walle retired as Chairman of the Committee on 17 July 2020.

The members of the Committee have significant financial and business experience, including in the area of executive remuneration. Each member's length of tenure at 31 March 2021 is set out in the table below. Further biographical details regarding the members of the Remuneration Committee are set out on pages 92 and 93.

The Committee met eight times during the year ended 31 March 2021 and attendance details are set out in the table on page 98 of the Corporate Governance Statement.

The Company Secretary is the Secretary to the Remuneration Committee.

Length of Tenure on the Remuneration Committee as at 31 March 2021 (years)



Meetings
The main agenda items for meetings of the Committee included the new LTIP, remuneration policy, remuneration trends and market practice, the remuneration packages of the Chairman, the Chief Executive and the other executive Directors, pension matters, grants of share options under the Company's LTIP, gender pay gap reporting and approval of this Report.

Typically, the Chief Executive, the Head of Group Human Resources and representatives of Willis Towers Watson are invited to attend all meetings of the Committee. Other Directors and executives may be invited to attend meetings of the Committee, except when their own remuneration is being discussed. No Director is involved in consideration of his or her own remuneration. Other external advisors are invited to attend meetings when required.

The Committee also meets separately, as required, to discuss matters in the absence of any invitees.

Reporting
The Chairman of the Remuneration Committee reports to the Board at each meeting on the activities of the Committee.

The Chairman of the Remuneration Committee attends the Annual General Meeting to answer questions on the Report, on the Committees' activities and matters within the scope of the Committee's responsibilities.

Annual Evaluation of Performance
The conclusion from the externally-facilitated 2021 Board evaluation process was that the performance of the Remuneration Committee and of the Chairman of the Committee were satisfactory. The Committee will focus on a small number of agreed actions arising from the 2021 Board evaluation process.

Gender Pay Gap Reporting
As noted in the Sustainable Business Report on page 72, under the UK Gender Pay Gap Regulations, UK employers with more than 250 employees are required to publish key metrics on their gender pay gap. The Remuneration Committee reviewed the work carried out in our affected UK businesses, which were subject to these Regulations, and received a full briefing in advance of the publication of their individual reports on the businesses' websites.

External Advice
During the year, Willis Towers Watson provided advice to the Remuneration Committee in relation to market trends, competitive positioning and developments in remuneration policy and practice. Willis Towers Watson is a signatory to the Remuneration Consultants Group Code of Conduct and any advice was provided in accordance with this code. In light of this, and the level and nature of the service received, the Committee remains satisfied that the advice is indeed objective and independent.

In the year ended 31 March 2021, Willis Towers Watson received fees of €76,800 in respect of advice provided to the Committee in regard to executive Director remuneration. Willis Towers Watson also provided services to the Group on market trends, incentive design, the Remuneration Report and in relation to the LTIP.

In the year ended 31 March 2021, Mercer received fees of €1,700 as pension advisors to the Committee. Mercer also provides specific advice on pension practice and developments and act as actuaries and pension advisors to a number of companies in the Group.

2020 Annual General Meeting ('AGM') Votes on Remuneration Policy and Annual Report on Remuneration

Vote	Total votes cast	Total votes for	Total votes against	Total abstentions
Advisory vote on 2020 Remuneration Policy	84,837,480	84,150,196	687,284	3,583
		(99.2%)	(0.8%)	
Advisory vote on 2020 Annual Report on Remuneration	84,657,520	84,533,618	123,902	183,544
		(99.9%)	(0.1%)	

This table shows the voting outcome at the 2020 AGM in relation to the Remuneration Policy and the Annual Report on Remuneration.

Report of the Directors

The Directors of DCC plc present their report and the audited financial statements for the year ended 31 March 2021.

Principal Activities
DCC plc is an international sales, marketing and support services group headquartered in Dublin with operations in Europe, North America and Asia. DCC has four divisions – DCC LPG, DCC Retail & Oil, DCC Healthcare and DCC Technology. DCC employs 13,700 people in 20 countries. DCC plc's shares are listed on the London Stock Exchange and are included in the FTSE 100 Index.

Results and Review of Activities
Revenue for the year amounted to £13,412.4 million (2020: £14,755.4 million). The profit for the year attributable to owners of the Parent Company amounted to £292.6 million (2020: £245.5 million). Adjusted earnings per share amounted to 386.62 pence (2020: 362.64 pence). Further details of the results for the year are set out in the Group Income Statement on page 146.

The Chairman's Statement on pages 10 and 11, the Chief Executive's Review on pages 12 to 15, the Operating Reviews on pages 42 to 71 and the Financial Review on pages 34 to 41 contain a review of the development and performance of the Group's business during the year, of the state of affairs of the business at 31 March 2021, of recent events and of likely future developments. Key Performance Indicators are set out on pages 31 to 33. Information in respect of events since the year end is included in these sections and in note 5.8 on page 205.

Dividends
An interim dividend of 51.95 pence per share, amounting to £51.0 million, was paid on 9 December 2020. The Directors recommend the payment of a final dividend for the year ended 31 March 2021 of 107.85 pence per share, amounting to £106.3 million (based on the number of shares in issue at 17 May 2021). Subject to shareholders' approval at the AGM on 16 July 2021, this dividend will be paid on 22 July 2021 to shareholders on the register at the close of business on 28 May 2021. The total dividend for the year ended 31 March 2021 amounts to 159.80 pence per share, a total of £157.3 million. This represents an increase of 10% on the prior year's total dividend per share.

The profit attributable to owners of the Parent Company, which has been transferred to reserves, and the dividends paid during the year ended 31 March 2021 are shown in note 4.3 on page 192.

Share Capital and Treasury Shares
DCC's authorised share capital is 152,368,568 ordinary shares of €0.25 each, of which 98,565,214 shares (excluding treasury shares) and 2,768,690 treasury shares were in issue at 31 March 2021. All of these shares are of the same class. With the exception of treasury shares which have no voting rights and no entitlement to dividends, they all carry equal voting rights and rank for dividends.

The number of shares held as treasury shares at the beginning of the year (and the maximum number held during the year) was 2,932,474 (2.98% of the then issued share capital (excluding treasury shares)) with a nominal value of €0.733 million.

A total of 163,784 shares (0.17% of the issued share capital (excluding treasury shares)) with a nominal value of €0.041 million were re-issued during the year consequent to the exercise of share options under the DCC plc Long-Term Incentive Plan 2009 (162,044 shares at a price of €0.25 per share) and the deferred bonus arrangements for executive Directors (1,740 shares at a price of €74.11 per share), leaving a balance held as treasury shares at 31 March 2021 of 2,768,690 shares (2.81% of the issued share capital (excluding treasury shares)) with a nominal value of €0.692 million.

At the Annual General Meeting ('AGM') held on 17 July 2020:
- The Company was granted authority to purchase up to 9,849,283 of its own shares (10% of the issued share capital (excluding treasury shares)) with a nominal value of €2.462 million.
- The Directors were given authority to exercise all the powers of the Company to allot shares up to an aggregate amount of €8.21 million, representing approximately one-third of the issued share capital (excluding treasury shares) of the Company. They were also given authority to allot shares for cash, other than strictly pro-rata to existing shareholdings. This authority was limited to the allotment of shares in specific circumstances relating to rights issues and other issues up to approximately 5% of the issued share capital (excluding treasury shares) of the Company.
- In addition, the Directors were given authority to allot additional shares for cash other than strictly pro-rata to existing shareholdings. This authority was limited to the allotment of shares for cash up to approximately 5% of the issued share capital (excluding treasury shares) and would only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles for the disapplication of pre-emption rights most recently published by the Pre-Emption Group prior to the date of that notice.

These authorities have not been exercised and will expire on 16 July 2021, the date of the next AGM of the Company.

At the 2021 AGM:
- The Directors will seek authority to purchase up to 9,861,034 of its own shares (10% of the issued share capital (excluding treasury shares)) with a nominal value of €2.465 million.
- The Directors will seek authority to exercise all the powers of the Company to allot shares up to an aggregate amount of €8.22 million, representing approximately one-third of the issued share capital (excluding treasury shares).
- The Directors will also seek authority to allot shares for cash, other than strictly pro-rata to existing shareholdings. This proposed authority is limited to the allotment of shares in specific circumstances relating to rights issues and other issues up to approximately 5% of the issued share capital (excluding treasury shares).

- In addition, the Directors will seek authority to allot additional shares for cash other than strictly pro-rata to existing shareholdings. This proposed authority is limited to the allotment of shares for cash up to approximately 5% of the issued share capital (excluding treasury shares) and will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles for the disapplication of pre-emption rights most recently published by the Pre-Emption Group prior to the date of that notice.

The figure of 10% reflects the Pre-Emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the 'Statement of Principles'). The Directors will have due regard to the Statement of Principles in relation to any exercise of this power and in particular:
- As regards the first 5%, the Directors will take account of the requirement for advance consultation and explanation before making any non-pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the Company's issued share capital in any rolling three-year period; and
- As regards the second 5%, the Directors confirm that they intend to use this power only in connection with an acquisition or specified capital investment of a kind contemplated by the most recent Statement of Principles for the disapplication of pre-emption rights most recently published by the Pre-Emption Group.

Details of the share capital of the Company are set out in note 4.1 on page 190 and are deemed to form part of this Report.

Non-Financial Information

Pursuant to the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the Group is required to report on certain non-financial information to provide an understanding of its development, performance, position and the impact of its activities, relating to, at least, environmental matters, social matters, employee matters, respect for human rights and bribery and corruption. Information on these matters can be found in the following sections of the Annual Report, which are deemed to form part of this Report: the Sustainable Business Report on pages 72 to 80, Our Sustainable Growth Model on pages 6 and 7, the Risk Report on pages 81 to 89 and the Key Performance Indicators on pages 31 to 33.

The Board has approved a formal Board Policy on Diversity, which applies to the Board of DCC plc. Details of the policy, its objectives and its application in the current financial year are set out in the Governance and Sustainability Committee Report on pages 104 to 106.

Principal Risks and Uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Rule 4.1.8 R of the UK Disclosure Guidance and Transparency Rules, DCC is required to give a description of the principal risks and uncertainties facing the Group. These are addressed in the Risk Report on pages 81 to 89.

Directors

The names of the Directors and a short biographical note on each Director appear on pages 92 and 93. In accordance with the UK Corporate Governance Code, all Directors submit to re-election at each AGM. Donal Murphy has a service agreement with the Company with a notice period of six months. Kevin Lucey has a letter of appointment which provides for a six-month notice period. Details of the Directors' interests in the share capital of the Company are set out in the Remuneration Report on pages 112 to 135.

Corporate Governance

The Corporate Governance Statement on pages 96 to 103 sets out the Company's appliance of the principles and compliance with the provisions of the UK Corporate Governance Code and the Group's system of risk management and internal control. The Corporate Governance Statement shall be treated as forming part of this Report.

With the exception of provision 19, DCC plc is fully compliant with the 2018 version of the UK Corporate Governance Code, which applied to the Company for the year ended 31 March 2021.

For the purposes of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, details concerning the appointment and the re-election of Directors are set out in the Corporate Governance Statement.

General Meetings

The Company's AGM provides shareholders the opportunity to question the Chairman, the Board and the Chairmen of the Audit, Remuneration and Governance and Sustainability Committees. The Chief Executive presents at the AGM on the Group's business and its performance during the prior year and answers questions from shareholders.

Notice of the AGM, the Form of Proxy and the Annual Report are sent to shareholders at least 20 working days before the AGM. At the AGM, resolutions are voted on a poll. On a poll, the votes of shareholders present and voting at the AGM are added to the proxy votes received in advance of the AGM and the total number of votes for, against and withheld for each resolution are announced. After each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld.

All other general meetings are called Extraordinary General Meetings ('EGM'). An EGM called for the passing of a special resolution must be called by at least 21 clear days' notice.

A quorum for an AGM or an EGM of the Company is constituted by two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporate member. The passing of resolutions at a general meeting, other than special resolutions, requires a simple majority. To be passed, a special resolution requires a majority of at least 75% of the votes cast.

Report of the Directors continued

Shareholders have the right to attend, speak, ask questions and vote at general meetings. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice convening the meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote on some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notes to the Notice convening the meeting.

A shareholder or a group of shareholders, holding at least 10% of the issued share capital of the Company, has the right to requisition a general meeting.

To prioritise the health and safety of our shareholders, employees and other stakeholders in light of the ongoing risks posed by Covid-19, the AGM is currently expected to be held at 11.00 am on 16 July 2021 at DCC House, Leopardstown Road, Foxrock, Dublin 18, with the minimum necessary quorum of two persons entitled to vote, each being a member or a proxy for a member or a duly authorised representative of a corporate member. Shareholders should monitor the Company's website for further information in this regard.

Memorandum and Articles of Association
The Company's Memorandum and Articles of Association set out the objects and powers of the Company. The Articles of Association detail the rights attaching to shares, the method by which the Company's shares can be purchased or re-issued, the provisions which apply to the holding of and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers.

The Company's Articles of Association may be amended by a special resolution passed by the shareholders at an AGM or EGM of the Company.

A copy of the Memorandum and Articles of Association can be obtained from the Company's website, www.dcc.ie.

UK Disclosure Guidance and Transparency Rules
The UK Disclosure Guidance and Transparency Rules require certain information to be included within this Annual Report and Accounts. That information can be found in the following sections: the Chairman's Statement on pages 10 and 11, the Chief Executive's Review on pages 12 to 15, the Operating Reviews on pages 42 to 71, the Financial Review on pages 34 to 41, the Principal Risks and Uncertainties on pages 85 to 89, the Transparency Report in the Statement of Directors' Responsibilities on page 141, the earnings per ordinary share in note 2.11 on page 167, the Key Performance Indicators on pages 31 to 33 and the derivative financial instruments in note 3.10 on pages 176 and 177.

Substantial Holdings
The Company has been notified of the following shareholdings of 3% or more in the issued share capital (excluding treasury shares) of the Company as at 31 March 2021 and 17 May 2021.

	As at 31 March 2021		As at 17 May 2021	
	No. of €0.25 Ordinary Shares	% of Issued Share Capital (excluding treasury shares)	No. of €0.25 Ordinary Shares	% of Issued Share Capital (excluding treasury shares)
BlackRock, Inc	7,458,775	7.57%	7,347,845	7.45%
Allianz Global Investors GmbH	6,631,276	6.73%	6,308,391	6.40%
FMR LLC and FIL Limited on behalf of its direct and indirect subsidiaries	6,589,237	6.69%	6,550,548	6.65%
Setanta Asset Management	3,737,849	3.79%	4,020,298	4.08%

These entities have indicated that the shareholdings are not ultimately beneficially owned by them.

Principal Subsidiaries
Details of the Company's principal operating subsidiaries are set out on pages 223 to 226.

Research and Development
Certain Group companies are involved in ongoing development work aimed at improving the quality, competitiveness, technology and range of their products.

Political Contributions
There were no political contributions which require to be disclosed under the Electoral Act, 1997.

Accounting Records
The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 281 to 285 of the Companies Act, 2014, are kept by the Company. The Directors believe that they have complied with this requirement by providing adequate resources to maintain proper books and accounting records throughout the Group, including the appointment of personnel with appropriate qualifications, experience and expertise. The books and accounting records of the Company are maintained at the Company's registered office, DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

Takeover Regulations
The Company has certain financing facilities which may require repayment in the event that a change in control occurs with respect to the Company. In addition, the Company's long-term incentive plans contain change-of-control provisions which can allow for the acceleration of the exercise of share options or awards in the event that a change-of-control occurs with respect to the Company.

Directors' Compliance Statement
It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). The Directors confirm that there is a Compliance Policy Statement in place, as defined in Section 225(3)(a) of the Companies Act 2014.

The Directors confirm that the arrangements and structures that have been put in place are, in the Directors' opinion, designed to secure a material compliance with the Company's relevant obligations and that these arrangements and structures were reviewed by the Company during the financial year.

As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under Section 225, the Directors relied on the advice of persons employed by the Company and of third parties, whom the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Audit Committee
The Company has an Audit Committee, the members of which are set out on page 108.

Disclosure of Information to the Auditors
Each of the Directors individually confirm that:
- In so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- That they have taken all the steps that they ought to have taken (as defined in Section 330(2) of the Companies Act 2014) as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Auditors
The auditors, KPMG, who were appointed on 17 July 2015, will continue in office in accordance with the provisions of Section 383 of the Companies Act 2014.

As required under Section 381(1) (b) of the Companies Act 2014, a resolution authorising the Directors to determine the remuneration of the auditors will be proposed at the 2021 AGM.

John Moloney, Donal Murphy
Directors
17 May 2021

Financial Statements

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements each year. Under that law, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and have elected to prepare the Parent Company financial statements in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014.

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 assets, liabilities and financial position of the Group and Parent Company and of the Group and Parent Company's profit or loss for that year.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the European Union, and as regards the Parent Company, as applied in accordance with the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are also required by Rule 4.1.8 R of the UK Disclosure Guidance and Transparency Rules to include a Directors' Report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Parent Company and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provision of the Companies Act 2014. They are also responsible for safeguarding the assets of the Parent Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Parent Company's website (www.dcc.ie). Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement as required by the UK Disclosure Guidance and Transparency Rules and UK Corporate Governance Code
Each of the Directors, whose names and functions are listed on pages 92 and 93 of this Annual Report, confirm that, to the best of each person's knowledge and belief:
- the Group financial statements, prepared in accordance with IFRS as adopted by the European Union and the Parent Company financial statements prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of Companies Act 2014, give a true and fair view of the assets, liabilities, financial position of the Group and Parent Company at 31 March 2021 and of the profit or loss of the Group for the year then ended;
- the Report of the Directors contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, provide the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

On behalf of the Board

John Moloney
Non-executive Chairman

Donal Murphy
Chief Executive

Independent Auditor's Report to the Members of DCC plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DCC plc ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 March 2021, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group and Company Cash Flow Statement, and the related notes, including the summary of accounting policies. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ('IFRS') as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:
- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and the Company as at 31 March 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- The Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report.

We have fulfilled our ethical responsibilities and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:
- Obtaining and reviewing management's viability statement, assessing the stress tests included and drawing conclusions from its results.
- Reviewing business performance, the Group's increase in EBITA and the Group's Cash Flow Statement.
- Obtaining and reviewing Board minutes.
- Recalculating covenants compliance.
- Inquiring about any legal claims with those charged with Governance, Head of Legal, management, as well as local finance teams.
- Inquiring as to any subsequent events from those charged with Governance, management, and local finance teams.
- Reviewing the disclosures set out in the Annual Report for both going concern and viability.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Valuation of goodwill and intangible assets £2,207 million (2020: £2,127 million)
Refer to note 5.9 (accounting policy) and note 3.3 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group has significant goodwill and intangible assets arising from acquisitions. There is a risk that the carrying amounts of goodwill and intangible assets will be more than the estimated recoverable amount. The recoverable amount of goodwill and intangible assets is arrived at by forecasting and discounting future cash flows to determine value in use calculations for each Cash Generating Unit ('CGU'). These cash flows are inherently highly judgemental and rely on certain significant assumptions including future trading performance, future long term growth rates, and CGU specific discount rates.	We considered the significant judgements made by the Directors in the cash flow forecasts used in the determination of the values in use for each CGU. We also considered the manner in which CGUs were identified. To assess the Group's cash flow forecast models calculations we: • evaluated the mathematical accuracy of the cash flow forecasts; • considered the accuracy of management's cash flow estimates in previous years by comparing historical forecasts to actual outturns; • assessed the appropriateness of the CGU specific discount rates applied in determining the value in use of each CGU with the assistance of an in-house valuation specialist; • evaluated and challenged the significant assumptions used to develop the projected financial information regarding future profitability and the long term economic growth rates applied; • assessed and challenged the assumptions used by management in relation to the possible impact of longer term energy trends on the projected financial information of specific CGUs most sensitive to changes in assumptions;. • performed an overall evaluation of the individual CGU discounted cash flow models based on our knowledge of the Group and our reading of the Group's Three Year Plan combined with external data which we considered relevant; • compared the value in use for the Group as a whole to the Group's market capitalisation; • evaluated the sensitivity analysis carried out by management in relation to the significant assumptions used in developing the projections; and • read the description of the impairment testing of goodwill and intangible assets set out in note 3.3 to the financial statements to assess the accuracy of the Group's disclosures relating to estimation uncertainty, significant judgements and assumptions made. Our procedures in respect of this risk were performed as planned. We found that the assumptions applied in management's cash flow forecast models used in the determination of value in use were appropriate. We read the disclosures of significant judgements made and found them to be appropriate.

Investment in subsidiary undertakings £1,142 million (2020: £1,218 million) and amounts owed by subsidiary undertakings £201 million (2020: £379 million)
Refer to note 5.9 (accounting policy) and notes 6.4 and 6.5 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The carrying amount of the Parent Company's investments in and the amounts owed by subsidiary undertakings represents 99% (2020: 99%) of the Parent Company's total assets. Their recoverability is not a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	We compared the carrying amount of 100% of amounts included in investments in subsidiaries with the respective subsidiaries' net assets values to identify whether the net assets values, being an approximation of their minimum recoverable amount, were in excess of the carrying amount. We found the carrying amount of the investment in and amounts owed by subsidiaries to be acceptable.

Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £18.25 million. This has been calculated based on 5% of the Group profit before taxation of £365 million which we consider to be one of the principal considerations for members of the Company in assessing the financial performance of the Group. The materiality for the prior year Group financial statements as a whole was set at £15.4 million. This was calculated based on 5% of the Group profit before taxation. We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of £0.9 million (2020: £0.8 million), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality for the Company financial statements as a whole was set at £12 million (2020: £13 million), determined with reference to a benchmark of Company total assets of which it represents 0.9% (2020: 0.8%).

Our approach to audit scoping is consistent with that applied in previous years. The components subjected to full scope audit contributed 98.3% of total revenues and 99.2% of total assets.

Independent Auditor's Report to the Members of DCC plc continued

We applied materiality to assist us determine what risks were significant risks and the Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the materiality for components, which ranged from £1.5 million to £5.0 million, having regard to the mix of size and risk profile of the Group across the components. The work on all components was performed by component auditors.

The Group audit team liaised extensively with all significant components in order to assess the audit risk and strategy and work undertaken. Video and telephone conference meetings were held with these component auditors, as well as with auditors of other components across the Group. At these meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor.

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information in the Directors' Report and the Strategic Report and Governance sections of the Annual Report.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that, in those parts of the Directors' Report specified for our consideration:

- we have not identified material misstatements in the Directors' Report;
- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Principal Risks disclosures describing these risks and explaining how they are being managed and mitigated;
- the Directors' confirmation within the Risk Report on pages 81 to 89 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity; and
- the Directors' explanation in the Risk Report of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Other corporate governance disclosures

We are required to address the following items and report to you in the following circumstances:

- Fair, balanced and understandable: if we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for members to assess the Group's position and performance, business model and strategy;
- Report of the Audit Committee: if the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee;
- Statement of compliance with UK Corporate Governance Code: if the Directors' statement does not properly disclose a departure from provisions of the UK Corporate Governance Code specified by the Listing Rules of the UK Listing Authority for our review; or
- if the Directors' statement relating to Going Concern required under the Listing Rules of the UK Listing Authority set out on page 84 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

In addition, as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 96 to 103, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC)) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- The Directors' Report contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, other information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified
We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Parent Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception
The Companies Act 2014 requires us to report to you if, in our opinion:
- the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made;
- the Company has not provided the information required by Section 1110N in relation to its Remuneration Report for the financial year ended 31 March 2020;
- the Company has not provided the information required by section 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 March 2020 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

The Listing Rules of the UK Listing Authority require us to review:
- the Directors' statement, set out on page 84, in relation to going concern and longer-term viability;
- the part of the Corporate Governance Statement on pages 96 to 103 relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use
Directors' responsibilities
As explained more fully in their statement set out on page 141, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation and not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at:
http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for.

The purpose of our audit work and to whom we owe our responsibilities
Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 our report, or for the opinions we have formed.

Conall O'Halloran
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

17 May 2021

Group Income Statement
For the year ended 31 March 2021

		2021			2020		
	Note	Pre-exceptionals £'000	Exceptionals (note 2.6) £'000	Total £'000	Pre-exceptionals £'000	Exceptionals (note 2.6) £'000	Total £'000
Revenue	2.1	**13,412,450**	**–**	**13,412,450**	14,755,393	–	14,755,393
Cost of sales		**(11,592,970)**	**–**	**(11,592,970)**	(13,015,419)	–	(13,015,419)
Gross profit		**1,819,480**	**–**	**1,819,480**	1,739,974	–	1,739,974
Administration expenses		**(499,812)**	**–**	**(499,812)**	(457,722)	–	(457,722)
Selling and distribution expenses		**(814,758)**	**–**	**(814,758)**	(813,326)	–	(813,326)
Other operating income/(expenses)	2.2	**25,333**	**(40,495)**	**(15,162)**	25,342	(65,486)	(40,144)
Adjusted operating profit	2.1	**530,243**	**(40,495)**	**489,748**	494,268	(65,486)	428,782
Amortisation of intangible assets	2.1	**(66,898)**	**–**	**(66,898)**	(62,138)	–	(62,138)
Operating profit		**463,345**	**(40,495)**	**422,850**	432,130	(65,486)	366,644
Finance costs	2.7	**(85,639)**	**–**	**(85,639)**	(94,824)	(860)	(95,684)
Finance income	2.7	**26,253**	**1,384**	**27,637**	39,510	–	39,510
Share of equity accounted investments' profit after tax	2.8	**233**	**–**	**233**	1,015	–	1,015
Profit before tax		**404,192**	**(39,111)**	**365,081**	377,831	(66,346)	311,485
Income tax expense	2.9	**(66,382)**	**4,104**	**(62,278)**	(60,625)	3,290	(57,335)
Profit after tax for the financial year		**337,810**	**(35,007)**	**302,803**	317,206	(63,056)	254,150
Profit attributable to:							
Owners of the Parent Company		**327,626**	**(35,007)**	**292,619**	308,500	(62,991)	245,509
Non-controlling interests		**10,184**	**–**	**10,184**	8,706	(65)	8,641
		337,810	**(35,007)**	**302,803**	317,206	(63,056)	254,150
Earnings per ordinary share							
Basic earnings per share	2.11			**297.04p**			249.64p
Diluted earnings per share	2.11			**296.62p**			249.21p

Group Statement of Comprehensive Income
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Group profit for the financial year		**302,803**	254,150
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation:			
- arising in the year		**(53,527)**	5,763
- recycled to the Income Statement on disposal		**–**	(397)
Movements relating to cash flow hedges		**67,961**	(34,206)
Movement in deferred tax liability on cash flow hedges	2.9	**(11,554)**	5,816
		2,880	(23,024)
Items that will not be reclassified to profit or loss			
Group defined benefit pension obligations:			
– remeasurements	3.15	**254**	4,132
– movement in deferred tax asset	2.9	**159**	(560)
		413	3,572
Other comprehensive income for the financial year, net of tax		**3,293**	(19,452)
Total comprehensive income for the financial year		**306,096**	234,698
Attributable to:			
Owners of the Parent Company		**298,172**	224,496
Non-controlling interests		**7,924**	10,202
		306,096	234,698

Group Balance Sheet
As at 31 March 2021

	Note	2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	**1,137,634**	1,089,027
Right-of-use leased assets	3.2	**308,863**	304,097
Goodwill	3.3	**1,527,598**	1,467,150
Intangible assets	3.3	**679,137**	659,742
Equity accounted investments	3.4	**27,134**	27,729
Deferred income tax assets	3.14	**30,706**	35,362
Derivative financial instruments	3.10	**121,671**	232,766
		3,832,743	3,815,873
Current assets			
Inventories	3.5	**685,950**	630,996
Trade and other receivables	3.6	**1,689,372**	1,647,117
Derivative financial instruments	3.10	**40,181**	32,656
Cash and cash equivalents	3.9	**1,786,556**	1,794,467
		4,202,059	4,105,236
Total assets		**8,034,802**	7,921,109
EQUITY			
Capital and reserves attributable to owners of the Parent Company			
Share capital	4.1	**17,422**	17,422
Share premium	4.1	**882,924**	882,887
Share based payment reserve	4.2	**40,969**	34,914
Cash flow hedge reserve	4.2	**13,130**	(43,277)
Foreign currency translation reserve	4.2	**60,260**	111,527
Other reserves	4.2	**932**	932
Retained earnings	4.3	**1,631,797**	1,482,288
Equity attributable to owners of the Parent Company		**2,647,434**	2,486,693
Non-controlling interests	4.4	**58,210**	54,765
Total equity		**2,705,644**	2,541,458
LIABILITIES			
Non-current liabilities			
Borrowings	3.11	**1,553,200**	1,856,004
Lease creditors	3.12	**261,617**	259,456
Derivative financial instruments	3.10	**652**	3,729
Deferred income tax liabilities	3.14	**183,220**	179,959
Post-employment benefit obligations	3.15	**(8,024)**	(7,315)
Provisions for liabilities	3.17	**279,492**	264,208
Acquisition related liabilities	3.16	**62,549**	77,381
Government grants	3.18	**373**	331
		2,333,079	2,633,753
Current liabilities			
Trade and other payables	3.7	**2,604,177**	2,318,758
Current income tax liabilities		**44,081**	36,487
Borrowings	3.11	**219,659**	230,264
Lease creditors	3.12	**53,607**	47,411
Derivative financial instruments	3.10	**9,843**	30,144
Provisions for liabilities	3.17	**42,859**	46,581
Acquisition related liabilities	3.16	**21,853**	36,253
		2,996,079	2,745,898
Total liabilities		**5,329,158**	5,379,651
Total equity and liabilities		**8,034,802**	7,921,109

John Moloney, Donal Murphy, Directors

Group Statement of Changes in Equity

For the year ended 31 March 2021

	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 4.3) £'000	Other reserves (note 4.2) £'000	Total £'000	Non-controlling interests (note 4.4) £'000	Total equity £'000
	Attributable to owners of the Parent Company						
At 1 April 2020	**17,422**	**882,887**	**1,482,288**	**104,096**	**2,486,693**	**54,765**	**2,541,458**
Profit for the financial year	–	–	**292,619**	–	**292,619**	**10,184**	**302,803**
Other comprehensive income:							
Currency translation	–	–	–	**(51,267)**	**(51,267)**	**(2,260)**	**(53,527)**
Group defined benefit pension obligations:							
– remeasurements	–	–	**254**	–	**254**	–	**254**
– movement in deferred tax asset	–	–	**159**	–	**159**	–	**159**
Movements relating to cash flow hedges	–	–	–	**67,961**	**67,961**	–	**67,961**
Movement in deferred tax liability on cash flow hedges	–	–	–	**(11,554)**	**(11,554)**	–	**(11,554)**
Total comprehensive income	–	–	**293,032**	**5,140**	**298,172**	**7,924**	**306,096**
Re-issue of treasury shares	–	**37**	–	–	**37**	–	**37**
Share based payment	–	–	–	**6,055**	**6,055**	–	**6,055**
Dividends	–	–	**(143,523)**	–	**(143,523)**	**(4,802)**	**(148,325)**
Non-controlling interest arising on acquisition	–	–	–	–	–	**323**	**323**
At 31 March 2021	**17,422**	**882,924**	**1,631,797**	**115,291**	**2,647,434**	**58,210**	**2,705,644**

For the year ended 31 March 2020

	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 4.3) £'000	Other reserves (note 4.2) £'000	Total £'000	Non-controlling interests (note 4.4) £'000	Total equity £'000
	Attributable to owners of the Parent Company						
At 1 April 2019	17,422	882,561	1,368,250	122,473	2,390,706	42,821	2,433,527
Profit for the financial year	–	–	245,509	–	245,509	8,641	254,150
Other comprehensive income:							
Currency translation:							
– arising in the year	–	–	–	4,202	4,202	1,561	5,763
– recycled to the Income Statement on disposal	–	–	–	(397)	(397)	–	(397)
Group defined benefit pension obligations:							
– remeasurements	–	–	4,132	–	4,132	–	4,132
– movement in deferred tax asset	–	–	(560)	–	(560)	–	(560)
Movements relating to cash flow hedges	–	–	–	(34,206)	(34,206)	–	(34,206)
Movement in deferred tax liability on cash flow hedges	–	–	–	5,816	5,816	–	5,816
Total comprehensive income	–	–	249,081	(24,585)	224,496	10,202	234,698
Re-issue of treasury shares	–	326	–	–	326	–	326
Share based payment	–	–	–	6,208	6,208	–	6,208
Sale of equity interest to non-controlling interest	–	–	4,169	–	4,169	1,742	5,911
Dividends	–	–	(139,212)	–	(139,212)	–	(139,212)
At 31 March 2020	17,422	882,887	1,482,288	104,096	2,486,693	54,765	2,541,458

Group Cash Flow Statement
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Operating activities			
Cash generated from operations before exceptionals	5.3	**903,659**	723,965
Exceptionals		**(29,358)**	(30,922)
Cash generated from operations		**874,301**	693,043
Interest paid (including lease interest)		**(84,342)**	(84,975)
Income tax paid		**(62,191)**	(78,961)
Net cash flow from operating activities		**727,768**	529,107
Investing activities			
Inflows:			
Proceeds from disposal of property, plant and equipment		**15,898**	13,166
Government grants received in relation to property, plant and equipment	3.18	**89**	–
Disposals of subsidiaries		**–**	36,688
Interest received		**27,930**	39,188
		43,917	89,042
Outflows:			
Purchase of property, plant and equipment		**(162,879)**	(181,014)
Acquisition of subsidiaries	5.2	**(236,232)**	(192,189)
Payment of accrued acquisition related liabilities	3.16	**(36,330)**	(35,339)
		(435,441)	(408,542)
Net cash flow from investing activities		**(391,524)**	(319,500)
Financing activities			
Inflows:			
Proceeds from issue of shares		**37**	326
Net cash inflow on derivative financial instruments		**68,554**	18,574
Increase in interest-bearing loans and borrowings		**320,000**	408,095
		388,591	426,995
Outflows:			
Repayment of interest-bearing loans and borrowings		**(437,612)**	(248,017)
Repayment of lease creditors (principal)		**(59,279)**	(55,225)
Dividends paid to owners of the Parent Company	2.10	**(143,523)**	(139,212)
Dividends paid to non-controlling interests	4.4	**(4,802)**	–
		(645,216)	(442,454)
Net cash flow from financing activities		**(256,625)**	(15,459)
Change in cash and cash equivalents		**79,619**	194,148
Translation adjustment		**(47,496)**	24,597
Cash and cash equivalents at beginning of year		**1,684,773**	1,466,028
Cash and cash equivalents at end of year	3.9	**1,716,896**	1,684,773

Cash and cash equivalents consist of:			
Cash and short-term bank deposits	3.9	**1,786,556**	1,794,467
Overdrafts	3.9	**(69,660)**	(109,694)
		1,716,896	1,684,773

Notes to the Financial Statements

Notes to the financial statements provide additional information required by statute, accounting standards or Listing Rules. For clarity, each note begins with a simple introduction outlining the purpose of the note.

Section 1 Basis of Preparation

1.1 Statement of Compliance

International Financial Reporting Standards ('IFRS') require an entity whose financial statements comply with IFRS to make an explicit and unreserved statement of such compliance in the notes to the financial statements.

The consolidated financial statements of DCC plc have been prepared in accordance with International Financial Reporting Standards ('IFRS') and their interpretations approved by the International Accounting Standards Board ('IASB') as adopted by the European Union ('EU') and those parts of the Companies Act, 2014 applicable to companies reporting under IFRS. IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. Both the Parent Company and the Group financial statements have been prepared in accordance with IFRS as adopted by the EU and references to IFRS hereafter should be construed as references to IFRS as adopted by the EU. In presenting the Parent Company financial statements together with the Group financial statements, the Parent Company has availed of the exemption in Section 304(2) of the Companies Act, 2014 not to present its individual Income Statement and related notes that form part of the approved Parent Company financial statements. The Parent Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 304(2) of the Companies Act, 2014.

The Going Concern Statement on page 84 forms part of the Group financial statements.

DCC plc, the ultimate Parent Company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland. DCC plc's shares have a Premium Listing on the Official List of the United Kingdom Listing Authority and are traded solely on the London Stock Exchange.

1.2 Basis of Preparation

This section includes information on new accounting standards, amendments and interpretations, whether they are effective for the current year or in later years, and how they are expected to impact the financial position and performance of the Group.

The consolidated financial statements, which are presented in sterling, rounded to the nearest thousand, have been prepared under the historical cost convention, as modified by the measurement at fair value of share-based payments at the date of grant, post-employment benefit obligations and certain financial assets and liabilities including derivative financial instruments. The carrying values of recognised assets and liabilities that are hedged via fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2021 are set out in note 5.9. These policies have been applied consistently by the Group's subsidiaries and equity accounted investments for all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are detailed in note 1.4.

Adoption of IFRS and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations

The following changes to IFRS became effective for the Group during the year but did not result in material changes to the Group's consolidated financial statements:

- Covid-19-Related Rent Concessions (Amendment to IFRS 16)
- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Definition of a Business (Amendments to IFRS 3)

Notes to the Financial Statements continued

1.2 Basis of Preparation continued

Standards, interpretations and amendments to published standards that are not yet effective

The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. These include:

- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020 *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture*
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 *Insurance Contracts* and amendments to IFRS 17 *Insurance Contracts*

1.3 Basis of Consolidation

This section details how the Group accounts for the different types of interests it has in subsidiaries and equity accounted investments.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over its relevant activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiary undertakings acquired or disposed of during the year are included in the Group Income Statement from the date of their acquisition or up to the date of their disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Equity accounted investments

The Group's interests in equity accounted investments comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted investments, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 Critical Accounting Estimates and Judgements

This section sets out the key areas of judgement and estimation that management has identified as having a potentially material impact on the Group's consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Group's main accounting policies affecting its results of operations and financial condition are set out in note 5.9. The Group has considered the impact of climate change on the financial statements including impairment of non-financial and financial assets, the useful lives of assets, and provisions. The Group also considers the impact of climate change as part of the annual budget and strategic plans to ensure consistency with achieving the Group's carbon reduction targets.

We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and management has discussed its critical accounting estimates and associated disclosures with the Audit Committee. Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates ('E') and judgements ('J'):

Goodwill (E, J)

The Group has capitalised goodwill of £1,527.6 million at 31 March 2021. Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicating potential impairment exist. The Group uses the present value of future cash flows to determine recoverable amount. In calculating the value in use, management judgement and estimation is required in forecasting cash flows of cash-generating units, in determining terminal growth values and in selecting an appropriate discount rate. Sensitivities to changes in assumptions are detailed in note 3.3.

1.4 Critical Accounting Estimates and Judgements continued

Business combinations (E)

Business combinations are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition. The application of this method requires certain estimates and assumptions particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated from the purchased intangible asset using risk adjusted discount rates and revenue forecasts as appropriate. The period of expected cash flows is based on the expected useful life of the intangible asset acquired.

Exceptional items (J)

The Group considers that items of income or expense which are significant by virtue of their scale and nature should be disclosed separately if the Group financial statements are to fairly present the financial performance and financial position of the Group. Determining which transactions are to be considered exceptional in nature is often a subjective matter. However, circumstances that the Group believes would give rise to exceptional items for separate disclosure are outlined in the accounting policy on exceptional items in note 5.9. Exceptional items are included on the Income Statement line item to which they relate. In addition, for clarity, separate disclosure is made of all items in one column on the face of the Group Income Statement.

Leases (E, J)

The Group has capitalised lease creditors of £315.2 million at 31 March 2021. The lease creditor is initially measured at the present value of the future minimum lease payments, discounted using the incremental borrowing rate over the remaining lease term. Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease. The Group engages a specialist valuation expert to assist with this process.

Lease payments include fixed payments, variable payments that are dependent on an index known at the commencement date, payments for an optional renewal period and termination option payments, if the Group is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

After initial recognition, the lease creditor is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments or when the Group changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

Taxation (E, J)

The Group is subject to income taxes in a number of jurisdictions. Provisions for tax liabilities require management to make judgements and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of country specific tax laws and the likelihood or probability of settlement. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and/or deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into account applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

Useful lives for property, plant and equipment and intangible assets (E, J)

Long-lived assets comprising primarily of property, plant and equipment and intangible assets represent a significant portion of the Group's total assets. The annual depreciation and amortisation charge depend primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly review these useful lives and residual values and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, the impact of climate change, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the period.

Cylinder and tank deposits provisions (E, J)

An obligation arises in DCC LPG's operations from the receipt of deposit fees paid by customers for LPG cylinders and tanks. On receipt of a deposit the Group recognises a liability equal to the deposit received. This deposit will subsequently be refunded at an amount equal to the original deposit on return of the cylinder or tank together with the original deposit receipt. The majority of this obligation will unwind over a 25-year timeframe but the exact timing and amount of ultimate settlement of this provision is not certain. Management judgement and estimation is used to determine the provisions required and is based on a broad range of information and prior experience.

Environmental and remediation provisions (E, J)

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations together with the costs associated with removing LPG tanks from customer sites. The majority of the obligations will unwind over a 30-year timeframe but the exact timing and amount of ultimate settlement of these provisions is not certain. Management judgement is involved in evaluating currently available facts based on a broad range of information and prior experience. Inherent uncertainties exist in such evaluations which are outside of management's control primarily due to unknown conditions, the impact of climate change, changing governmental regulations and legal standards regarding liability together with the protracted nature of these liabilities. The liabilities provided in the financial statements reflect estimates based on the information available to management at the time of determination of the liability and are reassessed at each reporting date.

Notes to the Financial Statements continued

Section 2 Results for the Year

2.1 Segment Information

The Group is organised into four operating segments. This section provides information on the financial performance for the year on both a segmental and geographic basis.

Segmental analysis

DCC is a leading international sales, marketing and support services group headquartered in Dublin, Ireland. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as Mr. Donal Murphy, Chief Executive and his executive management team.

The Group is organised into four operating segments (as identified under IFRS 8 *Operating Segments*) and generates revenue through the following activities:

DCC LPG is a leading liquefied petroleum gas ('LPG') sales and marketing business, supplying LPG in cylinder and bulk format to residential, commercial and industrial customers. In addition, DCC LPG is developing a broader customer offering through the supply of natural gas, power and renewables products, plus a range of specialty gases such as refrigerants and medical gases.

DCC Retail & Oil is a leading provider of transport and heating energy, lower emission fuels, biofuels and related services to consumers and SME businesses across Europe and has a key focus on being a market leader in providing sustainable energy solutions to consumers.

DCC Healthcare is a leading healthcare business, providing products and services to health and beauty brand owners and healthcare providers.

DCC Technology is a leading route-to-market and supply chain partner for global technology brands and customers.

The chief operating decision maker monitors the operating results of segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before amortisation of intangible assets and net operating exceptional items ('adjusted operating profit'). Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis.

Intersegment revenue is not material and thus not subject to separate disclosure.

2.1 Segment Information continued

The segment results for the year ended 31 March 2021 are as follows:

Income Statement items

	Year ended 31 March 2021				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	**1,685,570**	**6,588,186**	**655,364**	**4,483,330**	**13,412,450**
Adjusted operating profit	**231,253**	**144,824**	**81,721**	**72,445**	**530,243**
Amortisation of intangible assets	**(37,829)**	**(4,926)**	**(5,504)**	**(18,639)**	**(66,898)**
Net operating exceptionals (note 2.6)	**(17,732)**	**(5,261)**	**(4,229)**	**(13,273)**	**(40,495)**
Operating profit	**175,692**	**134,637**	**71,988**	**40,533**	**422,850**
Finance costs					**(85,639)**
Finance income					**27,637**
Share of equity accounted investments' profit after tax					**233**
Profit before income tax					**365,081**
Income tax expense					**(62,278)**
Profit for the year					**302,803**

	Year ended 31 March 2020				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	1,657,341	8,607,302	578,098	3,912,652	14,755,393
Adjusted operating profit	228,230	140,240	60,518	65,280	494,268
Amortisation of intangible assets	(32,719)	(5,386)	(4,596)	(19,437)	(62,138)
Net operating exceptionals (note 2.6)	(6,030)	(3,281)	(40,771)	(15,404)	(65,486)
Operating profit	189,481	131,573	15,151	30,439	366,644
Finance costs					(95,684)
Finance income					39,510
Share of equity accounted investments' profit after tax					1,015
Profit before income tax					311,485
Income tax expense					(57,335)
Profit for the year					254,150

Notes to the Financial Statements continued

2.1 Segment Information continued

Balance Sheet items

	As at 31 March 2021				
	DCC LPG £'000	**DCC Retail & Oil £'000**	**DCC Healthcare £'000**	**DCC Technology £'000**	**Total £'000**
Segment assets	**2,036,261**	**1,822,541**	**577,012**	**1,592,740**	**6,028,554**
Reconciliation to total assets as reported in the Group Balance Sheet:					
Equity accounted investments					**27,134**
Derivative financial instruments (current and non-current)					**161,852**
Deferred income tax assets					**30,706**
Cash and cash equivalents					**1,786,556**
Total assets as reported in the Group Balance Sheet					**8,034,802**
Segment liabilities	**720,773**	**1,072,416**	**131,950**	**993,345**	**2,918,484**
Reconciliation to total liabilities as reported in the Group Balance Sheet:					
Borrowings (current and non-current)					**1,772,859**
Lease creditors (current and non-current)					**315,224**
Derivative financial instruments (current and non-current)					**10,495**
Income tax liabilities (current and deferred)					**227,301**
Acquisition related liabilities (current and non-current)					**84,402**
Government grants (current and non-current)					**393**
Total liabilities as reported in the Group Balance Sheet					**5,329,158**

	As at 31 March 2020				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment assets	1,896,457	1,729,999	585,222	1,586,451	5,798,129
Reconciliation to total assets as reported in the Group Balance Sheet:					
Equity accounted investments					27,729
Derivative financial instruments (current and non-current)					265,422
Deferred income tax assets					35,362
Cash and cash equivalents					1,794,467
Total assets as reported in the Group Balance Sheet					7,921,109
Segment liabilities	669,395	898,539	111,362	942,925	2,622,221
Reconciliation to total liabilities as reported in the Group Balance Sheet:					
Borrowings (current and non-current)					2,086,268
Lease creditors (current and non-current)					306,867
Derivative financial instruments (current and non-current)					33,873
Income tax liabilities (current and deferred)					216,446
Acquisition related liabilities (current and non-current)					113,634
Government grants (current and non-current)					342
Total liabilities as reported in the Group Balance Sheet					5,379,651

2.1 Segment Information continued

Other segment information

	Year ended 31 March 2021				
	DCC LPG £'000	**DCC Retail & Oil £'000**	**DCC Healthcare £'000**	**DCC Technology £'000**	**Total £'000**
Capital expenditure – additions (note 3.1)	**85,890**	**43,102**	**17,719**	**23,399**	**170,110**
Capital expenditure – business combinations (note 3.1)	**31,042**	**9,969**	**–**	**857**	**41,868**
Depreciation (excluding right-of-use assets) (note 3.1)	**65,216**	**42,544**	**10,926**	**12,513**	**131,199**
Total consideration on business combinations (note 5.2)	**189,413**	**24,572**	**2,347**	**29,221**	**245,553**
Goodwill and intangible assets acquired (note 3.3)	**164,056**	**24,706**	**5,284**	**22,642**	**216,688**

	Year ended 31 March 2020				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Capital expenditure – additions (note 3.1)	73,657	69,398	22,760	19,029	184,844
Capital expenditure – business combinations (note 3.1)	4,326	2,965	25,998	987	34,276
Depreciation (excluding right-of-use assets) (note 3.1)	60,121	39,509	8,339	10,576	118,545
Total consideration on business combinations (note 5.2)	34,905	12,529	128,103	59,696	235,233
Goodwill and intangible assets acquired (note 3.3)	29,633	8,320	85,338	34,076	157,367

Geographical analysis

The Group has a presence in 20 countries worldwide. The following represents a geographical analysis of revenue and non-current assets in accordance with IFRS 8, which requires disclosure of information about the country of domicile (Republic of Ireland) and countries with material revenue and non-current assets. Revenue from operations is derived almost entirely from the sale of goods and is disclosed based on the location of the entity selling the goods. The analysis of non-current assets is based on the location of the assets. There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8.

	Revenue		**Non-current assets***	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Republic of Ireland (country of domicile)	**901,802**	842,680	**180,635**	155,712
United Kingdom	**5,932,234**	6,818,145	**1,253,059**	1,229,019
France	**2,442,082**	2,875,390	**918,853**	952,818
Other	**4,136,332**	4,219,178	**1,327,819**	1,210,196
	13,412,450	14,755,393	**3,680,366**	3,547,745

* Non-current assets comprise property, plant and equipment, right-of-use leased assets, intangible assets and goodwill and equity accounted investments.

Notes to the Financial Statements continued

2.1 Segment Information continued

Disaggregation of revenue

The following table disaggregates revenue by primary geographical market, major revenue lines and timing of revenue recognition. The use of revenue as a metric of performance in the Group's LPG and Retail & Oil segments is of limited relevance due to the influence of changes in underlying oil product costs on absolute revenues. Whilst changes in underlying oil product costs will change percentage operating margins, this has little relevance in the downstream energy distribution market in which these two segments operate where profitability is driven by absolute contribution per tonne/ litre of product sold, and not a percentage margin. Accordingly, management review geographic volume performance rather than geographic revenue performance for these two segments as country-specific GDP and weather patterns can influence volumes. The disaggregated revenue information presented below for DCC Healthcare and DCC Technology, which can also be influenced by country-specific GDP movements, is consistent with how revenue is reported and reviewed internally.

	Year ended 31 March 2021				
	DCC LPG £'000	**DCC Retail & Oil £'000**	**DCC Healthcare £'000**	**DCC Technology £'000**	**Total £'000**
Republic of Ireland (country of domicile)	**130,842**	**340,285**	**103,364**	**327,311**	**901,802**
United Kingdom	**330,907**	**2,699,344**	**373,413**	**2,528,570**	**5,932,234**
France	**767,199**	**1,348,429**	**–**	**326,454**	**2,442,082**
Other	**456,622**	**2,200,128**	**178,587**	**1,300,995**	**4,136,332**
	1,685,570	**6,588,186**	**655,364**	**4,483,330**	**13,412,450**
Products transferred at point in time	**1,685,570**	**6,588,186**	**655,364**	**4,483,330**	**13,412,450**
LPG and related products	**1,685,570**	**–**	**–**	**–**	**1,685,570**
Oil and related products	**–**	**6,588,186**	**–**	**–**	**6,588,186**
Nutrition and health & beauty products	**–**	**–**	**373,824**	**–**	**373,824**
Medical and pharmaceutical products	**–**	**–**	**281,540**	**–**	**281,540**
Technology products and services	**–**	**–**	**–**	**4,483,330**	**4,483,330**
	1,685,570	**6,588,186**	**655,364**	**4,483,330**	**13,412,450**

	Year ended 31 March 2020				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	116,161	356,382	92,905	277,232	842,680
United Kingdom	299,645	3,753,823	417,201	2,347,476	6,818,145
France	843,974	1,786,321	–	245,095	2,875,390
Other	397,561	2,710,776	67,992	1,042,849	4,219,178
	1,657,341	8,607,302	578,098	3,912,652	14,755,393
Products transferred at point in time	1,657,341	8,607,302	578,098	3,912,652	14,755,393
LPG and related products	1,657,341	–	–	–	1,657,341
Oil and related products	–	8,607,302	–	–	8,607,302
Nutrition and health & beauty products	–	–	249,501	–	249,501
Medical and pharmaceutical products	–	–	328,597	–	328,597
Technology products and services	–	–	–	3,912,652	3,912,652
	1,657,341	8,607,302	578,098	3,912,652	14,755,393

2.2 Other Operating Income/Expenses

This note provides an analysis of the amounts included in other operating income and expenses presented in the Group Income Statement.

Other operating income/(expenses) comprise the following credits/(charges):

	2021 £'000	2020 £'000
Other operating income/(expenses)		
Fair value gains on non-hedge accounted derivative financial instruments – commodities	**11,745**	20,389
Fair value gains on non-hedge accounted derivative financial instruments – forward exchange contracts	**1,702**	1,659
Rental income	**20,114**	20,149
Net profit on disposal of property, plant and equipment	**5,263**	5,604
Throughput	**5,785**	5,411
Haulage	**3,423**	4,110
Fair value losses on non-hedge accounted derivative financial instruments – commodities	**(11,745)**	(20,389)
Fair value losses on non-hedge accounted derivative financial instruments – forward exchange contracts	**(2,441)**	(1,711)
Expensing of employee share options and awards (note 2.5)	**(6,055)**	(6,208)
Other net operating expenses	**(2,458)**	(3,672)
Net other operating income before exceptional items	**25,333**	25,342
Other operating income included in net exceptional items	**1,097**	1,297
Other operating expenses included in net exceptional items	**(41,592)**	(66,783)
Total other operating expenses	**(15,162)**	(40,144)

2.3 Group Profit for the Year

The Group profit for the year includes some key amounts which are presented separately below.

Group profit for the year has been arrived at after charging/(crediting) the following amounts:

	2021 £'000	2020 £'000
Depreciation on property, plant and equipment (note 3.1)	**131,199**	118,545
Depreciation on right-of-use assets (note 3.2)	**61,373**	58,189
Amortisation of intangible assets (note 3.3)	**66,898**	62,138
Amortisation of government grants (note 3.18)	**(36)**	(11)
Foreign exchange loss/(gain)	**469**	(1,061)

During the year the Group obtained the following services from the Group's auditors (KPMG):

	2021 £'000	2020 £'000
KPMG Ireland (statutory auditor):		
Audit fees	**1,699**	1,542
Other including non-audit, audit related and assurance services	**14**	24
	1,713	1,566
Other KPMG network firms:		
Audit fees	**1,568**	1,388
Other including non-audit, audit related and assurance services	**97**	62
	1,665	1,450

Notes to the Financial Statements continued

2.4 Employment

This section provides an analysis of the average number of employees in the Group by segment together with their related payroll expense for the year. Further information on the compensation of key management personnel is included in note 5.6, Related Party Transactions.

The average number of persons (including executive Directors) employed by the Group during the year, analysed by class of business, was:

	2021 Number	2020 Number
DCC LPG	**3,415**	2,868
DCC Retail & Oil	**3,373**	3,453
DCC Healthcare	**2,458**	2,330
DCC Technology	**3,953**	4,122
	13,199	12,773

The employee benefit expense (excluding termination payments – note 2.6) for the above were:

	2021 £'000	2020 £'000
Wages and salaries	**525,622**	501,469
Social welfare costs	**70,878**	71,367
Share based payment expense (note 2.5)	**6,055**	6,208
Pension costs – defined contribution plans	**17,286**	18,574
Pension costs – defined benefit plans (note 3.15)	**386**	471
	620,227	598,089

Directors' emoluments (which are included in operating costs) and interests are presented in the Remuneration Report on pages 112 to 135. Details of the compensation of key management personnel for the purposes of the disclosure requirements under IAS 24 are provided in note 5.6.

2.5 Employee Share Options and Awards

Share options and awards are used to incentivise Directors and employees of the Group. A charge is recognised over the vesting period in the Consolidated Income Statement to record the cost of these share options and awards, based on the fair value of the share option/award at the grant date.

The Group's employee share options and awards are equity-settled share-based payments as defined in IFRS 2 *Share-based Payment*. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The expense reported in the Income Statement of £6.055 million (2020: £6.208 million) has been arrived at by applying a Monte Carlo simulation technique for share awards issued under the DCC plc Long Term Incentive Plan 2009.

Impact on Income Statement

The total share option expense is analysed as follows:

Date of grant	Share price at date of grant	Minimum duration of vesting period	Number of share awards/ options granted	Weighted average fair value	Expense in Income Statement 2021 £'000	Expense in Income Statement 2020 £'000
DCC plc Long Term Incentive Plan 2009						
12 November 2014	£34.56	5 years	192,407	£26.96	**–**	672
17 November 2015	£57.35	5 years	131,455	£49.56	**835**	1,125
10 February 2017	£67.75	5 years	137,269	£54.17	**1,317**	973
16 November 2017	£70.95	5 years	128,451	£56.52	**374**	1,394
15 November 2018	£60.65	5 years	167,567	£46.13	**1,462**	1,518
14 November 2019	£68.80	5 years	147,939	£53.32	**1,561**	526
12 November 2020	£57.08	5 years	170,152	£44.63	**506**	–
Total expense					**6,055**	6,208

Share options and awards

DCC plc Long Term Incentive Plan 2009

At 31 March 2021, under the DCC plc Long Term Incentive Plan 2009, Group employees hold awards to subscribe for 702,329 ordinary shares.

The general terms of the DCC plc Long Term Incentive Plan 2009 are set out in the Remuneration Report on page 118.

The DCC plc Long Term Incentive Plan 2009 contains both market and non-market based vesting conditions. Accordingly, the fair value assigned to the related equity instrument on initial application of IFRS 2 *Share-based Payment* is adjusted to reflect the anticipated likelihood at the grant date of achieving the market based vesting conditions. The cumulative non-market based charge to the Income Statement is reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

A summary of activity under the DCC plc Long Term Incentive Plan 2009 during the year is as follows:

	2021 Number of share awards	2020 Number of share awards
At 1 April	**757,460**	798,603
Granted	**170,152**	147,939
Exercised	**(162,044)**	(138,939)
Expired and forfeited	**(63,239)**	(50,143)
At 31 March	**702,329**	757,460

Notes to the Financial Statements continued

2.5 Employee Share Options and Awards continued

The weighted average share price at the dates of exercise for share awards exercised during the year under the DCC plc Long Term Incentive Plan 2009 was £63.59 (2020: £67.16). The share awards outstanding at the year end have a weighted average remaining contractual life of 4.6 years (2020: 4.4 years).

The weighted average fair values assigned to share awards granted under the DCC plc Long Term Incentive Plan 2009, which were computed in accordance with the Monte Carlo valuation methodology, were as follows:

Granted during the year ended 31 March 2021	**£44.63**
Granted during the year ended 31 March 2020	£53.32

The fair values of share awards granted under the DCC plc Long Term Incentive Plan 2009 were determined taking account of peer group total share return volatilities and correlations together with the following assumptions:

	2021	2020
Risk-free interest rate (%)	**0.04**	0.47
Dividend yield (%)	**2.4**	2.1
Expected volatility (%)	**29.0**	21.0
Expected life in years	**6.0**	6.0
Share price at date of grant	**£57.08**	£68.80

The risk free rate of return is the yield on government bonds of a term consistent with the assumed option life. The dividend yield is based on historic dividend rates. The expected volatility is based on historic volatility over the past three years. The expected life is the average expected period to exercise.

Analysis of closing balance:

Date of grant	**Date of expiry**	**2021 Number of share awards**	2020 Number of share awards
12 November 2013	12 November 2020	**–**	26,381
12 November 2014	12 November 2021	**23,689**	87,413
17 November 2015	17 November 2022	**61,734**	110,371
10 February 2017	10 February 2024	**75,551**	92,566
16 November 2017	16 November 2024	**64,871**	126,225
15 November 2018	15 November 2025	**162,262**	166,565
14 November 2019	14 November 2026	**144,070**	147,939
12 November 2020	12 November 2027	**170,152**	–
Total outstanding at 31 March		**702,329**	757,460
Total exercisable at 31 March		**85,423**	113,794

2.6 Exceptionals

Exceptional items are those items which, in the judgement of the Directors, need to be disclosed separately by virtue of their scale and nature. These exceptional items, detailed below, could distort the understanding of our underlying performance for the year and comparability between periods and are therefore presented separately.

	2021 £'000	2020 £'000
Restructuring costs	**(26,724)**	(22,011)
Acquisition and related costs	**(13,604)**	(8,286)
Adjustments to contingent acquisition consideration (note 3.16)	**27**	673
Loss on disposal	**–**	(34,709)
Other operating exceptional items	**(194)**	(1,153)
Net operating exceptional items	**(40,495)**	(65,486)
Mark-to-market of swaps and related debt (note 2.7)	**1,384**	(860)
Net exceptional items before taxation	**(39,111)**	(66,346)
Income tax and deferred tax attaching to exceptional items	**4,104**	3,290
Net exceptional items after taxation	**(35,007)**	(63,056)
Non-controlling interest share of net exceptional items after taxation	**–**	65
Net exceptional items attributable to owners of the Parent Company	**(35,007)**	(62,991)

Restructuring and integration costs of £26.724 million primarily relates to restructuring of operations as part of the integration of completed acquisitions across a small number of businesses. It includes the costs related to the restructuring of DCC LPG's consumer gas and power business in France where a new partnership with a third party has been created to better leverage the strong brand presence while reducing risk associated with this market in France. It also includes the reducing dual running costs relating to DCC Technology's UK SAP implementation which went live during the summer in the majority of the UK business. DCC Technology also incurred restructuring costs across a number of businesses where some right-sizing was required given the change in mix in the business as a result of Covid-19.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £13.604 million.

Most of the Group's debt has been raised in the US private placement market, denominated in US dollars, euro and sterling. Long-term interest and cross currency interest rate derivatives have been utilised to achieve an appropriate mix of fixed and floating rate debt across the three currencies. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to this debt is charged or credited as an exceptional item. In the year ended 31 March 2021, this amounted to an exceptional non-cash gain of £1.384 million. Following this gain, the cumulative net exceptional charge taken in respect of the Group's outstanding US Private Placement debt and related hedging instruments is £0.750 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

There was a related income tax credit of £4.104 million in relation to certain exceptional charges.

The net cash flow impact in the current year for exceptional items was an outflow of £29.358 million (2020: an inflow of £5.766 million).

The loss on disposal in the comparative year related to DCC Healthcare's disposal of DCC Vital's UK generic pharma activities and related manufacturing facility in Ireland (Kent Pharma and Athlone Laboratories). Whilst part of the DCC Group, the cash flows generated by the disposed business more than recovered its acquisition cost, however, the transaction resulted in a loss on disposal of £34.709 million.

Notes to the Financial Statements continued

2.7 Finance Costs and Finance Income

This note details the interest income generated by our financial assets and the interest expense incurred on our financial liabilities. Finance income principally comprises interest on cash and term deposits whilst finance costs mainly comprise interest on Unsecured Notes, bank borrowings and lease creditors. The net gain/loss arising on derivative financial instruments and the net finance income/cost arising on defined benefit pension schemes are included as a net income/cost as appropriate.

	2021 £'000	2020 £'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes	**(65,941)**	(75,373)
Unwinding of discount applicable to lease creditors (note 3.12)	**(9,707)**	(8,635)
Unwinding of discount applicable to acquisition related liabilities (note 3.16)	**(1,011)**	(1,439)
Unwinding of discount applicable to provisions for liabilities (note 3.17)	**(1,630)**	(1,741)
Facility fees	**(1,810)**	(2,023)
Other interest	**(5,540)**	(5,613)
	(85,639)	(94,824)
Mark-to-market of swaps and related debt*	**–**	(860)
	(85,639)	(95,684)
Finance income		
Interest on cash and term deposits	**1,279**	8,805
Net income on interest rate and currency swaps	**24,811**	30,609
Net interest income on defined benefit pension schemes (note 3.15)	**163**	96
	26,253	39,510
Mark-to-market of swaps and related debt*	**1,384**	–
	27,637	39,510
Net finance cost	**(58,002)**	(56,174)

* Mark-to-market of swaps and related debt		
Interest rate swaps designated as fair value hedges	**(6,990)**	11,924
Cross currency interest rate swaps designated as fair value hedges	**(59,062)**	59,202
Adjusted hedged fixed rate debt	**67,436**	(71,986)
Mark-to-market of swaps designated as fair value hedges and related debt	**1,384**	(860)
Movement on cross currency interest rate swaps designated as cash flow hedges	**(28,193)**	31,874
Transferred to cash flow hedge reserve	**28,193**	(31,874)
	–	–
Total mark-to-market of swaps and related debt	**1,384**	(860)

2.8 Share of Equity Accounted Investments' Profit after Tax

Share of equity accounted investments' profit after tax represents the results of businesses we do not control, but instead exercise significant influence and generally have an equity holding of up to 50%.

The Group's share of equity accounted investments' (i.e. associates) profit after tax is equity accounted and presented as a single line item in the Group Income Statement. The profit after tax generated by the Group's equity accounted investments is analysed as follows under the principal Group Income Statement captions:

Group share of:	2021 £'000	2020 £'000
Revenue	**7,550**	35,030
Operating profit and profit before tax	**266**	1,146
Income tax expense	**(33)**	(131)
Profit after tax	**233**	1,015

2.9 Income Tax Expense

Tax is payable in the territories in which we operate. This note details the current tax charge which is the tax payable on this year's taxable profits and the deferred tax charge which represents the tax expected to arise in the future due to differences in the accounting and tax bases of assets and liabilities.

(i) Income tax expense recognised in the Income Statement

	2021 £'000	2020 £'000
Current taxation		
Irish corporation tax at 12.5%	**7,038**	8,619
United Kingdom corporation tax at 19%	**15,086**	14,442
Other overseas tax	**56,041**	53,004
Income tax credit attaching to exceptional items	**(2,971)**	(3,163)
Over provision in respect of prior years	**(4,598)**	(8,335)
Total current taxation	**70,596**	64,567
Deferred tax		
Irish at 12.5%	**288**	937
United Kingdom at 19%	**1,153**	2,612
Other overseas deferred tax	**(8,372)**	(12,780)
Deferred tax credit attaching to exceptional items	**(1,133)**	(127)
(Over)/under provision in respect of prior years	**(254)**	2,126
Total deferred tax	**(8,318)**	(7,232)
Total income tax expense	**62,278**	57,335

(ii) Deferred tax recognised in Other Comprehensive Income

	2021 £'000	2020 £'000
Deferred tax relating to defined benefit pension obligations	**(159)**	560
Deferred tax relating to cash flow hedges	**11,554**	(5,816)
Total deferred tax charge/(credit) recognised in Other Comprehensive Income	**11,395**	(5,256)

Notes to the Financial Statements continued

2.9 Income Tax Expense continued

(iii) Reconciliation of effective tax rate

	2021 £'000	2020 £'000
Profit before taxation	365,081	311,485
Less: share of equity accounted investments' profit after tax	(233)	(1,015)
Add back: amortisation of intangible assets	66,898	62,138
Profit before share of equity accounted investments' profit after tax and amortisation of intangible assets	431,746	372,608
Add back: net exceptional items before tax	39,111	66,346
Profit before share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	470,857	438,954

	2021 £'000	2020 £'000
Profit before share of equity accounted investments' profit after tax and amortisation of intangible assets	431,746	372,608
At the standard rate of corporation tax in Ireland of 12.5%	53,968	46,576
Adjustments in respect of prior years	(4,852)	(6,209)
Effect of earnings taxed at higher rates	29,976	33,644
Other differences	954	611
Income tax expense	80,046	74,622
Income tax and deferred tax attaching to exceptional items	(4,104)	(3,290)
Deferred tax attaching to amortisation of intangible assets	(13,664)	(13,997)
Total income tax expense	62,278	57,335

	2021 %	2020 %
Income tax expense as a percentage of profit before share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	17.0%	17.0%
Impact of share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	0.1%	1.4%
Total income tax expense as a percentage of profit before tax	17.1%	18.4%

(iv) Factors that may affect future tax rates and other disclosures

No significant change is expected to the standard rate of corporation tax in the Republic of Ireland which is currently 12.5%. The standard rate of corporation tax in the UK is 19%. On 3 March 2021, as part of the UK Budget, it was announced that the UK tax rate will increase to 25% with effect from 1 April 2023. This rate change was not substantively enacted by legislation by the reporting date and hence no account of this change has been taken in these financial statements. A French corporate income tax rate of 32% applied for the year ended 31 March 2021. The French corporate income tax rate will progressively reduce on an annual basis to 25.8% for the year ending 31 March 2023. As the legislation to give statutory effect to the reduction in the French corporate income tax rate had been enacted by the reporting date, account has been taken of this change in these financial statements.

The Group has not provided deferred tax in relation to temporary differences applicable to investments in subsidiaries on the basis that the Group can control the timing and realisation of these temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. No provision has been recognised in respect of deferred tax relating to unremitted earnings of subsidiaries as there is no commitment or intention to remit earnings.

2.10 Dividends

Dividends represent one type of shareholder return and are paid as an amount per ordinary share held. The Group retains part of the profits generated in the year to meet future growth plans.

Dividends paid per ordinary share are as follows:	2021 £'000	2020 £'000
Final: paid 95.79 pence per share on 23 July 2020 (2020: paid 93.37 pence per share on 18 July 2019)	92,478	89,424
Interim: paid 51.95 pence per share on 9 December 2020 (2020: paid 49.48 pence per share on 11 December 2019)	51,045	49,788
	143,523	139,212

The Directors are proposing a final dividend in respect of the year ended 31 March 2021 of 107.85 pence per ordinary share (£106.303 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

2.11 Earnings per Ordinary Share

Earnings per ordinary share ('EPS') is the amount of post-tax profit attributable to each ordinary share. Basic EPS is the amount of profit for the year divided by the weighted average number of shares in issue during the year. Diluted EPS shows what the impact would be if all outstanding and exercisable options were exercised and treated as ordinary shares at year end.

	2021 £'000	2020 £'000
Profit attributable to owners of the Parent Company	**292,619**	245,509
Amortisation of intangible assets after tax	**53,234**	48,141
Exceptionals after tax (note 2.6)	**35,007**	62,991
Adjusted profit after taxation and non-controlling interests	**380,860**	356,641

Basic earnings per ordinary share	2021 pence	2020 pence
Basic earnings per ordinary share	**297.04p**	249.64p
Amortisation of intangible assets after tax	**54.04p**	48.95p
Exceptionals after tax	**35.54p**	64.05p
Adjusted basic earnings per ordinary share	**386.62p**	362.64p
Weighted average number of ordinary shares in issue (thousands)	**98,510**	98,345

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Parent Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The adjusted figures for basic earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Diluted earnings per ordinary share	2021 pence	2020 pence
Diluted earnings per ordinary share	**296.62p**	249.21p
Amortisation of intangible assets after tax	**53.96p**	48.87p
Exceptionals after tax	**35.49p**	63.94p
Adjusted diluted earnings per ordinary share	**386.07p**	362.02p
Weighted average number of ordinary shares in issue (thousands)	**98,650**	98,514

The earnings used for the purposes of the diluted earnings per ordinary share calculations were £292.619 million (2020: £245.509 million) and £380.860 million (2020: £356.641 million) for the purposes of the adjusted diluted earnings per ordinary share calculations.

The weighted average number of ordinary shares used in calculating the diluted earnings per ordinary share for the year ended 31 March 2021 was 98.650 million (2020: 98.514 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per ordinary share amounts is as follows:

	2021 '000	2020 '000
Weighted average number of ordinary shares in issue	**98,510**	98,345
Dilutive effect of options and awards	**140**	169
Weighted average number of ordinary shares for diluted earnings per share	**98,650**	98,514

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share options and awards are the Company's only category of dilutive potential ordinary shares. The adjusted figures for diluted earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Employee share options and awards, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability would not have been satisfied as at the end of the reporting period if that were the end of the vesting period.

Notes to the Financial Statements continued

Section 3 Assets and Liabilities

3.1 Property, Plant and Equipment

This note details the tangible assets utilised by the Group to generate revenues and profits. The cost of these assets primarily represents the amounts originally paid for them. All assets are depreciated over their useful economic lives.

	Land & buildings £'000	Plant & machinery & cylinders £'000	Fixtures, fittings & office equipment £'000	Motor vehicles £'000	Capital work in progress £'000	Total £'000
Year ended 31 March 2021						
Opening net book amount	**323,928**	**517,273**	**91,277**	**64,095**	**92,454**	**1,089,027**
Exchange differences	**(5,460)**	**(11,896)**	**(1,714)**	**(1,885)**	**(582)**	**(21,537)**
Arising on acquisition (note 5.2)	**8,605**	**21,746**	**4,070**	**7,432**	**15**	**41,868**
Additions	**16,048**	**88,059**	**32,892**	**8,621**	**24,490**	**170,110**
Disposals	**(5,146)**	**(2,965)**	**(1,509)**	**(992)**	**(23)**	**(10,635)**
Depreciation charge	**(14,876)**	**(79,695)**	**(23,614)**	**(13,014)**	**–**	**(131,199)**
Reclassification	**18,941**	**2,468**	**33,995**	**1,714**	**(57,118)**	**–**
Closing net book amount	**342,040**	**534,990**	**135,397**	**65,971**	**59,236**	**1,137,634**
At 31 March 2021						
Cost	**411,795**	**1,156,985**	**279,371**	**160,687**	**59,236**	**2,068,074**
Accumulated depreciation and impairment losses	**(69,755)**	**(621,995)**	**(143,974)**	**(94,716)**	**–**	**(930,440)**
Net book amount	**342,040**	**534,990**	**135,397**	**65,971**	**59,236**	**1,137,634**
Year ended 31 March 2020						
Opening net book amount	315,233	470,471	81,272	62,814	66,746	996,536
Effect of adopting IFRS 16	–	(396)	(489)	(646)	–	(1,531)
Exchange differences	(1,002)	5,856	1,137	1,199	(180)	7,010
Arising on acquisition (note 5.2)	16,176	14,449	1,620	1,560	471	34,276
Disposal of subsidiaries	(2,890)	(3,076)	(35)	–	–	(6,001)
Additions	11,559	99,026	28,794	16,143	29,322	184,844
Disposals	(1,628)	(1,602)	(3,058)	(1,274)	–	(7,562)
Depreciation charge	(12,991)	(73,027)	(20,325)	(12,202)	–	(118,545)
Reclassification	(529)	5,572	2,361	(3,499)	(3,905)	–
Closing net book amount	323,928	517,273	91,277	64,095	92,454	1,089,027
At 31 March 2020						
Cost	384,433	1,086,337	226,936	151,331	92,454	1,941,491
Accumulated depreciation and impairment losses	(60,505)	(569,064)	(135,659)	(87,236)	–	(852,464)
Net book amount	323,928	517,273	91,277	64,095	92,454	1,089,027

3.2 Right-Of-Use Leased Assets

This note details the right-of-use leased assets utilised by the Group to generate revenues and profits. All assets are depreciated over their useful economic lives.

	Land & buildings £'000	Plant & machinery & cylinders £'000	Fixtures, fittings & office equipment £'000	Motor vehicles £'000	Total £'000
Year ended 31 March 2021					
Opening net book amount	**273,053**	**3,473**	**465**	**27,106**	**304,097**
Exchange differences	**(4,784)**	**(277)**	**68**	**(856)**	**(5,849)**
Arising on acquisition (note 5.2)	**6,066**	**291**	**–**	**2,787**	**9,144**
Additions (note 3.12)	**27,912**	**1,457**	**145**	**38,377**	**67,891**
Terminations	**(1,988)**	**(83)**	**–**	**(1,137)**	**(3,208)**
Depreciation charge	**(41,844)**	**(1,184)**	**(222)**	**(18,123)**	**(61,373)**
Impairment charge	**(1,839)**	**–**	**–**	**–**	**(1,839)**
Closing net book amount	**256,576**	**3,677**	**456**	**48,154**	**308,863**
Year ended 31 March 2020					
Opening net book amount	–	–	–	–	–
Effect of adopting IFRS 16	255,212	1,967	234	39,393	296,806
Exchange differences	2,270	39	4	(53)	2,260
Arising on acquisition (note 5.2)	17,338	–	–	377	17,715
Additions (note 3.12)	37,460	2,654	447	6,139	46,700
Terminations	(879)	(73)	(28)	(215)	(1,195)
Depreciation charge	(38,348)	(1,114)	(192)	(18,535)	(58,189)
Closing net book amount	273,053	3,473	465	27,106	304,097

3.3 Intangible Assets and Goodwill

The Group Balance Sheet contains significant intangible assets and goodwill. Goodwill, customer and supplier relationships and brands can arise on the acquisition of a business. Goodwill arises when we pay an amount which is higher than the fair value of the net assets acquired (primarily due to expected synergies). This goodwill is not amortised but is subject to annual impairment reviews whereas customer and supplier relationships and brands are amortised over their useful economic lives.

	Goodwill £'000	Customer & supplier related intangibles £'000	Brand related intangibles £'000	Total £'000
Year ended 31 March 2021				
Opening net book amount	**1,467,150**	**484,283**	**175,459**	**2,126,892**
Exchange differences	**(34,874)**	**(28,878)**	**(8,843)**	**(72,595)**
Arising on acquisition (note 5.2)	**92,674**	**100,986**	**23,028**	**216,688**
Adjustments to contingent consideration (note 3.16)	**2,648**	**–**	**–**	**2,648**
Amortisation charge	**–**	**(59,161)**	**(7,737)**	**(66,898)**
Closing net book amount	**1,527,598**	**497,230**	**181,907**	**2,206,735**
At 31 March 2021				
Cost	**1,566,051**	**832,171**	**213,370**	**2,611,592**
Accumulated amortisation and impairment losses	**(38,453)**	**(334,941)**	**(31,463)**	**(404,857)**
Net book amount	**1,527,598**	**497,230**	**181,907**	**2,206,735**

Notes to the Financial Statements continued

3.3 Intangible Assets and Goodwill continued

	Goodwill £'000	Customer & supplier related intangibles £'000	Brand related intangibles £'000	Total £'000
Year ended 31 March 2020				
Opening net book amount	1,445,145	450,600	173,813	2,069,558
Exchange differences	10,410	12,456	6,020	28,886
Write-down of goodwill	(20,000)	–	–	(20,000)
Arising on acquisition (note 5.2)	78,376	76,626	2,365	157,367
Disposal of subsidiary	(46,781)	–	–	(46,781)
Amortisation charge	–	(55,399)	(6,739)	(62,138)
Closing net book amount	1,467,150	484,283	175,459	2,126,892
At 31 March 2020				
Cost	1,506,619	774,972	200,429	2,482,020
Accumulated amortisation and impairment losses	(39,469)	(290,689)	(24,970)	(355,128)
Net book amount	1,467,150	484,283	175,459	2,126,892

Customer and supplier related intangible assets principally comprise contractual and non-contractual customer and supplier relationships arising from business combinations and are amortised over their estimated useful lives. The weighted average remaining amortisation period for customer related intangibles is 11.3 years (2020: 11.4 years). Brand related intangible assets comprise registered trade names and logos which are well established and recognised within the industries in which the Group operates. The weighted average remaining amortisation period for brand related intangibles is 27.7 years (2020: 28.2 years). There are no internally generated brand related intangibles recognised on the Group Balance Sheet.

In accordance with IAS 38 *Intangible Assets*, details of individually significant intangible assets and their remaining amortisation periods as at 31 March 2021 are as follows:

	Segment	Customer & supplier related intangibles £'000	Remaining amortisation period in years	Brand related intangibles £'000	Remaining amortisation period in years
Butagaz	DCC LPG	**120,609**	**8.9 years**	**115,162**	**34.5 years**
DCC Propane	DCC LPG	**95,951**	**10.9 years**	**33,739**	**17.1 years**
DSG Hong Kong & Macau	DCC LPG	**61,321**	**21.8 years**	**–**	**–**
Esso Retail Norway	DCC Retail & Oil	**42,623**	**16.6 years**	**–**	**–**
TEGA	DCC LPG	**27,020**	**11.0 years**	**15,355**	**17.0 years**
Gaz Européen	DCC LPG	**24,029**	**7.8 years**	**10,051**	**15.8 years**
Others		**125,677**		**7,600**	
Closing net book amount		**497,230**		**181,907**	

3.3 Intangible Assets and Goodwill continued

In accordance with IAS 38 *Intangible Assets*, details of individually significant intangible assets and their remaining amortisation periods as at 31 March 2020 are as follows:

	Segment	Customer & supplier related intangibles £'000	Remaining amortisation period in years	Brand related intangibles £'000	Remaining amortisation period in years
Butagaz	DCC LPG	127,261	10.5 years	123,271	35.5 years
DSG Hong Kong & Macau	DCC LPG	71,599	22.8 years	–	–
DCC Propane	DCC LPG	39,623	12.1 years	18,279	17.9 years
Esso Retail Norway	DCC Retail & Oil	40,827	17.6 years	–	–
TEGA	DCC LPG	30,971	11.9 years	16,913	18.0 years
Gaz Européen	DCC LPG	28,188	8.8 years	11,116	16.8 years
Jam	DCC Technology	30,070	7.4 years	1,862	18.4 years
Others		115,744		4,018	
Closing net book amount		484,283		175,459	

Cash-generating units

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units ('CGUs') that are expected to benefit from that business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The CGUs represent the lowest level within the Group at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 *Operating Segments*. A total of 33 CGUs (2020: 35 CGUs) have been identified and these are analysed between the Group's operating segments below together with a summary of the allocation of the carrying value of goodwill by segment.

	Cash-generating units		**Goodwill**	
	2021 number	2020 number	**2021 £'000**	2020 £'000
DCC LPG	**9**	9	**518,503**	478,046
DCC Retail & Oil	**8**	9	**563,931**	545,498
DCC Healthcare	**7**	7	**227,221**	228,099
DCC Technology	**9**	10	**217,943**	215,507
	33	35	**1,527,598**	1,467,150

In accordance with IAS 36 *Impairment of Assets*, the CGUs to which significant amounts of goodwill have been allocated are as follows:

CGU	**Segment**	**2021 £'000**	2020 £'000
Certas Energy UK Group	DCC Retail & Oil	**282,495**	279,177
Butagaz	DCC LPG	**191,733**	193,126
DCC Vital Group	DCC Healthcare	**136,491**	139,141
Esso Retail Norway	DCC Retail & Oil	**118,765**	106,523
DCC Propane	DCC LPG	**103,618**	62,891
Exertis UK Group	DCC Technology	**101,629**	101,592
Others		**592,867**	584,700
Closing net book amount		**1,527,598**	1,467,150

For the purpose of impairment testing, the discount rates applied to these CGUs to which significant amounts of goodwill have been allocated were 9.4% (2020: 8.8%) for the Certas Energy UK Group, Butagaz, Esso Retail Norway and DCC Propane, 10.7% (2020: 10.1%) for the DCC Vital Group and 10.8% (2020: 10.2%) for the Exertis UK Group. The long-term growth rates assumed for the Certas Energy UK, DCC Vital and Exertis UK Groups was 1.6% and a long-term growth rate of 1.8% was assumed for DCC Propane. No growth was assumed for Butagaz or Esso Retail Norway. The remaining goodwill balance of £592.867 million is allocated across 27 CGUs (2020: £584.700 million across 29 CGUs), none of which are individually significant.

Notes to the Financial Statements continued

3.3 Intangible Assets and Goodwill continued

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing. Impairment of goodwill occurs when the carrying value of a CGU is greater than the present value of the cash that it is expected to generate (i.e. the recoverable amount). The Group reviews the carrying value of each CGU at least annually or more frequently if there is an indication that the CGU may be impaired.

The recoverable amount of each CGU is based on a value in use computation. The cash flow forecasts employed for this computation are based on the Three Year Plan that has been formally approved by the Board of Directors and specifically excludes future acquisition activity. Cash flows for a further two years are based on the assumptions underlying the Three Year Plan. Cash flow forecasts include consideration of past performance along with reflecting management's best estimates of future developments in each of the Group's markets. A long-term growth rate reflecting the lower of the extrapolated cash flow projections and the long-term GDP rate for the country of operation is applied to the year five cash flows. The weighted average long-term growth rate used in the impairment testing was 1.4% (2020: 1.3%).

Management have given consideration to its assessment of impairment risk given that the preparation and Board approval of the Group's Three Year Plans was completed whilst Covid-19 lockdown restrictions were still in place in jurisdictions in which the Group operates, and that these restrictions remain in place to varying degrees at the reporting date. Whilst the full financial impact of the crisis is impossible to predict with a high degree of certainty, the risk of impairment of goodwill at the balance sheet date due to the continuing impact of Covid-19 was given due consideration.

A present value of the future cash flows is calculated using a before-tax discount rate representing the Group's estimated before-tax weighted average cost of capital, adjusted to reflect risks associated with each CGU. The range of discount rates applied ranged from 9.4% to 10.8% (2020: 8.8% to 10.2%) and reflect the fact that the forecasting risk associated with Covid-19 was included in the adjusted cash flows.

Key assumptions include management's estimates of future profitability, working capital movements and capital expenditure and disposal proceeds on property, plant and equipment. Cash flow forecasts and key assumptions are generally determined based on historical performance together with management's expectation of future trends affecting the industry and other developments and initiatives in the business.

Applying these techniques, no impairment charge arose in 2021 (2020: nil).

Sensitivity analysis

Sensitivity analysis was performed by increasing the discount rate by 1%, reducing the long-term growth rate by 0.3% and decreasing cash flows by 10% which resulted in an excess in the recoverable amount of 31 CGUs over their carrying amount under each approach. Management believes that any reasonable change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amount except in the case of the two CGUs detailed below.

In relation to a CGU which forms part of the DCC Retail & Oil segment, the value in use of £221.6 million represented an excess of £7.5 million over its carrying value of £214.1 million. In relation to a CGU which forms part of the DCC Technology segment, the value in use of £53.1 million represented an excess of £1.1 million over its carrying value of £52.0 million. The table below identifies the amounts by which each of the key assumptions must change in order for the recoverable amount of each CGU to be equal to its carrying amount:

	CGU in DCC Retail & Oil	CGU in DCC Technology
Increase in discount rate	0.3 percentage points	0.2 percentage points
Reduction in long-term growth rate	0.6 percentage points	0.2 percentage points
Reduction in cash flow	4%	3%

3.4 Equity Accounted Investments

Equity accounted investments represent the Group's interests in certain entities where we exercise significant influence and generally have an equity holding of up to 50%.

	2021 £'000	2020 £'000
At 1 April	**27,729**	24,233
Acquisition of equity accounted investments (note 5.2)	**–**	1,646
Share of profit after tax	**233**	1,015
Exchange and other	**(828)**	835
At 31 March	**27,134**	27,729

Investments in associates at 31 March 2021 include goodwill of £19.131 million (2020: £19.094 million).

Summarised financial information for the Group's share of its investment in associates which are accounted for using the equity method is as follows:

	2021 £'000	2020 £'000
Non-current assets	**36,177**	37,410
Current assets	**6,335**	6,924
Non-current liabilities	**(1,847)**	(819)
Current liabilities	**(13,531)**	(15,786)
	27,134	27,729

Details of the Group's principal associates are included in the Group Directory on page 226.

3.5 Inventories

Inventories represent assets that we intend to convert or sell in order to generate revenue in the short term. The Group's inventory consists primarily of finished goods, net of an allowance for obsolescence.

	2021 £'000	2020 £'000
Raw materials	**59,409**	64,871
Work in progress	**6,539**	4,284
Finished goods	**620,002**	561,841
	685,950	630,996

Write-downs of inventories recognised as an expense within cost of sales amounted to £7.7 million (2020: £7.3 million) and arose in the normal course of activities.

Notes to the Financial Statements continued

3.6 Trade and Other Receivables

Trade and other receivables mainly consist of amounts owed to the Group by customers, net of an allowance for bad and doubtful debts, together with prepayments and accrued income.

	2021 £'000	2020 £'000
Trade receivables	1,477,573	1,428,578
Allowance for impairment of trade receivables	(40,360)	(36,744)
Prepayments and accrued income	142,532	134,432
Value-added tax recoverable	32,159	26,734
Other debtors	77,468	94,117
	1,689,372	1,647,117

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 5.7. Included in the Group's trade receivables as at 31 March 2021 are balances of £193.570 million (2020: £249.868 million) which are past due at the reporting date but not impaired and are expected to be fully recoverable. The aged analysis of these balances is as follows:

	2021 £'000	2020 £'000
Less than 1 month overdue	127,443	158,914
1 – 3 months overdue	40,081	46,702
3 – 6 months overdue	10,472	26,106
Over 6 months overdue	15,574	18,146
	193,570	249,868

The movement in the allowance for impairment of trade receivables during the year is as follows:

	2021 £'000	2020 £'000
At 1 April	36,744	33,367
Allowance for impairment recognised in the year	15,536	10,644
Subsequent recovery of amounts previously provided for	(697)	(1,002)
Amounts written off during the year	(10,612)	(7,803)
Arising on acquisition	572	883
Exchange	(1,183)	655
At 31 March	40,360	36,744

The vast majority of the allowance for impairment relates to trade and other receivables balances which are over six months overdue.

3.7 Trade and Other Payables

The Group's trade and other payables mainly consist of amounts we owe to our suppliers that have been either invoiced or accrued and are due to be settled within 12 months.

	2021 £'000	2020 £'000
Trade payables	1,850,102	1,673,409
Other creditors and accruals	623,800	517,775
PAYE and National Insurance or equivalent	13,951	16,160
Value-added tax	91,082	93,156
Government grants (note 3.18)	20	11
Interest payable	11,668	11,963
Amounts due in respect of property, plant and equipment	13,554	6,284
	2,604,177	2,318,758

3.8 Movement in Working Capital

Working capital represents the net of inventories, trade and other receivables and trade and other payables. This note details the overall movement in the year under each of these headings.

	Inventories £'000	Trade and other receivables £'000	Trade and other payables £'000	Total £'000
Year ended 31 March 2021				
At 1 April 2020	**630,996**	**1,647,117**	**(2,318,758)**	**(40,645)**
Translation adjustment	**(21,068)**	**(37,573)**	**46,940**	**(11,701)**
Arising on acquisition (note 5.2)	**18,209**	**30,640**	**(48,955)**	**(106)**
Exceptional items, interest accruals, capital accruals and other	**–**	**(415)**	**1,682**	**1,267**
Increase/(decrease) in working capital (note 5.3)	**57,813**	**49,603**	**(285,086)**	**(177,670)**
At 31 March 2021	**685,950**	**1,689,372**	**(2,604,177)**	**(228,855)**
Year ended 31 March 2020				
At 1 April 2019	678,006	1,517,507	(2,218,838)	(23,325)
Translation adjustment	10,026	20,813	(21,356)	9,483
Arising on acquisition (note 5.2)	44,307	65,888	(59,626)	50,569
Disposal of subsidiaries	(12,522)	(9,426)	9,703	(12,245)
Effect of adopting IFRS 16	–	(1,913)	124	(1,789)
Exceptional items, interest accruals, capital accruals and other	(2,113)	226	(12,261)	(14,148)
(Decrease)/increase in working capital (note 5.3)	(86,708)	54,022	(16,504)	(49,190)
At 31 March 2020	630,996	1,647,117	(2,318,758)	(40,645)

3.9 Cash and Cash Equivalents

The majority of the Group's cash and cash equivalents are held in deposit accounts with maturities of up to three months.

	2021 £'000	2020 £'000
Cash at bank and in hand	**594,119**	616,229
Short-term deposits	**1,192,437**	1,178,238
	1,786,556	1,794,467

Cash at bank earns interest at floating rates based on daily bank deposit rates. The short-term deposits, which include bank and money market deposits, are for periods up to three months and earn interest at the respective short-term deposit rates.

Cash and cash equivalents include the following for the purposes of the Group Cash Flow Statement:

	2021 £'000	2020 £'000
Cash and short-term deposits	**1,786,556**	1,794,467
Bank overdrafts	**(69,660)**	(109,694)
	1,716,896	1,684,773

Bank overdrafts are included within current borrowings (note 3.11) in the Group Balance Sheet.

Notes to the Financial Statements continued

3.10 Derivative Financial Instruments

Derivatives are financial instruments that derive their value from the price of underlying items such as interest rates, foreign exchange rates, commodities or other indices. This note details the derivative financial instruments used by the Group to hedge certain risk exposures arising from operational, financing and investment activities. These derivatives are held at fair value.

	2021 £'000	2020 £'000
Non-current assets		
Cross currency interest rate swaps – fair value hedges	**70,147**	145,983
Cross currency interest rate swaps – cash flow hedges	**29,386**	58,209
Interest rate swaps – fair value hedges	**21,433**	28,530
Commodity forward contracts – cash flow hedges	**705**	44
	121,671	232,766
Current assets		
Cross currency interest rate swaps – fair value hedges	**16,812**	10,430
Interest rate swaps – fair value hedges	**107**	-
Currency swaps – not designated as hedges	**190**	1,379
Foreign exchange forward contracts – cash flow hedges	**1,072**	1,581
Foreign exchange forward contracts – not designated as hedges	**98**	115
Commodity forward contracts – cash flow hedges	**15,358**	750
Commodity forward contracts – not designated as hedges	**6,544**	18,401
	40,181	32,656
Total assets	**161,852**	265,422
Non-current liabilities		
Commodity forward contracts – cash flow hedges	**(652)**	(3,729)
	(652)	(3,729)
Current liabilities		
Currency swaps – not designated as hedges	**(100)**	(3)
Foreign exchange forward contracts – cash flow hedges	**(847)**	(1,419)
Foreign exchange forward contracts – not designated as hedges	**(55)**	(138)
Commodity forward contracts – cash flow hedges	**(375)**	(27,946)
Commodity forward contracts – not designated as hedges	**(8,466)**	(638)
	(9,843)	(30,144)
Total liabilities	**(10,495)**	(33,873)
Net asset arising on derivative financial instruments	**151,357**	231,549

The full fair value of a hedging derivative is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or current liability if the maturity of the hedged item is less than 12 months.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts designated as fair value hedges under IAS 39 at 31 March 2021 total £197.5 million and €300.0 million. At 31 March 2021, the fixed interest rates vary from 1.96% to 4.49% and the floating rates are based on sterling LIBOR and EURIBOR.

3.10 Derivative Financial Instruments continued

Cross currency interest rate swaps

The Group utilises cross currency interest rate swaps to swap fixed rate US dollar denominated debt of $704.0 million into floating rate sterling debt of £156.885 million and floating rate euro debt of €340.954 million. At 31 March 2021 the fixed interest rates vary from 4.00% to 5.81%. These swaps are designated as fair value hedges under IAS 39.

The Group utilises cross currency interest rate swaps to swap fixed rate US dollar denominated debt of $317.0 million into fixed rate sterling debt of £61.189 million and fixed rate euro debt of €163.045 million. At 31 March 2021 the fixed US dollar interest rates vary from 4.04% to 4.98% and the average swapped fixed rates for sterling and euro were 4.47% and 3.74% respectively. These swaps are designated as cash flow hedges under IAS 39.

Currency swaps

During the year ended 31 March 2021, the Group entered into currency swaps to manage currency risk related to the funding of certain acquisitions. The principal amounts of outstanding currency swaps at 31 March 2021 total £40.509 million (2020: £40.254 million).

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 31 March 2021 total £113.600 million (2020: £104.011 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 4.2) at 31 March 2021 on forward foreign exchange contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to 12 months after the reporting date.

Commodity price forward contracts

The notional principal amounts of outstanding forward commodity contracts at 31 March 2021 total £162.146 million (2020: £280.662 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 4.2) at 31 March 2021 on forward commodity contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to 45 months after the reporting date.

3.11 Borrowings and Lease Creditors

The Group utilises long-term debt funding together with committed credit lines with our relationship banks. We use derivatives to manage risks associated with interest rates and foreign exchange.

	2021 £'000	2020 £'000
Non-current		
Unsecured Notes	**1,553,200**	1,856,004
Lease creditors (note 3.12)	**261,617**	259,456
Total non-current borrowings and lease creditors	**1,814,817**	2,115,460
Current		
Unsecured Notes	**149,999**	63,936
Bank borrowings	**69,660**	166,328
Total borrowings	**219,659**	230,264
Lease creditors (note 3.12)	**53,607**	47,411
Total current borrowings and lease creditors	**273,266**	277,675
Total borrowings and lease creditors	**2,088,083**	2,393,135

The maturity of non-current borrowings is as follows:

	2021 £'000	2020 £'000
Between 1 and 2 years	**46,664**	207,653
Between 2 and 5 years	**767,177**	743,678
Over 5 years	**1,000,976**	1,164,129
	1,814,817	2,115,460

Notes to the Financial Statements continued

3.11 Borrowings and Lease Creditors continued

Bank borrowings

Interest on bank borrowings is at floating rates set in advance for periods ranging from overnight to three months by reference to inter-bank interest rates (EURIBOR, sterling LIBOR and US$ LIBOR) and consequently fair value approximates carrying amounts.

The Group has a £400 million five-year committed revolving credit facility with nine relationship banks: Barclays, BNP Paribas, Danske Bank, HSBC, ING, J.P. Morgan, National Westminster Bank, Bank of Ireland and Deutsche Bank. The facility matures in March 2023 and £400 million remained undrawn at 31 March 2021. The Group had various other uncommitted bank facilities available at 31 March 2021.

Unsecured Notes

The Group's Unsecured Notes which fall due between 2021 and 2034 are comprised of fixed rate debt of US$59.0 million issued in 2010 and maturing in 2022 (the '2022 Notes'), fixed rate debt of US$446.0 million issued in 2013 and maturing in 2023 and 2025 (the '2023/25 Notes'), fixed rate debt of US$516.0 million, €85.0 million and £70.0 million issued in 2014 and maturing in 2021, 2024, 2026 and 2029 (the '2021/24/26/29 Notes'), fixed rate debt of £127.5 million and €215.0 million issued in September 2017 and maturing in 2027 and 2029 (the '2027/29 Notes'), floating rate debt of €145.0 million issued in September 2017 and maturing in 2024, 2027 and 2029 (the '2024/27/29 Notes') and fixed rate debt of US$350.0 million and €100.0 million issued in April 2019 and maturing in 2026, 2029, 2031 and 2034 (the '2026/29/31/34 Notes').

Of the 2022 Notes denominated in US dollars, $44.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR and $15.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR.

Of the 2023/25 Notes denominated in US dollars, $176.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR, $140.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR, $85.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed euro rates and $45.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed sterling rates.

Of the 2021/24/26/29 Notes denominated in US dollars, $269.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR, $60.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR, $135.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed euro rates, $52.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed sterling rates. The 2021/24/26/29 Notes denominated in euro have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) from fixed euro to floating euro rates, repricing quarterly based on EURIBOR. The 2021/24/26/29 Notes denominated in sterling have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) from fixed sterling to floating sterling rates, repricing quarterly based on sterling LIBOR.

The 2027/29 Notes denominated in sterling have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) to floating sterling rates, repricing half yearly based on sterling LIBOR. The 2027/29 Notes denominated in euro have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) to floating euro rates, repricing half yearly based on EURIBOR.

The 2024/27/29 Notes are at floating euro rates, repricing half yearly based on EURIBOR.

The 2026/29/31/34 Notes have not been swapped.

The maturity and interest profile of the Unsecured Notes is as follows:

	2021	2020
Average maturity	**5.2 years**	6.1 years
Average fixed interest rates*:		
– US$ denominated	**4.48%**	4.42%
– sterling denominated	**3.36%**	3.36%
– euro denominated	**2.33%**	2.33%
Average floating rate including swaps:		
– sterling denominated	**1.91%**	2.53%
– euro denominated	**1.01%**	1.17%

* Issued and repayable at par.

3.12 Lease Creditors

Lease creditors represent the present value of the Group's lease commitments. Lease creditors are initially measured at the present value of the future minimum lease payments, discounted using the incremental borrowing rate over the remaining lease term.

The movement in the Group's lease creditors during the year ended 31 March 2021 is as follows:

	2021 £'000	2020 £'000
At 1 April	**306,867**	901
Effect of adopting IFRS 16	**-**	294,140
Exchange differences	**(6,145)**	1,474
Additions of right-of-use assets (note 3.2)	**67,891**	46,700
Terminations	**(3,254)**	(589)
Arising on acquisition (note 5.2)	**9,144**	19,466
Lease repayments	**(68,986)**	(63,860)
Unwinding of discount applicable to lease creditors (note 2.7)	**9,707**	8,635
At 31 March	**315,224**	306,867

An analysis of the maturity profile of the discounted lease creditor arising from the Group's leasing activities as at 31 March 2021 is as follows:

	2021 £'000	2020 £'000
Within one year	**53,607**	47,411
Between one and two years	**46,664**	40,131
Between two and five years	**97,973**	90,905
Over five years	**116,980**	128,420
At 31 March 2021	**315,224**	306,867
Analysed as:		
Non-current liabilities	**261,617**	259,456
Current liabilities	**53,607**	47,411
	315,224	306,867

The Group has availed of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. Wholly variable lease payments directly linked to sales or usage are also expensed as incurred. The following lease costs have been charged to the Income Statement as incurred:

	2021 £'000	2020 £'000
Short-term leases	**6,520**	7,931
Leases of low-value assets	**462**	483
Wholly variable lease payments	**54,226**	50,304
Total	**61,208**	58,718

The total cash outflow for lease payments during the period was as follows:

	2021 £'000	2020 £'000
Cash outflow for short-term leases, leases of low value assets and wholly variable lease payments	**61,208**	58,718
Lease payments relating to capitalised right-of-use leased assets	**68,986**	63,860
Total cash outflow for lease payments	**130,194**	122,578

Notes to the Financial Statements continued

3.12 Lease Creditors continued

Lease commitments for short-term leases at the Balance Sheet date are not dissimilar to the short-term lease costs expensed during the year.

The Group's business model is that of a distributor and, therefore, maintaining flexibility in the Group's cost base is of significant importance. Substantially all of the Group's variable lease payments arise from two types of contracts:

(i) transport costs (primarily for the transport of LPG) which vary depending on kilometres and hours of truck travel (i.e. deliveries outside of normal working hours can incur a premium). Given that the variable costs arising on LPG transport contracts are linked to hours and distance travelled by the trucks, these costs will vary in line with demand patterns.

(ii) third party petrol forecourt where costs will vary based primarily on volume of fuel sold and margin achieved. These costs will vary in line with demand patterns.

There are no other significant factors that can influence the variability of the Group's variable lease payments other than those mentioned above.

The effect of excluding future cash outflows arising from termination options and leases not yet commenced from lease creditors was not material for the Group. Income from subleasing and gains/losses on sales and leaseback transactions were not material for the Group.

3.13 Analysis of Net Cash/(Debt)

Net cash/(debt) is a key metric of the Group and represents cash and cash equivalents less borrowings, derivative financial instruments and lease creditors.

Reconciliation of opening to closing net cash/(debt)

The reconciliation of opening to closing net cash/(debt) for the year ended 31 March 2021 is as follows:

			Fair value adjustment			
	At 1 April 2020 £'000	**Cash/debt movements £'000**	**Income Statement £'000**	**Cash Flow Hedge Reserve £'000**	**Translation adjustment £'000**	**At 31 March 2021 £'000**
Cash and short-term deposits	**1,794,467**	**41,298**	**–**	**–**	**(49,209)**	**1,786,556**
Overdrafts	**(109,694)**	**38,321**	**–**	**–**	**1,713**	**(69,660)**
	1,684,773	**79,619**	**–**	**–**	**(47,496)**	**1,716,896**
Bank loans and loan notes	**(56,634)**	**53,697**	**–**	**–**	**2,937**	**–**
Unsecured Notes	**(1,919,940)**	**63,915**	**67,436**	**–**	**85,390**	**(1,703,199)**
Derivative financial instruments (net)	**231,549**	**(59,121)**	**(66,052)**	**45,703**	**(722)**	**151,357**
Group net cash/(debt) (excl. lease creditors)	**(60,252)**	**138,110**	**1,384**	**45,703**	**40,109**	**165,054**
Lease creditors	**(306,867)**	**(14,502)**	**–**	**–**	**6,145**	**(315,224)**
Group net debt (incl. lease creditors)	**(367,119)**	**123,608**	**1,384**	**45,703**	**46,254**	**(150,170)**

The reconciliation of opening to closing net debt for the year ended 31 March 2020 is as follows:

				Fair value adjustment			
	At 1 April 2019 £'000	Adoption of IFRS 16 £'000	Cash/debt movements £'000	Income Statement £'000	Cash Flow Hedge Reserve £'000	Translation adjustment £'000	At 31 March 2020 £'000
Cash and short-term deposits	1,554,093	–	214,596	–	–	25,778	1,794,467
Overdrafts	(88,065)	–	(20,448)	–	–	(1,181)	(109,694)
	1,466,028	–	194,148	–	–	24,597	1,684,773
Bank loans and loan notes	–	–	(54,885)	–	–	(1,749)	(56,634)
Unsecured Notes	(1,684,963)	–	(105,193)	(71,986)	–	(57,798)	(1,919,940)
Derivative financial instruments (net)	201,411	–	13,669	71,126	(55,481)	824	231,549
Group net debt (excl. lease creditors)	(17,524)	–	47,739	(860)	(55,481)	(34,126)	(60,252)
Lease creditors	(901)	(294,140)	(10,352)	–	–	(1,474)	(306,867)
Group net debt (incl. lease creditors)	(18,425)	(294,140)	37,387	(860)	(55,481)	(35,600)	(367,119)

3.13 Analysis of Net Cash/(Debt) continued

Currency profile

The currency profile of net debt at 31 March 2021 and 31 March 2020 is as follows:

	Cash and cash equivalents £'000	Borrowings and lease creditors* £'000	Derivatives £'000	Total £'000
As at 31 March 2021				
Euro	**556,366**	**(1,122,426)**	**97,643**	**(468,417)**
Sterling	**855,356**	**(628,803)**	**53,618**	**280,171**
US dollar	**126,285**	**(288,028)**	**2,428**	**(159,315)**
Danish krone	**111,220**	**(9,010)**	**(2,331)**	**99,879**
Swedish krona	**62,665**	**(20,217)**	**–**	**42,448**
Norwegian krone	**43,447**	**(11,366)**	**(1)**	**32,080**
Hong Kong dollar	**18,669**	**(3,022)**	**–**	**15,647**
Other	**12,548**	**(5,211)**	**–**	**7,337**
At 31 March 2021	**1,786,556**	**(2,088,083)**	**151,357**	**(150,170)**
As at 31 March 2020				
Euro	531,402	(1,263,225)	143,631	(588,192)
Sterling	754,180	(714,676)	72,665	112,169
US dollar	327,699	(373,258)	(2,465)	(48,024)
Danish krone	56,269	(8,198)	17,778	65,849
Swedish krona	43,724	(19,231)	–	24,493
Norwegian krone	36,484	(11,782)	(60)	24,642
Hong Kong dollar	23,610	(1,048)	–	22,562
Other	21,099	(1,717)	–	19,382
At 31 March 2020	1,794,467	(2,393,135)	231,549	(367,119)

* Euro, sterling and US dollar borrowings reflect the cross currency interest rate swaps referred to in note 3.10.

Interest rate profile

Cash and cash equivalents at 31 March 2021 and 31 March 2020 have maturity periods up to three months (note 3.9).

Bank borrowings are at floating interest rates for periods less than three months while the Group's Unsecured Notes due 2021 to 2034 comprises debt swapped to a combination of fixed rates and floating rates which reset on a quarterly and semi-annual basis, and debt which has not been swapped.

Notes to the Financial Statements continued

3.14 Deferred Income Tax

Deferred tax is an accounting adjustment to provide for tax that is expected to arise in the future as a result of differences in the accounting and tax bases of assets and liabilities.

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 March 2021:

	Property, plant and equipment £'000	Intangible assets £'000	Tax losses and credits £'000	Retirement benefit obligations £'000	Derivative financial instruments £'000	Short-term temporary differences and other £'000	Total £'000
At 1 April 2020	**26,358**	**140,375**	**(919)**	**1,154**	**(9,214)**	**(13,157)**	**144,597**
Consolidated Income Statement	**2,650**	**(13,365)**	**(66)**	**(588)**	**221**	**2,830**	**(8,318)**
Recognised in Other Comprehensive Income	**–**	**–**	**–**	**(159)**	**11,554**	**–**	**11,395**
Arising on acquisition (note 5.2)	**4**	**10,981**	**–**	**–**	**–**	**(19)**	**10,966**
Exchange differences and other	**(560)**	**(5,571)**	**83**	**147**	**–**	**(225)**	**(6,126)**
At 31 March 2021	**28,452**	**132,420**	**(902)**	**554**	**2,561**	**(10,571)**	**152,514**
Analysed as:							
Deferred tax asset	**(5,325)**	**(143)**	**(902)**	**(1,904)**	**–**	**(22,432)**	**(30,706)**
Deferred tax liability	**33,777**	**132,563**	**–**	**2,458**	**2,561**	**11,861**	**183,220**
	28,452	**132,420**	**(902)**	**554**	**2,561**	**(10,571)**	**152,514**

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 March 2020:

	Property, plant and equipment £'000	Intangible assets £'000	Tax losses and credits £'000	Retirement benefit obligations £'000	Derivative financial instruments £'000	Short-term temporary differences and other £'000	Total £'000
At 1 April 2019	17,562	145,127	(1,442)	23	(3,271)	(9,891)	148,108
Consolidated Income Statement	7,873	(13,259)	627	580	(127)	(2,926)	(7,232)
Recognised in Other Comprehensive Income	–	–	–	560	(5,816)	–	(5,256)
Arising on acquisition (note 5.2)	372	5,018	(96)	–	–	29	5,323
Exchange differences and other	551	3,489	(8)	(9)	–	(369)	3,654
At 31 March 2020	26,358	140,375	(919)	1,154	(9,214)	(13,157)	144,597
Analysed as:							
Deferred tax asset	(2,866)	(78)	(919)	(588)	(9,214)	(21,697)	(35,362)
Deferred tax liability	29,224	140,453	–	1,742	–	8,540	179,959
	26,358	140,375	(919)	1,154	(9,214)	(13,157)	144,597

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised, with consideration given to the timing and level of future taxable income in the relevant jurisdiction. The majority of the deferred tax asset at 31 March 2021 of £30.706 million is expected to be settled/recovered more than 12 months after the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income tax has not been recognised for withholding and other taxes that may be payable on the unremitted earnings of certain subsidiaries as the timing of the reversal of these temporary differences is controlled by the Group and it is probable that these temporary differences will not reverse in the foreseeable future.

3.15 Post-Employment Benefit Obligations

The Group operates a number of defined benefit and defined contribution pension schemes for our employees. All of the Group's defined benefit pension schemes are closed to new members.

The Group operates defined benefit and defined contribution schemes. The pension scheme assets are held in separate trustee administered funds.

The Group operates five defined benefit pension schemes in the Republic of Ireland ('ROI'), four in the UK and four in Germany. The projected unit credit method has been employed in determining the present value of the defined benefit obligation arising, the related current service cost and, where applicable, past service cost.

Full actuarial valuations were carried out between 1 January 2016 and 1 April 2020. In general, actuarial valuations are not available for public inspection, although the results of valuations are advised to the members of the various pension schemes. Actuarial valuations have been updated to 31 March 2021 for IAS 19 by a qualified actuary.

The schemes expose the Group to a number of risks, the most significant of which are as follows:

Discount rates
The calculation of the present value of the defined benefit obligation is sensitive to changes in the discount rate. The discount rate is based on the interest yield at the reporting date on high-quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligation. Changes in the discount rate can lead to volatility in the Group's Balance Sheet, Income Statement and Statement of Comprehensive Income.

Asset volatility
The scheme assets are reported at fair value using bid prices where relevant. The majority of the Group's scheme assets comprise of bonds. A decrease in corporate bond yields will increase the value of the Group's bond holdings although this will be partially offset by an increase in the value of the scheme's liabilities. The Group also holds a significant proportion of equities which are expected to outperform corporate bonds in the long term while providing some volatility and risk in the short term. External consultants periodically conduct investment reviews to determine the most appropriate asset allocation, taking account of asset valuations, funding requirements, liability duration and the achievement of appropriate returns.

Inflation risk
The majority of the Group's defined benefit obligations are linked to inflation and higher inflation will lead to higher scheme liabilities although caps are in place to protect the schemes against extreme inflation.

Mortality risk
The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the defined benefit obligation.

The principal actuarial assumptions used were as follows:

	2021	2020
Republic of Ireland schemes		
Rate of increase in salaries	**n/a***	n/a*
Rate of increase in pensions in payment	**1.25% – 2.50%**	1.10% – 2.50%
Discount rate	**1.50%**	1.80%
Inflation assumption	**1.50%**	1.10%
UK schemes		
Rate of increase in salaries	**0.00% – 3.25%**	0.00% – 2.55%
Rate of increase in pensions in payment	**1.63% – 4.00%**	1.28% – 4.00%
Discount rate	**2.20%**	2.30%
Inflation assumption	**3.25%**	2.55%
German schemes		
Rate of increase in salaries	**2.50%**	2.10%
Rate of increase in pensions in payment	**1.50%**	1.10%
Discount rate	**1.50%**	1.80%
Inflation assumption	**1.50%**	1.10%

* There is no future service accrual for the Irish schemes.

Notes to the Financial Statements continued

3.15 Post-Employment Benefit Obligations continued

The post-retirement mortality assumptions employed in determining the present value of scheme liabilities under IAS 19 are set based on advice from published statistics and experience in the relevant geographic regions and are in accordance with the underlying funding valuations.

The mortality assumptions disclosed for 'current retirees' relate to assumptions based on longevity, in years, following retirement at the balance sheet date, with 'future retirees' being that relating to an employee retiring in 20 years' time. The mortality assumptions are as follows:

	2021 Years	2020 Years
Current retirees		
Male	**23.3**	23.3
Female	**25.4**	25.2
Future retirees		
Male	**25.7**	25.7
Female	**27.7**	27.6

The Group does not operate any post-employment medical benefit schemes.

The net pension asset recognised in the Balance Sheet is analysed as follows:

	2021			
	ROI £'000	**UK £'000**	**Germany £'000**	**Total £'000**
Equities	**13,046**	**3,001**	**–**	**16,047**
Bonds	**38,325**	**13,849**	**–**	**52,174**
Property	**32**	**–**	**–**	**32**
Investment funds	**3,168**	**12,323**	**–**	**15,491**
Cash	**4,967**	**626**	**863**	**6,456**
Total fair value at 31 March 2021	**59,538**	**29,799**	**863**	**90,200**
Present value of scheme liabilities	**(45,383)**	**(25,516)**	**(11,277)**	**(82,176)**
Net pension asset/(liability) at 31 March 2021	**14,155**	**4,283**	**(10,414)**	**8,024**

	2020			
	ROI £'000	UK £'000	Germany £'000	Total £'000
Equities	11,651	2,668	–	14,319
Bonds	39,052	13,879	–	52,931
Property	36	–	–	36
Investment funds	3,222	10,662	–	13,884
Cash	5,203	1,092	886	7,181
Total fair value at 31 March 2020	59,164	28,301	886	88,351
Present value of scheme liabilities	(47,438)	(23,729)	(9,869)	(81,036)
Net pension asset/(liability) at 31 March 2020	11,726	4,572	(8,983)	7,315

3.15 Post-Employment Benefit Obligations continued

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes are as follows:

	2021 £'000	2020 £'000
Current service cost	**(272)**	(318)
Administration expenses	**(114)**	(153)
Total, included in employee benefit expense (note 2.4)	**(386)**	(471)
Interest cost on scheme liabilities	**(1,562)**	(1,801)
Interest income on scheme assets	**1,725**	1,897
Net interest income, included in net finance costs (note 2.7)	**163**	96

Based on the assumptions employed for the valuation of assets and liabilities at 31 March 2021, the net charge in the Group Income Statement in the year ending 31 March 2022 is expected to be broadly in line with the current year figures.

Remeasurements recognised in Other Comprehensive Income are as follows:

	2021 £'000	2020 £'000
Return on scheme assets excluding interest income	**9,003**	(4,520)
Experience variations	**(680)**	2,581
Actuarial gain from changes in demographic assumptions	**126**	–
Actuarial (loss)/gain from changes in financial assumptions	**(8,195)**	6,071
Total, included in Other Comprehensive Income	**254**	4,132

Cumulatively since transition to IFRS on 1 April 2004, £48.113 million has been recognised as a charge in the Group Statement of Comprehensive Income.

The movement in the fair value of plan assets is as follows:

	2021 £'000	2020 £'000
At 1 April	**88,351**	92,047
Interest income on scheme assets	**1,725**	1,897
Remeasurements:		
– return on scheme assets excluding interest income	**9,003**	(4,520)
Contributions by employers	**836**	2,144
Contributions by members	**41**	11
Administration expenses	**(114)**	(153)
Benefit and settlement payments	**(7,183)**	(4,988)
Exchange	**(2,459)**	1,913
At 31 March	**90,200**	88,351

The actual return on plan assets was a gain of £10.728 million (2020: loss of £2.623 million).

Notes to the Financial Statements continued

3.15 Post-Employment Benefit Obligations continued

The movement in the present value of defined benefit obligations is as follows:

	2021 £'000	2020 £'000
At 1 April	**81,036**	90,650
Current service cost	**272**	318
Interest cost	**1,562**	1,801
Remeasurements:		
– experience variations	**680**	(2,581)
– actuarial gain from changes in demographic assumptions	**(126)**	–
– actuarial loss/(gain) from changes in financial assumptions	**8,195**	(6,071)
Contributions by members	**41**	11
Benefit and settlement payments	**(7,183)**	(4,988)
Exchange	**(2,301)**	1,896
At 31 March	**82,176**	81,036

The weighted average duration of the defined benefit obligation at 31 March 2021 was 18.7 years (2020: 18.9 years).

Employer contributions for the forthcoming financial year are estimated at £0.6 million. The difference between the actual employer contributions paid in the current year of £0.8 million and the expectation of £0.6 million included in the 2020 Annual Report was primarily due to the timing of contributions in certain of the Group's pension schemes which could not have been anticipated at the time of preparation of the 2020 financial statements.

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses, for the Group's Irish, UK and German pension schemes, the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Assumption	Change in assumption	Impact on Irish plan liabilities	Impact on UK plan liabilities	Impact on German plan liabilities
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 4.5%	Decrease/increase by 5.3%	Decrease/increase by 4.6%
Price inflation	Increase/decrease by 0.25%	Increase/decrease by 2.1%	Increase/decrease by 4.4%	Increase/decrease by 3.5%
Mortality	Increase/decrease by one year	Increase/decrease by 3.7%	Increase/decrease by 4.1%	Increase/decrease by 3.8%

Split of scheme assets

	Republic of Ireland		UK		Germany		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Investments quoted in active markets:								
Equity instruments:								
– developed markets	**12,234**	11,203	**3,001**	2,668	**–**	–	**15,235**	13,871
– emerging markets	**812**	448	**–**	–	**–**	–	**812**	448
Debt instruments:								
– non government debt instruments	**2,477**	2,406	**12,643**	12,316	**–**	–	**15,120**	14,722
– government debt instruments	**35,848**	36,646	**1,206**	1,563	**–**	–	**37,054**	38,209
Investment funds	**3,168**	3,222	**12,323**	10,662	**–**	–	**15,491**	13,884
Cash and cash equivalents	**4,967**	5,203	**626**	1,092	**863**	886	**6,456**	7,181
Unquoted investments:								
Property	**32**	36	**–**	–	**–**	–	**32**	36
	59,538	59,164	**29,799**	28,301	**863**	886	**90,200**	88,351

3.16 Acquisition Related Liabilities

Acquisition related liabilities arising on business combinations comprise debt like items and contingent consideration. Contingent consideration arises when a portion of the purchase price is deferred into the future and represents the fair value of the estimate of amounts payable to acquire the remaining shareholding.

The Group's acquisition related liabilities of £84.402 million (2020: £113.634 million) as stated on the Balance Sheet are payable as follows:

	2021 £'000	2020 £'000
Within one year	**21,853**	36,253
Between one and two years	**27,496**	40,322
Between two and five years	**35,053**	37,059
	84,402	113,634
Analysed as:		
Non-current liabilities	**62,549**	77,381
Current liabilities	**21,853**	36,253
	84,402	113,634

The currency profile of the Group's acquisition related liabilities, which are stated at fair value, is as follows:

	2021 £'000	2020 £'000
Euro	**38,098**	54,987
US dollar	**35,236**	44,859
Hong Kong dollar	**6,391**	6,648
Sterling	**4,626**	7,031
Other	**51**	109
	84,402	113,634

The movement in the Group's acquisition related liabilities is as follows:

	2021 £'000	2020 £'000
At 1 April	**113,634**	101,410
Arising on acquisition (note 5.2)	**9,321**	43,044
Unwinding of discount applicable to acquisition related liabilities (note 2.7)	**1,011**	1,439
Adjustments to contingent consideration (adjustment to goodwill) (note 3.3)	**2,648**	–
Adjustments to contingent consideration (recognised in the Income Statement) (note 2.6)	**(27)**	(673)
Paid during the year	**(36,330)**	(35,339)
Exchange and other	**(5,855)**	3,753
At 31 March	**84,402**	113,634

Notes to the Financial Statements continued

3.17 Provisions for Liabilities

A provision is recorded when an obligation exists, resulting from a past event and it is probable that cash will be paid to settle it but there is uncertainty over either the amount or timing of the outflow. The main provisions held by the Group are in relation to reorganisation programmes, environmental obligations, cylinder and tank deposits and insurance liabilities.

The reconciliation of the movement in provisions for liabilities for the year ended 31 March 2021 is as follows:

	Rationalisation, restructuring and redundancy £'000	**Environmental and remediation £'000**	**Cylinder and tank deposits £'000**	**Insurance and other £'000**	**Total £'000**
At 1 April 2020	**33,830**	**84,119**	**167,155**	**25,685**	**310,789**
Provided during the year	**19,257**	**8,617**	**11,631**	**8,928**	**48,433**
Unwinding of discount applicable to provisions for liabilities (note 2.7)	**–**	**291**	**1,339**	**–**	**1,630**
Utilised during the year	**(20,980)**	**(862)**	**(7,526)**	**(1,976)**	**(31,344)**
Unutilised/reversed during the year	**(504)**	**(1,141)**	**(6,858)**	**(830)**	**(9,333)**
Arising on acquisition (note 5.2)	**467**	**–**	**–**	**261**	**728**
Exchange and other	**(742)**	**(2,348)**	**(6,794)**	**11,332**	**1,448**
At 31 March 2021	**31,328**	**88,676**	**158,947**	**43,400**	**322,351**
Analysed as:					
Non-current liabilities	**15,195**	**79,319**	**149,819**	**35,159**	**279,492**
Current liabilities	**16,133**	**9,357**	**9,128**	**8,241**	**42,859**
	31,328	**88,676**	**158,947**	**43,400**	**322,351**

The reconciliation of the movement in provisions for liabilities for the year ended 31 March 2020 is as follows:

	Rationalisation, restructuring and redundancy £'000	Environmental and remediation £'000	Cylinder and tank deposits £'000	Insurance and other £'000	Total £'000
At 1 April 2019	36,372	84,779	168,187	27,450	316,788
Effect of adopting IFRS 16	(654)	–	–	–	(654)
Provided during the year	15,888	2,218	7,380	8,653	34,139
Unwinding of discount applicable to provisions for liabilities (note 2.7)	–	291	1,450	–	1,741
Utilised during the year	(19,233)	(1,899)	(1,259)	(9,147)	(31,538)
Unutilised/reversed during the year	(284)	(3,182)	(14,181)	(2,362)	(20,009)
Arising on acquisition (note 5.2)	601	–	–	608	1,209
Exchange and other	1,140	1,912	5,578	483	9,113
At 31 March 2020	33,830	84,119	167,155	25,685	310,789
Analysed as:					
Non-current liabilities	18,020	78,836	157,025	10,327	264,208
Current liabilities	15,810	5,283	10,130	15,358	46,581
	33,830	84,119	167,155	25,685	310,789

3.17 Provisions for Liabilities continued

Rationalisation, restructuring and redundancy

This provision relates to various rationalisation and restructuring programmes across the Group. The Group expects that the majority of this provision will be utilised within three years.

Environmental and remediation

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations together with the costs associated with removing LPG tanks from customer sites. The net present value of the estimated costs is capitalised as property, plant and equipment. The unwinding of the discount element on the provision is reflected in the Income Statement. Ongoing costs incurred during the operating life of the sites are written off directly to the Income Statement and are not charged to the provision. The majority of the obligations will unwind over a 30-year timeframe but the exact timing of settlement of these provisions is not certain.

Cylinder and tank deposits

This provision relates to DCC LPG's operations where an obligation arises from the receipt of deposit fees paid by customers for LPG cylinders and tanks. On receipt of a deposit the Group recognises a liability equal to the deposit received. This deposit will subsequently be refunded at an amount equal to the original deposit on return of the cylinder or tank together with the original deposit receipt. Cylinder and tank deposits acquired through business combinations are measured initially at their fair value at the acquisition date (i.e. net present value) and the unwinding of the discount element is reflected in the Income Statement. The majority of this obligation will unwind over a 25-year timeframe but the exact timing of settlement of this provision is not certain.

Insurance and other

The Group operates a level of self-insurance for motor liability and public and products liability. Under these arrangements the Group retains certain insurance exposure up to pre-determined self-insurance thresholds. This provision reflects an estimation of claims that are classified as incurred but not reported and also the outstanding loss reserve. A significant element of the provision is subject to external assessments. The utilisation of the provision is dependent on the timing of settlement of the outstanding claims. Historically, the average time for settlement of outstanding claims ranges from one to three years from the date of the claim.

3.18 Government Grants

Government grants relate to capital grants received by the Group and are amortised to the Income Statement over the estimated useful lives of the related capital assets.

	2021 £'000	2020 £'000
At 1 April	**342**	353
Government grants received in year	**89**	–
Amortisation in year	**(36)**	(11)
Exchange	**(2)**	–
At 31 March	**393**	342
Analysed as:		
Non-current liabilities	**373**	331
Current liabilities (note 3.7)	**20**	11
	393	342

Notes to the Financial Statements continued

Section 4 Equity

4.1 Share Capital and Share Premium

The ordinary shareholders of DCC plc own the Company. This note details how the total number of ordinary shares in issue has changed during the year and how many of these ordinary shares are held as treasury shares.

	2021 £'000	2020 £'000
Authorised		
152,368,568 ordinary shares of €0.25 each	**25,365**	25,365

Issued

Year ended 31 March 2021	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 31 March 2020 (including 2,932,474 ordinary shares held as treasury shares)	**101,333,904**	**17,422**	**882,887**	**900,309**
Premium arising on re-issue of treasury shares	**–**	**–**	**37**	**37**
At 31 March 2021 (including 2,768,690 ordinary shares held as treasury shares)	**101,333,904**	**17,422**	**882,924**	**900,346**

Year ended 31 March 2020	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 31 March 2019 (including 3,075,681 ordinary shares held as treasury shares)	101,333,904	17,422	882,561	899,983
Premium arising on re-issue of treasury shares	–	–	326	326
At 31 March 2020 (including 2,932,474 ordinary shares held as treasury shares)	101,333,904	17,422	882,887	900,309

As at 31 March 2021, the total authorised number of ordinary shares is 152,368,568 shares (2020: 152,368,568 shares) with a par value of €0.25 per share (2020: €0.25 per share). Share premium relates to the share premium arising on the issue of shares.

During the year the Company re-issued 163,784 treasury shares for a consideration of £0.037 million.

All shares, with the exception of ordinary shares held as treasury shares, whether fully or partly paid, carry equal voting rights and rank for dividends to the extent to which the total amount payable on each share is paid up.

Details of share options and awards granted under the Company's share option and award schemes and the terms attaching thereto are provided in note 2.5 to the financial statements and in the Remuneration Report on pages 118 and 130.

Restriction on transfer of shares

The Directors may, at their absolute discretion and without giving any reason, refuse to register the transfer of a share, or any renunciation of any allotment made in respect of a share, which is not fully paid, or any transfer of a share to a minor or a person of unsound mind.

The Directors may also refuse to register any transfer (whether or not it is in respect of a fully paid share) unless (i) it is lodged at the Company's Registered Office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer save where the transferor is a Stock Exchange Nominee (ii) it is in respect of only one class of shares and (iii) it is in favour of not more than four transferees.

Restriction of voting rights

If at any time the Directors determine that a 'Specified Event' as defined in the Articles of Association of DCC plc has occurred in relation to any share or shares, the Directors may serve a notice to such effect on the holder or holders thereof. Upon the expiry of 14 days from the service of any such notice, for so long as such notice shall remain in force, no holder or holders of the share or shares specified in such notice shall be entitled to attend, speak or vote either personally, by representative or by proxy at any general meeting of the Company or at any separate general meeting of the holders of the class of shares concerned or to exercise any other right conferred by membership in relation to any such meeting. The Directors shall, where the specified shares represent not less than 0.25% of the class of shares concerned, be entitled to withhold payment of any dividend or other amount payable (including shares issuable in lieu of dividends) in respect of the specified shares and/or to refuse to register any transfer of the specified shares or any renunciation of any allotment of new shares or debentures made in respect thereof unless such transfer or renunciation is shown to the satisfaction of the Directors to be an arm's length transfer or a renunciation to another beneficial owner unconnected with the holder or any person appearing to have an interest in the specified shares.

4.2 Other Reserves

This note details the movement in the Group's other reserves which are treated as different categories of equity as required by accounting standards.

	Share based payment reserve[1] £'000	Cash flow hedge reserve[2] £'000	Foreign currency translation reserve[3] £'000	Other reserves[4] £'000	Total £'000
At 31 March 2019	28,706	(14,887)	107,722	932	122,473
Currency translation					
– arising in the year	–	–	4,202	–	4,202
– recycled to the Income Statement on disposal	–	–	(397)	–	(397)
Cash flow hedges:					
– fair value gain in year – private placement debt	–	31,874	–	–	31,874
– fair value loss in year – other	–	(87,355)	–	–	(87,355)
– tax on fair value net losses	–	9,433	–	–	9,433
– transfers to sales	–	28	–	–	28
– transfers to cost of sales	–	30,056	–	–	30,056
– transfers to operating expenses	–	(8,809)	–	–	(8,809)
– tax on transfers	–	(3,617)	–	–	(3,617)
Share based payment	6,208	–	–	–	6,208
At 31 March 2020	**34,914**	**(43,277)**	**111,527**	**932**	**104,096**
Currency translation	**–**	**–**	**(51,267)**	**–**	**(51,267)**
Cash flow hedges:					
– fair value loss in year – private placement debt	**–**	**(28,193)**	**–**	**–**	**(28,193)**
– fair value gain in year – other	**–**	**75,128**	**–**	**–**	**75,128**
– tax on fair value net gains	**–**	**(7,980)**	**–**	**–**	**(7,980)**
– transfers to sales	**–**	**32**	**–**	**–**	**32**
– transfers to cost of sales	**–**	**1,185**	**–**	**–**	**1,185**
– transfers to operating expenses	**–**	**19,809**	**–**	**–**	**19,809**
– tax on transfers	**–**	**(3,574)**	**–**	**–**	**(3,574)**
Share based payment	**6,055**	**–**	**–**	**–**	**6,055**
At 31 March 2021	**40,969**	**13,130**	**60,260**	**932**	**115,291**

1. The share based payment reserve comprises the amounts expensed in the Income Statement in connection with share based payments.
2. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.
3. The Group's foreign currency translation reserve represents all foreign exchange differences from 1 April 2004 arising from the translation of the net assets of the Group's non-sterling denominated operations, including the translation of the profits and losses of such operations from the average rate for the year to the closing rate at the reporting date.
4. The Group's other reserves principally comprises a capital conversion reserve fund.

Notes to the Financial Statements continued

4.3 Retained Earnings

Retained Earnings represents the accumulated earnings of the Group not distributed to shareholders and is shown net of the cost to the Group of acquiring shares held as treasury shares.

	2021 £'000	2020 £'000
At 1 April	**1,482,288**	1,368,250
Net income recognised in Income Statement	**292,619**	245,509
Net income recognised in Other Comprehensive Income:		
– remeasurements of defined benefit pension obligations	**254**	4,132
– deferred tax on remeasurements	**159**	(560)
Sale of equity interest to non-controlling interest	**–**	4,169
Dividends	**(143,523)**	(139,212)
At 31 March	**1,631,797**	1,482,288

The cost to the Group and the Company of €40.735 million to acquire the 2,768,690 shares held in Treasury has been deducted from the Group and Company Retained Earnings. These shares were acquired at prices ranging from €12.80 to €17.90 each (average: €14.71) between 17 May 2004 and 19 June 2006 and are primarily held to satisfy exercises under the Group's share options and awards schemes.

4.4 Non-Controlling Interests

Non-controlling interests principally comprises the 40% equity interest in our Danish subsidiary DCC Holding A/S which is not owned by the Group.

	2021 £'000	2020 £'000
At 1 April	**54,765**	42,821
Share of profit for the financial year	**10,184**	8,641
Dividends to non-controlling interests	**(4,802)**	–
Sale of equity interest to non-controlling interest	**–**	1,742
Non-controlling interest arising on acquisition (note 5.2)	**323**	–
Exchange	**(2,260)**	1,561
At 31 March	**58,210**	54,765

Section 5 Additional Disclosures

5.1 Foreign Currency

This note details the exchange rates used to translate non-sterling Income Statement and Balance Sheet amounts into sterling, which is the Group's presentation currency.

The Group's financial statements are presented in sterling, denoted by the symbol '£'. Results and cash flows of operations based in non-sterling countries have been translated into sterling at average rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. The principal exchange rates used for translation of results and balance sheets into sterling were as follows:

	Average rate		Closing rate	
	2021 Stg£1=	2020 Stg£1=	**2021 Stg£1=**	2020 Stg£1=
Euro	**1.1182**	1.1460	**1.1736**	1.1282
Danish krone	**8.3295**	8.5639	**8.7282**	8.4244
Swedish krona	**11.6205**	12.1816	**12.0154**	12.4789
Norwegian krone	**12.0742**	11.4062	**11.7304**	12.9851
US dollar	**1.3036**	1.2754	**1.3760**	1.2360
Hong Kong dollar	**10.1056**	9.9760	**10.6975**	9.5831

5.2 Business Combinations

The Group acquired a number of businesses during the year. This note provides details on the consideration paid and/or payable as well as the provisional fair values of the net assets acquired.

A key strategy of the Group is to create and sustain market leadership positions through acquisitions in markets it currently operates in, together with extending the Group's footprint into new geographic markets. In line with this strategy, the principal acquisitions completed by the Group during the year, together with percentages acquired were as follows:

- The acquisition by DCC LPG of 100% of NES Group in September 2020. NES Group markets, sells and delivers propane and other related products and services to residential and commercial customers in the north-east of the USA; and
- The acquisition by DCC LPG in January 2021 of 100% of United Propane Gas ('UPG'). UPG markets, sells and delivers LPG and related products and services to residential, agricultural and commercial customers in 13 midwest and southern states.

Notes to the Financial Statements continued

5.2 Business Combinations continued

The acquisition data presented below reflects the fair value of the identifiable net assets acquired (excluding net cash/debt acquired) in respect of acquisitions completed during the year.

	Total 2021 £'000	Total 2020 £'000
Assets		
Non-current assets		
Property, plant and equipment (note 3.1)	**41,868**	34,276
Right-of-use leased assets (note 3.2)	**9,144**	17,715
Intangible assets (note 3.3)	**124,014**	78,991
Equity accounted investments (note 3.4)	**–**	1,646
Deferred income tax assets	**15**	120
Total non-current assets	**175,041**	132,748
Current assets		
Inventories (note 3.8)	**18,209**	44,307
Trade and other receivables (note 3.8)	**30,640**	65,888
Total current assets	**48,849**	110,195
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	**(10,981)**	(5,443)
Provisions for liabilities	**(659)**	(588)
Lease creditors	**(7,350)**	(16,403)
Total non-current liabilities	**(18,990)**	(22,434)
Current liabilities		
Trade and other payables (note 3.8)	**(48,955)**	(59,626)
Provisions for liabilities	**(69)**	(621)
Current income tax liabilities	**(880)**	(342)
Lease creditors	**(1,794)**	(3,063)
Total current liabilities	**(51,698)**	(63,652)
Identifiable net assets acquired	**153,202**	156,857
Non-controlling interest arising on acquisition (note 4.4)	**(323)**	–
Goodwill (note 3.3)	**92,674**	78,376
Total consideration	**245,553**	235,233
Satisfied by:		
Cash	**248,694**	186,324
Net (cash and cash equivalents)/debt acquired	**(12,462)**	5,865
Net cash outflow	**236,232**	192,189
Acquisition related liabilities (note 3.16)	**9,321**	43,044
Total consideration	**245,553**	235,233

5.2 Business Combinations continued

None of the business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations. The carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

Total	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	53,473	121,568	175,041
Current assets	50,188	(1,339)	48,849
Non-current liabilities	(7,817)	(11,173)	(18,990)
Current liabilities	(51,698)	–	(51,698)
Identifiable net assets acquired	44,146	109,056	153,202
Non-controlling interest arising on acquisition	(323)	–	(323)
Goodwill arising on acquisition	201,730	(109,056)	92,674
Total consideration	245,553	–	245,553

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations above given the timing of closure of these transactions. Any amendments to fair values within the 12 month timeframe from the date of acquisition will be disclosable in the 2022 Annual Report as stipulated by IFRS 3.

The principal factors contributing to the recognition of goodwill on business combinations entered into by the Group are the expected profitability of the acquired business and the realisation of cost savings and synergies with existing Group entities.

£52.7 million of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

Acquisition and related costs included in other operating expenses in the Group Income Statement amounted to £13.604 million (note 2.6).

No contingent liabilities were recognised on the acquisitions completed during the financial year or the prior financial years.

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to £31.404 million. The fair value of these receivables is £30.640 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £0.764 million.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable for acquisitions in the current year range from nil to £16.0 million.

The post-acquisition impact of business combinations completed during the year on the Group's revenue and profit for the financial year was as follows:

	2021 £'000
Revenue	168,613
Profit for the financial year attributable to Owners of the Parent Company	9,005

The revenue and profit of the Group for the financial year determined in accordance with IFRS as though the acquisition date for all business combinations effected during the year had been the beginning of that year would be as follows:

	2021 £'000
Revenue	13,706,988
Profit for the financial year attributable to Owners of the Parent Company	304,712

Notes to the Financial Statements continued

5.3 Cash Generated from Operations

This note reconciles how the Group's profit for the year translates into cash flows generated from operating activities.

	2021 £'000	2020 £'000
Profit for the financial year	**302,803**	254,150
Add back non-operating expenses/(income):		
– tax	**62,278**	57,335
– share of equity accounted investments' profit	**(233)**	(1,015)
– net operating exceptionals	**40,495**	65,486
– net finance costs	**58,002**	56,174
Operating profit before exceptionals	**463,345**	432,130
– share-based payments expense (note 2.5)	**6,055**	6,208
– depreciation (including right-of-use leased assets)	**192,572**	176,734
– amortisation of intangible assets (note 3.3)	**66,898**	62,138
– profit on disposal of property, plant and equipment	**(5,263)**	(5,604)
– amortisation of government grants (note 3.18)	**(36)**	(11)
– other	**2,418**	3,180
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– inventories (note 3.8)	**(57,813)**	86,708
– trade and other receivables (note 3.8)	**(49,603)**	(54,022)
– trade and other payables (note 3.8)	**285,086**	16,504
Cash generated from operations before exceptionals	**903,659**	723,965

5.4 Commitments

A commitment represents an obligation to make a payment in the future as long as the counterparty meets its obligations, and mainly relates to agreements to buy capital assets. These amounts are not included in the Group's Balance Sheet as we have not yet received the goods or services from the supplier.

Capital expenditure commitments

	2021 £'000	2020 £'000
Capital expenditure on property, plant and equipment that has been contracted for but has not been provided for in the financial statements	**19,281**	13,734
Capital expenditure on property, plant and equipment that has been authorised by the Directors but has not yet been contracted for	**161,368**	144,148
	180,649	157,882

5.5 Contingencies

Contingent liabilities include guarantees given in respect of borrowings and other obligations arising in the ordinary course of business.

Guarantees
The Company has given guarantees of £2,018.990 million (2020: £2,275.207 million) in respect of borrowings and other obligations arising in the ordinary course of business of the Company and other Group undertakings.

Other
Pursuant to the provisions of Section 357 of the Companies Act, 2014, the Company has guaranteed the commitments of the following Irish subsidiaries and, as a result, these companies will be exempted from the filing provisions of Sections 347 and 348 of the Companies Act, 2014:

Alvabay Limited, CC Lubricants Limited, DCC Business Expansion Fund Limited, DCC Corporate Funding Unlimited Company, DCC Corporate Partners Unlimited Company, DCC Corporate 2007 dac, DCC Corporate Services dac, DCC Energy Limited, DCC Finance Limited, DCC Finance Holdings Limited (formerly DCC Technology Limited), DCC Finance & Treasury dac, DCC Financial Services Holdings Unlimited Company, DCC Financial Services International dac, DCC Financial Services Investments CLG, DCC Financial Services Ireland Limited, DCC Financial Services Unlimited Company, DCC Financial Services US dac, DCC Funding 2007 dac, DCC Fund Services Unlimited Company, DCC Healthcare Limited, DCC Management Services Limited, DCC Nominees Unlimited Company, DCC Technology Limited (formerly DCC Technology (Holdings) Limited), DCC Treasury 2010 dac, DCC Treasury Ireland 2013 dac, DCC Treasury Management Unlimited Company, DCC Treasury Solutions Limited, Emo Oil Limited, Energy Procurement Limited, Energy Procurement Ireland 2013 Limited, Exertis Arc Telecom Limited, Exertis Ireland Limited, Fannin Limited, Flogas Ireland Limited, Flogas Natural Gas Limited, Heleconia Limited (formerly Lotus Green Limited), Medisource Ireland Limited and Starata Limited.

Three of the Group's German subsidiaries, Bronberger & Kessler Handelsgesellschaft und Gilg & Schweiger GmbH & Co.KG, TEGA-Technische Gase und Gasetechnik GmbH and DCC Germany Holding GmbH availed of disclosure exemptions pursuant to Section 264 of the German Commercial Code (HGB) and are therefore exempted from the obligations to prepare and disclose audited financial statements.

5.6 Related Party Transactions

The Group's principal related parties are the Group's subsidiaries, associates and key management personnel of the Group.

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 *Related Party Disclosures* relate to the existence of subsidiaries and associates and transactions with these entities entered into by the Group and the identification and compensation of key management personnel as addressed in more detail below.

Subsidiaries and associates
The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries and associates as documented in the accounting policies in note 5.9 and the basis of consolidation in note 1.3. A listing of the principal subsidiaries and associates is provided in the Group Directory on pages 223 to 226 of this Annual Report.

Transactions are entered into in the normal course of business on an arm's length basis. Sales to and purchases from, together with outstanding payables and receivables to and from subsidiaries are eliminated in the preparation of the consolidated financial statements.

Compensation of key management personnel
For the purposes of the disclosure requirements under IAS 24, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. Key management remuneration amounted to:

	2021 £'000	2020 £'000
Short-term benefits	**4,407**	3,809
Post-employment benefits	**175**	181
Share-based payment (calculated in accordance with the principles disclosed in note 2.5)	**1,653**	1,229
	6,235	5,219

Notes to the Financial Statements continued

5.7 Financial Risk and Capital Management

This note details the Group's treasury management and financial risk management objectives and policies. Information is also provided regarding the Group's exposure and sensitivity to capital risk, credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk, and the policies in place to monitor and manage these risks.

Capital risk management

The Group's objectives when managing its capital structure are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while maintaining a strong balance sheet to support the continued organic and acquisitive growth of its businesses and to maintain investor, creditor and market confidence. Return on capital employed ('ROCE') is a key performance indicator for the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or buy back existing shares, increase or reduce debt or sell assets.

The Group includes borrowings in its measure of capital. The Group's borrowings are subject to covenants. Further details on this are outlined in the 'liquidity risk management' section of this note.

The policy for net debt/cash is to ensure a structure of longer term debt funding and cash balances with deposit maturities up to three months.

The capital structure of the Group, which comprises capital and reserves attributable to the owners of the Parent Company, net debt, lease creditors and acquisition related liabilities, may be summarised as follows:

	2021 £'000	2020 £'000
Capital and reserves attributable to the owners of the Parent Company	**2,647,436**	2,486,693
Net (cash)/debt (excl. lease creditors) (note 3.13)	**(165,054)**	60,252
Lease creditors (note 3.12)	**315,224**	306,867
Acquisition related liabilities (note 3.16)	**84,402**	113,634
At 31 March	**2,882,008**	2,967,446

Financial risk management

Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors, most recently in February 2021. These policies and guidelines primarily cover credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions. DCC's Group Treasury function centrally manages the Group's funding and liquidity requirements. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign exchange, and, in conjunction with Group Commodity Risk Management, manage commodity price exposures, within approved policies and guidelines. Monitoring of compliance with the policies and guidelines is managed by the Group Risk Management function.

The Group's consistent focus on maintaining financial strength through a disciplined approach to balance sheet management and maintaining relatively low levels of financial risk leaves it well placed to address the continuing uncertainty created by the Covid-19 pandemic. At 31 March 2021, the Group had cash and cash equivalents of £1,786.556 million (note 3.9) and £400.0 million undrawn under its committed revolving credit facility (note 3.11). At 31 March 2021, the capital structure, as summarised above had net cash excluding lease creditors of £165.054 million.

(i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from credit exposure to trade receivables, cash and cash equivalents including deposits with banks and financial institutions and derivative financial instruments.

The Group's trade receivables are generally unsecured and non-interest bearing and arise from a wide and varied customer base spread throughout the Group's operations and, as such, there is no significant concentration of credit risk. The Group allocates each exposure to a credit risk grade, based on data that is determined to be predictive of risk of loss. The Group's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored and a significant element of credit risk is covered by credit insurance.

The Group applies the simplified approach to providing for expected credit losses ('ECL') permitted by IFRS 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Group uses an allowance matrix to measure the ECL's of trade receivables, which comprises a very large number of small balances. Loss rates are based on actual credit loss experience.

5.7 Financial Risk and Capital Management continued

As detailed in note 3.6, the Group's trade receivables at 31 March 2021 amount to £1,477.573 million (2020: £1,428.578 million). Customer credit risk arising in the context of the Group's operations is not significant and the total allowance for impairment of trade receivables amounts to 2.7% of the Group's gross trade receivables (2020: 2.6%). The vast majority of the allowance for impairment relates to trade and other receivables balances which are over six months overdue.

Receivable balances classified as neither past due nor impaired represent 84% of the total trade receivables balance at 31 March 2021 (2020: 80%). These balances are expected to be fully recoverable. Included in the Group's trade receivables at 31 March 2021 are balances of £193.570 million (2020: £249.868 million) which are past due at the reporting date but not impaired.

Where appropriate, certain of the Group's operations selectively utilise supply chain financing solutions to sell, on a non-recourse basis, a portion of their receivables relating to certain larger supply chain/sales and marketing activities. The level of supply chain financing at 31 March 2021 was £232.595 million (2020: £207.840 million) and has been derecognised from 'Trade and other receivables' in accordance with the Group's accounting policy. Revenues relating to the non-recourse sale of receivables included in overall Group revenues in the year ended 31 March 2021 amounted to £1,738.657 million (2020: £1,402.707 million).

Risk of counterparty default arising on cash and cash equivalents and derivative financial instruments is controlled within a framework of dealing with high-quality institutions and, by policy, limiting the amount of credit exposure to any one bank or institution. DCC transacts with a variety of high credit quality financial institutions for the purpose of placing deposits and entering into derivative contracts. Deposits are also placed with AAA money market funds. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board approved treasury policy. Of the total cash and cash equivalents at 31 March 2021 of £1,786.556 million, 25.6% (£456.781 million) was with money market funds, 96.9% (£1,730.355 million) was with money market funds or financial institutions with minimum short-term ratings of A-1 (Standard and Poor's) or P-1 (Moody's) and 99.1% (£1,769.976 million) was with money market funds or financial institutions with minimum short-term ratings of A-2 (Standard and Poor's) or P-2 (Moody's). In the normal course of business, the Group operates notional cash pooling systems, where a legal right of set-off applies. As at 31 March 2021, derivative transactions were with counterparties with ratings ranging from A+ to A- (long-term) with Standard and Poor's or Aa1 to A1 (long-term) with Moody's. The Group accordingly does not expect any loss in relation to its cash and cash equivalents or its derivative balances at 31 March 2021.

Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

(ii) Liquidity risk management

The Group maintains a strong balance sheet with long-term debt funding and cash balances with deposit maturities up to three months. Wherever possible, surplus funds in the Group are transferred to the centralised treasury department through the repayment of borrowings, deposits and dividends. These are then lent to Group companies, contributed as equity to fund Group operations, used to retire external debt or invested externally. The Group does not use off-balance sheet special purpose entities as a source of liquidity or for other financing purposes. In addition, the Group maintains significant committed and uncommitted credit lines with its relationship banks. Compliance with the Group's debt covenants is monitored continually based on management accounts. Sensitivity analysis using various scenarios are applied to forecasts to assess their impact on covenants and net debt/cash. During the year to 31 March 2021, all covenants have been complied with and, based on current forecasts, it is expected that all covenants will continue to be complied with for the foreseeable future. Further analysis of the Group's debt covenants is included in the Financial Review.

Notes to the Financial Statements continued

5.7 Financial Risk and Capital Management continued

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group's trade and other payables, gross debt and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

As at 31 March 2021	**Less than 1 year £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Financial liabilities – cash outflows					
Trade and other payables	**(2,604,177)**	**–**	**–**	**–**	**(2,604,177)**
Interest bearing loans and borrowings	**(217,756)**	**–**	**(640,535)**	**(869,630)**	**(1,727,921)**
Interest payments on interest bearing loans and borrowings	**(56,843)**	**(53,794)**	**(105,549)**	**(74,981)**	**(291,167)**
Lease creditors	**(53,607)**	**(46,664)**	**(97,973)**	**(116,980)**	**(315,224)**
Interest payments on lease creditors	**(8,686)**	**(7,391)**	**(15,928)**	**(42,631)**	**(74,636)**
Acquisition related liabilities	**(21,853)**	**(27,496)**	**(35,053)**	**–**	**(84,402)**
Cross currency swaps – gross cash outflows	**(107,462)**	**(12,798)**	**(471,641)**	**(106,126)**	**(698,027)**
Other derivative financial instruments	**(9,843)**	**(148)**	**(504)**	**–**	**(10,495)**
	(3,080,227)	**(148,291)**	**(1,367,183)**	**(1,210,348)**	**(5,806,049)**
Derivative financial instruments – cash inflows					
Interest rate swaps – net cash inflows	**6,633**	**6,550**	**14,223**	**6,692**	**34,098**
Cross currency swaps – gross cash inflows	**139,313**	**27,489**	**546,358**	**126,182**	**839,342**
Other derivative financial instruments	**23,262**	**645**	**60**	**–**	**23,967**
	169,208	**34,684**	**560,641**	**132,874**	**897,407**

As at 31 March 2020	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities – cash outflows					
Trade and other payables	(2,318,758)	–	–	–	(2,318,758)
Interest bearing loans and borrowings	(230,244)	(161,815)	(611,253)	(1,016,743)	(2,020,055)
Interest payments on interest bearing loans and borrowings	(66,382)	(62,050)	(143,257)	(112,100)	(383,789)
Lease creditors	(47,411)	(40,131)	(90,905)	(128,420)	(306,867)
Interest payments on lease creditors	(9,254)	(7,978)	(17,902)	(47,595)	(82,729)
Acquisition related liabilities	(36,253)	(40,322)	(37,059)	–	(113,634)
Cross currency swaps – gross cash outflows	(71,032)	(113,496)	(422,622)	(187,981)	(795,131)
Other derivative financial instruments	(5,966)	(4,114)	(1,523)	–	(11,603)
	(2,785,300)	(429,906)	(1,324,521)	(1,492,839)	(6,032,566)
Derivative financial instruments – cash inflows					
Interest rate swaps – net cash inflows	5,368	4,745	12,121	6,983	29,217
Cross currency swaps – gross cash inflows	100,386	155,093	542,350	236,972	1,034,801
	105,754	159,838	554,471	243,955	1,064,018

The Group has sufficient cash resources and liquid assets to enable it to meet its current borrowing obligations and trade and other payables. The Group has a well balanced profile of debt maturities over the coming years which will be serviced through a combination of cash and cash equivalents, cash flows, committed bank facilities and the raising of additional long-term debt.

5.7 Financial Risk and Capital Management continued

(iii) Market risk management

Foreign exchange risk management

DCC's presentation currency is sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations giving rise to exposure to other currencies, primarily the euro and the US dollar.

Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign currency exposures within approved policies and guidelines using forward currency contracts.

The Group does not hedge translation exposure on the translation of the profits of foreign currency subsidiaries on the basis that there is no commitment or intention to remit earnings.

The Group has investments in non-sterling, primarily euro and US dollar denominated, operations which are cash generative and a significant proportion of cash generated from these operations is reinvested in development activities rather than being repatriated into sterling. The Group seeks to manage the resultant foreign currency translation risk through borrowings denominated in (or swapped utilising cross currency interest rate swaps into) the relevant currency or through currency swaps related to intercompany funding, although these hedges are offset by the strong ongoing cash flow generated from the Group's non-sterling operations, leaving DCC with a net investment in non-sterling assets. The loss of £53.5 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2021 as set out in the Group Statement of Comprehensive Income mainly reflects the weakening in the value of the euro and the US dollar against sterling which was partly offset by a strengthening in the value of certain Scandinavian currencies against sterling.

The Group has a moderate level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies. Where sales or purchases are invoiced in currencies other than the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months. The Group also hedges a proportion of anticipated transactions in certain subsidiaries for periods ranging up to 18 months with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes.

Sensitivity to currency movements

A change in the value of other currencies by 10% against sterling would have a £23.7 million (2020: £20.0 million) impact on the Group's profit before tax and exceptional items, would change the Group's equity by £143.9 million and change the Group's net debt by £43.5 million (2020: £140.1 million and £49.4 million respectively). These amounts include an insignificant amount of transactional currency exposure.

Interest rate risk management

On a net debt/cash basis, the Group is exposed to changes in interest rates, primarily changes in EURIBOR and sterling LIBOR. Having borrowed at both fixed and floating rates of interest, DCC has swapped its fixed rate borrowings to a combination of fixed and floating interest rates, using interest rate and cross currency interest rate swaps. Overall interest rate risk on gross borrowings is mitigated by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings.

Sensitivity of interest charges to interest rate movements

Based on the composition of net debt at 31 March 2021 a one percentage point (100 basis points) change in average floating interest rates would have a £2.6 million (2020: £0.8 million) impact on the Group's profit before tax.

Further information on Group borrowings and the management of related interest rate risk is set out in notes 3.10 and 3.11.

Commodity price risk management

DCC, through its LPG and Retail & Oil divisions, procures, markets and sells LPG, natural gas, electricity and oil products, and, as such, is exposed to changes in commodity cost prices. In general, market dynamics are such that commodity cost price movements are promptly reflected in sales prices. In certain markets, and in particular in the LPG division, short-term or seasonal price stability is preferred by certain customer segments which requires hedging a proportion of forecasted transactions, with such transactions qualifying as 'highly probable' for IAS 39 hedge accounting purposes. DCC uses both forward purchase contracts and derivative commodity instruments to support its pricing strategy for a portion of expected future sales, typically for periods of less than 12 months.

Fixed price supply contracts may be provided to certain customers for periods typically less than 12 months in duration. DCC fixes its cost of sales on contracted future volumes where the customer contract contains a take-or-pay arrangement that permits the customer to purchase a fixed amount of product for a fixed price during a specified period, and requires payment even if the customer does not take delivery of the product. Where a take-or-pay clause is not included in the customer contract, DCC hedges a portion of forecasted sales volume recognising that certain sales, such as in natural gas and electricity in particular, are exposed to volumetric risk in the form of an uncertain consumption profile arising from a range of factors, including supply dynamics and the weather.

The LPG and Retail & Oil divisions do not hold significant amounts of commodity inventory relative to purchases and sales; however, for certain inventory, such as fuel oil and natural gas, DCC may enter hedge contracts to manage price exposures. The LPG and Retail & Oil divisions both enter into commodity hedges to fix a portion of own fuel costs. Certain activities of individual businesses are centralised under the supervision of the DCC Group Commodity Risk Management function. Divisional and subsidiary management, in conjunction with the Group's Commodity Risk Management function, manage commodity price exposures within approved policies and guidelines.

All commodity hedging counterparties are approved by the Chief Executive and the Chief Financial Officer and are reviewed by the Board.

Notes to the Financial Statements continued

5.7 Financial Risk and Capital Management continued

Sensitivity to commodity price movements

Due to pricing dynamics in the oil distribution market, an increase or decrease of 10% in the commodity cost price of oil would have an immaterial impact on the Group's profit before tax (2020: immaterial) and an immaterial impact on the Group's equity (2020: immaterial).

The impact on the Group's profit before tax and on the Group's equity of an increase or decrease of 10% in the commodity cost price of LPG, natural gas or electricity would be dependent on seasonal variations, competitive pressures and the underlying absolute cost of the commodity at the time and, as such, is difficult to quantify but would not be material.

Fair values of financial assets and financial liabilities

The fair values of borrowings (none of which are listed) and derivative financial instruments are measured by discounting cash flows at prevailing interest and exchange rates. The fair values of expected future payments under contingent consideration arrangements are determined by applying a risk-adjusted discount rate to the future payments which are based on forecasted operating profits of the acquired entity over the relevant period. The carrying value of non-interest bearing financial assets, financial liabilities and cash and cash equivalents approximates their fair values, largely due to their short-term maturities. The nominal value less impairment allowance of trade receivables and payables approximate to their fair values, largely due to their short-term maturities. The following is a comparison by category of book values and fair values of the Group's financial assets and financial liabilities:

	2021		2020	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Financial assets				
Derivative financial instruments	**161,852**	**161,852**	265,422	265,422
Trade and other receivables	**1,689,372**	**1,689,372**	1,647,117	1,647,117
Cash and cash equivalents	**1,786,556**	**1,786,556**	1,794,467	1,794,467
	3,637,780	**3,637,780**	3,707,006	3,707,006
Financial liabilities				
Borrowings (excluding lease creditors)	**1,772,859**	**1,860,499**	2,086,268	2,033,882
Lease creditors	**315,224**	**315,224**	306,867	306,867
Derivative financial instruments	**10,495**	**10,495**	33,873	33,873
Acquisition related liabilities	**84,402**	**84,402**	113,634	113,634
Trade and other payables	**2,604,177**	**2,604,177**	2,318,758	2,318,758
	4,787,157	**4,874,797**	4,859,400	4,807,014

5.7 Financial Risk and Capital Management continued

The Group has adopted the following fair value measurement hierarchy in relation to its financial assets and financial liabilities that are carried in the Balance Sheet at fair value as at the year end:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement as at 31 March 2021	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets				
Derivative financial instruments (note 3.10)	**–**	**161,852**	**–**	**161,852**
	–	**161,852**	**–**	**161,852**
Financial liabilities				
Acquisition related liabilities (note 3.16)	**–**	**–**	**84,402**	**84,402**
Derivative financial instruments (note 3.10)	**–**	**10,495**	**–**	**10,495**
	–	**10,495**	**84,402**	**94,897**

Fair value measurement as at 31 March 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Derivative financial instruments (note 3.10)	–	265,422	–	265,422
	–	265,422	–	265,422
Financial liabilities				
Acquisition related liabilities (note 3.16)	–	–	113,634	113,634
Derivative financial instruments (note 3.10)	–	33,873	–	33,873
	–	33,873	113,634	147,507

Level 2 fair value measurement:

The specific valuation techniques used to value financial instruments that are carried at fair value using level 2 valuation techniques are:

- the fair value of interest rate, currency and cross currency interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date with the resulting value discounted back to present value; and
- the fair value of forward commodity contracts is determined using quoted forward commodity prices at the reporting date with the resulting value discounted back to present value.

Level 3 fair value measurement:

Acquisition related liabilities are included in level 3 of the fair value hierarchy. Details of the movement in the year are included in note 3.16.
The specific valuation techniques used to value contingent consideration that is carried at fair value using level 3 valuation techniques are:

- the expected future payments are determined by forecasting the acquiree's relevant basis for the contingent consideration (i.e. valuations based on EBITDA or EBIT multiples) as appropriate to the specific contractual earn out arrangement; and
- the present value of the estimated future expected payments are discounted using a risk-adjusted discount rate where the time value of money is material.

The significant unobservable inputs are as follows:

- forecasted average adjusted operating profit growth rate 10.0% to 17.0%;
- forecasted average outflow on Butagaz acquisition related liabilities £5 million per annum; and
- risk adjusted discount rate 1.0% to 2.0%.

Notes to the Financial Statements continued

5.7 Financial Risk and Capital Management continued

The estimated fair value of contingent consideration would increase/(decrease) if EBITDA/EBIT growth was higher/(lower), if the forecasted outflow on Butagaz acquisition related liabilities was higher/(lower) or if the risk-adjusted discount rate was lower/(higher). For the fair value of contingent consideration, a reasonably possible change to one of the significant unobservable inputs at 31 March 2021, holding the other inputs constant, would have the following effects:

Impact on the carrying value of contingent consideration	2021 £'000	2020 £'000
Forecasted average adjusted operating profit growth rate (1% movement)	**449**	694
Forecasted outflow on Butagaz acquisition related liabilities (5% movement)	**1,279**	1,490
Risk adjusted discount rate (0.5% movement)	**811**	1,046

Offsetting financial assets and financial liabilities

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements or similar agreements:

				Related amounts not set off in the Balance Sheet		
As at 31 March 2021	**Gross amounts of recognised financial assets £'000**	**Gross amounts of recognised financial liabilities set off in the Balance Sheet £'000**	**Net amounts of financial assets presented in the Balance Sheet £'000**	**Financial liabilities £'000**	**Cash collateral received £'000**	**Net amount £'000**
Derivative financial instruments	**137,885**	**–**	**137,885**	**–**	**–**	**137,885**
Cash and cash equivalents	**370,131**	**–**	**370,131**	**(66,413)**	**–**	**303,718**
	508,016	**–**	**508,016**	**(66,413)**	**–**	**441,603**

				Related amounts not set off in the Balance Sheet		
As at 31 March 2020	Gross amounts of recognised financial assets £'000	Gross amounts of recognised financial liabilities set off in the Balance Sheet £'000	Net amounts of financial assets presented in the Balance Sheet £'000	Financial liabilities £'000	Cash collateral received £'000	Net amount £'000
Derivative financial instruments	243,152	–	243,152	–	–	243,152
Cash and cash equivalents	357,179	–	357,179	(108,175)	–	249,004
	600,331	–	600,331	(108,175)	–	492,156

5.7 Financial Risk and Capital Management continued

(ii) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements or similar agreements:

As at 31 March 2021	Gross amounts of recognised financial liabilities £'000	Gross amounts of recognised financial assets set off in the Balance Sheet £'000	Net amounts of financial liabilities presented in the Balance Sheet £'000	Related amounts not set off in the Balance Sheet: Financial assets £'000	Related amounts not set off in the Balance Sheet: Cash collateral provided £'000	Net amount £'000
Derivative financial instruments	–	–	–	–	–	–
Bank borrowings	**66,413**	–	**66,413**	**(66,413)**	–	–
	66,413	–	**66,413**	**(66,413)**	–	–

As at 31 March 2020	Gross amounts of recognised financial liabilities £'000	Gross amounts of recognised financial assets set off in the Balance Sheet £'000	Net amounts of financial liabilities presented in the Balance Sheet £'000	Related amounts not set off in the Balance Sheet: Financial assets £'000	Related amounts not set off in the Balance Sheet: Cash collateral provided £'000	Net amount £'000
Derivative financial instruments	–	–	–	–	–	–
Bank borrowings	108,175	–	108,175	(108,175)	–	–
	108,175	–	108,175	(108,175)	–	–

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis however each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. Per the terms of each agreement, an event of default includes failure by a party to make payment when due, failure by a party to perform any obligation required by the agreement (other than payment) if such a failure is not remedied within periods of 15 to 30 days after notice of such failure is given to the party, or bankruptcy.

5.8 Events after the Balance Sheet Date

This note provides details on material events which have occurred between the year end date of 31 March and the date of approval of the financial statements.

In April 2021, DCC Healthcare acquired Wörner Medizinprodukte Holding GmbH ('Wörner'), a leading supplier of medical and laboratory products to the primary care sector in Germany and Switzerland. Wörner sells a broad product range to approximately 20,000 customers annually, including general practitioners, primary care centres, specialist medical centre and laboratories. DCC acquired Wörner based on an initial enterprise value of approximately €80 million. An initial assignment of fair values to identifiable net assets acquired has not been completed given the timing of the closure of the transaction.

The Group also completed a number of other, smaller acquisitions since the balance sheet date (including the acquisition of Solewa in DCC LPG) and agreed to acquire Jones Oil in DCC Retail & Oil and Azenn in DCC Technology, amongst others. As with Wörner, an initial assignment of fair values to identifiable net assets acquired has not been completed given the timing of the closure of the transactions.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies

This section sets out the Group's accounting policies which are applied in recognising and measuring transactions and balances arising in the year.

Revenue recognition

Revenue comprises the fair value of the sale of goods and services to external customers net of applicable sales taxes, volume and promotional rebates, allowances and discounts. Revenue is generally recognised on a duty inclusive basis where applicable. The Group is deemed to be a principal in an arrangement when it controls a promised good or service before transferring them to a customer, and accordingly recognises revenue on a gross basis. Where the Group is determined to be an agent in a transaction, based on the principle of control, the net amount retained after the deduction of any costs to the principal is recognised as revenue.

The Group operates across a wide range of business segments and jurisdictions with varying customer credit terms which are in line with normal credit terms offered in that business segment and/or country of operation. Given the short-term nature of these credit terms, no element of financing is deemed present. Group revenues do not include any significant level of variable consideration.

Revenue is recorded when the collection of the amount is reasonably assured and when specific criteria have been met for each of the Group's activities as detailed below.

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and when the amount of revenue and costs incurred can be measured reliably. This generally arises on delivery or in accordance with specific terms and conditions agreed with individual customers. In the case of consignment stock arrangements, revenue is recognised on the date that legal title passes. Sales returns and discounts are recorded in the same period as the original revenue.

DCC LPG derives the majority of its revenue from the sale of LPG, refrigerants and natural gas. Revenue is recognised when the products are delivered to the customer. Products can be sold under short or long-term agreements at prevailing market prices or at fixed prices for which DCC LPG will have fixed supply prices.

DCC Retail & Oil derives most of its revenue from the sale of transport and commercial fuels, heating oils and related products. Revenue is recognised when the products are delivered to the customer.

DCC Healthcare derives its revenue from the sale of a broad range of third-party and own-branded medical devices and pharmaceuticals. Revenue is also generated from the manufacture of products for health and beauty brand owners. Revenue is recognised on delivery of the product to the customer in the majority of cases.

DCC Technology derives the majority of its revenue from the sale of consumer and SME focused technology products. Revenue is generally recognised on despatch. Should volume and promotional rebates be granted to customers they are recognised as a reduction in sales revenue at the time of the sale based on managements' estimate of the likely rebate to be awarded to customers. Estimates are based on historical results, taking into consideration the type of customer, the type of transaction and the specific facts of each arrangement.

Sales of services

Revenue from the rendering of services is recognised in the period in which the services are rendered. Contracts do not contain multiple performance obligations as defined by IFRS 15.

Service revenue in DCC LPG and DCC Retail & Oil is generated from a variety of value-added services provided to customers. Revenue is recognised as the service is provided.

DCC Healthcare generates service revenue from a variety of sources such as logistics services including stock management, distribution services to hospitals and healthcare manufacturers as well as engineering and preventative maintenance services. Revenue is recognised as the service is rendered and completed.

DCC Technology generates service revenue from providing a range of value-added services to both its customers and suppliers including third party logistics, web site development and management, outsourced managed services, training and certain supply chain management services such as quality assurance and compliance. Revenue relating to these services is recognised as the service is provided.

Interest income

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

Dividend income

Dividend income from investments is recognised when shareholders' right to receive payment have been established.

Rental income

Rental income from operating leases is recognised on a straight line basis over the term of the lease. The related assets are recorded as plant and machinery within property, plant and equipment and are depreciated on a straight-line basis over the useful lives of the assets.

5.9 Summary of Significant Accounting Policies continued

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The Group has determined that it has four reportable operating segments: DCC LPG, DCC Retail & Oil, DCC Healthcare and DCC Technology.

Foreign currency translation

Functional and presentation currency

The functional currency of the Company is euro. The consolidated financial statements are presented in sterling which is the Company's and the Group's presentation currency as a significant portion of the Group's revenue and operating profit is generated in sterling. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Currency translation differences on monetary assets and liabilities are taken to the Group Income Statement except when cash flow or net investment hedge accounting is applied.

Group companies

Results and cash flows of subsidiaries and associates which do not have sterling as their functional currency are translated into sterling at average exchange rates for the year. Average exchange rates are a reasonable approximation of the cumulative effect of the rates on the transaction dates. The related balance sheets are translated at the rates of exchange ruling at the reporting date. Adjustments arising on translation of the results of such subsidiaries and associates at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency instruments designated as hedges of such investments.

On disposal of a foreign operation, such cumulative currency translation differences are recognised in the Income Statement as part of the overall gain or loss on disposal. In accordance with IFRS 1, cumulative currency translation differences arising prior to the transition date to IFRS (1 April 2004) have been set to zero for the purposes of ascertaining the gain or loss on disposal of a foreign operation.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation and are recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, net losses on hedging instruments that are recognised in the Income Statement, facility fees and the unwinding of discounts on provisions and acquisition related liabilities. The interest expense component of lease creditor payments is recognised in the Income Statement using the effective interest rate method. The net finance cost/income on defined benefit pension scheme assets or obligations are recognised in the Income Statement in accordance with IAS 19.

The mark-to-market of designated swaps and related debt and the mark-to-market of undesignated currency swaps and related debt are included in 'Finance Costs' in the case of a net loss. The mark-to-market of designated swaps and related debt comprises the gain or loss on interest rate swaps and cross currency interest rate swaps that are in hedge relationships with borrowings, together with the gain or loss on the hedged borrowings which is attributable to the hedged risk. The mark-to-market of undesignated swaps and related debt comprises the gain or loss on currency swaps which are not designated as hedging instruments, but which are used to offset movements in foreign exchange rates on certain borrowings, along with the currency movement on those borrowings.

Finance income

Interest income is recognised in the Income Statement as it accrues, using the effective interest method, and includes net gains on hedging instruments that are recognised in the Income Statement.

The mark-to-market of designated swaps and related debt and the mark-to-market of undesignated currency swaps and related debt, both as defined above, are included in 'Finance Income' in the case of a net gain.

Exceptional items

The Group has adopted an Income Statement format which seeks to highlight significant items within the Group results for the year. Such items may include restructuring, profit or loss on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, profit or loss on disposal of property, plant and equipment, IAS 39 ineffective mark-to-market movements together with gains or losses arising from currency swaps offset by gains or losses on related fixed rate debt, acquisition costs, profit or loss on defined benefit pension scheme restructuring, adjustments to contingent acquisition consideration, the impact on deferred tax balances as a result of changes to enacted corporation tax rates and impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be presented in the Income Statement and disclosed in the related notes as exceptional items.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

Income tax

Current tax

The Group's income tax charge is based on reported profit and enacted statutory tax rates, which reflect various allowances and reliefs available to the Group in the multiple tax jurisdictions in which it operates. The determination of the Group's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Group is subject to tax audits which can involve complex issues that could require extended periods to conclude, the resolution of which is often not within the control of the Group. Although management believes that the estimates included in the Consolidated Financial Statements and its tax return positions are correct, there is no certainty that the final outcome of these matters will not be different to that which is reflected in the Group's historical income tax provisions and accruals. Whilst it is possible, the Group does not currently anticipate that any such differences could have a material impact on the income tax provision and profit for the period in which such a determination is made nor does it expect any significant impact on its financial position in the near term. This is based on the Group's knowledge and experience, as well as the profile of the individual components which have been reflected in the current tax liability, the status of the tax audits, enquiries and negotiations in progress at each year end.

Current tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and taking into account any adjustments stemming from prior years. Any interest or penalties arising are included within current tax. Where items are accounted for outside of profit or loss, the related income tax is recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences at the reporting date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the following:

- where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- where, in respect of taxable temporary differences associated with investments in subsidiaries and associates, the timing of the reversal of the temporary difference is subject to control by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items except:

- where the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- where, in respect of deductible temporary differences associated with investment in subsidiaries and associates, a deferred tax asset is recognised only if it is probable that the deductible temporary difference will reverse in the foreseeable future and that sufficient taxable profits will be available against which the temporary difference can be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits would be available to allow all or part of the deferred tax asset to be utilised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight-line basis at the rates stated below, which are estimated to reduce each item of property, plant and equipment to its residual value level by the end of its useful life.

	Annual Rate
Freehold buildings	2%
Plant and machinery	5% – 33⅓%
Cylinders	6⅔% – 10%
Motor vehicles	10% – 33⅓%
Fixtures, fittings & office equipment	10% – 33⅓%

Land is not depreciated. The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

In accordance with IAS 36 *Impairment of Assets*, the carrying amounts of items of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the Income Statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset or cash-generating unit is adjusted prospectively in order to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

5.9 Summary of Significant Accounting Policies continued

Property, plant and equipment continued

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Borrowing costs directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets.

Investments in subsidiary undertakings

Investments in subsidiaries are stated at cost less any accumulated impairments and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

Business combinations

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the Income Statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. The fair value of contingent consideration is arrived at through discounting the expected payment to present value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in the Income Statement.

Goodwill is initially measured at cost being the excess of the fair value of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the Income Statement.

A financial liability is recognised in relation to the non-controlling shareholder's option to put its shareholding back to the Group, being the fair value of the estimate of amounts payable to acquire the non-controlling interest. The financial liability is included in contingent consideration. The discount component is unwound as an interest charge in the Income Statement over the life of the obligation. Subsequent changes to the financial liability are recognised in the Income Statement.

Goodwill

Goodwill arising in respect of acquisitions completed prior to 1 April 2004 (being the transition date to IFRS) is included at its carrying amount, which equates to its net book value recorded under previous GAAP. In accordance with IFRS 1, the accounting treatment of business combinations undertaken prior to the transition date was not reconsidered and goodwill amortisation ceased with effect from the transition date.

Goodwill on acquisitions is initially measured as the excess of the fair value of consideration paid for the business combination plus any non-controlling interest, over the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill acquired in a business combination is allocated, from the acquisition date, to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The carrying amount of goodwill in respect of associates, net of any impairment, is included in investments in associates under the equity method in the Group Balance Sheet.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist; the goodwill impairment tests are undertaken at a consistent time in each annual period. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed following recognition.

Where a subsidiary is sold, any goodwill arising on acquisition, net of any impairments, is included in determining the profit or loss arising on disposal.

Where goodwill forms part of a cash-generating unit and part of the operations within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

Intangible assets

Intangible assets acquired separately are capitalised at cost. Intangible assets acquired in the course of a business combination are capitalised at fair value being their deemed cost as at the date of acquisition.

Following initial recognition, intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation and any accumulated impairment losses. Where amortisation is charged on assets with finite lives this expense is taken to the Income Statement.

The amortisation of intangible assets is calculated to write off the book value of intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, finite-lived intangible assets are amortised over periods ranging from two to 40 years, depending on the nature of the intangible asset.

The carrying amount of finite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Group does not have any indefinite-lived intangible assets.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on a first in first out basis and in the case of raw materials, bought-in goods and expense inventories, comprises purchase price plus transport and handling costs less trade discounts and subsidies. Cost, in the case of products manufactured by the Group, consists of direct material and labour costs together with the relevant production overheads based on normal levels of activity. Net realisable value represents the estimated selling price less costs to completion and appropriate selling and distribution costs.

Provision is made, where necessary, for slow moving, obsolete and defective inventories.

Financial instruments

A financial instrument is recognised when the Group becomes a party to its contractual provisions. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, are extinguished or transferred to a third party. Financial liabilities are derecognised when the Group's obligations specified in the contracts expire, are discharged or cancelled.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less allowance for impairment.

An allowance for impairment of trade receivables is established based on both expected credit losses and information available that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the allowance is recognised in the Income Statement.

The Group derecognises a receivable only when the contractual rights to the cash flows from the receivable expire, or when it transfers the receivable and substantially all of the risks and rewards of ownership of the asset to another entity. The Group applies a number of tests to receivable purchase agreements to determine whether derecognition is appropriate or not. These tests are applied to the entire portfolio of receivables rather than to each individual receivable as the receivables comprise 'a group of similar assets' in accordance with IFRS 9. The testing procedure includes consideration of the following; whether the arrangement represents a qualifying transfer of assets, whether substantially all of the risks and rewards of the receivable transferred from the Group and whether the Group has lost control of the receivable.

On derecognition of a receivable the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Income Statement. Following derecognition, receivables arising from non-recourse sales are excluded from 'Trade and other receivables' in the Group Balance Sheet. The Group presents cash flows arising from non-recourse sales as part of operating activities in the Group Cash Flow Statement.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-dated nature of these liabilities.

5.9 Summary of Significant Accounting Policies continued

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Group Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Leases

The Group enters into leases for a range of assets, principally relating to property. These property leases have varying terms and renewal rights, including periodic rent reviews linked with indices. The Group also leases motor vehicles, plant, machinery and other equipment. The terms and conditions of these leases do not impose significant financial restrictions on the Group.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period of time in exchange for consideration, which is assessed at inception. A right-of-use asset and lease creditor are recognised at the commencement date for contracts containing a lease, with the exception of leases with a term of 12 months or less, leases where the underlying asset is of low value and leases with associated payments that vary directly in line with usage or sales (such lease costs continue to be expensed in the Income Statement as incurred). The commencement date is the date at which the asset is made available for use by the Group.

Lease creditors are initially measured at the present value of the future lease payments, discounted using the incremental borrowing rate over the remaining lease term. Lease payments include fixed payments, variable payments that are dependent on an index known at the commencement date, payments for an optional renewal period and termination option payments, if the Group is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease.

After initial recognition, lease creditors are measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments or when the Group changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The right-of-use asset is initially measured at cost, which comprises the lease creditor adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is depreciated over the lease term and is tested periodically for impairment if an impairment indicator is considered to exist.

Derivative financial instruments

The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge its exposure to interest rate and foreign exchange risks and to changes in the prices of certain commodity products arising from operational, financing and investment activities.

Derivative financial instruments are recognised at inception at fair value, being the present value of estimated future cash flows. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in the fair value of currency swaps that are hedging borrowings and for which the Group has not elected to apply hedge accounting, along with changes in the fair value of derivatives hedging borrowings, that are part of designated fair value hedge relationships, are reflected in the Income Statement in 'Finance Costs'.

Changes in the fair value of other derivative financial instruments for which the Group has not elected to apply hedge accounting are reflected in the Income Statement, in 'Other Operating Income/Expenses'.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

Hedging

For the purposes of hedge accounting, hedges are designated either as fair value hedges (which hedge the exposure to movements in the fair value of recognised assets or liabilities or firm commitments that are attributable to hedged risks) or cash flow hedges (which hedge exposures to fluctuations in future cash flows derived from a particular risk associated with recognised assets or liabilities or highly probable forecast transactions).

The Group documents, at the inception of the transactions, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments are disclosed in note 3.10 and the movements on the cash flow hedge reserve in equity are shown in note 4.2. The full fair value of a derivative is classified as a non-current asset or non-current liability if the remaining maturity of the derivative is more than 12 months and as a current asset or current liability if the remaining maturity of the derivative is less than 12 months.

Fair value hedge

In the case of fair value hedges which satisfy the conditions for hedge accounting, any gain or loss arising from the remeasurement of the fair value of the hedging instrument is reported in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. As a result, the gain or loss on interest rate swaps and cross currency interest rate swaps that are in hedge relationships with borrowings are included within 'Finance Income' or 'Finance Costs'. In the case of the related hedged borrowings, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Income Statement within 'Finance Costs' or 'Finance Income'. The gain or loss on commodity derivatives that are designated as fair value hedges of firm commitments are recognised in the Income Statement. Any change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability on the Balance Sheet with a corresponding gain or loss in the Income Statement.

If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the Income Statement over the period to maturity.

Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of equity. The ineffective portion is reported in the Income Statement in 'Finance Income' and 'Finance Costs' where the hedged item is private placement debt, and in 'Other Operating Income/Expenses' for all other cases. When a forecast transaction results in the recognition of an asset or a liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise, the associated gains or losses that had previously been recognised in equity are transferred to the Income Statement in the same reporting period as the hedged transaction in Revenue or Cost of Sales (depending on whether the hedge related to a forecasted sale or purchase).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

Provisions

A provision is recognised in the Balance Sheet when the Group has a present obligation (either legal or constructive) as a result of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and announced its main provisions.

Provisions arising on business combinations are only recognised to the extent that they would have qualified for recognition in the financial statements of the acquiree prior to the acquisition.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Environmental provisions

The Group has certain site remediation obligations to be incurred in compliance with local or national environmental regulations together with constructive obligations stemming from established best practice. The measurement of these provisions is based on the evaluation of currently available facts with respect to each individual site and is adjusted periodically as remediation efforts progress or as additional information becomes available. Inherent uncertainties exist in such measurements primarily due to unknown timing, site conditions and changing regulations. Full provision is made for the net present value of the estimated costs in relation to the Group's environmental liabilities. The net present value of the estimated costs is capitalised as property, plant and equipment and the unwinding of the discount element on the environmental provision is reflected in the Income Statement.

5.9 Summary of Significant Accounting Policies continued

Provisions continued

Cylinder and tank deposits provisions

In certain DCC LPG operations, an obligation arises from the receipt of deposit fees paid by customers for LPG cylinders and tanks. On receipt of a deposit the Group recognises a liability equal to the deposit received. This deposit will subsequently be refunded at an amount equal to the original deposit on return of the cylinder or tank together with the original deposit receipt. Cylinder and tank deposits acquired through business combinations are measured initially at their fair value at the acquisition date (i.e. net present value) and the unwinding of the discount element is reflected in the Income Statement.

Pension and other post-employment obligations

The Group operates defined contribution and defined benefit pension schemes.

The costs arising in respect of the Group's defined contribution schemes are charged to the Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions after payment of fixed contributions.

The Group operates a number of defined benefit pension schemes which require contributions to be made to separately administered funds. The liabilities and costs associated with the Group's defined benefit pension schemes are assessed on the basis of the projected unit credit method by qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the reporting date. The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan asset is deducted. Plan assets are measured at fair values.

The discount rate employed in determining the present value of the schemes' liabilities is determined by reference to market yields at the reporting date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax liabilities or assets as appropriate. Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest) are recognised immediately in the Group Balance Sheet with a corresponding entry to retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The defined benefit pension asset or liability in the Group Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information and, in the case of published securities, it is the published bid price. The value of any defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

A curtailment arises when the Group is demonstrably committed to make a significant reduction in the number of employees covered by a plan. A past service cost, negative or positive, arises following a change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits. A settlement arises where the Group is relieved of responsibility for a pension obligation and eliminates significant risk relating to the obligation and the assets used to effect the settlement. Past-service costs, negative or positive, are recognised immediately in the Income Statement. Losses arising on settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which the Group becomes demonstrably committed to the transaction. Gains arising on a settlement are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction. Settlement gains and losses are dealt with in the Income Statement.

Share-based payment transactions

Certain employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares.

The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity. The fair value at the grant date is determined using a Monte Carlo simulation technique for the DCC plc Long Term Incentive Plan 2009.

The DCC plc Long Term Incentive Plan 2009 contains both market and non-market based vesting conditions. Accordingly, the fair value assigned to the related equity instrument on initial application of IFRS 2 *Share-based Payment* is adjusted to reflect the anticipated likelihood at the grant date of achieving the market based vesting conditions. The cumulative non-market based charge to the Income Statement is reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

Share-based payment transactions continued

Where the share-based payments give rise to the issue of new equity share capital, the proceeds received by the Company are credited to Share Capital (nominal value) and Share Premium when the share entitlements are exercised. Where the share-based payments give rise to the re-issue of shares from treasury shares, the proceeds of issue are credited to shareholders equity.

The measurement requirements of IFRS 2 have been implemented in respect of share options entitlements granted after 7 November 2002. In accordance with the standard, the disclosure requirements of IFRS 2 have been applied to all outstanding share-based payments regardless of their grant date. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

Government grants

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the Income Statement on a straight-line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in profit or loss in the period in which they become receivable.

Equity

Treasury shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from total equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in share premium.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders of the Company. Proposed dividends that are approved after the reporting date are not recognised as a liability at that reporting date, but are disclosed in the dividends note.

Non-controlling interests

Non-controlling interests represent the portion of the equity of a subsidiary not attributable either directly or indirectly to the Parent Company and are presented separately in the Group Income Statement and within equity in the Group Balance Sheet, distinguished from shareholders' equity attributable to owners of the Parent Company. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised as a result of such transactions. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

5.10 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 17 May 2021.

Company Balance Sheet
As at 31 March 2021

	Note	2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Investments in subsidiary undertakings	6.4	**1,141,692**	1,218,408
Current assets			
Trade and other receivables	6.5	**200,563**	379,285
Cash and cash equivalents	6.7	**19,237**	4,899
		219,800	384,184
Total assets		**1,361,492**	1,602,592
EQUITY			
Capital and reserves			
Share capital	4.1	**17,422**	17,422
Share premium	4.1	**882,924**	882,887
Other reserves	6.8	**108,486**	156,099
Retained earnings	6.9	**309,022**	245,168
Total equity		**1,317,854**	1,301,576
LIABILITIES			
Current liabilities			
Trade and other payables	6.6	**43,638**	301,016
Total equity and liabilities		**1,361,492**	1,602,592

John Moloney, Donal Murphy, Directors

Company Statement of Changes in Equity
For the year ended 31 March 2021

For the year ended 31 March 2021

	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 6.9) £'000	Other reserves (note 6.8) £'000	Total equity £'000
At 1 April 2020	**17,422**	**882,887**	**245,168**	**156,099**	**1,301,576**
Profit for the financial year	**–**	**–**	**207,377**	**–**	**207,377**
Other comprehensive income:					
Currency translation	**–**	**–**	**–**	**(53,668)**	**(53,668)**
Total comprehensive income	**–**	**–**	**207,377**	**(53,668)**	**153,709**
Re-issue of treasury shares	**–**	**37**	**–**	**–**	**37**
Share based payment	**–**	**–**	**–**	**6,055**	**6,055**
Dividends	**–**	**–**	**(143,523)**	**–**	**(143,523)**
At 31 March 2021	**17,422**	**882,924**	**309,022**	**108,486**	**1,317,854**

For the year ended 31 March 2020

	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 6.9) £'000	Other reserves (note 6.8) £'000	Total equity £'000
At 1 April 2019	17,422	882,561	315,760	116,936	1,332,679
Profit for the financial year	–	–	68,620	–	68,620
Other comprehensive income:					
Currency translation	–	–	–	32,955	32,955
Total comprehensive income	–	–	68,620	32,955	101,575
Re-issue of treasury shares	–	326	–	–	326
Share based payment	–	–	–	6,208	6,208
Dividends	–	–	(139,212)	–	(139,212)
At 31 March 2020	17,422	882,887	245,168	156,099	1,301,576

Company Cash Flow Statement
For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Operating activities			
Cash generated from operations	6.10	**(73,415)**	125,090
Interest paid		**(1)**	(5)
Income tax received/(paid)		**1**	(1)
Net cash flow from operating activities		**(73,415)**	125,084
Investing activities			
Inflows:			
Interest received		**8,406**	9,623
Proceeds on disposal		**24,671**	482,723
Dividends received from subsidiaries		**199,070**	131,079
		232,147	623,425
Outflows:			
Acquisition of subsidiaries		**–**	(670,779)
Net cash flow from investing activities		**232,147**	(47,354)
Financing activities			
Inflows:			
Proceeds from issue of shares		**37**	326
Outflows:			
Dividends paid	2.10	**(143,523)**	(139,212)
Net cash flow from financing activities		**(143,486)**	(138,886)
Change in cash and cash equivalents		**15,246**	(61,156)
Translation adjustment		**(908)**	1,158
Cash and cash equivalents at beginning of year		**4,899**	64,897
Cash and cash equivalents at end of year	6.7	**19,237**	4,899

Notes to the Company Financial Statements

Section 6 Notes to the Company Financial Statements

In accordance with the Companies Act 2014, information regarding the ultimate Parent Company, DCC plc, is presented below.

6.1 Basis of Preparation

The financial statements which are presented in sterling, rounded to the nearest thousand, have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The Company applies consistent accounting policies to those applied by the Group. To the extent that an accounting policy is relevant to both Group and Parent Company financial statements, please refer to the Group financial statements for disclosure of the relevant accounting policy.

6.2 Auditor Statutory Disclosure

The audit fee for the Parent Company is £15,000 and is payable to KPMG, Ireland, the statutory auditor (2020: £15,000).

6.3 Profit Attributable to DCC plc

Profit after taxation for the year attributable to owners of the Parent Company amounting to £207.377 million (2020: £68.620 million) has been accounted for in the financial statements of the Company. In accordance with Section 304(2) of the Companies Act, 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 304(2) of the Companies Act, 2014.

6.4 Investments in Subsidiary Undertakings

	2021 £'000	2020 £'000
At 1 April	**1,218,408**	807,349
Additions	**–**	997,198
Capital contribution in respect of share based payments	**–**	2,307
Proceeds received in respect of share based payments previously capitalised	**(6,362)**	–
Disposals	**(24,671)**	(468,520)
Impairment	**–**	(131,079)
Exchange and other	**(45,683)**	11,153
At 31 March	**1,141,692**	1,218,408

Details of the Group's principal operating subsidiaries are included in the Supplementary Information section on pages 223 to 226. Non-wholly owned subsidiaries principally comprise DCC Holding Denmark A/S (60%) (which owns 100% of DCC Energi Danmark A/S and DCC Energi Retail A/S), Gaz de Paris SAS (97%) where put and call options exist to acquire the remaining 3%, Jam Industries Limited (97%) where put and call options exist to acquire the remaining 3% and Amacom Holding BV (87.5%) where put and call options exist to acquire the remaining 12.5%.

The Group's principal overseas holding company subsidiaries are DCC Limited, a company operating, incorporated and registered in England and Wales and DCC International Holdings B.V., a company operating, incorporated and registered in the Netherlands. The registered office of DCC Limited is at Hill House, 1 Little New Street, London, EC4A 3TR, England. The registered office of DCC International Holdings B.V. is Zuiderzeestraatweg 1, 3882 NC, Putten, The Netherlands.

6.5 Trade and Other Receivables

	2021 £'000	2020 £'000
Amounts owed by subsidiary undertakings	**200,563**	379,285

All amounts owed by subsidiary undertakings are interest-free and repayable on demand. There were no past due or impaired trade receivables in the Company at 31 March 2021 (31 March 2020: nil). The Company does not expect any loss in relation to trade and other receivables at 31 March 2021.

6.6 Trade and Other Payables

	2021 £'000	2020 £'000
Amounts due to subsidiary undertakings	**43,118**	300,475
Other creditors and accruals	**520**	541
	43,638	301,016

6.7 Cash and Cash Equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	**19,237**	4,899

6.8 Other Reserves

	Share based payment reserve[1] £'000	Foreign currency translation reserve[2] £'000	Other reserves[3] £'000	Total £'000
At 1 April 2019	28,706	88,001	229	116,936
Share based payment	6,208	–	–	6,208
Currency translation	–	32,955	–	32,955
At 31 March 2020	**34,914**	**120,956**	**229**	**156,099**
Share based payment	**6,055**	**–**	**–**	**6,055**
Currency translation	**–**	**(53,668)**	**–**	**(53,668)**
At 31 March 2021	**40,969**	**67,288**	**229**	**108,486**

1. The share based payment reserve comprises capital contributions to subsidiaries in connection with share based payments.
2. The Company's foreign currency translation reserve represents all foreign exchange differences from 1 April 2004 arising from the translation of the net assets of the Company's euro denominated operations into sterling (the presentation currency), including the translation of the profits and losses of the Company from the average rate for the year to the closing rate at the balance sheet date.
3. The Company's other reserves is a capital conversion reserve fund.

6.9 Retained Earnings

	2021 £'000	2020 £'000
At 1 April	**245,168**	315,760
Total comprehensive income for the financial year	**207,377**	68,620
Dividends	**(143,523)**	(139,212)
At 31 March	**309,022**	245,168

Notes to the Company Financial Statements continued

6.10 Cash Generated from Operations

	2021 £'000	2020 £'000
Profit for the financial year	**207,377**	68,620
Add back non-operating income:		
– tax	**(1)**	1
– net operating exceptionals	**–**	116,876
– net finance income	**(8,406)**	(9,618)
– dividend income	**(199,070)**	(175,819)
Operating profit	**(100)**	60
Changes in working capital:		
– trade and other receivables	**178,225**	205,939
– trade and other payables	**(257,902)**	(80,909)
Other	**6,362**	–
Cash generated from operations	**(73,415)**	125,090

6.11 Related Party Transactions

Subsidiaries and associates

The Company's Income Statement includes dividends from its subsidiary companies DCC Financial Services Holdings Unlimited Company (£140.329 million), DCC Energy Limited (£29.539 million), DCC Healthcare Limited (£20.730 million), DCC Vital Limited (£7.131 million) and DCC Nominess unlimited Company (£1.341 million). Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 215, in note 6.5 'Trade and Other Receivables' and in note 6.6 'Trade and Other Payables'.

6.12 Financial Risk Management

A description of the Group's financial risk management objectives and policies is provided in note 5.7 to the Group financial statements. These financial risk management objectives and policies also apply to the Parent Company.

(i) Credit risk management

Credit risk arises from credit exposure to intercompany receivables and cash and cash equivalents including deposits with banks and financial institutions.

As detailed in note 6.5, the Group's intercompany receivables at 31 March 2021 amount to £200.563 million (2020: £379.285 million). None of these balances include a provision for impairment and all amounts are expected to be recoverable in full.

Risk of counterparty default arising on cash and cash equivalents is controlled within a framework of dealing with high-quality institutions and, by policy, limiting the amount of credit exposure to any one bank or institution. DCC plc transacts with a variety of high credit quality financial institutions for the purpose of placing deposits. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board approved treasury policy. The cash and cash equivalents balance at 31 March 2021 of £19.237 million was held with financial institutions with minimum short-term ratings of A-2 (Standard and Poor's) or P-1 (Moody's).

6.12 Financial Risk Management continued

(ii) Liquidity risk management

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Company's trade and other payables. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

As at 31 March 2021	**Less than 1 year £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Financial liabilities – cash outflows					
Trade and other payables	**43,638**	**–**	**–**	**–**	**43,638**
	43,638	**–**	**–**	**–**	**43,638**

As at 31 March 2020	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities – cash outflows					
Trade and other payables	301,016	–	–	–	301,016
	301,016	–	–	–	301,016

The Company has sufficient cash resources and liquid assets to enable it to meet its trade and other payables.

(iii) Market risk management

Foreign exchange risk management

The Company does not have any material assets or liabilities denominated in any currency other than euro at 31 March 2021 or at 31 March 2020 which would give rise to a significant transactional currency exposure. However, as the presentation currency for the Company is sterling, it is exposed to fluctuations in the sterling/euro exchange rate. A change in the value of euro by 10% against sterling would have a £0.8 million (2020: £6.2 million) impact on the Company's profit before tax, would change the Company's equity by £119.8 million and change the Company's net cash by £1.9 million (2020: £114.6 million and £0.4 million respectively).

Interest rate risk management

Based on the composition of net cash at 31 March 2021 a one percentage point (100 basis points) change in average floating interest rates would have a £0.2 million (2020: £0.1 million) impact on the Company's profit before tax. Finance income principally comprises guarantee fees charged at fixed rates on intergroup loans. Finance costs comprise interest on intergroup loans payable at variable market rates.

Commodity price risk management

The Company has no exposure to commodity price risk.

Fair values of financial assets and financial liabilities

The following is a comparison by category of book values and fair values of the Company's financial assets and financial liabilities:

	2021		2020	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	**200,563**	**200,563**	379,285	379,285
Cash and cash equivalents	**19,237**	**19,237**	4,899	4,899
	219,800	**219,800**	384,184	384,184
Financial liabilities				
Trade and other payables	**43,638**	**43,638**	301,016	301,016
	43,638	**43,638**	301,016	301,016

As at 31 March 2021 and 31 March 2020 the Company had no financial assets or financial liabilities which were carried at fair value.

6.13 Contingencies

Guarantees given in respect of borrowings and other obligations are detailed in note 5.5 to the Group financial statements.

Supplementary Information

Principal Subsidiaries and Associates[1]

DCC LPG

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC LPG Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland	Holding and divisional management company	Ireland	100
Butagaz SAS	47-53 Rue Raspail, 92300 Levallois – Perret, Paris, France	Procurement, sales, marketing and distribution of liquefied petroleum gas	France	100
Gaz de Paris SAS (trading as Gaz Européen)	47-53 Rue Raspail, 92300 Levallois – Perret, Paris, France	Procurement, sales, marketing and distribution of natural gas	France	97
Flogas Britain Limited	81 Rayns Way, Syston, Leicester LE7 1PF, England	Procurement, sales, marketing and distribution of liquefied petroleum gas	Britain	100
DCC Propane LLC	204 North State Route 54, Roberts, IL 60962, USA	Procurement, sales, marketing and distribution of liquefied petroleum gas	USA	100
Flogas Ireland Limited	Knockbrack House, Matthews Lane, Donore Road, Drogheda, Co. Louth, Ireland	Procurement, sales, marketing and distribution of liquefied petroleum gas and natural gas	Ireland	100
DSG Energy Limited	Suites 2201-2, 22nd Floor, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Procurement, sales, marketing and distribution of liquefied petroleum gas	Hong Kong	100
DCC Germany Holding GmbH	Werner-von Siemens-Str. 18, 97076 Würzburg, Germany	Holding company	Germany	100
TEGA – Technische Gase und Gasetechnik GmbH	Werner-von-Siemens-Straße 18, 97076 Würzburg, Germany	Procurement, sales, marketing and distribution of liquefied petroleum gas and refrigerant gases	Germany	100
Flogas Sverige AB	Brännkyrkagatan 63, 11822 Stockholm, Sweden	Procurement, sales, marketing and distribution of liquefied petroleum gas	Sweden	100
Flogas Norge AS	Sandakerveien 116, 0484 Oslo, Norway	Procurement, sales, marketing and distribution of liquefied petroleum gas	Norway	100
Benegas BV	Zuiderzeestraatweg 1, 3882NC, Putten, The Netherlands	Procurement, sales, marketing and distribution of liquefied petroleum gas	The Netherlands	100

DCC Retail & Oil

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Retail & Oil Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland	Holding and divisional management company	Ireland	100
Certas Energy UK Limited	302 Bridgewater Place, Birchwood Park, Warrington WA3 6XG, England	Procurement, sales, marketing and distribution of petroleum and lubricant products	Britain	100
Fuel Card Services Limited	Alexandra House, Lawnswood Business Park, Redvers Close, Leeds LS16 6QY, England	Sale and administration of petroleum products through the use of fuel cards	Britain	100
Certas Energy Norway AS	Elias Smiths vei 24, 1337 Sandvika, Norway	Procurement, sales and marketing of petroleum products	Norway	100
Certas Energy France SAS	9 Avenue Edouard Belin, 92500 Rueil Malmaison, Paris, France	Procurement, sales and marketing of petroleum products	France	100
Energy Procurement Ireland 2013 Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland	Procurement, sales and marketing of petroleum products	Ireland	100

1. The information in this section relates only to the Group's principal subsidiaries and associates. A full list of subsidiaries and associates will be annexed to the Annual Return of the Company to be filed with the Irish Registrar of Companies.

Principal Subsidiaries and Associates continued

DCC Retail & Oil continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Energi Danmark A/S	Naerum Hovedgade 8, 2850 Naerum, Denmark	Procurement, sales, marketing and distribution of petroleum and lubricant products and natural gas	Denmark	60
Qstar Försäljning AB	Spårgatan 5, Box 633,601 14 Norrköping, Sweden	Procurement, sales and marketing of petroleum products	Sweden	100
Energie Direct Mineralölhandelsgesmbh	Alte Poststraße 400, A-8055 Graz, Austria	Procurement, sales, marketing and distribution of petroleum and lubricant products and natural gas	Austria	100
Emo Oil Limited	Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Procurement, sales, marketing and distribution of petroleum and lubricant products	Ireland	100

DCC Healthcare

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Healthcare Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland	Holding and divisional management company	Ireland	100
DCC Vital				
DCC Vital Limited	Fannin House, South County Business Park, Leopardstown, Dublin 18, Ireland	Holding company for the operations of the DCC Vital group of companies	Ireland	100
Fannin Limited	Fannin House, South County Business Park, Leopardstown, Dublin 18, Ireland	Sales, marketing and distribution of medical and pharmaceutical products to healthcare providers	Ireland	100
Williams Medical Supplies Limited	Craiglas House, The Maerdy Industrial Estate, Rhymney, Gwent NP22 5PY, Wales	Sales, marketing and distribution of medical supplies and services to UK healthcare market, primarily GPs and primary care organisations	Britain	100
Fannin (UK) Limited	Westminster Industrial Estate, Repton Road, Measham, Swadlincote, Derbyshire DE12 7DT, England	Sales, marketing and distribution of medical devices to healthcare providers	Britain	100
Health & Beauty Solutions				
DCC Health & Beauty Solutions Limited	9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Outsourced solutions for the health and beauty industry	Britain	100
Amerilab Technologies, Inc.	2765 Niagara Lane, North Plymouth, MN 55447, USA	Development, contract manufacture and packing of effervescent nutritional products in powder and tablet formats	USA	100
Elite One Source Nutritional Services, Inc.	1001 South 3rd Street West, Missoula, MT 59801, USA	Development, contract manufacture and packing of nutritional products in tablet and hard shell capsule format	USA	100
Ion Labs, Inc.	8031 114th Ave, Suite 4000, Largo, FL 33773, USA	Development, contract manufacture and packing of nutritional products across a range of formats including tablets, capsules, powders and liquids	USA	100
EuroCaps Limited	Crown Business Park, Dukestown, Tredegar, Gwent NP22 4EF, Wales	Development and contract manufacture of nutritional products in softgel capsule format	Britain	100

DCC Healthcare continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Health & Beauty Solutions continued				
Thompson & Capper Limited	9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Development, contract manufacture and packing of nutritional products in tablet and hard shell capsule format	Britain	100
Laleham Health and Beauty Limited	Sycamore Park, Mill Lane, Alton, Hampshire GU34 2PR, England	Development, contract manufacture and packing of liquids and creams for the beauty and consumer healthcare sectors	Britain	100
Design Plus Holdings Limited	Rowan House, 3 Stevant Way, White Lund, Morecambe, Lancashire LA3 3PU, England	Development, contract manufacture and packing of liquids and creams for the beauty and consumer healthcare sectors	Britain	100

DCC Technology

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Technology Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland	Holding and divisional management company	Ireland	100
Exertis (UK) Ltd	Technology House, Magnesium Way, Hapton, Burnley BB12 7BF, England	Sales, marketing and distribution of technology products	Britain	100
Exertis Ireland Limited	M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Sales, marketing and distribution of technology products	Ireland	100
Jam Industries Ltd.	21000 Trans-Canada Highway, Baie-D'Urfe, QC H9X 4B7, Canada	Sales, marketing and distribution of professional audio products, musical instruments and consumer electronics	Canada	97
Stampede Presentation Products, Inc.	55 Woodridge Drive, Amherst, NY 14228, USA	Sales, marketing and distribution of professional audiovisual products and solutions	USA	100
Exertis Arc Telecom Limited	Unit No. 702, X3 Building, Jumeirah Lake Towers, Dubai, UAE	Sales, marketing and distribution of technology products	Ireland and operating in Dubai	100
Exertis CapTech AB	Aminogatan 17, SE- 43153 Mölndal, Gotëborg, Sweden	Sales, marketing and distribution of technology products	Sweden	100
CUC SAS (trading as Exertis Connect)	Zone Industrielle Buchelay 3000, BP 1126, 78204 Mantes en Yvelines Cedex, France	Sales, marketing and distribution of technology products and connecting solutions	France	100
Exertis France SAS	5 Rue Pleyel, 93200 Saint Denis, France	Sales, marketing and distribution of technology peripherals and accessories	France	100
Go Telecom BV (trading as Exertis Go Connect)	Laan Van Kopenhagen 100, 3317 DM Dordrecht, The Netherlands	Sales, marketing and distribution of unified communications and audio visual products	The Netherlands	100
Amacom Holding BV	De Tweeling 24-A, 5215 MC 's-Hertogenbosch, The Netherlands	Sales, marketing and distribution of technology products and consumer electronics	The Netherlands	87.5

Principal Subsidiaries and Associates continued

DCC Technology continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Comm-Tec GmbH (trading as Exertis Pro AV)	Siemensstraße 14, 73066 Uhingen, Germany	Sales, marketing and distribution of professional audiovisual and IT products	Germany	100
Exertis Supply Chain Services Limited	M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Provision of supply chain management and outsourced procurement services	Ireland	100

Associates

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
KSG Dining Limited	McKee Avenue, Finglas, Dublin 11, Ireland	Restaurant and hospitality service provider	Ireland	47.5
Geogaz Lavera SA	2 Rue des Martinets, 92500 Rueil Malmaison, Paris, France	Owns and operates an LPG storage facility	France	25
Norgal (GIE)	Route de la Chimie, 76700 Gonfreville L'Orcher, France	Receiving, storage and distribution site for LPG products	France	18

Shareholder Information

Share Listing

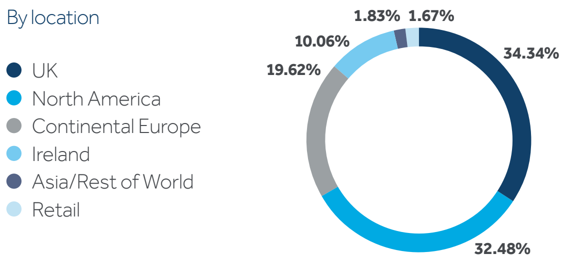
DCC's shares have a Premium Listing on the Official List of the United Kingdom Listing Authority ('UKLA Official List') and are traded solely on the London Stock Exchange in sterling.

Share Price Data	2021 £	2020 £
Share price at 17 May	60.96	–
Market capitalisation at 17 May	6,009m	–
Share price at 31 March	62.90	51.00
Market capitalisation at 31 March	6,200m	5,018m
Share price movement during the year		
– High	72.04	74.96
– Low	47.62	38.78

DCC plc's ordinary share price information can be accessed on the Company's website under the 'Investors' tab.

Shareholdings as at 31 March 2021

By location



Geographic division[1]	Number of shares[2]
UK	33,844,314
North America	32,017,391
Continental Europe	19,335,730
Ireland	9,918,350
Asia/Rest of World	1,805,767
Retail[3]	1,643,662
Total	98,565,214

Notes:
1. This represents the best estimate of the number of shares controlled by fund managers resident in the relevant geographic regions.
2. Excludes 2,768,690 shares held as Treasury Shares.
3. Retail includes shareholdings of less than 5,000 shares.

Details of shareholdings in excess of 3% in the Company are set out on page 138.

Dividends

DCC normally pays dividends twice yearly, in July and in December, to shareholders on the register of members on the record date for the dividend. An interim dividend of 51.95 pence per share was paid on 9 December 2020.

Subject to shareholders' approval at the Annual General Meeting, a final dividend of 107.85 pence per share will be paid on 22 July 2021 to shareholders on the register of members at the close of business on 28 May 2021.

Dividends are declared in sterling and shareholders have the option to elect to receive dividends in either sterling or euro. Shareholders may also elect to receive dividend payments by electronic funds transfer directly into their bank accounts, rather than by cheque. Shareholders should contact the Company's Registrar for details of these options.

From 1 January 2020, the Company is obliged to deduct Dividend Withholding Tax ('DWT') at the rate of 25% from dividends paid to its shareholders, unless a particular shareholder is entitled to an exemption from DWT and has completed and returned to the Company's Registrar a declaration form claiming entitlement to the particular exemption. Exemption from DWT may be available to shareholders resident in another EU Member State or in a country with which the Republic of Ireland has a double taxation agreement in place and to non-individual shareholders resident in Ireland (for example companies, pension funds and charities).

The Irish Revenue Commissioners have published a tax and duty manual entitled 'Dividend Withholding Tax – Details of Scheme' which was updated in April 2021 and can be obtained by contacting the Company's Registrar.

Shareholder Information continued

CREST Migration to Euroclear Bank

As a result of the withdrawal of the UK from the EU ('Brexit'), and following the end of the Brexit transition period on 31 December 2020, Euroclear UK & Ireland Limited ('EUI') as the operator of the CREST system is no longer subject to EU law and, therefore, ceased to provide certain services in respect of Irish securities from March 2021.

CREST was replaced by a central securities depository system ('CSD') operated by Euroclear Bank SA/NV, an international CSD incorporated in Belgium ('Euroclear Bank'), as the long-term CSD for Irish securities settlement.

The Company held an Extraordinary General Meeting ('EGM') on 4 February 2021 to facilitate the migration of the Company's Participating Securities (as defined in the Migration of Participating Securities Act 2019) from the CREST system to the settlement system operated by Euroclear Bank in order to ensure, post-Brexit, that the Company's Shares can continue to be settled electronically when they are traded on the London Stock Exchange.

Financial Calendar

18 May 2021	Final results announcement for 2021
27 May 2021	Ex-dividend date – final dividend
28 May 2021	Record date – final dividend
16 July 2021	Interim Management Statement
16 July 2021	Annual General Meeting
22 July 2021	Proposed payment date – final dividend
9 November 2021	Interim results announcement
December 2021	Proposed payment date – interim dividend
February 2022	Interim Management Statement

Annual General Meeting, Electronic Proxy Voting and Euroclear Bank Voting

To prioritise the health and safety of our shareholders, employees and other stakeholders, in light of the ongoing risks posed by Covid-19, the 2021 Annual General Meeting is currently expected to be held at 11.00 am on 16 July 2021 at DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland with the minimum necessary quorum. The Notice of Meeting together with an explanatory letter from the Chairman and a Form of Proxy accompany this Annual Report. Shareholders should monitor the Company's website for further information in this regard.

Shareholders (being registered members) may lodge a Form of Proxy for the 2021 Annual General Meeting via the internet. Shareholders who wish to submit their proxy in this manner may do so by accessing the Company's Registrar's website, www.eproxyappointment.com, and following the instructions which are set out on the Form of Proxy or in the email broadcast that you will have received if you have elected to receive communications via electronic means.

Persons who hold their interests in ordinary shares as Belgian law rights through the Euroclear system or as CDIs through the CREST System should consult with their stockbroker or other intermediary for information on the processes and timelines for submitting proxy votes for the Annual General Meeting through the respective systems. Further details are contained in the notes to the Notice of Annual General Meeting.

DCC Website

Our corporate website, www.dcc.ie, provides access to share price information through downloadable reports and interactive share price tools. The site also provides access to information on the Group's activities, results, annual reports, stock exchange announcements and investor presentations.

Electronic Communications

In order to adopt a more environmentally friendly and cost-effective approach, the Company encourage shareholders to opt-in to receiving information concerning the Company (such as the Annual Report and Notice of Annual General Meeting) electronically via DCC's website. However, DCC sends a printed copy of such communications to all shareholders unless they have previously agreed to receive electronic communications. Shareholders who receive information electronically will continue to receive certain communications by post (such as share certificates, dividend cheques, dividend payment vouchers and tax vouchers). Shareholders who wish to alter the method by which they receive communications should contact the Company's Registrar.

Registrar

All administrative queries about the holding of DCC shares should be addressed to the Company's Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, Ireland.

Tel: + 353 1 247 5698
Fax: + 353 1 447 5571
www.investorcentre.com/ie/contactus

Investor Relations

For investor enquiries please contact Rossa White, Head of Group Investor Relations, DCC plc, DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

Tel: + 353 1 2799 400
email: investorrelations@dcc.ie

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Registrar
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Citywest Business Campus
Dublin 24
Ireland

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Allied Irish Banks
Bank of Ireland
Barclays
BayernLB
BNP Paribas
Danske Bank
DBS Bank
Deutsche Bank
HSBC
ING Bank
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Independent Assurance Statement to DCC plc

Scope
We have been engaged by DCC plc ('DCC') to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on DCC's selected subject matter information marked with the symbol Δ (the "Subject Matter") in the DCC Annual Report ("the Report") for the year ended 31 March 2021.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by DCC
In preparing the Subject Matter, DCC applied their internally developed General Reporting Boundaries and Carbon Criteria ("the Criteria"). Such Criteria were specifically designed by DCC to guide the measurement and reporting of the Subject Matter. As a result, the Subject Matter may not be suitable for another purpose.

DCC's responsibilities
DCC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We planned and performed our engagement in accordance with the International Standard for Assurance Engagements ISAE 3410 Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), and the terms of reference for this engagement as agreed with DCC on 14 December 2020. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

The Subject Matter has been evaluated against the following criteria:
- Completeness: Whether all material data sources have been included and that boundary definitions have been appropriately interpreted and applied.
- Consistency: Whether the DCC scope and definitions for the Subject Matter Information have been consistently applied to the data
- Accuracy: Whether the data has been accurately collated by DCC management, and whether there is supporting information for the data reported by operations to DCC management.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

Our Independence and Quality Control
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:
- Interviewed management to understand the key processes, systems and controls in place for the preparation of the Subject Matter.
- Performed a review of the data management systems, tested reasonableness of conversion factors applied, reviewed alignment with the Criteria and conducted analytical review procedures over the Subject Matter.
- Undertook a remote desktop site visit to two selected DCC operations to understand the process of data collection and reporting from site level to head office.
- Agreed sample selection to supporting documentation and re-performed calculations.
- Assessed the appropriateness of the Criteria for the Subject Matter.
- Reviewed the Report for the appropriate presentation of the Subject Matter, including the discussion of limitations and assumptions relating to the data presented.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 March 2021, in order for it to be in accordance with the Criteria.

Ernst & Young
17 May 2021
Dublin, Ireland

Additional Sustainability Information

GRI and SASB Disclosures

The following table sets out the targets and metrics selected to support our sustainability reporting as outlined in the Sustainable Business Report and, in each case, the nearest GRI and/or SASB standard. Due to the diverse nature of the DCC Group, no single SASB industry classification is directly applicable to our activities. Therefore, having consulted with SASB, we identified relevant SASB standards from several classifications. N/A indicates that there is no equivalent standard available.

Sustainability Pillar	Target	Metric	UNSDG	GRI	SASB	Page Reference
Climate Change & Energy Transition	We will reduce our carbon emissions by 20% by 2025 and to net zero by 2050.	Scope 1 and 2 carbon emissions.	7: Affordable and Clean Energy 13: Climate Action	305-1 & 2	EM-RM-110a.1	74
Safety & Environmental Protection	We keep our people safe.	Lost time injury frequency rate (LTIFR) and severity rate (LTISR).	8: Decent Work and Economic Growth	403-9	EM-RM-320a.1	77
		Number of serious personal injuries to employees and contractors.				77
		Number of API Tier 1 process safety events.		N/A	EM-RM-540a.1	77
	We protect the environment in the communities where we operate.	Number of significant spills.	12: Responsible Consumption & Production	306-3	EM-RM-150a.2	77
People & Social	We support the development of our people.	Number and rate of senior management turnover by age group, gender, and region.	8: Decent Work and Economic Growth	401-1 (b)	N/A	78
		Number of employees by age group, gender and region who received a performance review.		404-3	N/A	78
		Average hours of training by age group, gender, and region.		404-1	N/A	79
	We support inclusion and diversity.	Gender balance of senior management teams.	5: Gender Equality	405-1	N/A	79
		Number of incidents of discrimination, the status of incidents reviewed and confirmation of remediation.	10: Reduced Inequalities	406-1	N/A	80
		Monetary loss from employment discrimination related legal proceedings.		N/A	CG-MR-330a.2	80
Governance and Compliance	We protect human rights.	Human rights breaches in our business and our supply chains.	12: Responsible Production and Consumption	408-1 409-1	N/A	80
	We prevent corruption.	Number of significant cases and monetary losses related to bribery and corruption.		205-1	HC-BP-510a.1	80
	We sell safe products.	Product safety-related compliance failures.		416-2	HC-DI-250a.1	80

Additional Sustainability Information continued

TCFD Alignment

The following table cross-references sections of the Annual Report with the 11 TCFD expectations.

TCFD			DCC
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Corporate Governance Statement page 96
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Risk Report page 88
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	N/A
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Chief Executive's Review page 12 and Operating Reviews page 42
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	N/A
Risk Management	Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Risk Report page 83
		b) Describe the organisation's processes for managing climate-related risks.	Risk Report page 86 and Operating Reviews page 42
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk Report page 85
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainable Business Report page 75
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Sustainable Business Report page 74
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainable Business Report page 75

Alternative Performance Measures

The Group reports certain alternative performance measures ('APMs') that are not required under International Financial Reporting Standards ('IFRS') which represent the generally accepted accounting principles ('GAAP') under which the Group reports. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions.

These APMs are primarily used for the following purposes:
- to evaluate the historical and planned underlying results of our operations;
- to set Director and management remuneration; and
- to discuss and explain the Group's performance with the investment analyst community.

None of the APMs should be considered as an alternative to financial measures derived in accordance with GAAP. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. These performance measures may not be calculated uniformly by all companies and therefore may not be directly comparable with similarly titled measures and disclosures of other companies.

The principal APMs used by the Group, together with reconciliations where the non-GAAP measures are not readily identifiable from the financial statements, are as follows:

Adjusted operating profit ('EBITA')

Definition

This comprises operating profit as reported in the Group Income Statement before net operating exceptional items and amortisation of intangible assets. Net operating exceptional items and amortisation of intangible assets are excluded in order to assess the underlying performance of our operations. In addition, neither metric forms part of Director or management remuneration targets.

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Operating profit	Income Statement	**422,850**	366,644
Net operating exceptional items	Income Statement	**40,495**	65,486
Amortisation of intangible assets	Income Statement	**66,898**	62,138
Adjusted operating profit (EBITA)		**530,243**	494,268

Adjusted operating profit before depreciation ('EBITDA')

Definition

EBITDA represents earnings before net interest, tax, depreciation on property, plant and equipment, amortisation of intangible assets, share of equity accounted investments' profit after tax and net exceptional items. This metric is used to compare profitability between companies by eliminating the effects of financing, tax environments, asset bases and business combinations history. It is also utilised as a proxy for a company's cash flow.

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Adjusted operating profit (EBITA)	Per above	**530,243**	494,268
Depreciation of property, plant and equipment	Note 3.1	**131,199**	118,545
Adjusted operating profit before depreciation (EBITDA)		**661,442**	612,813

Net interest

Definition

The Group defines net interest as the net total of finance costs and finance income before interest related exceptional items as presented in the Group Income Statement.

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Finance costs before exceptional items	Income Statement	**(85,639)**	(94,824)
Finance income before exceptional items	Income Statement	**26,253**	39,510
Net interest		**(59,386)**	(55,314)

Alternative Performance Measures continued

Interest cover – EBITDA interest cover

Definition

The EBITDA interest cover ratio measures the Group's ability to pay interest charges on debt from cash flows. In order to maintain comparability with the definitions contained in the Group's lending arrangements, EBITDA and net interest exclude the impact arising from the adoption of IFRS 16.

Calculation	Reference in Financial Statements	**2021 £'000**	2020 £'000
EBITDA	Per above	**661,442**	612,813
Less: impact of IFRS 16		**(5,563)**	(4,999)
EBITDA for covenant purposes		**655,879**	607,814
Net interest	Per above	**(59,386)**	(55,314)
Less: impact of IFRS 16	Note 2.7	**9,707**	8,635
Net interest for covenant purposes		**(49,679)**	(46,679)
EBITDA interest cover (times)		**13.2x**	13.0x

Effective tax rate

Definition

The Group's effective tax rate expresses the income tax expense before exceptionals and deferred tax attaching to the amortisation of intangible assets as a percentage of EBITA less net interest.

Calculation	Reference in Financial Statements	**2021 £'000**	2020 £'000
Adjusted operating profit	Per above	**530,243**	494,268
Net interest	Per above	**(59,386)**	(55,314)
Earnings before taxation		**470,857**	438,954
Income tax expense	Income Statement	**62,278**	57,335
Income tax attaching to exceptional items	Note 2.9	**4,104**	3,290
Deferred tax attaching to amortisation of intangible assets	Note 2.9	**13,664**	13,997
Total Income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets		**80,046**	74,622
Effective tax rate (%)		**17.0%**	17.0%

Dividend cover

Definition

The dividend cover ratio measures the Group's ability to pay dividends from earnings.

Calculation	Reference in Financial Statements	**2021 pence**	2020 pence
Adjusted earnings per share	Note 2.11	**386.62**	362.64
Dividend	Note 2.10	**159.80**	145.27
Dividend cover (times)		**2.4x**	2.5x

Net capital expenditure

Definition

Net capital expenditure comprises purchases of property, plant and equipment, proceeds from the disposal of property, plant and equipment and government grants received in relation to property, plant and equipment.

Calculation	Reference in Financial Statements	**2021 £'000**	2020 £'000
Purchase of property, plant and equipment	Group Cash Flow Statement	**162,879**	181,014
Government grants received in relation to property, plant and equipment	Group Cash Flow Statement	**(89)**	–
Proceeds from disposal of property, plant and equipment	Group Cash Flow Statement	**(15,898)**	(13,166)
Net capital expenditure		**146,892**	167,848

Free cash flow

Definition

Free cash flow is defined by the Group as cash generated from operations before exceptional items as reported in the Group Cash Flow Statement after repayment of lease creditors and net capital expenditure.

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Cash generated from operations before exceptionals	Group Cash Flow Statement	**903,659**	723,965
Repayment of lease creditors	Note 3.12	**(68,986)**	(63,860)
Net capital expenditure	Per above	**(146,892)**	(167,848)
Free cash flow		**687,781**	492,257

Free cash flow (after interest and tax payments)

Definition

Free cash flow (after interest and tax payments) is defined by the Group as free cash flow after interest paid (excluding interest relating to lease creditors), income tax paid, dividends received from equity accounted investments and interest received. As noted in the definition of free cash flow, interest amounts relating to the repayment of lease creditors has been deducted in arriving at the Group's free cash flow and are therefore excluded from the interest paid figure in arriving at the Group's free cash flow (after interest and tax payments).

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Free cash flow	Per above	**687,781**	492,257
Interest paid (excluding interest relating to lease creditors)		**(74,635)**	(76,340)
Income tax paid	Group Cash Flow Statement	**(62,191)**	(78,961)
Interest received	Group Cash Flow Statement	**27,930**	39,188
Free cash flow (after interest and tax payments)		**578,885**	376,144

Cash conversion ratio

Definition

The cash conversion ratio expresses free cash flow as a percentage of adjusted operating profit.

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Free cash flow	Per above	**687,781**	492,257
Adjusted operating profit	Per above	**530,243**	494,268
Cash conversion ratio (%)		**130%**	100%

Alternative Performance Measures continued

Return on capital employed ('ROCE')

Definition

ROCE represents adjusted operating profit expressed as a percentage of the average total capital employed.

The Group adopted IFRS 16 *Leases* on the transition date of 1 April 2019 using the modified retrospective approach, meaning that comparatives were not restated. To assist comparability with prior years, the Group presents ROCE excluding the impact of IFRS 16 ('ROCE excl. IFRS 16') as well as ROCE including the impact of IFRS 16 ('ROCE incl. IFRS 16'). Total capital employed (excl. IFRS 16) represents total equity adjusted for net debt/cash (including lease creditors), goodwill and intangibles written off, right-of-use leased assets, acquisition related liabilities and equity accounted investments whilst total capital employed (incl. IFRS 16) includes right-of-use leased assets.

Similarly, adjusted operating profit is presented both excluding and including the impact of IFRS 16. Net operating exceptional items and amortisation of intangible assets are excluded in order to assess the underlying performance of our operations. In addition, neither metric forms part of Director or management remuneration targets.

ROCE (excl. IFRS 16):

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Total equity	Group Balance Sheet	**2,705,644**	2,541,458
Net debt (including lease creditors)	Note 3.13	**150,170**	367,119
Goodwill and intangibles written off		**462,473**	395,577
Right-of-use leased assets	Note 3.2	**(308,863)**	(304,097)
Equity accounted investments	Group Balance Sheet	**(27,134)**	(27,729)
Acquisition related liabilities (current and non-current)	Note 3.16	**84,402**	113,634
Closing total capital employed (excl. IFRS 16)		**3,066,692**	3,085,962
Average total capital employed (excl. IFRS 16)		**3,076,327**	2,974,265
Adjusted operating profit	Per above	**530,243**	494,268
Less: impact of IFRS 16 on operating profit		**(5,563)**	(4,999)
		524,680	489,269
Return on capital employed (%) excl. IFRS 16		**17.1%**	16.5%

ROCE (incl. IFRS 16):

Calculation	Reference in Financial Statements	2021 £'000	2020 £'000
Total capital employed	Per above	**3,066,692**	3,085,962
Right-of-use leased assets	Note 3.2	**308,863**	304,097
Closing total capital employed (incl. IFRS 16)		**3,375,555**	3,390,059
Average total capital employed (incl. IFRS 16)		**3,382,807**	3,274,204
Adjusted operating profit	Per above	**530,243**	494,268
Return on capital employed (%) incl. IFRS 16		**15.7%**	15.1%

Committed acquisition expenditure

Definition

The Group defines committed acquisition expenditure as the total acquisition cost of subsidiaries as presented in the Group Cash Flow Statement (excluding amounts related to acquisitions which were committed to in previous years) and future acquisition related liabilities for acquisitions committed to during the year.

Calculation	Reference in Financial Statements	**2021 £'000**	2020 £'000
Net cash outflow on acquisitions during the year	Group Cash Flow Statement	**236,232**	192,189
Cash outflow on acquisitions which were committed to in the previous year		**(22,388)**	(75,365)
Acquisition related liabilities arising on acquisitions during the year	Note 3.16	**9,321**	43,044
Acquisition related liabilities which were committed to in the previous year		**(539)**	(10,768)
Amounts committed in the current year		**152,000**	19,500
Committed acquisition expenditure		**374,626**	168,600

Net working capital

Definition

Net working capital represents the net total of inventories, trade and other receivables (excluding interest receivable), and trade and other payables (excluding interest payable, amounts due in respect of property, plant and equipment and current government grants).

Calculation	Reference in Financial Statements	**2021 £'000**	2020 £'000
Inventories	Note 3.5	**685,950**	630,996
Trade and other receivables	Note 3.6	**1,689,372**	1,647,117
Less: interest receivable		**(16)**	(428)
Trade and other payables	Note 3.7	**(2,604,177)**	(2,318,758)
Less: interest payable	Note 3.7	**11,668**	11,963
Less: amounts due in respect of property, plant and equipment	Note 3.7	**13,554**	6,284
Less: government grants	Note 3.7	**20**	11
Net working capital		**(203,629)**	(22,815)

Working capital (days)

Definition

Working capital days measures how long it takes in days for the Group to convert working capital into revenue.

Calculation	Reference in Financial Statements	**2021 £'000**	2020 £'000
Net working capital	Per above	**(203,629)**	(22,815)
March revenue		**1,468,052**	1,279,731
Working capital (days)		**(4.3 days)**	(0.6 days)

5 Year Review

Group Income Statement Year ended 31 March	**2017 £'m**	**2018 £'m**	**2019 £'m**	**2020 £'m**	**2021 £'m**
Revenue	12,445.0	13,121.7	15,226.9	14,755.4	13,412.5
Adjusted operating profit	363.6	384.4	460.5	494.3	530.2
Exceptional items	(36.3)	(15.3)	(28.2)	(65.5)	(40.5)
Amortisation of intangible assets	(39.2)	(43.0)	(63.2)	(62.1)	(66.9)
Operating profit	288.1	326.1	369.1	366.7	422.8
Finance costs (net)	(22.0)	(35.5)	(42.3)	(56.2)	(57.9)
Share of equity accounted investments	0.7	0.4	0.7	1.0	0.2
Profit before tax	266.8	291.0	327.5	311.5	365.1
Income tax expense	(49.1)	(24.1)	(56.4)	(57.3)	(62.3)
Non-controlling interests	(1.5)	(5.1)	(8.5)	(8.7)	(10.2)
Profit attributable to owners of the Parent Company	216.2	261.8	262.6	245.5	292.6
Earnings per share					
– basic (pence)	243.64p	293.83p	280.14p	249.64p	297.04p
– basic adjusted (pence)	303.68p	318.35p	358.16p	362.64p	386.62p
Dividend per share (pence)	111.80p	122.98p	138.35p	145.27p	159.80p
Dividend cover (times)	2.7x	2.6x	2.6x	2.5x	2.4x
Interest cover (times)*	11.3x	10.8x	9.9x	10.5x	10.6x

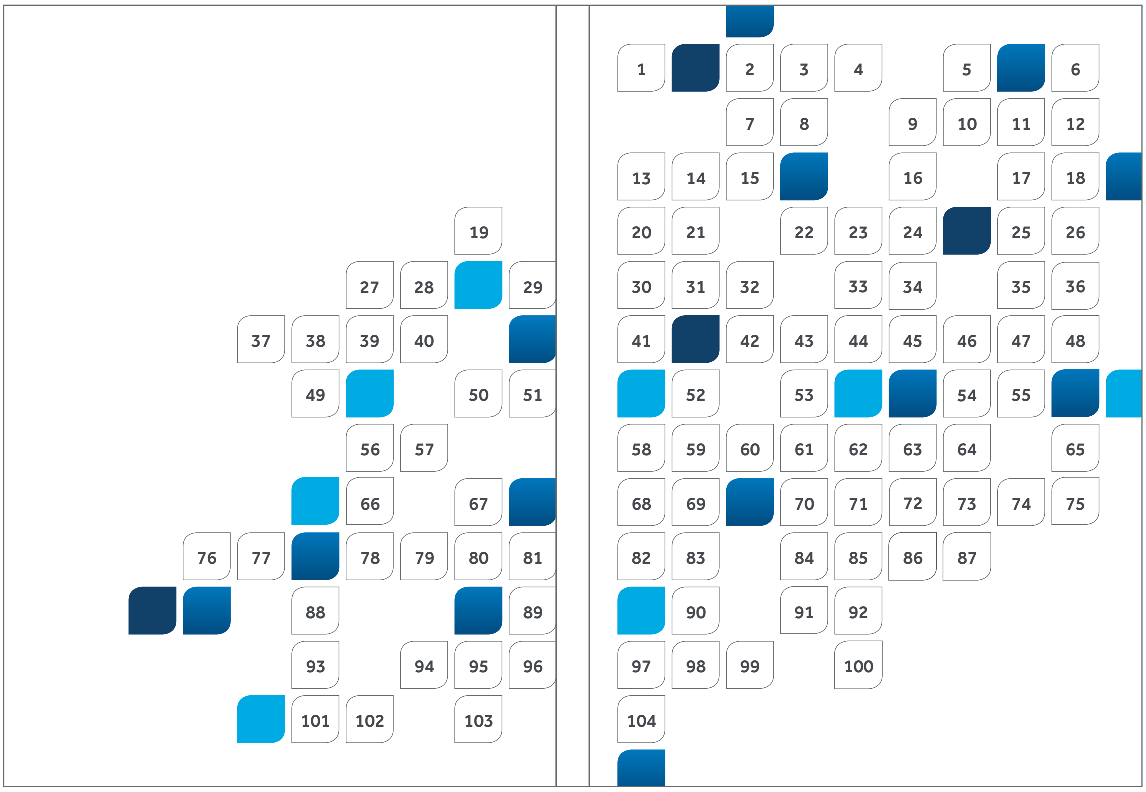
* excludes exceptional items.

Group Balance Sheet As at 31 March	**2017 £'m**	**2018 £'m**	**2019 £'m**	**2020 £'m**	**2021 £'m**
Non-current and current assets:					
Property, plant and equipment	750.0	933.0	996.5	1,089.0	1,137.6
Right-of-use leased assets	–	–	–	304.1	308.9
Intangible assets	1,422.6	1,953.8	2,069.6	2,126.9	2,206.7
Equity accounted investments	24.9	24.5	24.2	27.7	27.1
Cash/derivatives	1,340.1	1,150.0	1,765.6	2,059.9	1,948.5
Other assets	1,894.8	1,982.8	2,221.7	2,313.5	2,406.0
Total assets	5,432.4	6,044.1	7,077.6	7,921.1	8,034.8
Equity	1,507.7	1,677.9	2,433.5	2,541.5	2,705.6
Non-current and current liabilities:					
Borrowings/derivatives	1,474.8	1,692.7	1,784.0	2,120.0	1,783.3
Lease creditors	–	–	–	306.8	315.2
Retirement benefit obligations	–	(0.3)	(1.4)	(7.3)	(8.0)
Other liabilities	2,449.9	2,673.8	2,861.5	2,960.1	3,238.7
Total liabilities	3,924.7	4,366.2	4,644.1	5,379.6	5,329.2
Total equity and liabilities	5,432.4	6,044.1	7,077.6	7,921.1	8,034.8
Net cash/(debt) included above (excl. lease creditors)	(121.9)	(542.7)	(18.4)	(60.2)	165.1

Group Cash Flow Year ended 31 March	**2017 £'m**	**2018 £'m**	**2019 £'m**	**2020 £'m**	**2021 £'m**
Operating cash flow	546.9	473.3	607.5	724.0	903.7
Capital expenditure	131.4	145.4	173.5	167.8	147.0
Acquisitions	262.4	691.0	296.8	227.5	272.6

Other Information	**2017**	**2018**	**2019**	**2020**	**2021**
Return on capital employed (%)	19.8%	17.5%	17.0%	16.5%	17.1%
Working capital (days)	(3.3)	(2.0)	(0.4)	(0.6)	(4.3)

Cover Information



1 Hashmiya from Ion Labs
2 Lucas from DCC Propane
3 Lidia from Exertis CapTech
4 Million from Amerilab
5 Evrard from Butagaz
6 Glory from Laleham
7 Andres from Ion Labs
8 Claire from DCC Vital
9 Nathan from Certas Energy UK
10 Jon from Amerilab
11 Cobie from Benegas
12 Aimen from Benegas
13 Örjan from Qstar
14 Jane from Exertis UK
15 Andrea from Amerilab
16 Gaynor from DCC Vital
17 Maligi from Elite One Source
18 Petter from Certas Energy Norway
19 Pietro from Exertis UK
20 Fay from DSG Energy
21 Florian from Butagaz
22 Karen from Flogas Britain
23 Raymond from DCC Propane
24 Tracey from EuroCaps
25 Stéphane from Butagaz
26 Nel from Elite One Source
27 Brad from Flogas Britain
28 Sunil from Exertis UK
29 Shenaz from Flogas Britain
30 Tom from Fuel Card Services
31 Jason from Design Plus
32 Darron from Flogas Britain
33 Czarina from Exertis Arc Telecom
34 Piotr from Qstar
35 Jackie from Flogas Britain
36 Ben from Exertis UK
37 Marlon from Exertis Arc Telecom
38 Trish from Fuel Card Services
39 Golay from Amerilab
40 Sharon from Design Plus
41 Stephen from DCC Vital
42 Kenneth from DSG Energy
43 Geir from Certas Energy Norway
44 Belinda from Butagaz
45 Julian from DCC Vital
46 Jurgita from Amacom
47 Jamie from Exertis UK
48 Justyna from Design Plus
49 Marit from Certas Energy Norway
50 Olivia from Jam
51 Karen from Flogas Ireland
52 Billy from Flogas Britain
53 Michael from DCC Vital
54 Cynthia from DCC Vital
55 Maria from Stampede
56 Casey from Elite One Source
57 Janice from Jam
58 Lovely from Laleham
59 Krissy from DCC Vital
60 Andre from Jam
61 Alicia from Butagaz
62 Huw from EuroCaps
63 Lynda from Fuel Card Services
64 Greg from DCC Propane
65 Liam From Flogas Ireland
66 Lewis from Exertis UK
67 Bryan from Ion Labs
68 Jeanette from DCC Vital
69 Marion from Butagaz
70 Wilfred from Benegas
71 Jo from Fuel Card Services
72 Rene from Exertis Go Connect
73 Craig from DCC Vital
74 Dave from Thompson & Capper
75 Frederick from Certas Energy Norway
76 Edel from Exertis Supply Chain Services
77 Agnieszka from Design Plus
78 Scott from DCC Propane
79 Declan from Flogas Ireland
80 Tina from DCC Vital
81 Stephine from DCC Propane
82 Mark from Certas Energy UK
83 Anita from DCC Vital
84 Espen from Exertis CapTech
85 Danny from Amacom
86 Markus from CommTec
87 Matthew from Elite One Source
88 Petros from Exertis UK
89 Ria from EuroCaps
90 James from DCC Vital
91 Kevin from DCC Vital
92 Jayne from EuroCaps
93 Cynthia from Exertis Go Connect
94 Tahar from Exertis Connect
95 Rasmus from Qstar
96 Laura from Thompson & Capper
97 Tony from DCC Propane
98 Soren from DCC Energi
99 Natalie from Thompson & Capper
100 Kenneth from Flogas Ireland
101 Lisa from Certas Energy Norway
102 Christian from DCC Energi
103 Nora from Exertis UK
104 Colin from DCC Vital

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The outer cover of this report has been laminated with a biodegradable film. Around 20 months after composting, an additive within the film will initiate the process of oxidation.

Designed and produced by **emperor**
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