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DCC Energi Sweden AB
Org. nr 556869-9846

ÅRSREDOVISNING
2021/22

Styrelsen för DCC Energi Sweden AB får härmed avge årsredovisning för räkenskapsåret 2021/22

Årsredovisningen omfattar

	Sida
- förvaltningsberättelse	2
- resultaträkning	3
- balansräkning	4
- eget kapital rapport	6
- redovisningsprinciper	7
- väsentliga uppskattningar och bedömningar	9
- noter	10
- underskrifter	13

Om inte annat anges redovisas alla belopp i tusen euro (TEUR).

Fastställelseintyg DCC Energi Sweden AB

Undertecknad styrelseledamot i DCC Energi Sweden intygar härmed, dels att denna kopia av årsredovisningen samt revisionsberättelsen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma 25/8 2022
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Norrköping 2022 -08-25

Maria Hadd

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FÖRVALTNINGSBERÄTTELSE

Bolagets redovisningsvaluta är EUR.

Verksamhetens art och inriktning

DCC Energi Sweden AB är ett helägt dotterbolag till DCC Energy Limited (79313) med säte i Dublin, Irland.

DCC Energi Sweden AB äger och förvaltar bolag inom koncernen enligt not 6. Bolaget har inga anställda.

Bolaget har sitt säte i Norrköping.

Väsentliga händelser under räkenskapsåret

Styrelsen bedömer att utbrottet av viruset Covid-19 har haft en relativt begränsad påverkan på bolaget under året. För information över hur dotterbolagen har påverkats hänvisas till respektive dotterbolags årsredovisning.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Styrelsen bedömer att utvecklingen till följd av Ukrainakrisen skulle kunna få en negativ effekt på bolagets resultat på nya året, men att styrelsen i dagsläget inte kan bedöma hur stor. Styrelsen följer aktivt utvecklingen och vidtar löpande åtgärder för att begränsa effekten. För information över hur dotterbolagen har påverkats hänvisas till respektive dotterbolags årsredovisning.

Flerårsjämförelse

		2021/22	2020/21	2019/20	2018/19	2017/18
Nettoomsättning	teur	7	0	0	0	0
Resultat efter fin poster	teur	-2 909	-985	15 299	-2 886	-2 914
Balansomslutning	teur	99 753	107 367	101 418	82 339	82 341
Soliditet	%	32,83	21,90	18,56	0,01	0,01

För definitioner av nyckeltal se not 12.

Resultatdisposition

Följande balanserad vinst ska disponeras av årsstämman (teur):	
Balanserad vinst från föregående år	22 366
Årets resultat	6 921
	29 287
Styrelsen föreslår att den balanserade vinsten disponeras så att i ny räkning balanseras	29 287
	29 287

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RESULTATRÄKNING

TEUR	Not	2021-04-01 2022-03-31	2020-04-01 2021-03-31
Rörelsens intäkter m.m.			
Nettoomsättning		7	–
Summa rörelsens intäkter m.m.		7	0
Rörelsens kostnader			
Övriga externa kostnader		–	-7
Summa rörelsens kostnader		0	-7
Rörelseresultat		**7**	**-7**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	3	531	1 801
Räntekostnader och liknande resultatposter	4	-3 448	-2 779
Resultat efter finansiella poster		**-2 909**	**-985**
Bokslutsdispositioner	5	11 629	5 485
Skatt på årets resultat		-1 799	-949
Årets resultat		**6 921**	**3 551**

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BALANSRÄKNING

TEUR	Not	2022-03-31	2021-03-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	82 235	82 235
Fordringar hos koncernföretag	7	104	104
Summa finansiella anläggningstillgångar		**82 339**	**82 339**
Summa anläggningstillgångar		**82 339**	**82 339**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		16 456	25 028
Övriga fordringar		951	–
Summa kortfristiga fordringar		**17 407**	**25 028**
Kassa och bank		7	–
Summa omsättningstillgångar		**17 414**	**25 028**
SUMMA TILLGÅNGAR		**99 753**	**107 367**

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BALANSRÄKNING

TEUR	Not	2022-03-31	2021-03-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	8	6	6
Summa bundet eget kapital		6	6
Fritt eget kapital			
Balanserat resultat		22 366	18 815
Årets resultat		6 921	3 551
Summa fritt eget kapital		29 287	22 366
Summa eget kapital		**29 293**	**22 372**
Obeskattade reserver			
Periodiseringsfonder		4 350	1 450
Summa obeskattade reserver		**4 350**	**1 450**
Långfristiga skulder	9		
Skulder till koncernföretag		63 362	82 177
Summa långfristiga skulder		**63 362**	**82 177**
Kortfristiga skulder			
Aktuella skatteskulder		2 748	1 368
Summa kortfristiga skulder		**2 748**	**1 368**
SUMMA EGET KAPITAL OCH SKULDER		**99 753**	**107 367**

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DCC Energi Sweden AB
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FÖRÄNDRING AV EGET KAPITAL

TEUR	*Not*	Aktiekapital	Balanserat resultat	Årets resultat	Totalt eget kapital
Ingående balans **2021-04-01**		**6**	**18 815**	**3 551**	**22 372**
Omföring av föregående års resultat			3 551	-3 551	
Årets resultat				6 921	6 921
Utgående balans **2022-03-31**	*8*	**6**	**22 366**	**6 921**	**29 293**

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Noter till årsredovisningen

Not 1 Redovisnings- och värderingsprinciper

Företagets årsredovisning har upprättats i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

De viktigaste redovisnings- och värderingsprinciperna som har använts vid upprättande av årsredovisningen sammanfattas nedan. Redovisningsprinciperna är oförändrade jämfört med föregående år.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Värderingsprinciper resultaträkningen

Intäkter

Intäkter uppkommer från försäljningen av varor och utförandet av tjänster och redovisas i posten *Nettoomsättning*. Intäkter värderas till det verkliga värdet av det som erhållits eller kommer att erhållas för varor som levererats och tjänster som utförts, dvs. till försäljningspris exklusive handelsrabatter, mängdrabatter och liknande prisavdrag samt mervärdesskatt och punktskatt.

Utdelningar från dotterföretag

Utdelningar från dotterföretag intäktsredovisas när företagets rätt till utdelning bedöms som säker och beloppet kan beräknas på ett tillförlitligt sätt.

Värderingsprinciper balansräkningen

Andelar i dotterföretag

Andelar i dotterföretag värderas till anskaffningsvärde eventuellt minskat med nedskrivningar.

Nedskrivning av andelar i dotterföretag

Per varje balansdag görs en bedömning av om det föreligger någon indikation på att en tillgångs värde är lägre än dess redovisade värde. Finns det en sådan indikation beräknas tillgångens återvinningsvärde. Om återvinningsvärdet understiger redovisat värde görs en nedskrivning som kostnadsförs.

Återvinningsvärdet för en tillgång eller en kassagenererande enhet är det högsta av verkligt värde med avdrag för försäljningskostnader och nyttjandevärdet.

Verkligt värde med avdrag för försäljningskostnader utgörs av det pris som företaget beräknas kunna erhålla vid en försäljning mellan kunniga parter som är oberoende av varandra och som har intresse av att transaktionen genomförs. Avdrag görs för sådana kostnader som är direkt hänförliga till försäljningen.

Nyttjandevärdet utgörs av framtida kassaflöden som en tillgång eller en kassagenererande enhet väntas ge upphov till.

Fordringar och skulder i utländsk valuta

Monetära poster i utländsk valuta räknas om till balansdagens kurs och de valutakursdifferenser som uppkommer redovisas i resultaträkningen. Valutakursvinster och -förluster avseende rörelserelaterade fordringar och skulder i utländsk valuta redovisas i posterna *Övriga rörelseintäkter* och *Övriga rörelsekostnader*. Övriga valutakursvinster och -förluster redovisas under rubriken *Resultat från finansiella poster*.

Icke-monetära poster omräknas inte på balansdagen och värderas till anskaffningsvärde (omräknat till transaktionsdagens kurs).

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Finansiella instrument

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Redovisning och värdering

Finansiella tillgångar och skulder redovisas när företaget blir part i det finansiella instrumentets avtalsmässiga villkor.

Kundfordringar värderas till anskaffningsvärde med avdrag för befarade förluster. Leverantörsskulder och andra icke-räntebärande skulder värderas till nominella belopp.

Finansiella anläggningstillgångar och finansiella långfristiga skulder samt räntebärande korfristiga finansiella fordringar och skulder värderas såväl vid första redovisningstillfället som i efterföljande värdering till upplupet anskaffningsvärde.

Borttagande från balansräkningen

Finansiella tillgångar tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör eller regleras, eller när de risker och fördelar förknippade med tillgången överförs till annan part. Finansiella skulder tas bort från balansräkningen när den avtalde förpliktelsen fullgörs eller upphör.

Inkomstskatter

Inkomstskatt utgörs av aktuell skatt och uppskjuten skatt. Inkomstskatt redovisas i resultaträkningen utom då en underliggande transaktionen redovisas i eget kapital varvid även tillhörande skatteeffekt redovisas i eget kapital.

Aktuell skatt

Aktuell skatt är skattekostnaden för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen och nuvärdesberäknas inte.

Uppskjuten skatt

Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatt beräknas med hjälp av balansräkningsmetoden på samtliga temporära skillnader, dvs. skillnader mellan de redovisade värdena för tillgångar och skulder och deras skattemässiga värden samt skattemässiga underskott.

Eget kapital

Eget kapital i företaget består av följande poster:
Aktiekapital som representerar det nominella värdet för emitterade och registrerade aktier.
Balanserad vinst, dvs. alla balanserade vinster och aktierelaterade ersättningar för innevarande och tidigare perioder samt förvärv av egna aktier.

Obeskattade reserver

Till följd av kopplingen mellan redovisning och beskattning redovisas obeskattade reserver i företaget. Dessa består till 20,6 - 21,4 % av uppskjuten skatt.

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Not 2 Uppskattningar och bedömningar

När finansiella rapporter upprättas måste styrelsen i enlighet med tillämpade redovisnings- och värderingsprinciper göra vissa uppskattningar, bedömningar och antaganden som påverkar redovisning och värdering av tillgångar, avsättningar, skulder, intäkter och kostnader. De områden där sådana uppskattningar och bedömningar kan ha stor betydelse för företaget, och som därmed kan påverka resultat- och balansräkningarna i framtiden, beskrivs nedan.

Nedskrivningar

För att bedöma nedskrivningsbehovet beräknas återvinningsvärdet för varje tillgång eller kassagenererande enhet baserat på förväntat framtida kassaflöde och med användning av en lämplig ränta för att kunna diskontera kassaflödet. Osäkerheter ligger i antaganden om framtida kassaflöde och fastställande av en lämplig diskonteringsränta. Styrelsen bedömer att gällande vägledning har följts och inget nedskrivningsbehov har identifierats.

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Noter till resultaträkningen

Not 3 Övriga ränteintäkter och liknande resultatposter

	2021/22	2020/21
Ränteintäkter från koncernföretag	531	293
Valutakursdifferenser	–	1 508
Summa	531	1 801

Not 4 Räntekostnader och liknande resultatposter

	2021/22	2020/21
Räntekostnader till koncernföretag	-2 632	-2 779
Räntekostnader till övriga företag	-5	–
Valutakursdifferenser	-811	–
Summa	-3 448	-2 779

Not 5 Bokslutsdispositioner

	2021/22	2020/21
Erhållna koncernbidrag	14 529	6 935
Avsättning periodiseringsfond	-2 900	-1 450
Summa	11 629	5 485

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Noter till balansräkningen

Not 6 Andelar i koncernföretag

Företaget har följande dotterföretag och dotterdotterföretag:

Namn/säte	Org.nr	Antal andelar	Andel i %	Redovisat värde
Flogas Sverige AB, Stockholm	556902-0695	6 000	100%	565
** Flogas Terminal AB, Stockholm*	*556254-2547*			
Flogas Norge AS, Oslo, Norge	998 409 438	30 000	100%	2 173
Qstar Försäljning AB, Norrköping	556349-2262	1 560	100%	78 085
Card Network Solutions Europe AB, Norrköping	556299-6339	1 000	100%	1 412
Summa				82 235

Förändring under året:

	2022-03-31	2021-03-31
Ingående ackumulerade anskaffningsvärden	82 235	82 235
Utgående ackumulerade anskaffningsvärden	82 235	82 235
Redovisat värde	82 235	82 235

Not 7 Fordringar hos koncernföretag

	2022-03-31	2021-03-31
Ingående ackumulerade anskaffningsvärden	104	104
Utgående ackumulerade anskaffningsvärden	104	104
Redovisat värde	104	104

Not 8 Aktiekapital

Aktiekapitalet i företaget består enbart av till fullo betalda stamaktier med ett kvotvärde om 1 euro. Alla aktier har samma rätt till utdelning och återbetalning av insatt kapital samt motsvarar en röst på företagets bolagsstämma.

Tecknade och betalda aktier:	2022-03-31	2021-03-31
Vid årets början	6 000	6 000
Vid årets slut	6 000	6 000

För förändring av eget kapital, se separat rapport.

Not 9 Långfristiga skulder

	2022-03-31	2021-03-31
Skulder som förfaller senare än fem år från balansdagen	63 362	82 177
Summa	63 362	82 177

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Övriga noter

Not 10 Koncernuppgifter

DCC Energi Sweden AB är ett helägt dotterbolag till DCC Energy Limited (79313) med säte i Dublin, Irland.

DCC Energi Sweden AB är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Koncernredovisning upprättas av DCC Energy Limited.

Not 11 Hållbarhetsrapport

DCC Energi Sweden AB omfattas av en hållbarhetsrapport upprättad av DCC plc, med säte i Dublin, Irland.

Not 12 Definitioner av nyckeltal

Nettoomsättning
Rörelsens huvudintäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före extraordinära intäkter och kostnader, bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 13 Ställda säkerheter och eventualförpliktelser

Ställda säkerheter
Bolaget har inga ställda säkerheter.

Eventualförpliktelser
Styrelsen har inte identifierat några eventualförpliktelser.

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DCC Energi Sweden AB
Org. nr 556869-9846

Norrköping den 2022 2022-07-05

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Styrelsens ordförande

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Vår revisionsberättelse har lämnats den 2022 2022-07-05

KPMG AB

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Mikael Ekberg
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Mikael Ekberg
Auktoriserad revisor

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Revisionsberättelse

Till bolagsstämman i DCC Energi Sweden AB, org. nr 556869-9846

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för DCC Energi Sweden AB för räkenskapsåret 2021-04-01—2022-03-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av DCC Energi Sweden ABs finansiella ställning per den 31 mars 2022 och av dess finansiella resultat för räkenskapsåret enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till DCC Energi Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för DCC Energi Sweden AB för räkenskapsåret 2021-04-01—2022-03-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till DCC Energi Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Göteborg 2022-07-05

KPMG AB

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Mikael Ekberg

Auktoriserad revisor

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eobrien@dcc.ie
MD RETAIL AND OIL
Security Level: Email, Account Authentication (None)

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ENABLING PROGRESS

Annual Report and Accounts 2022

DCC is a leading international sales, marketing and support services group with a clear focus on performance and growth. We operate in three sectors: energy, healthcare and technology.

We are an ambitious and entrepreneurial business operating in 21 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 us to reinvest in our business, creating value for all our stakeholders.

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ENABLING PEOPLE AND BUSINESSES TO GROW AND PROGRESS

As a trusted partner to our suppliers and customers, we understand the importance of making impactful connections and doing the right thing. These are the foundations that help us to deliver sustainable value for all of our stakeholders.

Enabling Energy Transition



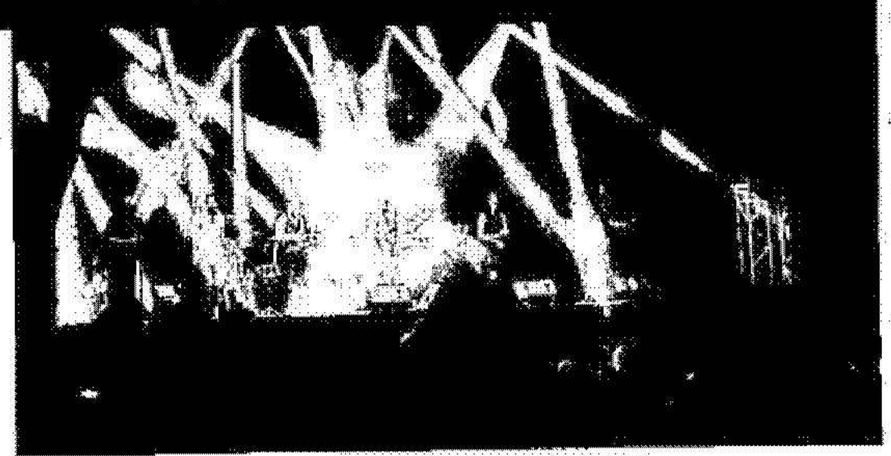
Read more on page 28

Enabling Healthcare



Read more on page 30

Enabling Access to Technology



Read more on page 32

Enabling Our People



Read more on page 36

Highlights of the Year

EXCELLENT ORGANIC PERFORMANCE AND CONTINUED ACQUISITIVE GROWTH

The Group delivered an excellent performance in a challenging macro environment, with profit growth across each of our divisions, again demonstrating the resilience of our business. Our colleagues around the Group continued to deliver for our energy, healthcare and technology customers, ensuring the supply of DCC's essential products and services.

It was a very good period for acquisition activity, with approximately £600 million committed to the continued growth and evolution of the Group, which included the acquisition of Almo, the Group's largest acquisition to date.

Separately, the Group developed an updated strategy for our activities in the energy sector. We are committed to leading our customers in their energy transition by providing innovative and cleaner energy solutions that will help them to achieve their net zero goals.

Adjusted operating profit[1] +11.1%

£589.2m

2022	£589.2m
2021	£530.2m
2020	£494.3m

Adjusted EPS[1] +11.2%

430.11p

2022	430.11p
2021	386.62p
2020	362.64p

Dividend per share +10.0%

175.78p

2022	175.78p
2021	159.80p
2020	145.27p

Operating profit +8.4%

£458.4m

2022	£458.4m
2021	£422.9m
2020	£366.6m

EPS +6.6%

316.78p

2022	316.78p
2021	297.04p
2020	249.64p

Carbon intensity

76.4gCO_2e/MJ

2022	76.4
2021	76.5
2020	79.3

Free cash flow

£382.6m

2022	£382.6m
2021	£687.8m
2020	£492.3m

Return on capital employed[2]

16.5%

2022	16.5%
2021	17.1%
2020	16.5%

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 249 to 254.
2. Return on capital employed excludes the impact of IFRS 16 Leases. See APMs on pages 252 and 253 for further information.

At a Glance

Our Operations

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

We operate across three sectors: energy, healthcare and technology, employing 15,400 people in 21 countries. In the year under review, we were organised and managed across four divisions.

Energy



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

Read more on page 56

Volumes (tonnes)

2.6m

(+15.8%)

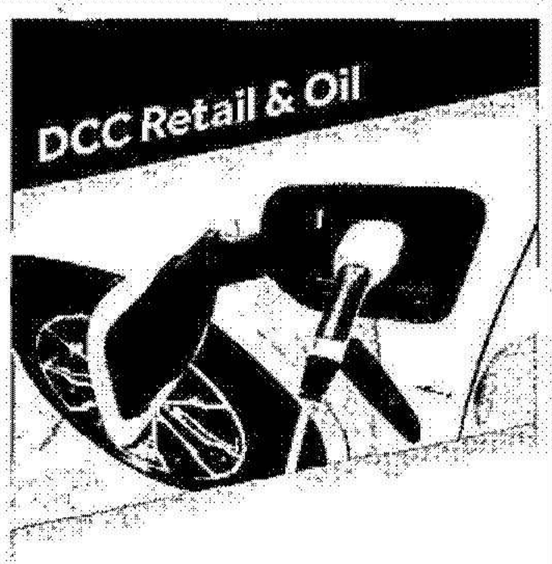
Adjusted operating profit

£238m

(+2.8%)

Employees

3,819



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

Read more on page 62

Volumes (litres)

11.6bn

(+14.0%)

Adjusted operating profit

£169m

(+17.0%)

Employees

3,785

Healthcare



A leading healthcare business, partnering with consumer brands to create and manufacture high quality health and beauty products, and supplying primary and secondary care providers with essential products and services.

Read more on page 68

Revenue

£765m

(+16.8%)

Adjusted operating profit

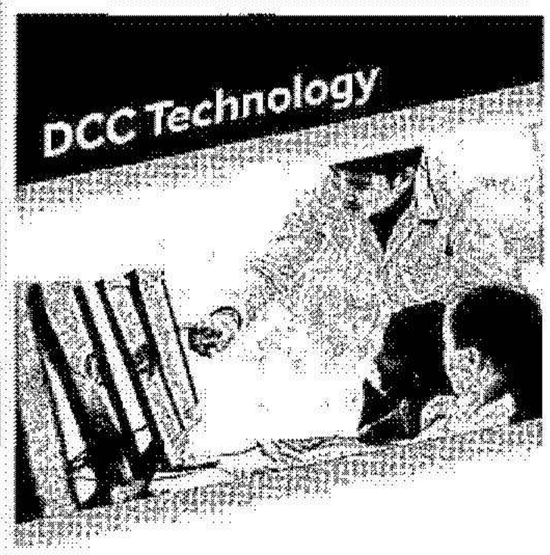
£100m

(+22.9%)

Employees

2,829

Technology



A leading specialist distribution partner for global technology and appliance brands and customers, providing reach, simplicity and scale which enables our partners' businesses to grow and progress.

Read more on page 74

Revenue

£4.6bn

(+3.6%)

Adjusted operating profit

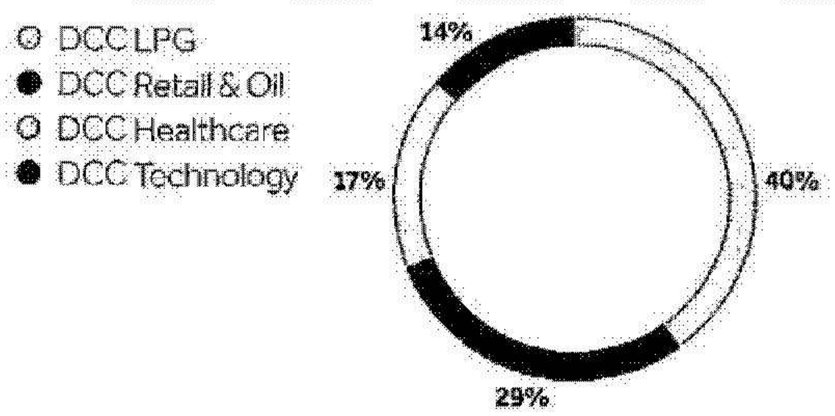
£82m

(+12.8%)

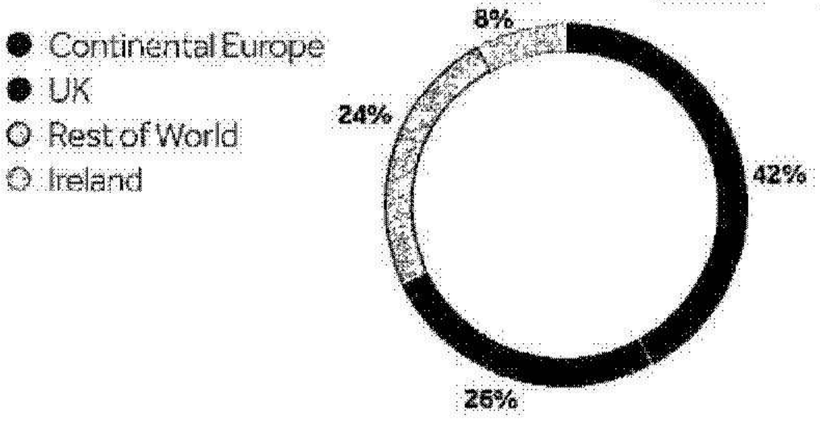
Employees

4,908

Profit by division



Profit by geography



Investment Case

WHAT SETS DCC APART?

Our vision for growth

The capabilities and opportunities we have today make us enthusiastic about the Group's growth prospects. Our ambition is to grow Group profits by more than 10% on average over the next decade, while maintaining returns on capital employed well in excess of our cost of capital.

Why we are positioned for success

- DCC has a long track record of growing profits organically. Leveraging strong market positions, driving innovation in our sales and marketing processes and operational excellence are all hallmarks of DCC. The Group can continue to grow its profits organically, by leveraging these strengths, driven by our agile and devolved business model.
- We have the ability to materially increase the scale of the Group and our total capital employed over the next ten years and beyond.

Read more: Chief Executive's Review

Our partnerships

We are an integral part of the supply chain in our chosen sectors, connecting the products of our partners with the needs of our customers.

Why we are positioned for success

- We are a trusted partner to our suppliers and customers. The essential products we supply are used every day by millions of consumers and businesses.
- Many of our energy customers also look to us to help reduce their carbon emissions, while continuing to provide reliable energy.
- Our suppliers and customers value our scale and financial strength.

Read more: Operating Reviews

Our proven business model

We have a proven business model that has consistently delivered high growth and strong returns over our 28 years as a public company.

Why we are positioned for success

- We select resilient, diverse sectors where we provide essential products and services.
- Our diversified business model offers exposure to multiple growth trends.
- Our businesses are customer focused and asset light, backed by a strong portfolio of brands and well-invested facilities.
- Our compounding business model combines organic growth with leading M&A capability.
- We have a clear set of priorities for the allocation of capital which are aligned with Group and divisional strategies.

Read more: Our Business Model

Organic Profit Growth
c.3% – 4% p.a.
on average

Leading M&A Capability
c.6% – 8% profit growth p.a.
on average

Focus on Cashflow and Returns
c.85% – 90% FCF conversion
Mid-to-high teen ROCE

Double Digit Earnings Growth

Our leading role in energy transition

Our strategy is to accelerate the net zero journey of our customers by leading the sales, marketing and distribution of low carbon energy solutions.

Why we are positioned for success

- We understand energy markets and have long-term customer relationships.
- We are scaling our energy solutions in solar, biofuel, renewable power, biogas, e-mobility and energy efficiency solutions and believe this will more than compensate for traditional fuel declines.
- We are moving towards an integrated offering, delivering multi-energy solutions for customers.
- We work with a range of partners to deliver the energy solutions of the future.

Read more: Energy Strategy

Our people and culture

Our people are our greatest asset. We have proven management teams who are highly experienced in our sectors. Our teams are engaged, empowered, supported, and rewarded for their performance.

Why we are positioned for success

- Our devolved model ensures proximity to customers, local responsibility and focus. This creates real agility and drives a high-performance culture.
- We foster a culture of continuous development for our people, ensuring that we have the talent and capabilities we need, now and in the future.
- Our divisions are bound by our common culture and values, and a shared ambition to continue to build a stronger Group.

Read more: Our People

Our acquisition and integration expertise

Although organic growth is our primary focus, acquisitions have enabled us to enter new product categories and new geographies, which have in turn opened up new avenues for growth.

Why we are positioned for success

- The Group has become a successful and efficient consolidator in our markets, having completed over 350 acquisitions since we became a public company in 1994.
- We have a wide range of options for capital allocation and a clear process for their prioritisation. We continue to see opportunities in our chosen sectors.
- We have the financial and management capacity to continue to be acquisitive.

Read more: Financial Review

Our Sustainable Growth Model

Our purpose is to enable people and businesses to grow and progress. Underpinned by our values, our purpose informs everything we do, from guiding our strategy and shaping our business model to defining the metrics we use to measure our success.

Our purpose is our reason for being

Our values reflect how we live our purpose

We fulfil our purpose by focusing on our strategic priorities

Our business model is driven by our strategy

Our business model creates value for our stakeholders

Our KPIs measure our progress

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Our purpose is to enable people and businesses to grow and progress. It summarises the role that DCC plays in society. In a large group it acts as a focus for our strategy and creates a connection across our diverse activities. We strive to play a part in helping and supporting the success of others – our employees, our customers, our suppliers, our investors and the communities we serve.

Read more:
Chairman's Statement

Our values underpin our business activities and are at the heart of our culture, guiding all that we do. We believe these values strongly support our effectiveness as a business and our wider societal responsibilities. These values have been communicated Group-wide and will continue to be promoted by the Group's management teams to guide our employees in the way that we do business, particularly as we expand into new geographies and embrace new cultures.

Read more:
People

Our strategy has been consistent over the long term. Our strategic objective is to build a growing, sustainable and cash-generative business which consistently provides returns on capital well in excess of our cost of capital. This simple strategic objective drives a consistent Group-wide focus on continuous value creation, exploration of growth opportunities and a steadfast commitment to sustainable business activities.

Read more:
Our Strategy

Our business model describes the resources and activities required to generate value for our stakeholders. Organic growth is enabled by our growth-focused management teams, operating in carefully chosen markets, whilst our strong cash generation facilitates further organic and acquisition growth as well as investment in our people and returns for our investors.

Read more:
Our Business model

Our commitment to strong stakeholder relationships is reflected in our purpose, our values and our strategy and the interests of our stakeholders are reflected in our decision making. As the needs and priorities of our stakeholders evolve, including the global need to address the climate crisis, we will continue to evolve and innovate to enable the people and businesses who are our stakeholders to grow and progress. This is what makes our business truly sustainable.

Read more:
Stakeholder Engagement

Our business model generates financial and non-financial returns for our stakeholders, and we employ key performance indicators ('KPIs') to measure these. Our divisional KPIs are directly aligned with Group and divisional strategies.

Read more:
KPIs

Our Strategy

OUR STRATEGY CREATES LONG-TERM SUSTAINABLE VALUE

Our strategy informs how we enable people and businesses to grow and progress and achieve our long-term strategic objective, which is to build a growing, sustainable and cash-generative business which consistently provides returns on capital well in excess of our cost of capital.

We do this by developing high quality sales, marketing and support services businesses within industries that provide essential products and services to society. Our businesses create sustainable competitive advantage within these industries by building leading positions in selected sectors, focusing on value creation for their stakeholders, and benefiting from Group expertise in areas such as capital deployment and risk management.

Building leading businesses

Grow organically
We focus first on delivering sustainable organic growth across the Group.

This is achieved through a deep knowledge of individual markets, committed and empowered management teams, long-term partnerships with suppliers and customers, and continuous improvement and innovation in our operations.

Convert profits to cash
We ensure that the profits from our operations are promptly available for reinvestment.

Identify investment opportunities
Businesses across the Group then look for ways to improve and expand by making investments in their people, in organic growth, such as improving their manufacturing facilities, and in acquisitions.

Priorities for the year

- Progress the continued implementation of our energy strategy.
- Complete recent manufacturing and warehouse expansion projects in DCC Healthcare.

Investing for growth

Maintain investment capacity and expertise
A strong and liquid balance sheet, a clear set of investment priorities, and leading M&A and integration capabilities enable us to invest in further growth and development.

We combine market knowledge with capital allocation and transaction expertise to ensure investment opportunities are assessed and progressed efficiently.

Expand opportunities to invest
As the Group grows into new geographies and markets that are aligned with positive long-term trends, our opportunities for further investment increase.

Priorities for the year

- Identify opportunities for further investment that are aligned with Group and divisional strategies and our capital deployment priorities.
- Review our acquisition processes to reflect our energy strategy and support its implementation.

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Strategy in Action

We made significant progress in the delivery of our strategy during the year. Throughout this Report we have included examples of our strategy in action.

Driving long-term sustainable value

Benefit our stakeholders
This combination of organic growth, investment in existing and new operations, plus a focus on continuously developing our people and wider capabilities delivers positive, sustainable outcomes for the Group's stakeholders.

Our entrepreneurial and values-led culture is essential to the delivery of these outcomes and we therefore seek to encourage and deepen it across the Group, especially in recently-acquired businesses.

We measure these outcomes for stakeholders through both financial and non-financial performance measures.

Focus on our objective and purpose
Our overall objective is to deliver a growing, sustainable and cash-generative business which consistently provides returns on capital employed well in excess of our cost of capital and which also fulfils the Group's purpose in society: to enable our stakeholders – the people and businesses we deal with – to grow and progress.

Priorities for the year

- Support and integrate recent acquisitions, such as Almo Corporation.
- Continue to develop our reporting to reflect the value that we generate for stakeholders, as part of our Group Sustainability Programme.

Strategic enablers

Our strategic enablers are key disciplines that enable us to deliver against our three priorities.

These enablers ensure a common approach to value-creation across the Group.

Read more: Strategy in Action →

- **Market leading positions**
- **Operational excellence**
- **Innovation**
- **Extend our geographic footprint**
- **Development of our people**
- **Financial discipline**

Our Business Model

Guided by our strategy, our business model describes how we create value for all our stakeholders from the resources and relationships we use to operate the business.

How we create and sustain value

We choose where we **OPERATE**

We combine our **EXPERTISE**

We focus on **GROWTH**

Our Financial Model is **SUSTAINABLE**

Our resources

People

DCC at its core is a people business. We are a multinational and multicultural Group, employing 15,400 people in 21 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.

Partnerships

We are a trusted partner to millions of customers ranging from major corporations and governments to sole traders and individual consumers. 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 2022, the Group had cash resources of £1.3 billion and total equity of £3.0 billion.

Infrastructure

We are well positioned to execute our strategy, having robust, adaptable, and well-invested operating platforms, a diverse geographic footprint across 21 countries and the capacity and appetite to invest further in existing and new assets.

Intellectual

The quality of our skills and expertise together with our own brands, third-party brands, licences and business processes provide significant competitive advantage. We foster 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 compete in attractive and sustainable markets and have the skills and platforms for further growth. When investing, we focus on sectors with equally attractive dynamics where we can win because of our proven ability to operate and grow customer-focused sales, marketing and support services businesses. This generates recurring revenue with high cash conversion, in developed markets with similar risk profiles and opportunities for consolidation.

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.

We support growth with a rigorous set of management processes that ensure a constant focus on improvement, investment and further cash generation. We drive organic growth within our businesses by partnering with our stakeholders and by fostering a culture of high performance, innovation and entrepreneurship in our teams. This organic growth facilitates ongoing investment in our people and in our operations and the delivery of consistent returns to our investors. This is supported by disciplined and selective capital redeployment for expansion and new acquisitions, allowing us to sustain our growth model.

We provide products and services that millions of people and businesses use every day. There is long-term and sustainable demand in the sectors in which we operate, and our divisions and businesses all possess the platforms and capabilities to achieve further growth in the future. Our choice of markets results in a highly sustainable financial model. Our financial model of organic growth and strong cash generation is designed to strike the right balance between reinvesting in future organic growth and acquisitions and sharing value with all stakeholders.

How we share value

We build for the long-term and combine global expertise with local know-how to create value at a meaningful scale for the people and businesses we work with society and our investors. Our business model generates financial and non-financial returns for our stakeholders. Here, we summarise the principal financial returns created during the year. The Group KPIs, the People section, the Stakeholder Engagement section and the Sustainable Business Report address our stakeholder relationships and the non-financial value we generate for our stakeholders in more detail.

Suppliers and Customers

Goods and services supplied

£16.5bn

Employees

Employee payments

£761m

Investors

Dividend to shareholders

£173m

Interest payments

£77m

Communities and the Environment

We are committed to continually improving our environmental performance through careful management of our operations. This year we have committed to achieve net zero, across Scopes 1, 2 and 3 by 2050 or sooner.

Governments and Regulators

Corporate taxes

£81m

Capital for reinvestment

Retained for reinvestment

£280m

Read more: our Economic Contribution APM on page 254 details the sources for the data presented above.

Our Markets and Trends

ALIGNING OUR STRATEGY WITH KEY TRENDS

Trend

INCREASED DEMAND FOR ENERGY IN A NET ZERO WORLD

For more detail on our energy markets and market positions see pages 22 to 27 and pages 56 to 67.

What does it mean for DCC?

The global response to climate change has resulted in a fast-growing demand for new technologies and solutions that enable a transition towards a lower carbon future. Energy markets across the globe are fundamentally shifting towards lower carbon but energy demand is expected to continue to rise through to 2050. Oil, gas, biofuels and renewables will all play significant roles during the energy transition.

Our energy businesses are the leading providers and distributors of energy products to more than nine million consumers across 13 countries. As a distributor of energy, we are the trusted partner to our customers on their decarbonisation journey. We build markets for those products, educate customers in their use and simplify the overall transition. We are committed to supporting them in the delivery of affordable, secure and increasingly clean energy solutions, be it in the form of increasing biogenic content in fuels, solar power and heat pumps for businesses, electric vehicle charging, or further innovations in carbon reduction.

Trend

A DESIRE FOR OPTIMUM HEALTH AND WELLNESS COUPLED WITH AGING POPULATIONS

For more detail on our healthcare markets and market positions see pages 68 to 73.

What does it mean for DCC?

Today's consumers are increasingly aware of the connections between health, nutrition, beauty and self-care. They don't want to just look good, they also want to feel good and are searching for better, healthier and smarter nutrition and beauty solutions to enable them to achieve their desired lifestyle. Nutritional supplements have grown 5%, and dermo cosmetics are projected to grow 6% per annum through 2024. At the same time, the pace of product innovation and complexity of regulatory requirements has accelerated.

An increase in life expectancies and aging populations also means the focus of healthcare is evolving from 'sick-care' to 'well-care'. This is resulting in a growing demand for medical products and services, and an expansion of healthcare from hospitals into primary or community care settings. Covid-19 is continuing to impact healthcare on both of these fronts, enhancing the awareness of demands for nutrition and wellness while creating a treatment backlog and ongoing demand from healthcare providers of all types.

These trends represent significant opportunities for DCC's Healthcare division. Global brand owners are increasingly partnering with outsourced manufacturers, and value the full range of services and wide range of formats provided by DCC H&BS's eight industry-leading, well-invested facilities in the UK and US. DCC Vital is a leading partner of health systems across UK, Ireland and DACH, working with acute care providers, primary care providers and "blue light" services. Its comprehensive sales channel coverage across hospitals, community care, primary care and other fragmented healthcare settings provides an excellent platform for growth.

Trend

SURGING DEMAND FOR TECHNOLOGY PRODUCTS AND SERVICES

For more detail on our technology markets and market positions see pages 74 to 79.

What does it mean for DCC?

Technology is an integral part of how we live and work today. It has transformed the global economy, improved living standards and enabled smoother international trade. The fast-paced emergence of disruptive products and business models, as well as the transformative power of digital technologies will continue to have a major impact on the global economy.

We partner with thousands of the world's brands to market and sell a range of products and solutions to more than 50,000 customers. Our technology businesses provide a broad range of products and services across cloud, workplace, home and 'on the move' environments with a particular sales and market expertise in:

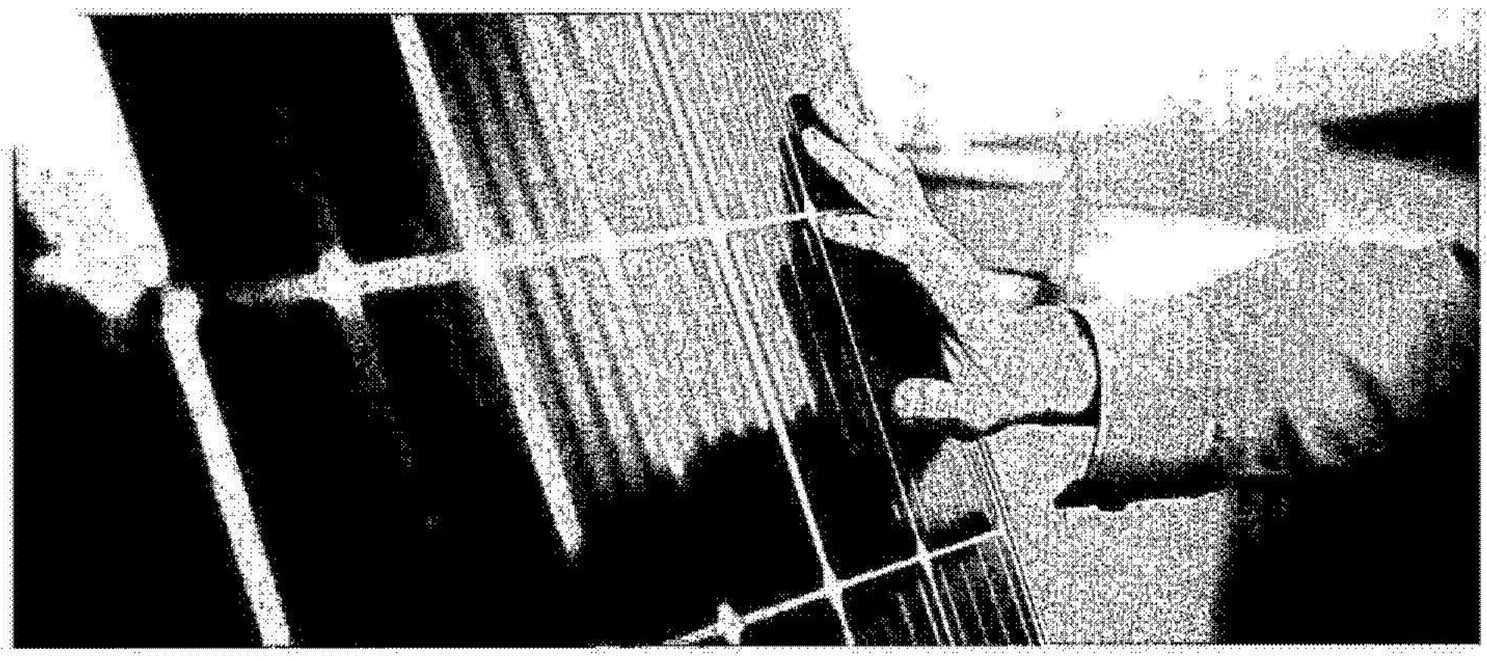
- cloud infrastructure
- public cloud services
- gaming software and hardware
- Pro AV and Pro audio
- retail electricals

DCC Technology is well-placed to ensure that these technology products and services find the most efficient route to market.

A number of global trends influence our markets and business decisions. Our ability to grow our existing business organically, while identifying, completing and integrating acquisitions positions us well to take advantage of current global market trends, and thereby unlock our full potential for sustainable value creation.

Delivering through our strategy

DCC Energy's strategy, as outlined on pages 22 to 27, is focused on delivering energy products and services to customers in ways that will help them reduce their carbon emissions. Our capital-light operating model and innovative culture ensure we remain agile in navigating the evolving energy markets where we operate. Our ambition is to bring decarbonisation closer for our customers through domestic and commercial energy solutions and multi-fuel mobility networks.



Delivering through our strategy

DCC's Healthcare's strategy is to build a leading healthcare business focused on the provision of high-quality contract manufacturing and related services to the health and beauty sector, and the sales, marketing and distribution of medical products across all healthcare settings. We will continue to grow our international reach, our presence in specific customer segments and our high-quality technical expertise. We will achieve this by investing to create value for our broad customer base and for other stakeholders in this fragmented market.



Delivering through our strategy

DCC Technology's strategy is focused on being the leading international specialist distribution group in technology and lifestyle products. 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. These market segments have higher growth rates and offer more attractive margins.



Our Markets and Trends



The Group employs 15,400 people across 21 countries and three continents. We operate across three markets: energy, healthcare, and technology, and our products and services are sold globally.

DCC Energy
DCC LPG supplies LPG 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. DCC Retail & Oil sells transport and heating fuels and related services to commercial, retail, domestic, agricultural, industrial, aviation and marine customers in nine European countries.

Read more: pages 56 to 67

EUROPE

France: No.2 in LPG; No.1 operator of unmanned retail petrol stations

UK: No.2 in LPG; No.1 in oil distribution; leading operator of unmanned retail petrol stations; leading reseller of fuel cards

Ireland: No.2 in LPG

Netherlands: Joint No.1 in LPG

Sweden: No.1 in LPG; No.1 in oil distribution; leading operator of unmanned retail petrol stations

Norway: No.1 in LPG; No.3 operator of retail petrol stations

Denmark: No.2 in oil distribution; No.2 in aviation fuels; leading operator of retail petrol stations

Germany: No.3 in refrigerants

Austria: No.2 in oil distribution

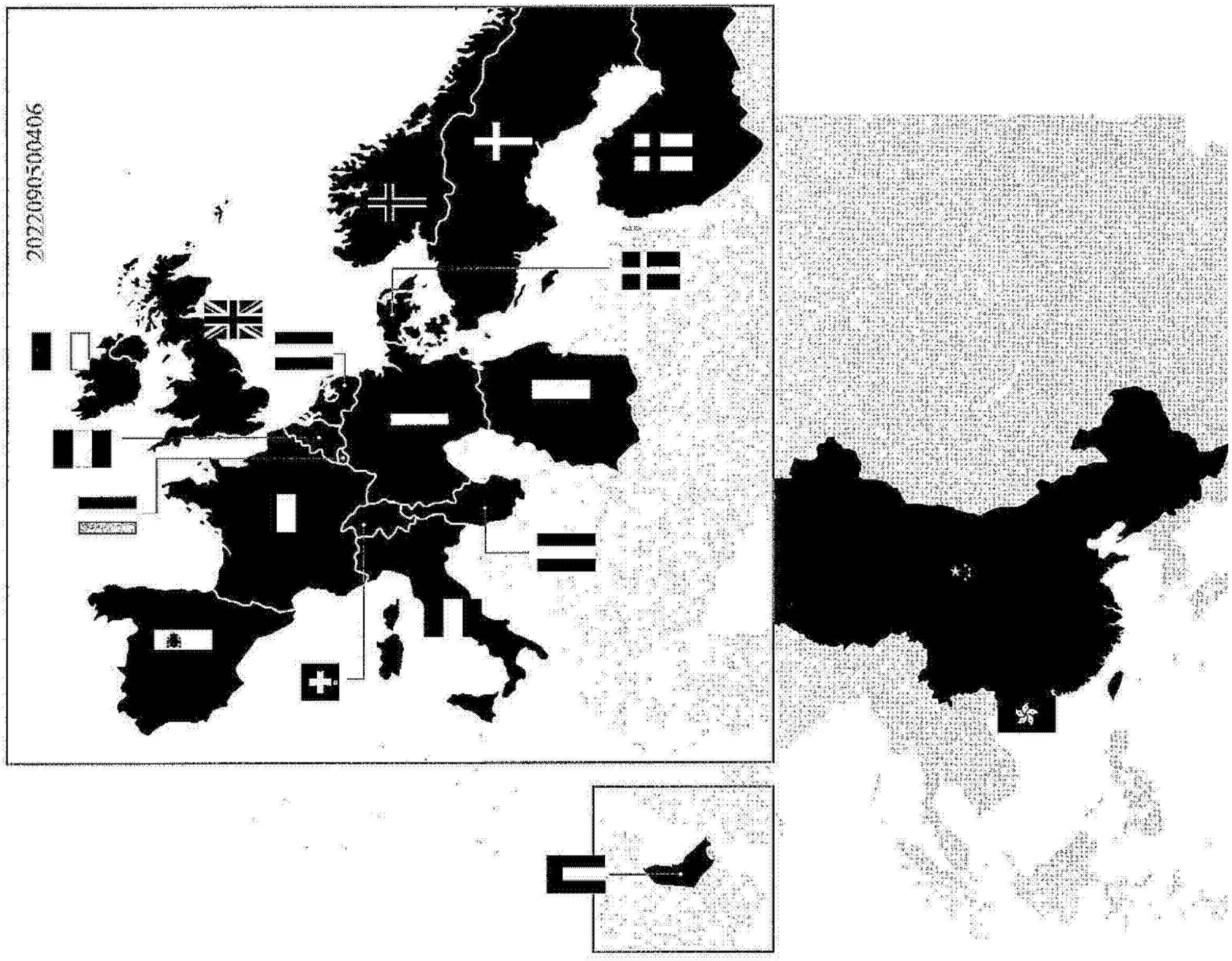
Luxembourg: leading operator of retail petrol stations

NORTH AMERICA

USA: Top 10 player in the LPG market

REST OF WORLD

Hong Kong & Macau: No.1 in LPG



DCC Healthcare
DCC Vital is a leader in the manufacturing, sales, marketing and distribution of medical products in the British, Irish, German and Swiss markets. DCC Health & Beauty Solutions is a leading outsourced contract manufacturing service provider to the health and beauty sector in Europe and the US.

Read more: pages 68 to 73

DCC Technology
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 customer base across the globe.

Read more: pages 74 to 79

EUROPE

UK: No. 1 supplier to GPs and leading supplier to broader primary care and acute care markets; No.1 in health and beauty contract manufacturing

Ireland: No. 1 supplier of devices and pharma to hospitals

Germany: leading primary care supplier

NORTH AMERICA

USA: Three leading nutritional contract manufacturing facilities in Montana, Florida and Minnesota

EUROPE

UK & Ireland: No. 2 distributor of technology products

Western Europe: No. 4 distributor of technology products

NORTH AMERICA

USA and Canada: No. 1 distributor of pro audio products and musical instruments

REST OF WORLD

China: Divisional sourcing operations

UAE: Expanding share of the technology distribution market

Chairman's Statement

PURPOSE AND STRATEGY DRIVING PERFORMANCE

In his first year as Chairman, Mark Breuer reflects on how DCC's purpose and strategy are focused on delivering long-term benefits to all of the Group's stakeholders.



Dear Shareholder,

This is my first statement to you as Chairman of DCC, having succeeded John Moloney on his retirement at the end of our 2021 AGM. My time to date as Chairman has reinforced my view of the many strengths of DCC, including the agility of our strategy and business model, the quality and commitment of our people, and the resilience of demand for the products and services we provide. We have built on these strengths in the last year, notably in the development of an updated growth and carbon reduction strategy for our energy activities.

Performance

The qualities of the Group were demonstrated by another very strong performance in the year to 31 March 2022. Group operating profit was £589.2 million, generating a return on capital employed of 16.5%. And, just as importantly, the Group also continued to deliver in other ways, with steps forward taken on important subjects like carbon emissions, safety and the development of our people.

All of these results were achieved through the constant, diligent efforts of the Group's 15,400 employees. I want to thank them here on behalf of the Board for their teamwork, customer focus, innovative thinking and determination to get the job done, even when our operating environment was challenging.

Dividend

The Group's strong performance over the year has allowed the Board to recommend a final dividend of 119.93 pence per share. This will result in a total dividend for the year to 31 March of 175.78 pence per share, up 10% on the prior year. This extends our record of 28 years of uninterrupted dividend growth. Total return to shareholders in the last 10 years has been 377%, taking account of growth in our share price and dividends paid.

Purpose

DCC's purpose in society is to enable people and businesses to grow and progress. This reflects the nature of the Group – we are a

business of businesses, based on strong relationships between management of the Group and each business within it, all with a clear focus on growth. Our purpose also reflects the importance of people to the Group's current and future success, with the aim that they are offered opportunities to progress by working here. And our purpose illustrates our role in the supply chain, enabling suppliers to reach markets efficiently and helping customers to access a broader range of products and services.

In the year under review, our purpose has continued to inform decision making across the Group, including the evolution of our strategy.

Strategy

The Board invested a significant amount of time during the year on the evolution of the Group's energy strategy. Our performance over the last few years has convinced us that our focus on three core areas of the energy market is correct. This has resulted in an updated strategy for the sector, outlined at an online investor event on 17 May and also set out in this Report. The strategy is focused on continuing to facilitate and support existing and new customers as they transition to lower carbon forms of energy, while achieving growth and maintaining returns to our shareholders. DCC Energy will play a critical and positive role in accelerating the transition to lower carbon forms of energy, providing a vital link between suppliers of energy and the many customers we serve.

Our energy growth strategy has allowed us, for the first time, to set a target to reach net zero carbon emissions from not only our own activities but also from the use of the products we sell. We will achieve net zero, across Scope 1, 2 and 3 carbon emissions by 2050 or sooner. This reduction will be accelerated as lower carbon energy becomes available at scale and as technology develops.

The Group's overall strategy remains consistent and continues to guide our decision making as our operations grow and our markets evolve. Every division of the Group made progress against strategy during the year, with a notable development being DCC Technology's acquisition of Almo Corporation in December.

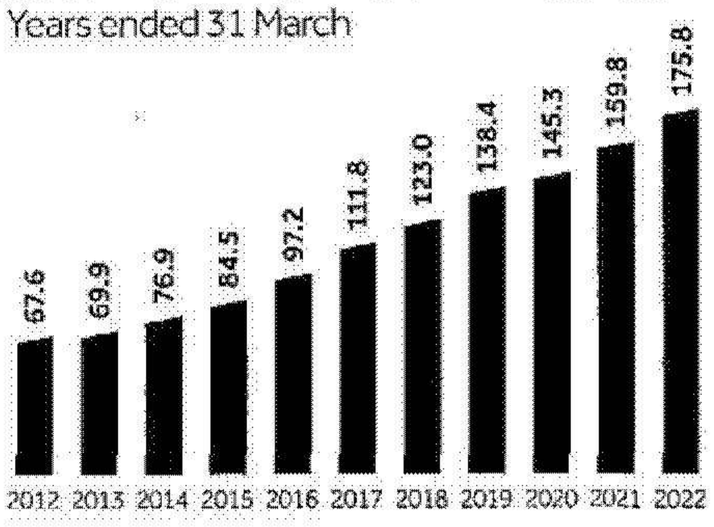
Sustainability

DCC's purpose and strategy are resolutely focused on delivering demonstrable long-term benefits to all of our stakeholders, including the planet through our focus on net zero.

Good progress was made against our Scope 1 and 2 carbon emission reduction targets during the year and we are setting a new target to reduce our Scope 1 and 2 emissions by 50% from a 2019 base by 2030 with the target of getting to net zero, across Scope 1, 2 and 3 by 2050 or sooner.

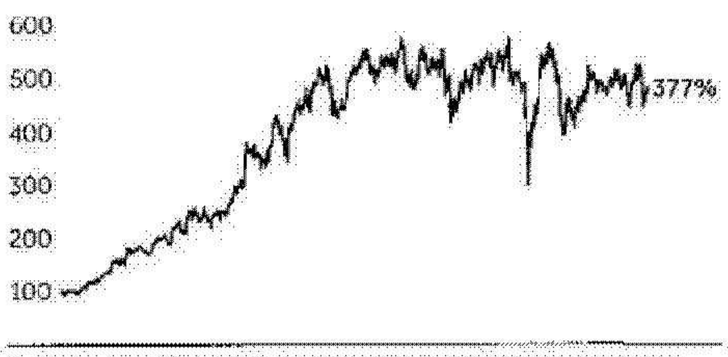
Dividend (pence)

Years ended 31 March



Total Shareholder Return ('TSR')

TSR over 10 years: 377%



The chart above shows the growth of a hypothetical £100 holding in DCC plc shares since 1 April 2012.

We also made good progress in other critically important areas such as safety and people. We achieved a further reduction in lost time injuries and continued to invest in a diverse pipeline of talented leaders who will, in due course, take on some of the most senior roles in the Group.

The creation of long-term benefits for stakeholders is the best yardstick of a company's sustainability. DCC's purpose, strategy and skills will enable it to deliver for our stakeholders for many years into the future.

Culture and Values

The Board recognises that DCC's culture – *ambitious, innovative, collaborative and focused* on excellence – is one of the Group's principal competitive advantages and something to be carefully preserved and developed. Our four core values of Safety, Excellence, Partnership and Integrity reflect our culture and support our purpose and strategy when decisions are taken. The Board continues to monitor the Group's culture and values from a range of perspectives, such as safety, compliance and internal audit reports. This year, the results of Group-wide employee engagement surveys added an additional and useful perspective on this. This year's Governance Report provides some additional detail on how the Board monitors the Group's culture.

Evolution of the Board

This year has seen a good deal of renewal on the Board. Caroline Dowling succeeded me as the Company's Senior Independent Director on my appointment as Chairman, and we welcomed Lily Liu and Laura Angelini as non-executive Directors.

All of us in DCC were deeply saddened by the sudden death in July 2021 of Cormac McCarthy, who had been a non-executive Director since 2016. Cormac brought great insight and generosity to his role as a Director of DCC and remains greatly missed.

Jane Lodge, who had been due to retire from the Board in late 2021, kindly agreed to remain on the Board to facilitate the appointment of a new Director to replace Cormac. We were subsequently very pleased to welcome Alan Ralph to the Board in November 2021. Alan was appointed Chair of the Audit Committee with effect from 31 March this year, when Jane retired. Finally, Dr Pam Kirby, who has been a member of the Board since September 2013, will retire at our 2022 AGM.

On behalf of the Board, I extend our sincere appreciation to John, Jane and Pam for their contributions to DCC during their time as Directors and wish them all the best for the future. Lily, Laura and Alan's extensive experience complements and further expands the diverse range of skills on the Board. The Board continues to meet the recommendations of the Hampton-Alexander Review and Parker Review. Developing our diversity will remain a focus in the selection of future Board members.

The Year Ahead

As I write this, the war in Ukraine is in its third month. Its effects, on the people of Ukraine and more generally, will continue to be felt for some time. DCC was able to provide a donation to UNICEF earlier this year to support its work in Ukraine. We are also seeking to provide practical support to refugees from Ukraine in European countries where we have operations. I have been impressed once again by the way the employees of the Group respond in times of crisis like this. The year ahead is likely to remain challenging, but the Board is confident that DCC's people, resilient business model and purpose-driven strategy will continue to deliver for all our stakeholders.

Conclusion

DCC operates in three sectors – energy, technology and healthcare – that are essential to modern societies. The Group's ability to deliver for all our stakeholders and even in periods of disruption, has been evident in the last few years and will remain important in the year to 31 March 2023. The Board's priorities for this year will be the implementation of our updated strategy for the energy sector, progress against our wider sustainability goals including the development of our people, and maintaining high standards of operational performance.

I conclude by thanking you, our shareholders, for your continued support for the Group.

Mark Breuer
Chairman
16 May 2022

Chief Executive's Review

ALL SET FOR OUR NEXT HORIZON

Donal Murphy answers questions about key aspects of DCC's activities, including business performance during the year, acquisitions, the impact of inflation, and plans for continued growth.



Q. The Group delivered another very strong performance during the year. What were the highlights?

DCC delivered an excellent performance for the year with earnings growth of 11.2%. However, in my 24 years in the Group, I have never experienced a more volatile and challenging environment.

We have seen dramatic volatility in energy prices, significant challenges in supply chains, rampant inflation, severe labour availability issues, and Covid-19 still lingers with its knock-on impact on our operations.

Despite all these challenges our business performed very strongly and I was particularly pleased with our 6.1% organic profit growth for the year.

In our energy divisions we saw good recovery in volumes particularly in the commercial and industrial sectors and in mobility as economies opened up after Covid-19 lockdowns. Demand in the residential sector remained robust throughout the year. Managing the significant price volatility has been a huge focus throughout the year and the businesses have navigated their way through the volatility very well while ensuring we looked after our vulnerable customers.

As we will discuss throughout this Report, our Energy division has a critical role to play in leading our customers through their complex decarbonisation processes. We continue to make great progress in energy transition and during the period under review, we introduced many innovative energy solutions for our commercial and industrial, residential and mobility customers.

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Some of the highlights for the year were:

- The continued expansion of our network of EV fast chargers including a new partnership with ENGIE in France;
- The launch of a partnership with Shell in Denmark to provide EV charging in the home, office, forecourts and public spaces;
- A continued growth in our lower carbon fuels business, with lower carbon fuels, renewable fuels and services now accounting for 71% of the operating profit of DCC's energy businesses;
- The expansion of our lubricants business into France; and
- The launch of a 100% biofuel solution for our residential heating customers in Britain.

We have had a really strong organic performance in the Healthcare business over the last few years driven by demand for Covid-19 related products in the primary and secondary care sectors of the market and very strong demand in our health and beauty business for nutritional products as people have focused on keeping themselves healthy throughout the pandemic. FY22 was another year of very strong organic growth driven by DCC Vital, which generated excellent organic profit growth across Britain, Ireland and the DACH region. DCC Health & Beauty Solutions performed well against a challenging operational backdrop. The strong result also benefited from the first-time contribution of Wörner, acquired in April 2021, which traded ahead of expectations.

DCC Technology delivered very strong operating profit growth despite a challenging supply chain environment. This growth was driven by contributions from acquisitions completed during the year. The business in North America performed very strongly and benefited from the acquisition of Almo, completed in December 2021.

The strong performance of the Group throughout the pandemic demonstrates the phenomenal capability, agility and commitment of the 15,400 people who work across the 21 countries in which DCC operates. We continue to invest in our people and strive every day to make DCC a great place to work. I'd like to say a big thank you to all of my colleagues for delivering another strong performance in a very challenging environment.

Q. These are very uncertain times for many people and businesses. What is DCC doing to support its stakeholders?

Our purpose of "enabling people and businesses to grow and progress" has helped us navigate through the very challenging and uncertain times we are living through.

For our customers, every business in the Group worked tirelessly to deliver the essential products and services that they required, 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.

For our people safety always comes first. Our mantra is that "Nothing we do is so important that it cannot be done safely – every time". Whatever the role, wherever the business, whatever the environment we always ensure that safety always comes first.

We also strive to make DCC a great place to work and are making good progress, as outlined in the People section of this Report.

For our investors we continue to drive sustainable growth at returns on capital employed significantly ahead of our cost of capital. We have enhanced our investor relations activities and during the last 12 months held dedicated investor events on our healthcare, technology and energy activities.

DCC continues to support the communities and the environment in which we operate. In response to the shocking war in Ukraine, DCC made a significant donation to UNICEF to provide humanitarian relief on the ground in Ukraine. The money will be used to support UNICEF's work in providing life-saving support for children and their families there. The donation is equivalent to the total annual donation that DCC makes to our other charity partners. We have also worked with UNICEF to set up a dedicated DCC donations page, where employees can make donations which will also go to support UNICEF's aid programme. We are also looking at other ways we can support the c.10 million people displaced by the events in Ukraine.

DCC businesses had a small number of customers in Russia or Belarus before 24 February 2022. Those relationships that existed have come to an end. Similarly, the number of suppliers controlled from Russia or Belarus that we dealt with was also very small. Other than in the energy sector, these have come to an end. Some of our energy businesses purchase product from European subsidiaries of Russian energy groups, such as Gazprom, although the amounts involved are very modest. Given Europe's reliance on energy from Russia, there is currently no effective way to avoid this if we are to meet our obligations to our customers. We are keeping this situation under active review.

We also continued to play our part in supporting our local communities. At Group level, we continue to support Social Entrepreneurs Ireland ('SEI'). SEI's services are needed more than ever, as social entrepreneurs have a key role to play in dealing with the fallout from the pandemic and indeed the events in Ukraine. 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.

Q. How is the Group coping with higher energy prices and rising business costs in general?

DCC has operated in the energy industry for c.45 years and in that time has seen many periods of significant price volatility. As a sales, marketing and distribution business for energy products and services, DCC Energy passes on increases or decreases in the underlying commodity prices to its customers. The majority of our transactions in the energy sector are based on the daily spot price of the product and movements in the commodity cost get passed on instantaneously to the market. Where we have fixed or term prices with our customers, we have hedging strategies in place to minimise the impact of price volatility. This enables us to provide price certainty to our customers while reducing the commodity risk. Despite the significant level of price volatility experienced during the year, the business delivered a strong financial performance demonstrating the resilience in its pricing strategies. We have also been very focused on managing the impact of the volatility on our vulnerable customers.

Aside from the underlying energy price volatility, all businesses are experiencing significant cost inflation, be it labour costs, freight or supply chain costs. A key part of DCC's business model is our strong financial disciplines across the Group. These disciplines ensure that there is daily focus on passing through cost increases to the market, whether they are the cost of the underlying products and services we sell or indeed our own operating costs. The organic performance of the Group during a period of significant cost increases demonstrates our financial disciplines in action.

Chief Executive's Review continued

Q. The Group was very active on the development front during the year. What were the highlights?

While organic growth is our number one growth objective, acquisitions are also a key pillar of DCC's growth strategy and since our results announcement in May 2021, DCC committed approximately £600 million to acquisitions across each of our divisions.

During the year we acquired Naturgy Ireland, an energy solutions business for commercial and industrial customers. The business is a service-led supplier of electricity and gas to large B2B energy customers and also provides a range of services, including demand side management, lighting-as-a-service and solar PV. The acquisition enhances DCC's presence in the Irish electricity and gas markets and represents an important step in our strategy to expand our energy solutions offering across the island of Ireland. We also continued to expand our presence in the US LPG market, completing a number of small bolt-on acquisitions in Colorado and Kentucky.

We expanded our mobility business with the acquisition of a network of 19 retail convenience sites in Luxembourg. The locations, which DCC will operate, have a leading convenience offering utilising the Cactus Shoppi brand. The network contains well-located, urban sites, suitable for investment in EV fast charging infrastructure in the future. In Britain, the business acquired a new HGV bunker site in the Port of Felixstowe, further strengthening our HGV network to 26 strategically located facilities across Britain.

During the year, DCC Healthcare completed two bolt-on acquisitions in Germany, following fast on its initial entry into the market through the acquisition of Wörner in April 2021. The primary care market is highly fragmented in the DACH region, and although modest, the acquisitions demonstrate that DCC is now well positioned to consolidate in that market.

And in our largest acquisition to date and definitely the development highlight of the year, DCC Technology completed the acquisition of Almo Corporation, one of the largest specialist Pro AV businesses in the United States and a leading national distributor of consumer appliances, consumer electronics and lifestyle products selling to integrators, resellers, dealers, retailers and e-tailers nationwide. Further details on the acquisition are highlighted on the next page and on page 32.

Q. The Group is evolving its focus on the energy sector. What's the reason behind these changes?

Climate change is one of the greatest challenges facing society today. The choice to adapt our consumption of energy is one of the most important steps we can take in combating climate change. Understanding those choices and getting access to real solutions is difficult and complex for people and businesses around the world. DCC's strategy for the energy sector is to "Lead the Energy Transition", bringing decarbonisation closer for our customers through domestic and commercial energy solutions and multi-fuel mobility networks.

Today, DCC is a multi-energy sales, marketing and distribution business with operations across 21 countries on three continents. We are not a producer of energy but rather we build long-term partnerships with the producers of energy and provide over 9 million customers with the essential energy they require to heat their homes, run their businesses and farms and to move about. We continue to make great progress in energy transition, introducing many innovative energy solutions for our commercial and industrial, residential, and mobility customers.

We are focused on energy transition from the point of view of the customer. As a multi-energy distributor, our role is to understand our customers' transition journey and support their transition to cleaner energy products and services. We leverage our long-term deeply embedded relationships with our customers to target our cleaner energy offerings. The evolution of the energy mix plays to DCC's strengths as an agile, experienced, multi-energy business with leadership positions in the markets we operate in, backed by our scale and industry partnerships. We deliver real practicable decarbonisation solutions and help educate our customers on their transition pathways.

Energy transition is complex and will require many excellent organisations working in partnership, something DCC has excelled at over many years and is one of our core values. We are extending existing partnerships and creating new ones to make multi-energy products and solutions available to our customers.

Our new structure, as detailed on pages 22 to 27, of a single energy division focused on leading our customers on their energy transition to lower carbon and renewable energies will enable us to accelerate our growth in the energy sector.

Q. And how will those changes help the response to climate change?

The single biggest contribution that DCC can make in the fight against climate change is to lead our customers through their complex decarbonisation journey.

While there is still considerable uncertainty on the transition pathways for our customers to net zero, we are absolutely committed to being a net zero company across Scope 1, 2 and 3 by 2050 or sooner.

In terms of our own operations, we are making very good progress on our own net zero journey and have set a new target of achieving a 50% reduction on our Scope 1 and 2 emissions by 2030.

Q. The Group has invested strongly in North America in recent years. What were the reasons for this and will it continue?

Less than four years ago DCC decided to expand into North America. Today we have c.30% of our Group capital employed in North America, with businesses in all our sectors and approximately 2,800 colleagues growing and developing our activities. But most importantly we are only starting, as we have small shares in large, fragmented sectors. With the growth platforms we've created, we now are an advantaged acquirer in North America.

Having identified the nutritional contract manufacturing market as a very attractive fragmented market where we could leverage the knowledge and experience of our European business, we set about building relationships with businesses in the sector. Our first acquisition in North America was in February 2018 when we acquired Elite One Source, a nutritional contract manufacturer based in Montana. We further expanded our business in this sector through the acquisitions of Ion Labs in November 2019 and Amerilab in March 2020. Organic growth in our nutritional business in North America is strong and we've created a platform for further capital deployment in this attractive high growth sector.

In April 2018, we acquired Retail West which represented our entry into the energy sector in North America. Retail West, now DCC Propane, had operations in ten States, mainly in the Midwest. Since the acquisition, we've grown strongly, deploying c.$500m in total to create a business operating across 22 States supplying LPG and related products and services to approximately 310,000 customers.

And similarly in technology, we made our first acquisition in the Pro AV sector of the market when we acquired Stampede in July 2018. We quickly followed with the addition of Jam, which gave us not only a Pro Audio extension but also consumer platforms in electronics and musical instruments. Having completed two substantial acquisitions, we added a number of bolt-on acquisitions in Pro Audio and broadcasting technologies. Leveraging the relationships we built in the Pro AV segment of the market since acquiring Stampede, we acquired Almo Corporation in December 2021 (see below).

What pleases me most about our progress in North America is the organic growth we've achieved by leveraging the DCC business model.

Q. You announced the acquisition of Almo Corporation in December. What does Almo mean for DCC Technology?
Almo is one of the largest specialist Pro AV businesses in the United States and is a leading national distributor of consumer appliances, consumer electronics and lifestyle products, selling to integrators, resellers, dealers, retailers and e-tailers nationwide. The business is headquartered in Philadelphia and employs approximately 700 people across the United States. In its most recent financial year ended 30 April 2021, the business recorded revenues of approximately $1.3 billion (£1.0 billion) and had underlying EBITA of approximately $75 million (£57 million). Almo is a high-quality scale business and represents DCC's largest acquisition to date. It is a major step in the continuing expansion of DCC Technology in North America. Since entering the market in 2018, DCC Technology has expanded significantly, through strong organic growth and acquisition activity. Together with DCC Technology's existing platform, the acquisition of Almo will create the leading specialist Pro AV business in North America. It also provides the Group with real scale across the e-commerce and consumer channels, through Almo's significant presence in the growing lifestyle, consumer appliance and electronics markets.

Q. How is the strategy of the Group developing?
DCC is a purpose-led organisation and we are focused on the value we create for all our stakeholders. Our purpose really came to life throughout the pandemic as DCC delivered the essential products and services that people and businesses required while also delivering a strong financial performance. We achieve this by building impactful connections: as a distributor we are at the heart of the supply chain connecting the producers of products with consumers. We're a trusted provider building long-term partnerships with our customers and our suppliers. We focus on creating sustainable growth and superior value over the long-term. We achieve this through a consistent strategic objective to build a growing, sustainable and cash-generative business which consistently provides returns on capital employed significantly ahead of our cost of capital. This winning Group strategy remains consistent and we implement it through our three sectoral strategies as outlined in the Energy Strategy section on page 22 and our divisional operating reviews on pages 56 to 79.

While our sectoral strategies continue to evolve, the overall Group strategy has remained consistent and has delivered over our 28 years as a public company:
- Growing operating profit 14.1% CAGR;
- An unbroken dividend growth of 13.7% CAGR;
- Strong free cash flow conversion of 100%; and
- Average ROCE of 19%.

Q. What are the key growth opportunities for DCC in the future?
We have a proven business model that has consistently delivered high growth and high returns over our 28 years as a public company. We achieve this by driving the organic performance of our businesses, investing and reinvesting capital and leveraging the benefit and resilience of our diverse sectors.

We have clear priorities for capital allocation across the two pillars of organic capital expenditure and acquisitions.

We are focused on accelerating the growth of our Healthcare and Technology divisions, and in building our capability in new and renewable energies.

We believe there is a substantial growth opportunity in our Healthcare business. The market growth rates are strong across both the health and beauty market and in the sectors which are addressed by DCC Vital. The overall environment is one of increasing consumer focus on healthcare and nutrition coupled with a backdrop of policy and regulation which also plays to the skillsets we have in DCC. We have built scale into the Healthcare division over the last three years and the organic growth we have delivered has been very strong. We see long-term market growth rates available to us in the range of 4-6% per annum.

In Technology, again we are focused on building out the specialist capability we have in this growth industry. The industry is one characterised by constant change, but one where the supply chain services and route to market we offer tends to be ever present and growing. We believe the market growth rates available to us here will be in the range of 3-5% per annum.

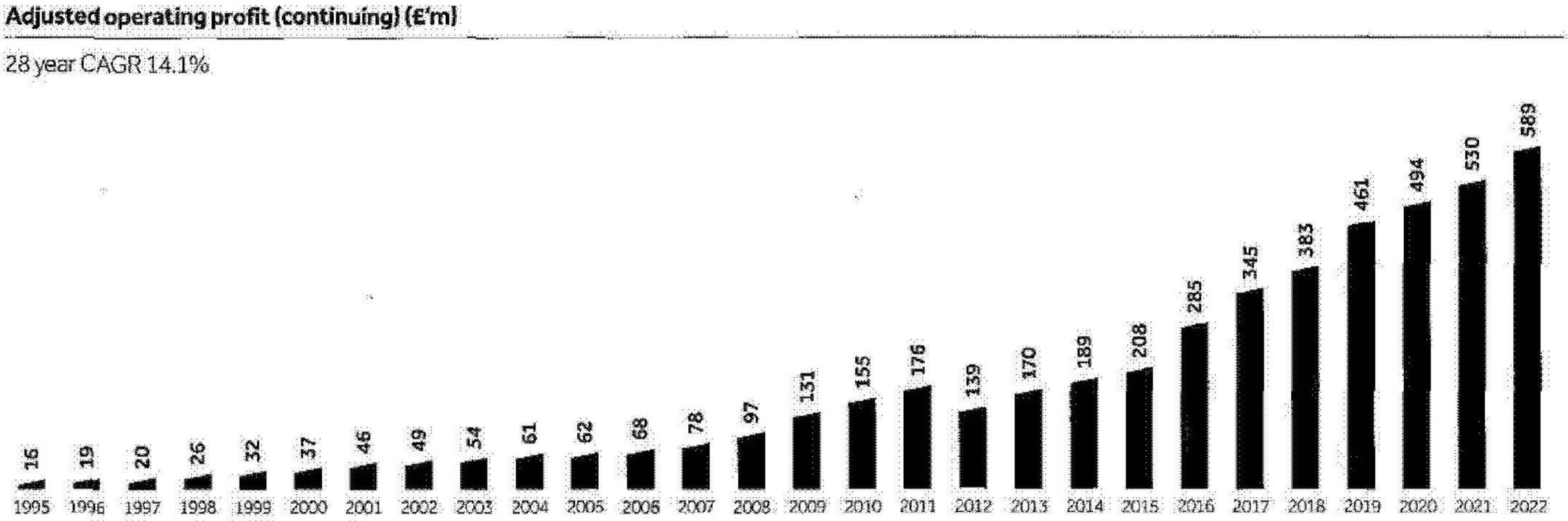
Our Energy business produces strong cash flow that enables the development ambitions of the entire Group. We are focused on redeploying those cashflows into areas which will support our capability to lead our customers in energy transition and on their journey to net zero. There will be significant investment by all economies in energy transition over the next 30 years and the emerging energy areas where we will operate will have high market growth of at least 5% per annum.

Finally, we continue to deploy capital in consolidating our markets and building our customer base where we believe there is a clear transition pathway for them and a profitable cash-generative transition for DCC.

We have a very clear purpose and strategy for the Group and for each of the sectors in which we operate. Most importantly, we have the platforms to drive high levels of organic growth and the cashflows to deploy capital to accelerate our growth. After 28 years as a public company, I believe we are only starting on our journey.

Donal Murphy
Chief Executive
16 May 2022

Adjusted operating profit (continuing) (£'m)
28 year CAGR 14.1%



Energy Strategy

LEADING THE MOVE TO NET ZERO, WITH ENERGY

Since DCC's formation nearly 50 years ago, we have grown with energy, broadening the range of energies we sell and working with partners to bring innovative solutions to customers. Now, as the world looks for new answers to energy security and net zero challenges, we continue to lead, with energy.

The challenge is clear

The world must achieve net zero to prevent the worst effects of climate change. The path to net zero in the energy sector is not fully certain, but we are committed to reaching our net zero targets and helping our customers to do the same.

Many of DCC Energy's customers are in segments of the market that face particularly high economic, technological and societal barriers to change. We are in a unique position to work with our suppliers, customers and other stakeholders to help overcome those barriers.

Achieving net zero is a cross-society challenge. We have a clear view of the path ahead, are committed to the journey and will be a partner for entrepreneurs, policymakers, energy suppliers and our customers along the way.

A future, with energy

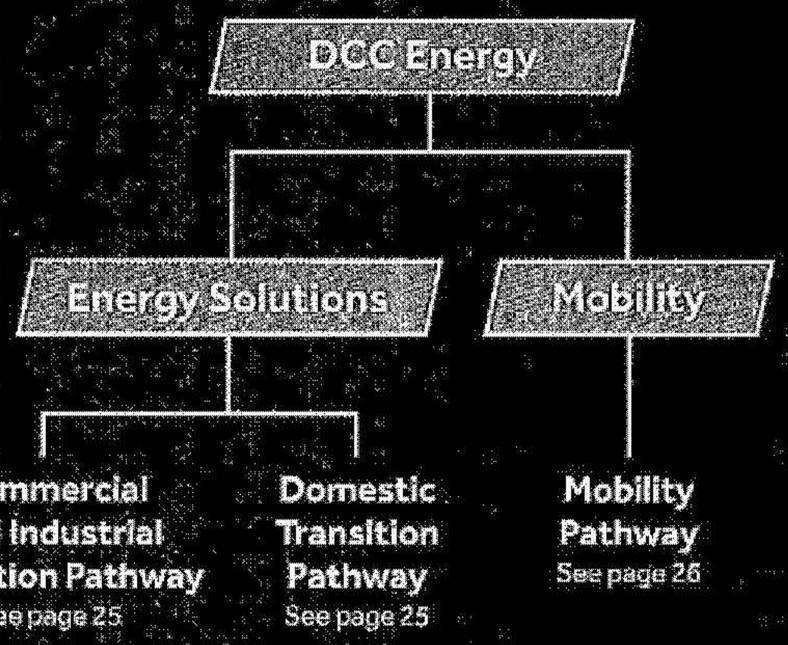
A core strength of DCC is the empowerment of our management teams who set strategies for their businesses, based on the needs of their customers and their operating environments. These teams have been successfully introducing lower carbon products and services for several years.

During the year, our management teams and the Board devoted considerable time to evaluating the overall opportunity created by energy transition and how best to respond to it.

The changes we are making in our energy businesses are the result of this review. They align our energy operations with the long-term global goal of achieving net zero, and provide a compelling vision and a clear framework for the further successful development and growth of our operations in this area, in line with our purpose.

The changes combine the strengths of our existing energy divisions and reinforce the progress they are already making on energy transition. They allow us to support existing and new customers in reducing their reliance on fossil fuels, while continuing to deliver sustainable returns to our shareholders.

The following are the key pathways to net zero in the sectors we serve:



DCC Energy

Operating profit	Operating cash flow	Volume (litres)	ROCE
£407.1m	£518.4m	15.9bn	18.6%

Customers	Employees	Countries
9m	7,600	13

How we win

The key strengths of DCC Energy are:

- Selecting market segments where we have significant experience.
- Remaining focused on our role as a distributor to get new products and services to market.
- Helping customers make the right choices as they decarbonise.
- Leveraging our devolved model to ensure agility and tailored solutions in line with local trends and market regulation.

Our strategy is to accelerate the net zero journey of our customers by leading the sales, marketing and distribution of low carbon energy solutions.

This strategy is based on our deep understanding of our customers' energy needs, our skills in delivering a broad range of solutions, and our ability to adapt as new energy solutions develop.

We will deliver this strategy through one division – DCC Energy. This division will operate in two main sectors:

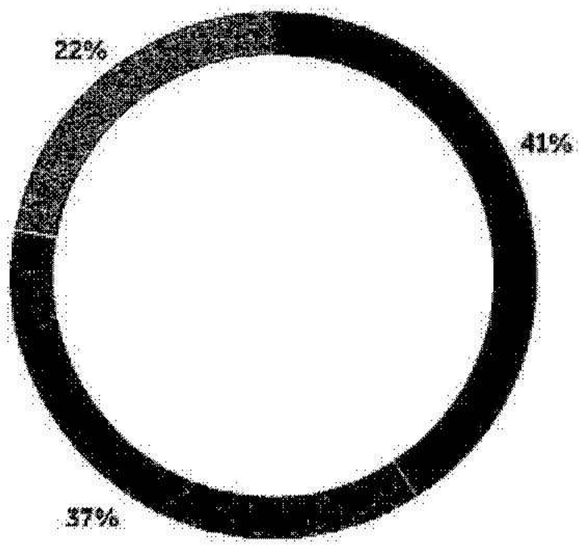
- Energy Solutions: businesses that work closely with commercial and domestic customers to provide effective energy solutions.
- Mobility: businesses that build and operate leading energy networks for road users.

The world's focus on new energy systems and formats, driven by the pursuit of lower carbon and the need for greater energy security creates opportunities for businesses that understand evolving energy markets. Our strategy will increase the lifetime value of our customers, create new opportunities for capital deployment, all while driving a just transition to net zero.

Our belief in our energy strategy is reflected in our commitment to achieve net zero, across Scopes 1, 2 and 3, by 2050 or sooner, and a 50% reduction in our Scope 1 and 2 emissions by 2030.

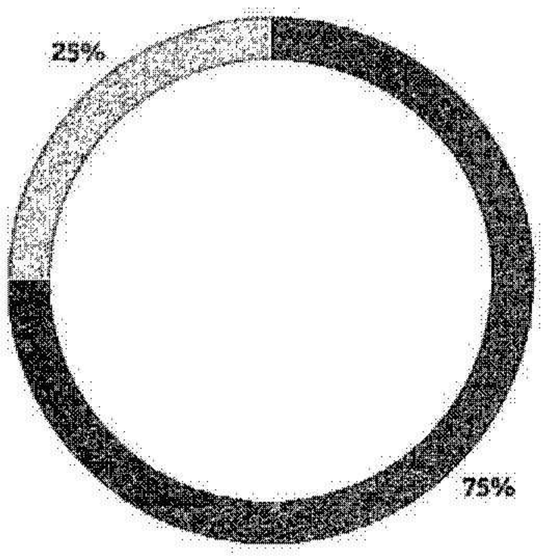
Please see www.dcc.ie for a recording of our Capital Markets Event on 17 May 2022 in which we updated the market on our energy strategy.

Customers



- Domestic
- Commercial and Industrial
- Mobility

Operating Profit



- Energy Solutions
- Mobility

Energy Strategy

ENERGY SOLUTIONS

Our Energy Solutions teams are focused on building decarbonisation solutions for commercial, industrial and domestic customers.

Due to their location, energy needs, or ability to invest, mainstream energy transition solutions are not currently suitable for many customers in these segments. By understanding their exact energy challenges, and having access to a wide range of solutions, we help our customers meet their energy needs while also reducing their carbon emissions.

Our assessment of our customers' energy needs is that their transition will accelerate beyond 2030. Up to that point, we expect transition to take place among first movers and customers that are trialling new technologies. Our role is to support these early movers, while building the supply chains and expertise to deliver a range of new energy solutions. In the meantime, we will continue to provide the traditional fuels that customers will require for a significant period of time.

Energy Solutions at a glance

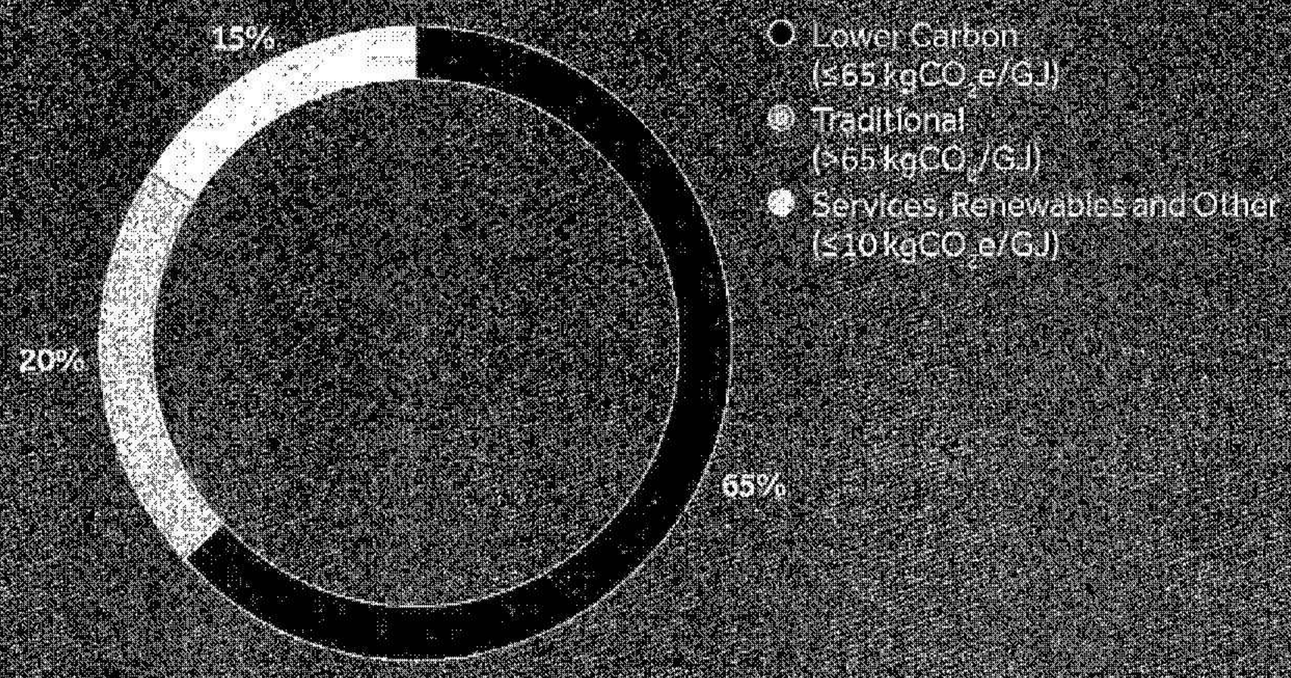
Volume (litres)

11.2bn

Operating profit

£305.9m

Energy Solutions: Adjusted operating profit



Traditional includes oil; Lower Carbon includes LPG; Services, Renewables and Other includes biofuels and renewable electricity.
Carbon intensity values are based on emissions from the use of products sold.

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Commercial and Industrial Transition Pathway

Our commercial and industrial customers operate a wide range of businesses. And they all need reliable sources of competitively-priced energy, often in large volumes. They use this energy in manufacturing, to operate fleets of cars, vans and trucks and to heat buildings.

We are already working with these customers to reduce their energy use and their carbon emissions. We see a rapid increase in demand for these services as businesses seek to reduce their energy costs, ensure their energy supplies are secure, and also reduce their carbon emissions.



2020s
Energy efficiencies and the use of cleaner transition fuels, like LPG, will generate the majority of emission reductions for commercial and industrial customers during the 2020s.

An increasing number of businesses will adopt solar energy, renewable electricity and biofuels.

2030s
In the 2030s, energy technologies that were developed in the 2020s, such as solar power and more advanced biofuels, will be far more widely available and used by most businesses. The introduction of further energy efficiencies will improve the intensity of energy use in many sectors even as overall energy demand grows.

2040s
As we approach 2050, most emission reductions for this sector will have been achieved. But newer energy technologies, like hydrogen and ammonia, will be more widely available, allowing the final push to net zero.

Domestic Transition Pathway

Our domestic customers use the energy we supply to heat and power their homes. Many of them live in rural areas and are not served by piped natural gas. For decades, these customers have relied on our businesses to provide them with reliable, safe and competitive supplies of energy.

Some of these customers are already investing in energy efficiency measures and more renewable forms of energy, like heat pumps, biofuels and renewable electricity. Some will need financial support to make these changes, whether in the form of a government grant or extended payment solutions from their energy providers.



2020s
The introduction of energy efficiencies, like insulation and better heating systems, will help domestic customers reduce their energy use and emissions.

Increasing numbers of customers will invest in lower carbon energy solutions, like biofuels and heat pumps.

2030s
In the 2030s, heat pump systems will have improved and become more affordable. Biofuels will be more widely available. Energy efficiency measures will remain important, although overall energy demand from domestic customers will increase as more people drive EVs.

2040s
Homes will be highly energy-efficient. Many will have the ability to meet their own energy needs. EV charging will generally be bidirectional, meaning that cars can supply power to homes as well as the other way round. Energy companies will focus on providing energy technologies and related services, with biofuels widely available.

Energy Strategy continued

MOBILITY

Our Mobility teams are developing networks that provide a wide range of energies and related services for road users.

The needs of road users, such as drivers of cars, vans and trucks, will evolve at different speeds over the next few years, as vehicle and energy technology develop. Cars and vans will electrify faster than heavier vehicles, particularly those that travel long distances.

Therefore, our current network of retail fuel stations will evolve over time to focus on three areas:

- Sites at motorways, providing a full range of transport energies and convenience services.
- EV charging and traditional fuel sites in urban locations, focused on providing fast charging and convenience services.
- Automated, high-quality conventional sites in rural and industrial areas.

This approach allows us to introduce new forms of energy as they become more widely available. For instance, we will have the capacity to introduce hydrogen, compressed natural gas or very high capacity charging for use in heaver vehicles as supply and demand increases. It also ensures that we meet the need for traditional fuels, which will remain an important element of the energy mix for some time, particularly for heavier vehicles.

Mobility at a glance

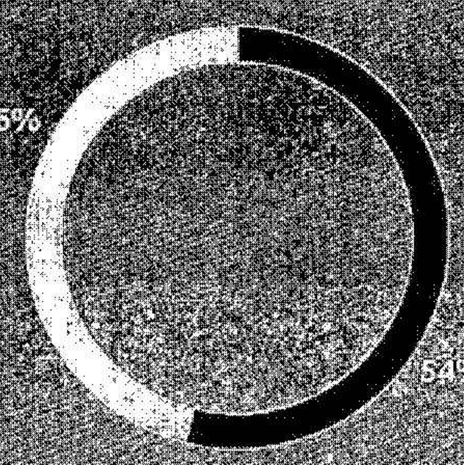
Volume (litres)

4.7bn

Operating profit

£101.2m

Mobility: Adjusted operating profit



Traditional includes petrol and diesel. Services, Renewables and Other includes fuel card services.

Carbon intensity values are based on emissions from the use of products sold.

Mobility Pathway



2020s

Investments will be focused on developing attractive sites in busy locations that provide fast charging for EVs, blended biofuels, and convenience retail.

By the end of the 2030s, there will be an extensive network of destination sites providing fast charging and high-percentage biofuels along with a range of related food and retail services.

2020s/2030s

Heavy goods vehicles (HGVs) become increasingly efficient. Biofuels will become more widely available. Demand for energy, plus secure parking, convenience food and payment services will increase.

Following their introduction in the 2030s, electric HGVs, plus hydrogen and renewable compressed natural gas will be widely used, allowing this critical sector to reach net zero.

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GROWING WITH ENERGY

Our commitment to net zero

We believe that net zero is the right path for the world and the right path for our business. We are committed to innovating, with energy for our customers on their own net zero journey. We support the goals of the Paris Agreement.

For these reasons, we have this year set a target of achieving net zero from our Scope 1, 2 and 3 emissions by 2050 or sooner. We have also this year set a new interim target of reducing our Scope 1 and 2 emissions by 50% from a 2019 base by 2030. We will over the next few years carefully consider setting an interim target for Scope 3 emissions as the markets where we operate develop, but our ambition on net zero is clear.

Government policy is the key influence on the speed of transition for our energy markets. Increased government intervention will help grow our business and accelerate the road to net zero.

The Financial Review on page 48 describes how our energy strategy and the impact of climate change more generally is taken into account in our capital allocation and investment processes. The Sustainable Business Report on page 80 provides more detail on our approach to net zero and carbon emissions reporting, including our reduction targets and how we report against them. The Risk Report on page 92 also provides additional detail on the scenarios we considered in the development of the strategy outlined here.

Ambitious for future growth

The strategy set out in this section of the Report is designed to create value for our shareholders, customers and wider society. It allows us, as a Group, to look forward to the development and further growth of our energy businesses with confidence and a renewed sense of purpose.

DCC has always been an ambitious company with a strong track record of growth. We are now channelling that ambition to help solve the biggest challenge facing the planet today. We will meet the world's growing need for more and cleaner energy solutions in ways that are economically, environmentally and socially responsible.

There will be challenges ahead but we know, through decades of experience, that we have the knowledge, capacity, and resilience to implement and deliver new products and solutions that meet the changing demands of our customers and society.

Our experience and expertise will enable us to grow our existing relationships with customers who have a long-term need for energy. It also allows us to further develop our network of distribution assets to support the sale of new forms of energy such as renewable liquid fuels and EV charging. And it is an opportunity to leverage our knowledge in building long-term partnerships with manufacturers and suppliers of a wide range of energy products.

We will maintain a clear focus on maintaining returns from our energy activities, with robust existing commercial models and the agility and skills to develop new ones as our markets develop.

We are confident in our ability to deliver against this strategy and in the contribution it makes to solving a key question for society. It is a growth opportunity for our businesses, our suppliers and our customers but it is also a necessity for all of us.

Measuring the success of our energy strategy

We will measure progress against our energy strategy using the following metrics:

- Return on capital employed (ROCE).
- Free cash flow (FCF).
- Profits generated from renewable energy products and services.
- Profits generated from renewable energy products and services as a proportion of the profits of the Energy division as a whole.
- Number of EV charging locations.

Progress in reducing our emissions, in line with our target to reach net zero 2050 or sooner:

- Carbon intensity (gCO_2e/MJ energy sold).
- Biogenic content of energy sold (% biogenic content/GJ energy sold).
- Scope 1, 2 and 3 emissions ($mtCO_2e$).



Strategy in Action

Strategic linkage

Market leading positions
Innovation

PROVIDING ENERGY TRANSITION SOLUTIONS

The transition to a more sustainable, low-carbon future is accelerating, and flexible energy systems will be an integral part of DCC Energy's future growth story, as outlined in our new energy strategy on pages 22 to 27.

Flogas Ireland's vision is to be Ireland's leading provider of energy transition solutions. The acquisition of Naturgy Ireland, was an important step on this journey. Naturgy Ireland is a leading and innovative provider of renewable gas and electricity to large energy users across the island of Ireland.

The Naturgy Ireland business, now re-branded as Flogas Enterprise Solutions, has added a large portfolio of power purchase agreements ('PPAs') accounting for c.150MW of installed capacity through partnerships with a diverse range of renewable wind and solar farms.

The acquisition of Naturgy Ireland facilitated the formation of Flogas Enterprise Solutions during the year. Flogas Enterprise Solutions offers its customers a wide range of energy services, enabling them to improve their energy efficiencies and offer renewable solutions. It is also the first company in Ireland to provide biomethane through its partnership with Green Generation.

Green Generation converts food waste to biomethane using anaerobic digestion.

For many years, Flogas Ireland's LPG business has been assisting a wide range of off-grid commercial customers to transition from heavy fuel oil and diesel to lower-carbon LPG as part of their energy transition journey. In more recent times, Flogas Ireland has entered the electricity market and now offers 100% renewable electricity to its customers.

Flogas Ireland also supplies bio-LPG and biomass to off-grid customers who wish to accelerate their own energy transition to net zero-carbon.

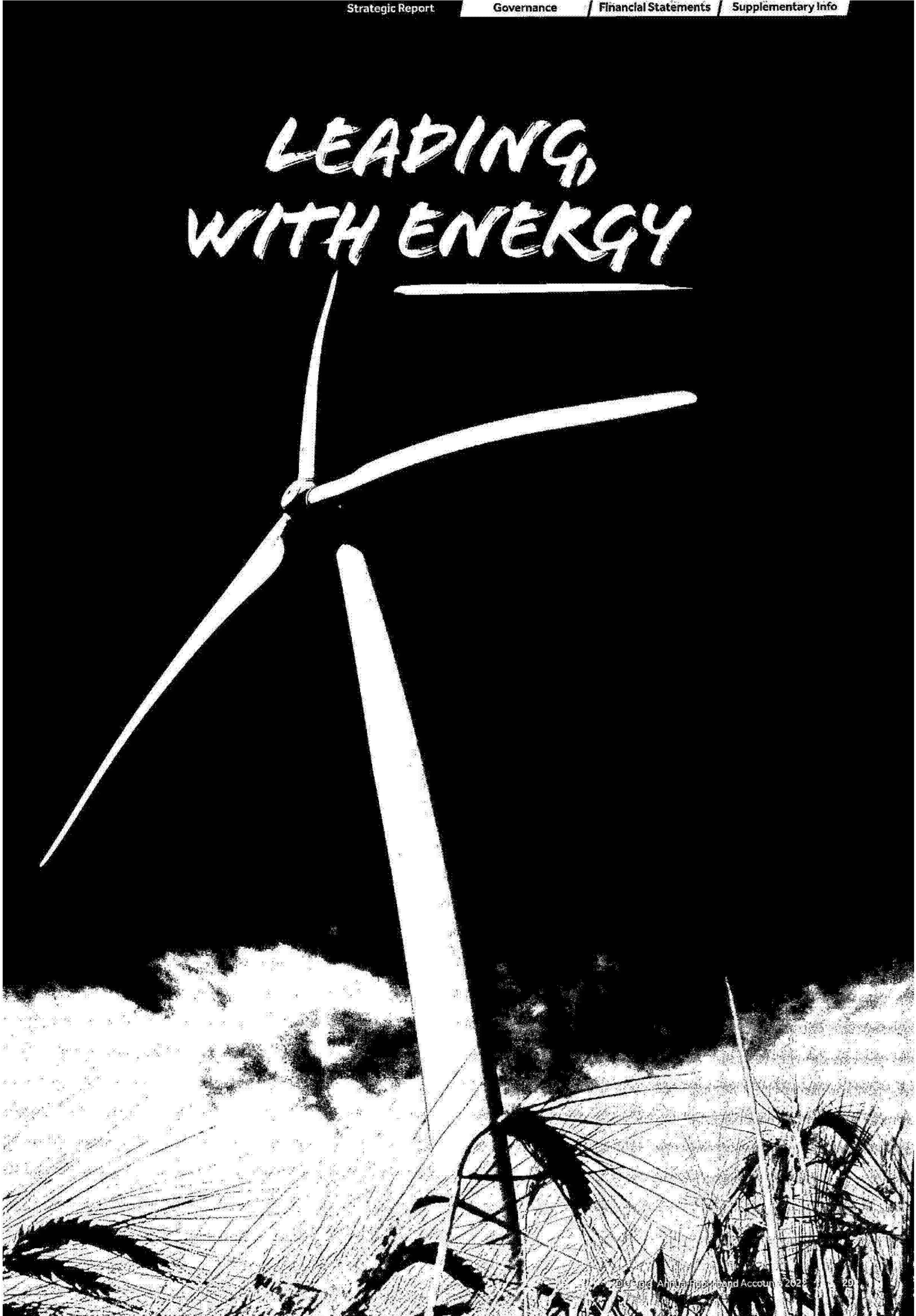
This wide range of renewable products and services, combined with the company's focus on close customer relationships, means that Flogas Ireland is well positioned to assist Irish companies to meet their energy transition requirements.

"Flogas Enterprise Solutions offers its customers a wide range of energy services, enabling them to improve their energy efficiencies and offer renewable solutions."

Flogas Ireland made its first delivery of bio-LPG during the year

Read more: DCC LPG on page 56

LEADING WITH ENERGY



Strategy in Action

Strategic linkage

Market leading positions
Innovation

EMPOWERING PATIENTS IN THEIR OWN CARE

Significant advances in medical and infusion technologies in recent years have meant that patients who would previously have received time-consuming infusions at hospital are now able to receive the same treatment in their own homes.

Since 2017, DCC Vital's Irish subsidiary, Fannin and CSL Behring, a leading global biotech company, have worked together to bring CSL Behring's leading IVIG (intravenous immunoglobulin) products to patients in their homes in Ireland. Fannin uses its expertise and skilled employee base to help bring CSL Behring's product to market on a large scale.

IVIG is a treatment derived from human plasma for people with weakened immune systems. While IVIG was traditionally provided in a hospital setting, it can now be administered at home, but needs the support of specialist support teams.

Prior to its partnership with Fannin, CSL Behring had a small share of the Irish market. The partnership resulted in Fannin establishing a strong market position and today CSL Behring is the leading IVIG brand in Ireland.

The true value of Fannin's Homecare service was evidenced when the Covid-19 pandemic hit in 2020. The pandemic placed vulnerable patients, such as those who receive IVIG treatment, in life-threatening situations due to the high risk of infection.

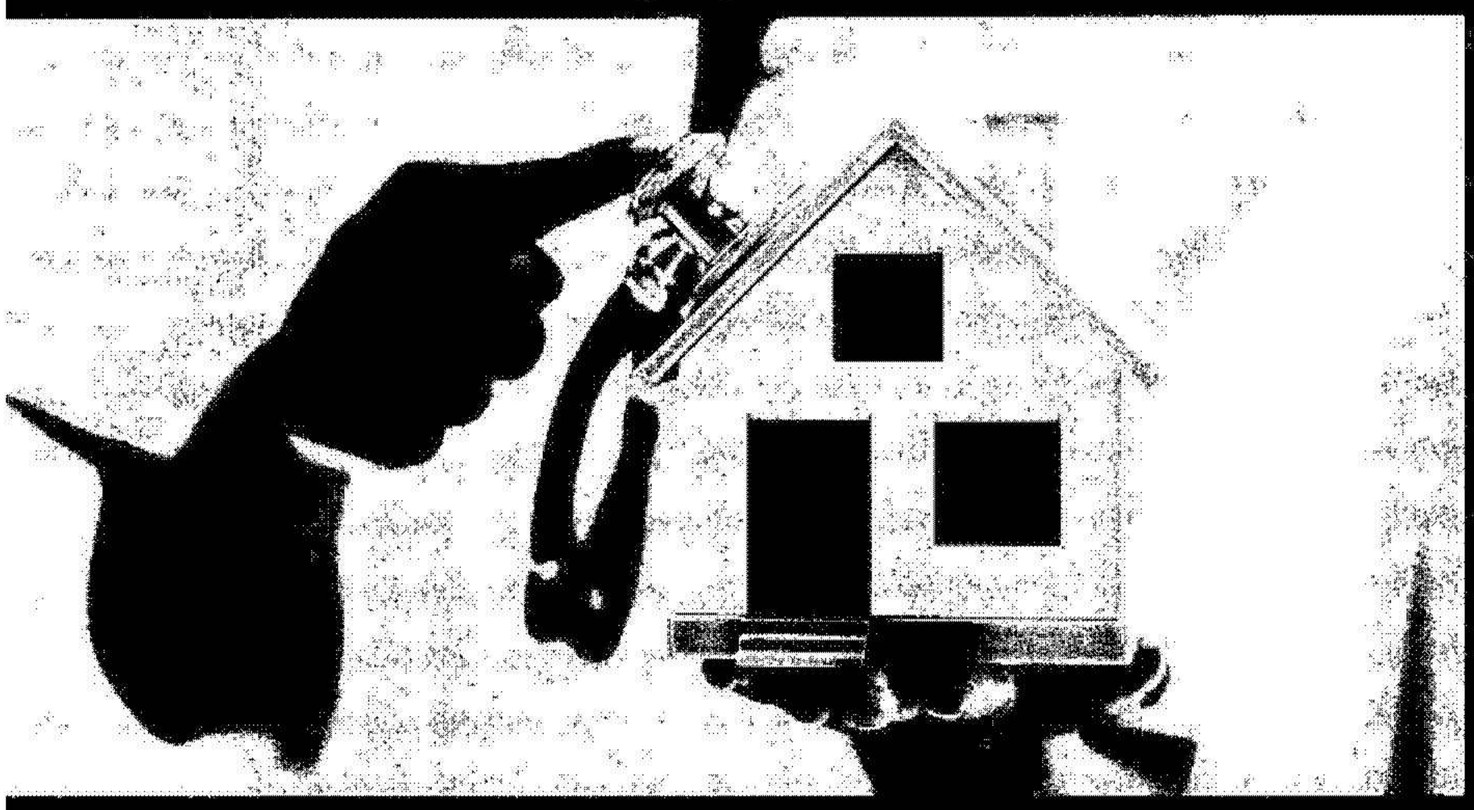
At DCC Vital, we are passionate about the well-being of our patients and endeavour to support them in every way we can. Rather than shaping life around their treatment, Fannin Homecare allows patients to shape their treatment around their life.

The Irish Health Services therefore moved to transfer those patients from hospital to the safety of their own homes, while ensuring their continued treatment under Fannin's Homecare service. The number of Homecare patients more than doubled over this period.

Aligned with the trend of moving healthcare away from hospital settings, as outlined on page 12, the Fannin Homecare service is designed to give patients greater control of their lives, empowering them in the management of their treatment. Rather than shaping life around their treatment, Fannin Homecare allows patients to shape their treatment around their life.

"Rather than shaping life around their treatment, Fannin Homecare allows patients to shape their treatment around their life."

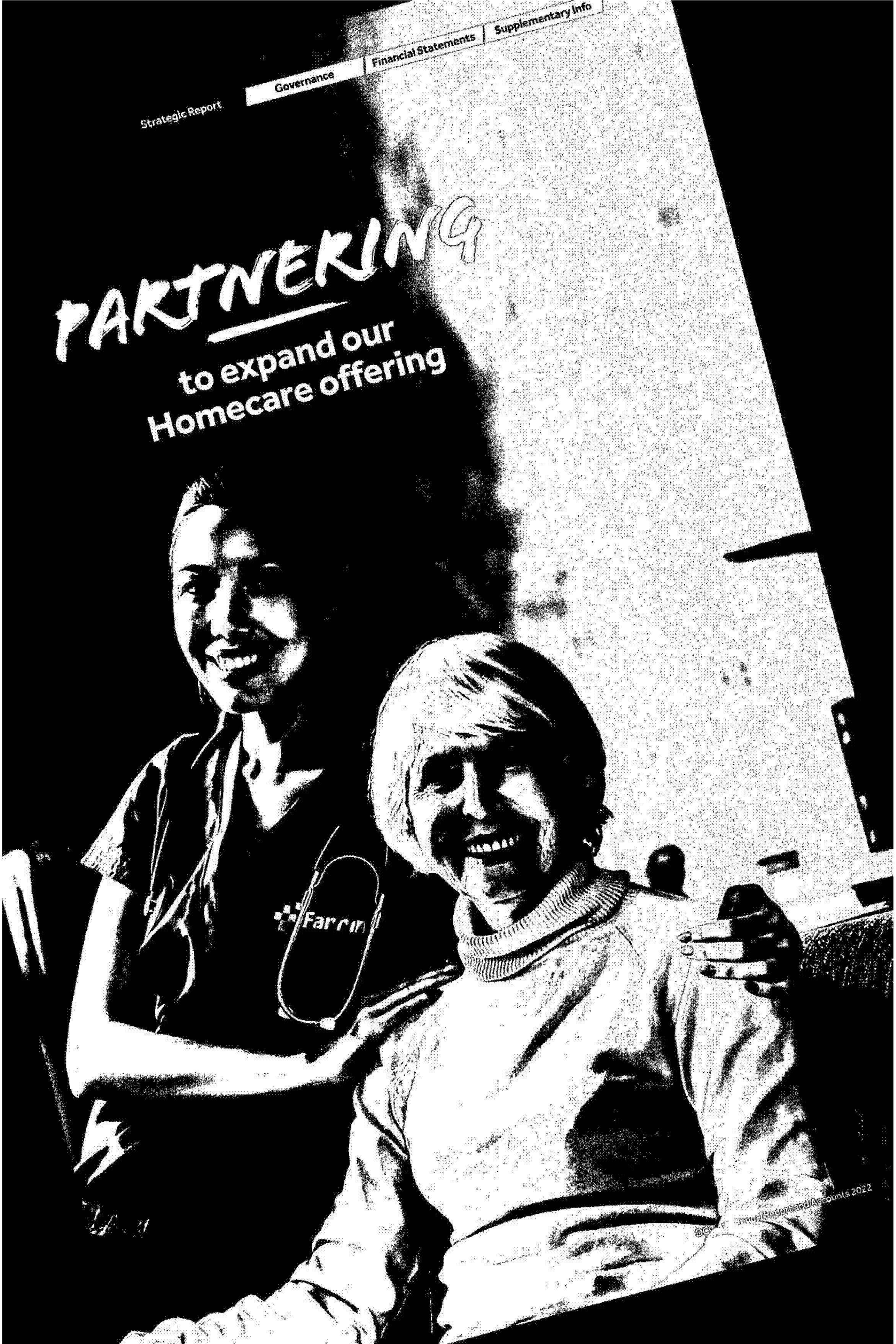
Read more: DCC Healthcare on page 68





PARTNERING

to expand our Homecare offering



Strategy in Action

Strategic linkage

Market leading positions
Extend our geographic footprint

DOUBLING THE SIZE OF DCC TECHNOLOGY'S BUSINESS IN NORTH AMERICA

In December 2021, DCC Technology acquired Almo, supporting the technology division's position as the number one specialist distributor of Pro AV, Pro Audio, musical instruments and consumer appliances in North America, with a growing presence in consumer electronics and a portfolio of own-brand lifestyle products.

The acquisition of Almo represents DCC's largest acquisition to date and doubles the size of our business in North America. This acquisition is aligned with our strategic objective to grow our leading businesses in new geographies and markets with similar characteristics to those where we operate already.

DCC Technology entered the North American distribution market in 2018 with the acquisitions of Stampede and Jam. Stampede, based in Buffalo, was a leading specialist distributor of Pro AV products, whereas Jam, headquartered in Montreal with businesses throughout North America, held leadership positions in Pro Audio and musical instruments with a developing position in consumer electronics.

Two complementary acquisitions followed in 2020 – The Music People, which added to our Pro Audio segment and JB&A, which extended our reach beyond Pro Audio into broadcast.

Based in Philadelphia, Almo is a market leading, value-added distributor of Pro AV, consumer appliances, electronics and lifestyle products. This acquisition provides us with an excellent platform for future growth and offers us exceptional market reach. Our leading market positions, specialist focus and nationwide distribution footprint makes us the ideal partner for international manufacturers, Pro AV installers and retail and e-tail customers.

"The Almo acquisition provides us with an excellent platform for future growth and offers us exceptional market reach."

Read more: DCC Technology on page 74



BROADENING our horizons



Strategic linkage

Innovation
Operational Excellence

Strategy in Action

DRIVING GROWTH THROUGH INNOVATION

Innovation is a long-standing enabler in DCC. Across all the divisions, our approach to innovation is collaborative, entrepreneurial, agile and continuous. This approach has enabled our divisions to deliver an exciting array of acquisitions, products, efficiencies and technological solutions over the course of the year.

Strategy in Action

Expanding our online capabilities

In recent years, e-commerce has become an indispensable part of the global retail framework as online shopping continues to change the way consumers find and buy their goods and services. Maintaining a diverse, long-term growth portfolio of businesses is a core strategic objective. Consistent with this objective, in October 2021 Certas Energy acquired HomeFuels Direct, a 'one-stop, online heating oil shop'.

Established in January 2008, HomeFuels Direct provides consumers with a simple, quick and convenient online method of ordering heating oil through a secure e-commerce platform. The platform is live 24/7 and 365 days a year, while offering complete transparency on its pricing model.

HomeFuels Direct's smart and frictionless online customer journey has resulted in the establishment of a loyal customer base across the UK, as consumers simultaneously seek convenience and the best price for their heating oil.

The acquisition of HomeFuels Direct is highly complementary to Certas Energy's portfolio as it focuses on strengthening its position in the increasingly important online channel in the UK heating market. The business is also a strong strategic fit, adding digital expertise as Certas Energy builds out the digital capabilities of its core brands across both domestic and commercial markets.

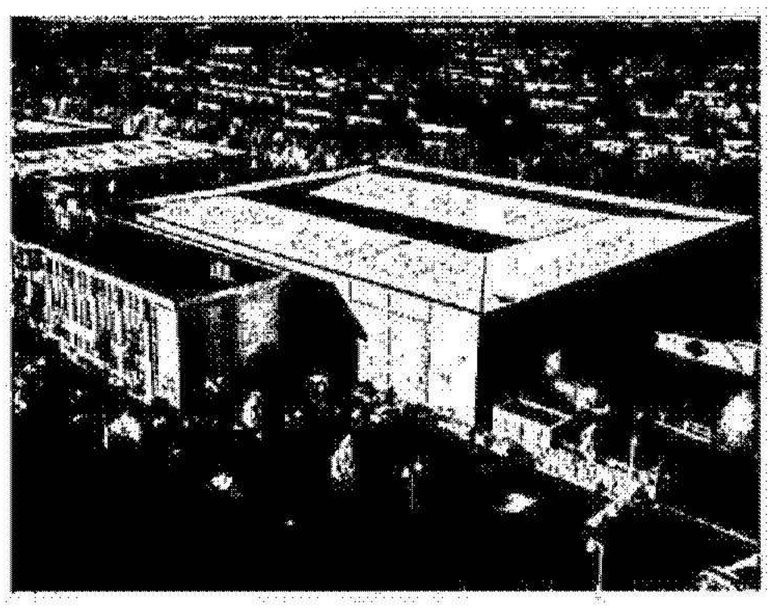
"HomeFuels Direct provides consumers with a simple, quick, and convenient online method of ordering heating oil through a secure e-commerce platform."

Read more: DCC Retail & Oil on page 62



Strategy in Action

Delivering operational efficiencies in our warehouses



We are constantly looking for innovative ways to improve our businesses and drive efficiencies across our divisions. DCC Technology's strong growth in recent years resulted in a number of our Irish operations being spread across three separate Dublin locations.

To achieve greater efficiencies, the decision was made to centralise the three operations: Exertis Ireland, MacroEV, and Exertis Supply Chain Services, by relocating to a new facility in Dublin. This new state-of-the-art 7,800 sq. m facility offers us the opportunity to take a more collaborative and agile approach to meeting our customers' needs. It also allows us to run a large scale, low cost facility in a way that ensures regulatory compliance and good environmental stewardship.

The innovative redesign of the facility allows us to harness the latest technological tools and position our business for the next level of growth, including the successful redesign and implementation of our SAP core system to include new functionality for improved stock management and service delivery.

We also focused on the design and implementation of the Warehouse Management Systems functionality on SAP to improve the effectiveness of our warehouse, resulting in improved productivity and performance visibility. We continued the automation of our processes using our in-house Robotic Process Automation and Master Data teams, resulting in multiple repetitive mundane processes, now being performed by bots, and, freeing up our teams to focus on more productive tasks.

MacroEV services also enhances the Exertis distribution offering to customers by providing innovative, value-added options including 3PL Services (product supply, technical services, logistics and global export control specialism), device staging/ configuration, project management, consultancy and deployment, web portal development and in-life support services, end of term device trade-in and recycling and certified data wipe and device disposal.

Read more: DCC Technology on page 74

Strategy in Action

Laleham Health & Beauty support Trinny's skincare launch

Recognised for her honest and authentic advice, Trinny Woodall founded Trinny London in 2017 to offer effortless, personalised beauty to people of all ages. Following a very successful make-up launch, Trinny launched an innovative skincare range with the support of Laleham Health & Beauty.

Laleham Health & Beauty has a strong track record of helping brands bring their ideas to life by supporting their customers through the product development and manufacturing process.

Trinny London provided a set of complex formulas to meet its consumer needs and wished to develop the product for wider reach.

Laleham Health & Beauty provided Trinny with access to an agile supply chain, and high value, short shelf-life active ingredients.

Laleham's chemists and process improvement experts ensured production of high-quality premium products capable of delivering on customer requirements and consumer needs, as well as being presented in an innovative re-fillable packaging format that further supported the brand's sustainability credentials. This project was delivered through a combination of partnership, creative thinking and operational innovation, allowing Trinny London to successfully launch its new range of skincare products in February 2022.

Read more: DCC Healthcare on page 68



People

ENABLING AN ENGAGED AND DIVERSE TEAM

DCC is a people business; developing and investing in our people is a strategic objective for the Group. Our company focuses on growing our talent, finding better ways of working, building partnerships, supporting innovation, and successfully executing our growth strategy. All of our divisions and businesses have highly experienced and ambitious management teams with deep knowledge of the markets in which they operate. As the Group continues to grow, the depth and quality of our talent is a key contributor to our future success.

At 31 March 2022, we employed 15,400 people, which is a 13% increase on the prior year. This increase was largely due to our acquisition of Almo Corporation in the US, which has over 700 employees. Our employee turnover rate during the year was 28% and our new joiners amounted to 27% of all employees. The turnover numbers are in line with expectations and are a reflection of the wider employee environment, albeit higher than last year. 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 with us.

OUR VALUES

Our first priority is the safety of our employees, contractors, customers and other persons who may be affected by our business activities.

Nothing we do is so important that it cannot be done safely, every time.

We believe safety to be a foundation of our sustainable business success and that is why we continuously look for ways to improve our safety culture, systems and processes.

Our business is all about creating sustainable partnerships. By working together as a team with those stakeholders who share our values, our passion and our drive – we become stronger.

We seek to develop mutually beneficial, long-term relationships, founded on trust and respect and place significant value on commitment and loyalty.

Being honest, open, accountable and fair is in our nature. These traits are the pillars on which our business has been built.

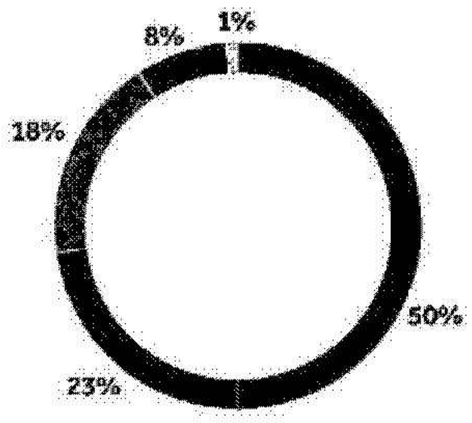
We believe in doing the right thing and inspiring others by being true to ourselves and treating people with respect and dignity.

We are committed and responsible employers. We lead by example and take pride in delivering on our promises.

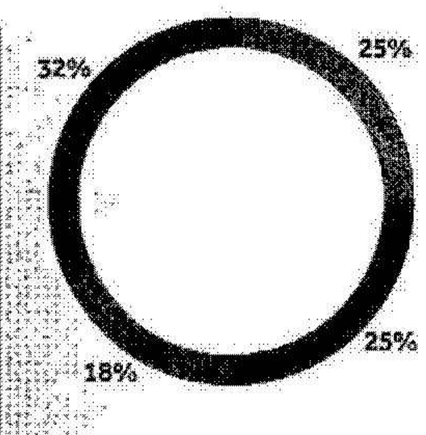
We believe great performance comes from preparation, focus on the detail, relentless determination, a sense of urgency and a genuine hunger for success.

These are the hallmarks of our people. We have a passion for accuracy and getting it right first time, every time. We share a collective entrepreneurial spirit. We are agile, responsive and continuously looking for ways to improve what we do.

Employees by geography



Employees by division



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Employee engagement

Our people's expectations of work has changed considerably post the pandemic. We recognise the importance of culture and engagement in delivering superior performance and creating competitive advantage.

In 2021, we made a step change in our approach to engagement and listening to what really matters to our people. We launched our first Group-wide engagement survey which provided a direct feedback opportunity for our colleagues as well as an opportunity for us to measure employee sentiment and understand their experience of working in our businesses.

Our people across 20 countries in 60 businesses were given the opportunity to participate in the survey. At the time the survey was launched, we had only recently acquired Certas Energy Luxembourg, our only business in Luxembourg, and it was not included in the survey.

We achieved an excellent participation rate of 77%, with an overall engagement score of 74%. This initiative has given us new insights into what is important to our people and reinforced the strengths of our devolved business model. The results highlighted that our colleagues have a strong sense of purpose and understand why their work matters. Our people are also invested in the future of the company and feel fairness and respect are at the heart of our working relationships. Encouragingly, our people also feel real accountability for our safety culture, a core value for DCC. While the results were very positive overall, we also identified a number of areas that need improvement. Our businesses and managers have implemented action plans at a local and team level to ensure that DCC businesses continue to be great places to work.

Employee engagement survey

20
countries

60
businesses

17
languages

77%
Overall participation rate

87%
of colleagues surveyed care about the future of the company

89%
of colleagues surveyed believe their work contributes to their company's purpose

Case study

Recognition scheme in Flogas Britain

As part of our employee engagement activities, each business in the Group was encouraged to promote a "great place to work" culture through a three-point improvement plan that addressed local business priorities.

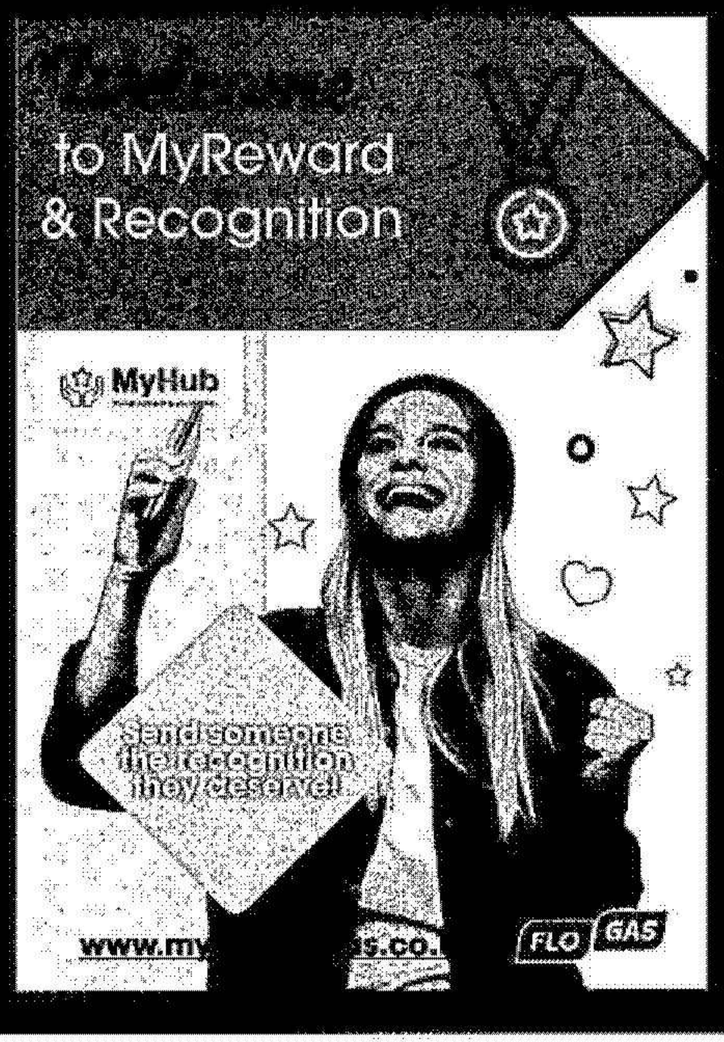
Flogas Britain, which is part of our DCC LPG division, had a strong overall response rate of 79%. The business' most favourable feedback centred around clarity of goals, line management fairness, caring about the future of the company and safety empowerment. Safety is a core value for DCC businesses; 80% of colleagues in Flogas Britain told us they feel empowered to speak up when something is unsafe and 90% feel their managers are committed to safety.

One of the business' key areas for improvement was centred around how their colleagues feel recognised and valued for their contributions. To address this, the business implemented a consistent and inclusive recognition scheme for all its colleagues who produce great work, live their values and show their loyalty to both the business and their customers.

Flogas Britain launched their 'My Reward & Recognition' initiative on 4 March 2021 to align with National Employee Appreciation Day. The recognition scheme allows any colleague to recognise another colleague in one of two different ways. The first way is through an eCard, a virtual greeting card, to commend a colleague's performance and contribution and the second way is to nominate a colleague for a LOVE (Living Our Values Everyday) award for someone who has gone above and beyond.

Flogas Britain has 1,243 colleagues and the recognition scheme has been a big success for the business with over 2,675 tokens of recognition sent, resulting in a significant proportion of their colleagues' receiving appreciation for their contributions. The 'My Reward & Recognition' initiative is empowered by the business' HR platform which is accessible to all of Flogas' colleagues, and this allows everyone to share and learn about the great work happening right across the business.

Initial feedback and uptake show the initiative has been well received and the business is looking forward to viewing its 2022 results to see the impact the programme has had on people feeling valued in the business.



People continued

Case study

Inclusion and Diversity Pulse Survey

Having expanded rapidly across multiple geographies and cultures, DCC Technology is keen to ensure that people working in its businesses feel engaged around people policies and practices and have an opportunity to shape the Inclusion and Diversity (I&D) journey into the future.

In January 2022, the DCC Technology division launched a pulse survey on I&D to understand whether colleagues feel they can be their true selves at work and whether there is any difference in experience when viewed through a diversity lens. The survey issued to c.3,700 colleagues and over 70% shared their important viewpoints with us.

We are pleased that 90% of the respondents feel that DCC Technology is living up to its I&D commitments.

While we still have work to do to ensure our workforce is more diverse, our colleagues gave us invaluable insight into how each business can be a better place to work for everyone.

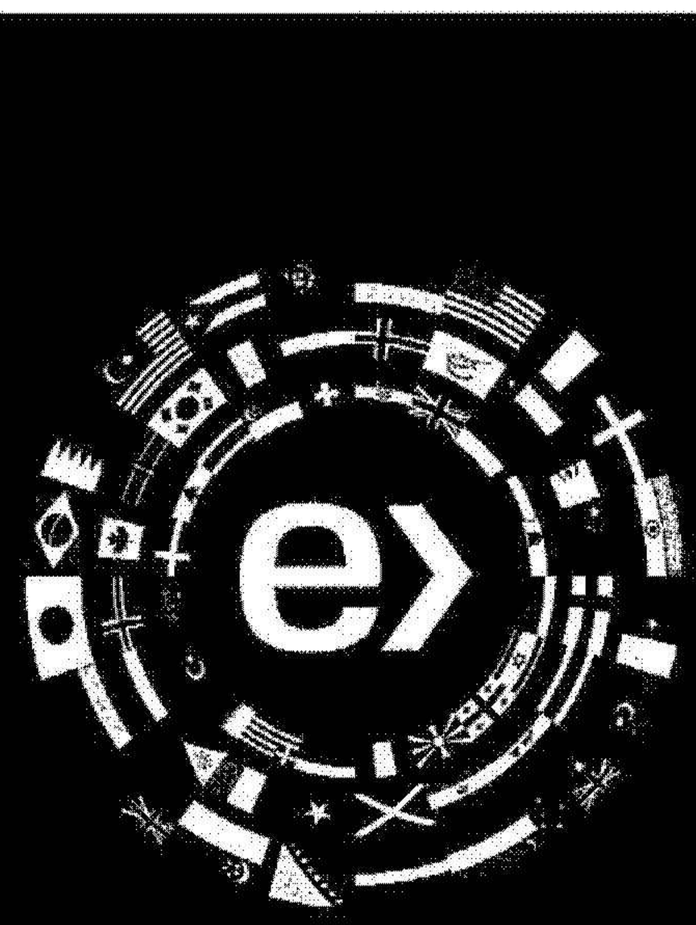
The results also provide a valuable baseline for measuring improvements over the coming years.

92%

reported that they experienced an inclusive environment and felt a sense of belonging

95%

reported that DCC Technology was committed to improving I&D

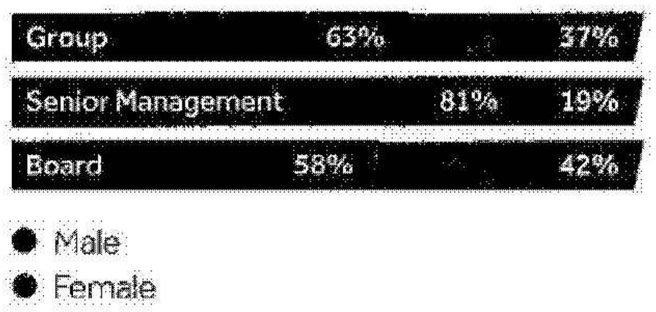


Building an inclusive and diverse culture
We aim to create an environment where every individual feels a sense of belonging and can thrive and contribute to their fullest in our businesses. That means embracing diversity in the broadest possible sense, including gender, ethnicity, ability, age, sexual orientation, education, and ways of thinking. 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 focus has been on targeting greater gender diversity, with a particular focus on developing a diverse pipeline of talented future leaders for the Group. Our Inclusion and Diversity Policy, 'You Belong Here' lays firm foundations to bring our inclusion and diversity strategy to life in a meaningful way. We remain committed to increasing diversity and inclusion within our workforce at all levels. Thirty seven percent of the people we employ across our global business are women. In the year under review, we were encouraged to see stronger retention of our female employees at senior level, across all our divisions relative to their male counterparts. This demonstrates the success of our various initiatives to achieve our 'You Belong Here' commitments.

As a Group, we recognise the importance of workforce turnover as a sustainability metric and, like most companies, we are experiencing strong competition for talent. Our employee turnover rate during this financial year was 28%. We continue to place great emphasis on our ability to attract, develop and retain talent and identify this as a key element of our risk agenda as highlighted in our Risk Report. We will continue to further enhance our diversity-led activities including the requirement for diverse candidate lists for senior open roles, providing unconscious bias training for thousands of our colleagues across the Group, taking opportunities to celebrate diversity and most importantly listening to the views of our people. For more on this, see Case Study above.

Celebrating diverse cultures and traditions
With over 15,400 colleagues across 21 countries, DCC is a multinational and multicultural organisation. We recognise the opportunity that global cultural events provide, to raise awareness and understanding of our differences, as well as our common interests. These global awareness days create visibility and instills a sense of pride to ensure all our colleagues feel respected and valued. Undaunted by the challenges presented by Covid-19, in this financial year we found new ways to celebrate global events, demonstrating the importance we place on valuing diversity. Over the course of the year, we held activities to mark celebrations such as World Mental Health Day, International Women's Day, International Men's Day and Black History Month.

Gender diversity



We recognise the benefits of diversity at Board level as well. Our Board is fully compliant with the recommendations of the Parker and Hampton-Alexander reviews and more detail on this is contained in the Governance Report.

Developing our diverse workforce

Attracting talent that goes beyond
To enhance our collective ability to attract and retain talent in today's competitive career marketplace, we ran focus groups with colleagues from varied roles and different businesses from across the Group to refine our employee value proposition (EVP).

'Go Beyond' reflects the culture of our devolved model where our individual businesses are unique and it draws from the strengths and values that are common to all of our

"We aim to create an environment where every individual feels a sense of belonging and can thrive and contribute to their fullest in our businesses."

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businesses. Our companies offer current and prospective employees opportunities to build skills, help transform our organisation, and shape consumer behaviour in the industries we operate within for the better.

DCC Graduate Programme
The DCC Graduate Programme is an integral part of the Group's talent development process, designed to create a pipeline of high potential, internationally mobile, early career talent for the Group. Each year, we select graduates from a broad range of backgrounds and nationalities ensuring diversity in this talent pool at this early career stage. Graduates have the opportunity to develop their careers in the areas of Business Management, Commercial & Sales, IT, Logistics and Marketing. DCC is a fast-paced environment and graduates on our two-year programme are provided with a wide range of opportunities to support their learning and development. Many are given the opportunity to undertake international work placements and assignments where they benefit from the diversity of markets and geographies in which we operate. We have a commitment to continuous on-the-job coaching and coaching for all graduates, maximising the benefits of this programme. Find out more online at www.dccgraduateprogramme.com.

Talent planning and career pathing
DCC has a strong record of developing its talent; most of our senior leadership have progressed their careers through a succession of exciting roles in our diverse businesses across the Group. Throughout the year, we continued to identify and develop talent to meet the future needs of our businesses through our annual talent planning process. All our businesses actively engage in the annual talent process and use a consistent approach to focus on succession planning for high impact roles and identify talent for development purposes. Through this annual process we ensure a continued focus on the visibility and development of our diverse talent on an ongoing basis which will lead to greater diversity and balance in our management teams over time.

The number of roles in scope for succession planning has grown considerably over the past number of years in line with our 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 Group. Of those, all identified critical positions have succession coverage and we have worked hard to create visibility of our internal talent options.

Talent management system
We continue to invest in our Group-wide 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, reward and performance management processes across 17 geographies. As more of our businesses have recognised the value of the system, we have had a 15% increase in the number of users over the last 12-months.

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 teams actively engages in our annual performance review process. 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.

96%

of business managers completed the annual performance cycle

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. Again, this year, as a result of the Covid-19 pandemic, in-person classroom training was not possible and 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. While we are looking forward to more in-person learning in 2022, we will continue to invest in this area to facilitate broader access to e-learning across the Group.

Mentoring diverse talent
We were delighted to launch a mentoring programme to support the development of diverse talent during the year. Our objective for this programme is to create visibility and sponsorship for this key talent cohort. Mentees are supported with their personal development through seasoned advice and guidance provided by their mentors to progress their careers. The programme also increases awareness in our mentors of the challenges facing diverse talents in our businesses so that they can influence change from a leadership perspective in their own businesses.



"We ensure a continued focus on the visibility and development of our diverse talent on an ongoing basis."

Stakeholder Engagement

UNDERSTANDING WHAT MATTERS TO OUR STAKEHOLDERS

We recognise that the sustainability of our business strategy is enhanced when it is reflective of stakeholder views and our stakeholders benefit from their dealings with our Group. This section provides an overview of our key stakeholder relationships. Further detail on how the Board considers stakeholder views in its discussion, is set out in on pages 114 to 115.

Customers

Our customers, whether they are businesses or consumers, look to us for advice on a wide range of essential products and services. They rely on us to provide those products and services at a competitive price and on time, even when supply chains are disrupted.

What matters to our customers?
Our customers are interested in supply chain reliability, the identification of opportunities that offer profitable growth for their businesses, technical expertise, and excellent customer service. The environmental impact of our goods and services is also of increasing interest to our customers.

How our businesses engage
Our teams across the Group actively engage with customers to ensure we are meeting their expectations and consistently identify ways to improve performance based on these discussions. Members of divisional management teams also meet with key customers during the year to reinforce these relationships.

How our Board engages
Our extensive customer engagement shapes our divisional strategies and business plans, which are reviewed in detail, and on a regular basis, by the Board.

How we respond
We provide reliable supplies of essential products and services to millions of businesses and consumers across the world. Our supply chain expertise ensured minimal disruption during the Covid-19 pandemic and during recent supply disruption caused by the war in Ukraine. In the year under review, we updated our energy strategy to support our energy customers in reducing their carbon emissions.

Case study

Certas Energy Customer Services

The continuing impact of the Covid-19 pandemic and the volatility in energy markets following Russia's invasion of Ukraine, led to disruption in the supply chains for many of the products we sold during the year. The team in Certas Energy worked hard to ensure they could make deliveries, in spite of industry-wide HGV driver shortages, looking out especially for customers in vulnerable situations. Where prices or delivery times were uncertain, Certas took additional steps to communicate with their customers. They added significantly to their customer service team to ensure that customer service was maintained.



Suppliers

Our suppliers rely on us to provide an efficient route to market for their products and to advise them on how those markets are evolving. Through collaboration with them, we maximise our collective impact, ensuring a tailored, reliable, and sustainable source of supply for customers.

What matters to our suppliers?
Strong, mutually beneficial commercial partnerships matter to our suppliers, as do responsible supply chain management, open engagement and fair payment terms. Our financial strength is a key factor for many of our suppliers.

How our businesses engage
We work closely with suppliers to ensure reliable and efficient supply chains. We also hold regular meetings with our supply partners to discuss product and service innovation. And we engage closely with them on responsible supply chain management.

How our Board engages
The Board receives frequent updates on trading performance across the Group, including on any material changes in supplier relationships. Our Executive Risk Committee regularly monitors progress on sustainability in our supply chain and the results of this are reported to the Audit Committee and the Board. The Board also considers and approves our Modern Slavery Act statement annually.

How we respond
The year under review has seen continued disruption to supply chains, exacerbated since February by the war in Ukraine. Businesses across the Group worked closely with suppliers over the year to maintain supplies of key products into the markets they serve.

Employees

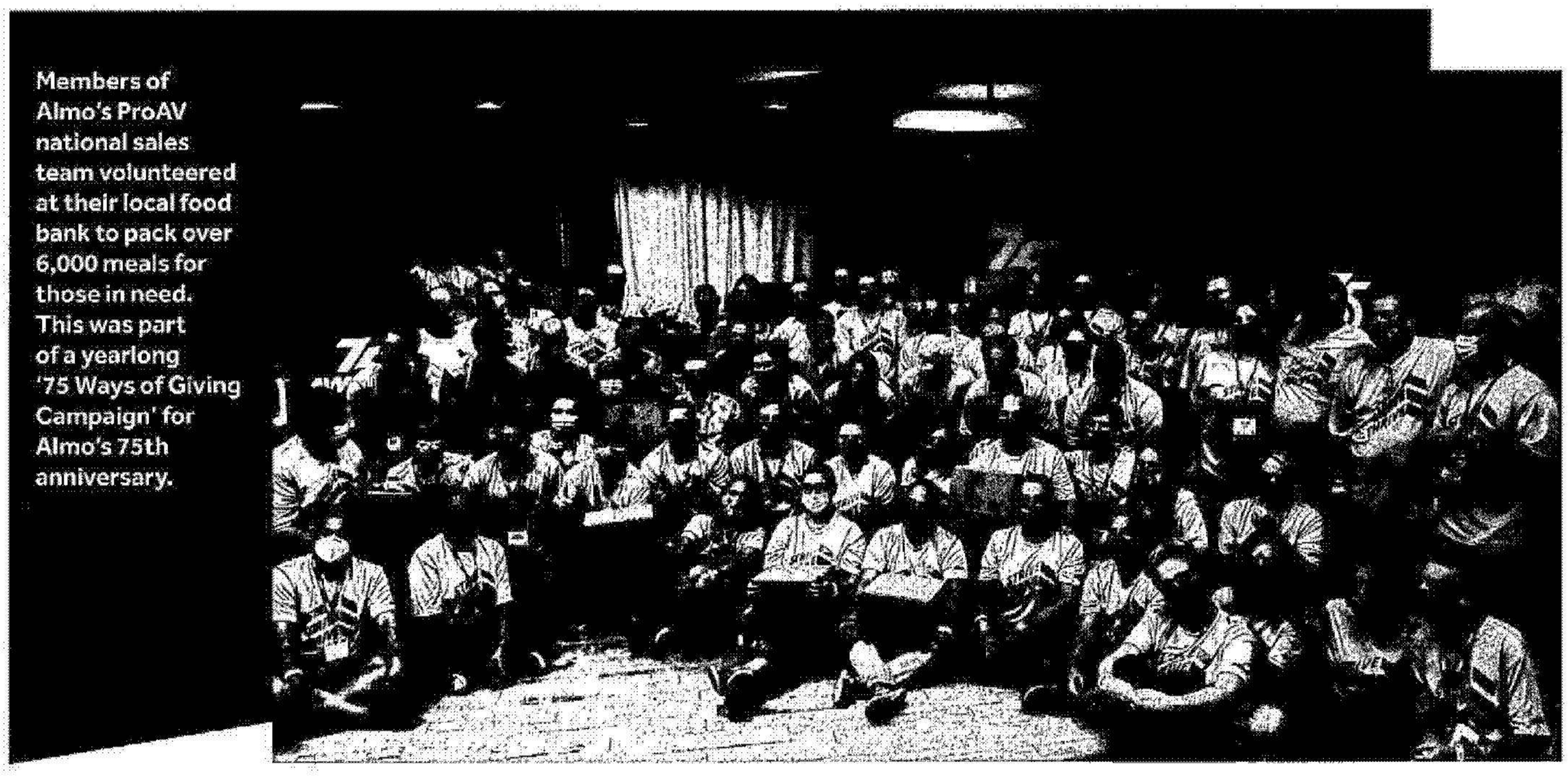
Our greatest asset is our experienced, diverse, and dedicated workforce. Our relationship with our people is open and honest. We support, develop, and reward them so they feel encouraged to do their best in all that they do.

What matters to our employees?
Our people are interested in opportunities to grow and develop their career in line with fair pay and reward expectations. They seek an open and honest workplace and management practices that enable them to achieve their full potential. They want to work in a place where they are accepted and valued for who they are, regardless of their background.

How our businesses engage
At business, divisional and Group level, we communicate with our employees through a range of channels, including team meetings in town halls, regular engagement surveys, including an annual Group survey, and employee recognition programmes.

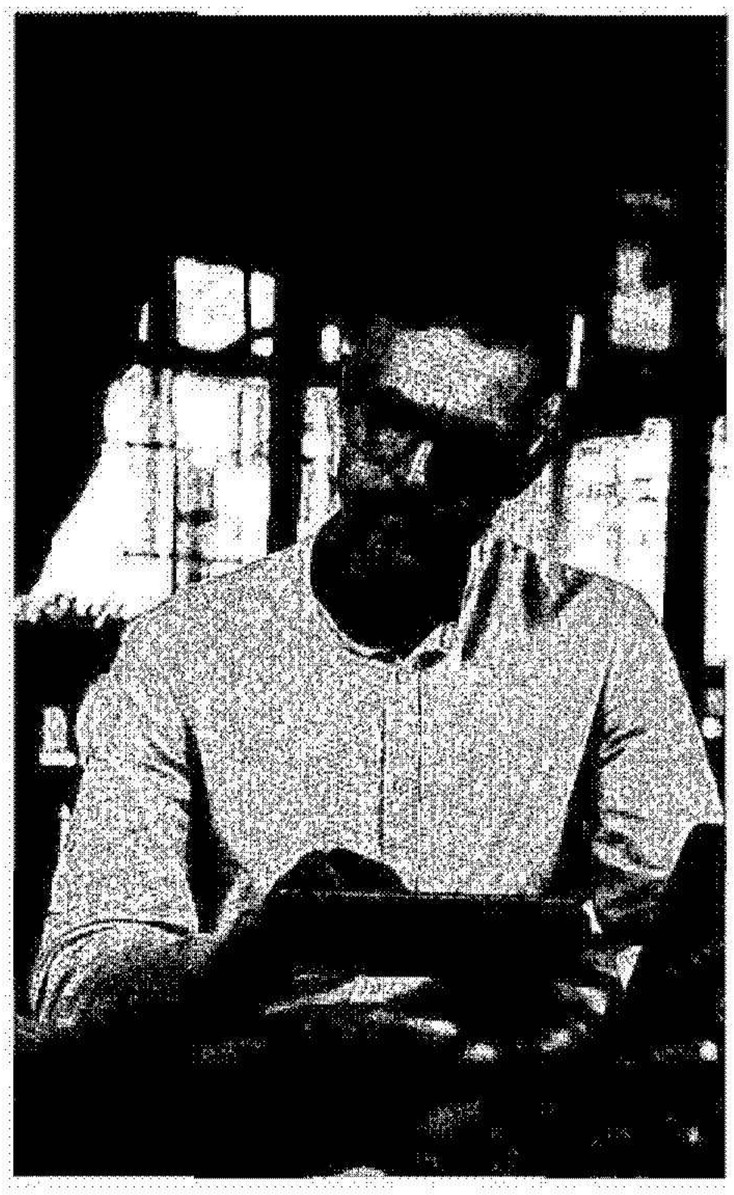
How our Board engages
Our non-executive Workforce Engagement Director Mark Ryan holds regular discussions with management on matters related to the Group's workforce. His report is set out on page 114. The Board also actively considers employee engagement survey results and discusses responses with management. Progress against our overall people strategy is regularly discussed at Board meetings during the year.

How we respond
During the year we undertook a Group-wide employee engagement survey and are responding to the feedback obtained from this, with Group businesses developing suitable local action plans. We also maintained our consistent approach to talent and performance management and provided extensive learning and development both in person and online. Embedding our Inclusion and Diversity Policy 'You Belong Here,' was a key part of our employee engagement during the year. Safety is one of DCC's core values and we continued to embed a safety culture through training, awareness and visible health and safety leadership and were therefore particularly pleased to see further progress in our safety record (measured by lost time injuries) in the year.



Members of Almo's ProAV national sales team volunteered at their local food bank to pack over 6,000 meals for those in need. This was part of a yearlong '75 Ways of Giving Campaign' for Almo's 75th anniversary.

Stakeholder Engagement continued



Investors

Our investors include individual and institutional shareholders. We maintain an active dialogue with them through our extensive investor relations programme.

What matters 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. They also demand high standards of corporate governance, led and overseen by our Board.

How our businesses engage
Members of the management team meet regularly with investors and analysts, in particular at the time of our annual results, interim reporting dates, at capital market conferences and at investor roadshows. This year, we also undertook a detailed investor perception study to enhance our understanding of investors' views.

How our Board engages
Following his appointment as Chairman in July 2021, Mark Breuer met with a number of our largest shareholders. Our CEO, CFO and Head of Investor Relations regularly update the Board on investor relations issues.

How we respond
During the year we increased our dividend, representing our 28th year of unbroken dividend growth. We held separate capital market events on our Energy, Technology and Healthcare businesses. This year members of the management team presented at 17 conferences and conducted 378 institutional investor one-on-one and group meetings.



Governments and Regulators

We seek to engage constructively with governments and regulators to achieve the best outcomes for all our stakeholders. In some cases, we work with governments and regulators to shape our industries to help ensure the right outcomes for customers and society.

What matters to governments and regulators?
Reliable and efficient availability of the essential products and services provided by businesses across the Group is of crucial importance to the smooth running of the societies we serve. Governments expect large global businesses to provide reliable employment for thousands of people, often in rural locations. They rightly expect organisations such as ours to operate to high standards of safety, quality and compliance and expect that we support a just transition to a low carbon society.

How our businesses engage
We engage with governments and regulators both directly and through business and trade associations on matters like product quality, availability and affordability, supply chain efficiency, safety, carbon emissions reduction and corporate governance.

How our Board engages
The Board discusses changes in regulation and governance reforms where they are material to the Group. The Board also reviews a detailed report twice a year on notable dealings with regulatory and government authorities.

How we respond
We provide thousands of jobs directly, and support many more indirectly and contributed £81m in duties and taxes in the countries where we operate. In the year under review, we continued to operate to high standards of safety, quality and compliance, with no notable safety, product quality or compliance breaches recorded during the year. We engaged constructively with regulators on several relevant policy proposals, including by making a submission to the UK Department for Business, Energy and Industrial Strategy on reforms proposed in its White Paper: Restoring Trust in Audit.



Donal Murphy at the launch of Social Entrepreneur Ireland's national call for applications.

Communities and the Environment

Our aim is to be a force for good in the communities we serve. Climate change, including the need to transition to lower carbon forms of energy and get to net zero, is an issue of critical importance for every community we serve. This year, we have extended our existing carbon emission reduction targets to include emissions from the energy we sell. We have undertaken to get to net zero, across Scope 1, 2 and 3 carbon emissions by 2050 or sooner.

We help a number of community groups, both through financial support and through our employee giving programme.

What matters to our communities and the environment?

Climate adaptation and moving toward net zero emissions by 2050 or sooner is a primary concern to our communities and is clearly of critical importance for the environment. Protection of the environment in other ways, through the elimination of oil spills is also of importance. Our communities expect us to provide reliable, safe jobs, and to support for a range of community organisations.

How our businesses engage

We continue to reduce our own carbon emissions and to support our customers in moving to lower carbon energies. More detail on this is contained in the Energy Strategy section on pages 22 to 27 and the Sustainable Business Report on page 80. Our businesses support a range of community organisations such as Social Entrepreneurs Ireland and the Laura Lynn Foundation in Ireland. And we also took steps in European countries where we operate to support people displaced by the invasion of Ukraine.

How our Board engages

The Board receives regular updates on progress in the implementation of our energy strategy. It also considers a quarterly report from the Head of Group Sustainability on progress in reducing carbon emissions. Following the invasion of Ukraine, the Board considered our response including our support for the work of UNICEF in Ukraine and for affected Ukrainians in other European countries.

How we respond

During the year, we set a new target to reduce our own (Scope 1 and 2) carbon emissions by 50% by 2030. In addition, we set a target of getting to net zero, across Scope 1, 2 and 3 by 2050 or sooner. To support this, we further improved our carbon emissions reporting and increased our CDP rating to 'B'. We continued to work closely with our customers to ensure their energy needs are met while they reduce their own carbon emissions. At community level, we continued to support Social Entrepreneurs Ireland and the Laura Lynn Foundation in Ireland.

We also provided a financial donation to UNICEF to assist their work in Ukraine.

Our primary goal is to genuinely improve the position of the causes that we support.

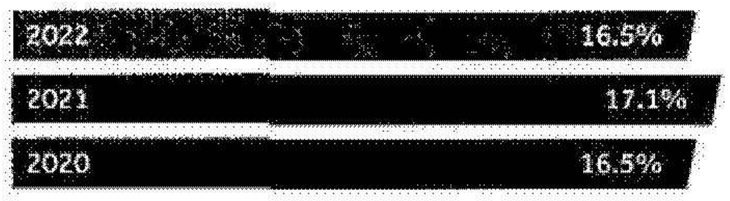
Key Performance Indicators

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 56 to 79.

Return on capital employed (excl. IFRS 16)

16.5%



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 249.

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.

FY22 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 modest decrease in return on capital employed versus the prior year reflects the substantial acquisition spend during the year of £720 million and the timing of the acquisition of Almo, the Group's largest acquisition to date, which occurred later in the year and seasonally had a dilutive impact. It also reflects recent investment in development capital expenditure and working capital which will deliver good organic growth for the Group in the future.

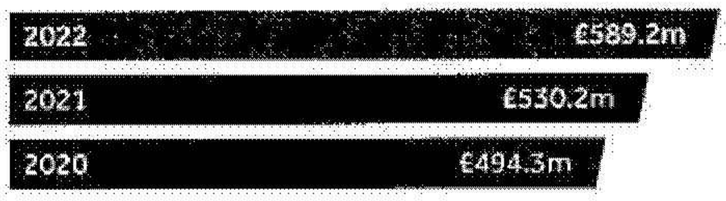
FY23 outlook and aims
The achievement of returns on capital employed in excess of the Group's cost of capital will continue to be a key focus in order to ensure the efficient generation of cash to fund organic growth, acquisitions and dividend growth.

Read more: Financial Review on page 54

Growth in adjusted operating profit

£589.2m

+11.1% (+15.1% constant currency)



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.

FY22 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 Retail & Oil, along with the contribution from acquisitions completed in the current and prior year.

DCC LPG performed strongly during the year with operating profit increasing by 2.8% (6.7% on a constant currency basis) to £237.7 million. Please refer to DCC LPG operating review on page 57 for further details.

Operating profit in DCC Retail & Oil increased to £169.4 million, 17.0% ahead of prior year (20.1% on a constant currency basis). Please refer to DCC Retail & Oil operating review on page 63 for further details.

DCC Healthcare delivered an excellent performance, generating operating profit growth of 22.9% (25.5% on a constant currency basis), approximately two-thirds of which was organic. Please refer to DCC Healthcare operating review on page 69 for further details.

DCC Technology delivered very strong operating profit growth of 12.8% (19.9% on a constant currency basis), driven by the contributions from acquisitions completed during the year. Please refer to DCC Technology operating review on page 75 for further details.

FY23 outlook and aims
Notwithstanding the challenging macro environment at present, the Group expects that the year ending 31 March 2023 will be another year of profit growth and development.

Read more: Financial Review on pages 49 to 50

Strategic Linkages

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

20220905004421

Growth in adjusted earnings per share

430.1p

+11.2% (+15.2% constant currency)



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.

FY22 comment
The increase in adjusted EPS of 11.2% reflects a 11.4% increase in adjusted earnings, driven by the factors mentioned under the adjusted operating profit KPI.

FY23 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.

Read more: Financial Review on page 51

Free cash flow

€382.6m



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.

FY22 comment
The Group's free cash flow amounted to €382.6 million versus €687.8 million in the prior year. The Group's cumulative conversion of operating profit into free cash flow across both years was very strong at 96%.

Working capital increased by €168.7 million which includes the expected reversal of one-off timing benefits in the prior year, a decrease in the utilisation of supply chain financing in DCC Technology and a net investment in working capital across the Group. The increase in energy prices during the period drove a reduction in working capital in DCC Retail & Oil and an increase in working capital in DCC LPG and the remaining modest net investment in working capital across the Group reflected increased stock holdings across each division which ensured customers were serviced as effectively as possible given the volatile supply chain environment.

Net capital expenditure amounted to €170.8 million for the year and this reflects continued investment in organic initiatives across the Group, supporting the Group's continued growth and development.

FY23 outlook and aims
Cash generation and working capital management will remain a key focus of the Group.

Read more: Financial Review on pages 52 and 53

Committed acquisition expenditure

€603.4m



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.

FY22 comment
The Group committed to acquisition expenditure of €603.4m during the period which principally comprised the acquisitions of Almo Corporation in DCC Technology and Naturgy Ireland in DCC LPG.

FY23 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.

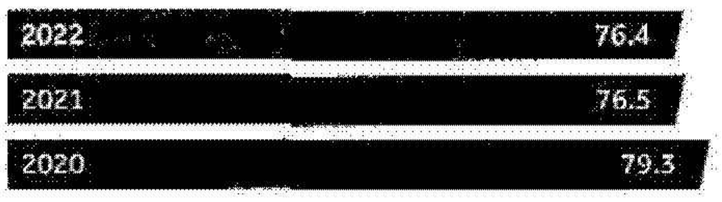
Read more: Financial Review on page 53

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 stakeholders.

Carbon intensity (Scope 3)

76.4gCO_2e/MJ



Description and basis of calculation
The Group's carbon intensity metric is calculated by dividing the total Scope 3 emissions in a given period (as defined in the Greenhouse Gas Criteria document at www.dcc.ie) by the energy content of fuel sold, calculated using standard conversion factors. The result is expressed in grams of CO_2e per megajoule of energy sold.

Strategic linkage
The carbon intensity metric is one of the key measures the Group uses to measure progress in energy transition.

FY22 comment
Three main factors contributed to a decline in the carbon intensity of the fuel we sell: increased biogenic content in liquid fuels, a rise in the sale of low and zero carbon fuels such as HVO, and the increase in renewable energy as part of the overall mix of energy sales. In FY22 these favourable factors were counterbalanced by increased volumes of energy products sold from both existing and newly-acquired businesses.

FY23 outlook and aims
The Group has this year set a target to reach net zero across Scopes 1, 2 and 3 by 2050 or sooner. The reduction in carbon intensity will be a key indicator of progress in this area.

Read more: Sustainable Business Report on pages 83 to 85

Carbon emissions (Scope 1 and 2)

104kts



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.

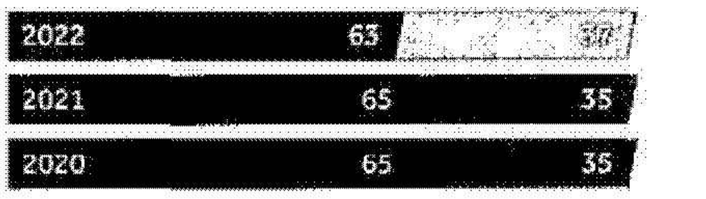
FY22 comment
Overall, there was an 8% increase in absolute carbon emissions. This increase was driven by acquisitions and increased activity levels as Covid-19 restrictions have eased, offset by the Group's existing businesses achieving significant reductions in their Scope 1 and 2 emissions, through better operational efficiencies. When Scope 2 emissions are calculated on a market basis, rather than on a location basis, Group emissions fell by 5.5%, reflecting a significant increase in the purchase of renewable electricity. See page 83 for further details.

FY23 outlook and aims
The Group will continue to procure renewably sourced electricity and put in place energy-saving and carbon-reduction measures in order to meet our carbon emission reduction targets, including the increased use of biofuels in our own fleet.

Read more: Sustainable Business Report on pages 83 to 85

Gender diversity

63%/37%



● Male ● Male ○ Female ● Female

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.

FY22 comment
We are encouraged to see that the overall gender diversity of our workforce has improved in FY22. At 31 March 2022, female employees accounted for 37% of the overall workforce, 19% of senior management and 42% of Board members.

FY23 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: People section on pages 36 to 39

Strategic Linkages

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

20220905004422

Health and Safety LTIFR

0.96



Description and basis of calculation
Lost Time Injury Frequency Rate ('LTIFR') measures the number of lost time injuries 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.

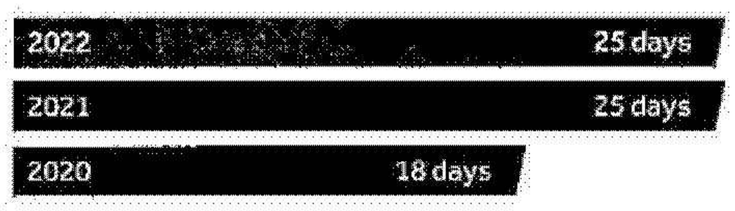
FY22 comment
The improvement in LTIFR continues a reduction in frequency rate across the Group over the past number of years, despite growth in the scale of the Group and reflects an ongoing commitment to performance improvement through robust risk controls, a proactive safety culture and learning from events.

FY23 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 further and to remain below 1.0, and to further mitigate the impact of accidents when they do happen.

Read more: Sustainable Business Report on pages 86 to 88

Health and Safety LTISR

25 days



Description and basis of calculation
Lost Time Injury Severity Rate ('LTISR') measures the number of calendar days lost due to injury 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.

FY22 comment
The LTISR is in line with the prior year and was influenced by four incidents in our Technology division and three in Retail & Oil, which resulted in prolonged periods of absence. Most injuries continue to be relatively minor and involve short recovery times.

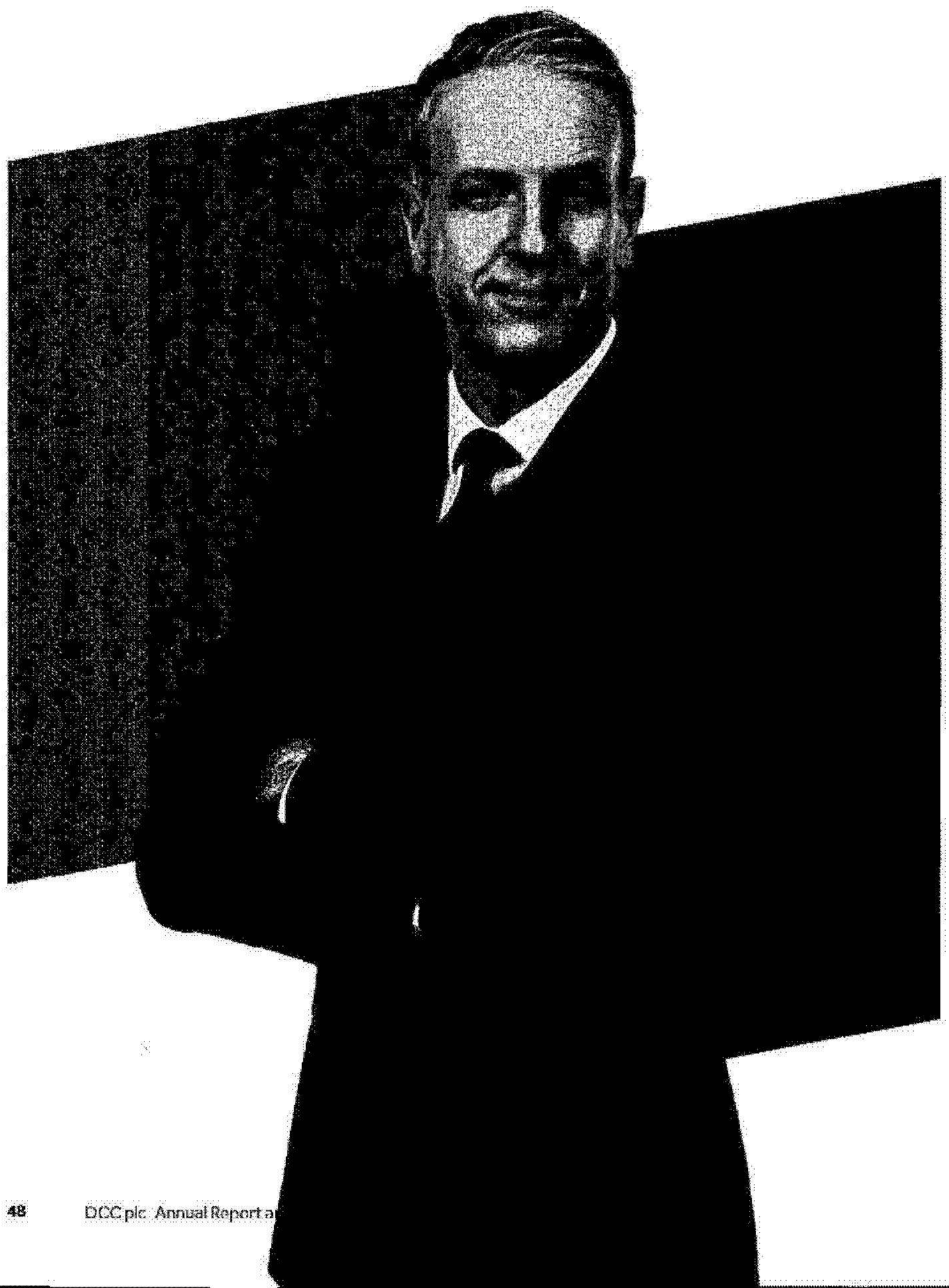
FY23 outlook and aims
The Group will continue to strengthen risk control measures, focusing on leading indicators and identifying further improvement opportunities as part of a new Three Year HSE Plan. Our promotion of a strong safety culture will continue, with added emphasis on cross-business collaboration and sharing of good practice. We will aim to further mitigate the impact of accidents when they do happen.

Read more: Sustainable Business Report on pages 86 to 88

Financial Review

WE ARE EXCITED ABOUT THE OPPORTUNITIES AHEAD

Kevin Lucey, the Group's Chief Financial Officer, reflects on a year of continued strong growth and development.



The year ending 31 March 2022 saw a new set of challenges thrown at economies and societies globally. Pandemic related restrictions ebbed and flowed during the year and then eased generally. Volatility and uncertain supply chains really began to disrupt and in recent months the tragic events in Ukraine have seen uncertainty escalate further.

These challenges have continued to impact all businesses. DCC is no different. However, the last two years have demonstrated that our talented and committed teams really are differentiators for DCC. Our agile and devolved business model has ensured that our businesses in general have performed for their customers, suppliers and other stakeholders. DCC has continued to enable people and businesses to grow and progress, despite all of the uncertainty. And DCC itself has continued to grow and progress. The financial year under review saw no let-up in the strategic development of the Group, with very significant capital committed to further expansion.

Highlights

An excellent organic performance was a notable feature of the year under review. The acquisition of Almo by DCC Technology, the Group's largest acquisition to date, was also very significant. As was the unveiling of an updated strategy for our energy business and related Scope 3 net zero ambition. Another year of progress for DCC included the following highlights:

- Growing our operating profit on a constant currency basis by 15.1% to £589.2 million;
- Organically delivering 6.1% operating profit growth, well ahead of our 3%-4% track record;
- Committing £600 million to new acquisitions during the period, including the further expansion of the Group in North America with the acquisition of Almo, our largest to date;
- Delivering ROCE of 16.5% and ending the year in a very strong financial position;

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Table 1: Trading Overview

	2022 £'m	2021 £'m	Change on prior year %
Revenue	**17,732.0**	13,412.4	+32.2%
Adjusted operating profit			
DCC LPG	**237.7**	231.3	+2.8%
DCC Retail & Oil	**169.4**	144.8	+17.0%
DCC Healthcare	**100.4**	81.7	+22.9%
DCC Technology	**81.7**	72.4	+12.8%
Group adjusted operating profit	**589.2**	530.2	+11.1%
Share of equity accounted investments' profit after tax	**0.3**	0.2	
Finance costs (net)	**(54.1)**	(59.3)	
Profit before net exceptionals, amortisation of intangible assets and tax	**535.4**	471.1	+13.7%
Net exceptional items before tax and non-controlling interests	**(45.3)**	(39.1)	
Amortisation of intangible assets	**(84.4)**	(66.9)	
Profit before tax	**405.7**	365.1	+11.1%
Taxation	**(79.7)**	(62.3)	
Profit after tax	**326.0**	302.8	
Non-controlling interests	**(13.6)**	(10.2)	
Net earnings	**312.4**	292.6	+6.8%
Adjusted earnings per share (pence)	**430.11p**	386.62p	+11.2%

- Updating our strategy for the energy sector to ensure we lead our customers in transition and setting a net zero target for Scope 3 carbon emissions by 2050 or sooner, including interim targets;
- Launching our first Sustainability-linked Revolving Credit Facility of £800 million, a significantly larger facility for DCC which will enable us to further evolve our funding options but also demonstrates our commitment to excellence in sustainability and ESG generally; and
- Increasing the dividend for the year by 10.0% to 175.78 pence per share, our 28th consecutive year of dividend growth.

Looking Forward

As the uncertainty caused by the direct impact of the pandemic recedes, it has been replaced with a new set of challenges for global supply chains. The war in Ukraine has exacerbated this uncertainty further, particularly in Europe. However, DCC can continue its growth and development into the future. We are excited by the opportunities in front of us across our energy, healthcare and technology sectors. Our very strong financial position allows us to look forward with confidence and we continue to believe that DCC can grow organically, identify new platforms for growth through acquisitions in line with our capital allocation priorities, deliver very strong returns on capital employed and continue to make demonstrable progress across our four Sustainability pillars.

We expect that the year ending 31 March 2023 will be another year of profit growth and development, notwithstanding the challenging macro environment at present.

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, Foreign Currency, on page 210.

The net impact of currency translation on the Group Income Statement versus the prior period was significant, accounting for a headwind of approximately 4.0%, or £20.9 million against the reported growth in operating profit. Average sterling exchange rates strengthened against most relevant currencies, including the US dollar and euro.

Revenue

Overall, Group revenue increased by 32.2% to £17.7 billion primarily driven by the higher energy commodity prices that prevailed during the year and also by the recovery in energy volumes across both DCC LPG and DCC Retail & Oil.

Volumes in DCC LPG increased by 15.8% to 2.6 million tonnes, driven by the reopening of economies and acquisitions completed during the year in the US and Ireland. Organically, volumes increased 6.8% due to strong recovery and growth of commercial and industrial demand.

DCC Retail & Oil volumes of 11.6 billion litres were 14.0% ahead of the prior year, and 10.9% organically, driven by a strong recovery in commercial, retail and fuel card volumes, which had been adversely impacted by Covid-19 restrictions in the prior year.

Combined revenue in DCC Healthcare and DCC Technology was £5.4 billion, an increase of 5.3%, reflecting strong revenue growth in DCC Healthcare and DCC Technology's North American businesses.

Group Adjusted Operating Profit

Group adjusted operating profit increased by 11.1% (15.1% on a constant currency basis) to £589.2 million. On a constant currency basis, operating profit increased by 6.1% organically and acquisitive growth was 9.0%. The overall growth represents a very strong performance in the context of well-documented challenges in global commodity prices, supply chain shortages and labour availability.

DCC LPG performed strongly during the year despite the backdrop of very substantial increases and volatility in the wholesale cost of product. Operating profit increased by 2.8% (6.7% on a constant currency basis) to £237.7 million benefiting from modest organic growth and bolt-on acquisitions completed in Ireland and the US.

Financial Review continued

Table 2: Adjusted Operating Profit and Earnings per Share

	FY22			FY21			Growth		
Adjusted operating profit*	**H1 £'m**	**H2 £'m**	**FY £'m**	H1 £'m	H2 £'m	FY £'m	H1 %	H2 %	FY %
DCC LPG	**48.4**	**189.3**	**237.7**	45.6	185.7	231.3	+6.2%	+2.0%	+2.8%
DCC Retail & Oil	**70.0**	**99.4**	**169.4**	65.2	79.6	144.8	+7.4%	+24.8%	+17.0%
DCC Healthcare	**50.2**	**50.2**	**100.4**	39.8	41.9	81.7	+26.0%	+19.9%	+22.9%
DCC Technology	**27.2**	**54.5**	**81.7**	25.5	46.9	72.4	+6.5%	+16.2%	+12.8%
Group	**195.8**	**393.4**	**589.2**	176.1	354.1	530.2	+11.2%	+11.1%	+11.1%
Adjusted EPS* (pence)	**134.2**	**295.9**	**430.1**	117.9p	268.7p	386.6p	+13.8%	+10.1%	+11.2%

* Excluding net exceptionals and amortisation of intangible assets

Operating profit in DCC Retail & Oil increased to £169.4 million, 17.0% ahead of the prior year (20.1% on a constant currency basis), the vast majority of which was organic. The excellent organic performance reflects the strong volume recovery, continued growth in non-fuel profits and a very good operational and cost performance.

DCC Healthcare generated excellent operating profit growth of 22.9% (25.5% on a constant currency basis) to £100.4 million, two thirds of which was organic. The very strong organic performance was driven by DCC Vital, which generated excellent organic profit growth across Britain, Ireland and the DACH region. DCC Vital also benefited from the acquisition of Wörner in April 2021.

Operating profit in DCC Technology increased to £81.7 million, 12.8% ahead of the prior year (19.9% on a constant currency basis). The very strong operating profit growth was driven by the contributions from acquisitions completed during the year. The business in North America performed very strongly and benefited from the notable acquisition of Almo, completed in December 2021.

Finance Costs (net)

Net finance costs and other decreased to £53.8 million (2021: £59.1 million). The decrease primarily reflects a lower interest charge due to lower average gross debt balances, following private placement debt repayments in May 2021.

Average net debt, excluding lease creditors, was £428 million, compared to an average net debt of £215 million in the prior year, and reflects substantial acquisition activity during the year and also increased investment in working capital. The Group's average private placement debt, which is the primary driver of finance costs, decreased versus the prior year reflecting the repayment of private placement debt and the strengthening of sterling against the euro and US dollar. Interest was covered 16.1 times by Group adjusted operating profit before depreciation and amortisation of intangible assets (2021: 13.2 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 13.7% to £535.4 million.

Net Exceptional Charge and Amortisation of Intangible Assets

The Group incurred a net exceptional charge after tax and non-controlling interests of £43.8 million (2021: net exceptional charge of £35.0 million) as follows:

	£'m
Adjustments to contingent acquisition consideration	(19.9)
Restructuring and integration costs and other	(16.7)
Acquisition and related costs	(9.9)
IAS 39 mark-to-market gain	1.2
	(45.3)
Tax attaching to exceptional items	1.5
Net exceptional charge	(43.8)

There was a net cash outflow of £29.5 million relating to exceptional items.

Adjustments to contingent acquisition consideration of £19.9 million reflects movements in provisions associated with the expected earn-out or other deferred arrangements that arise through the Group's corporate development activity. The charge in the year primarily reflects increases in contingent consideration payable in respect of acquisitions in DCC Technology where the trading performance of acquisitions in North America has been very strong and ahead of expectations and also in respect of an acquisition in DCC Retail & Oil where performance has also been ahead of expectations.

Restructuring and integration costs and other of £16.7 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. The significant items during the year include costs related to the integration of acquisitions in DCC LPG and DCC Technology. These include the integration of Primagaz in the Netherlands, acquired during the financial year and where integration with DCC's existing operations is continuing in line with expectations. It also includes the integration of Almo and combination with DCC Technology's existing Pro-AV business in North America. It also includes the final stage of the consolidation of the UK infrastructure in DCC Technology and a project underway in France to enhance the efficiency of the LPG operating infrastructure.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £9.9 million.

The level of ineffectiveness calculated under IAS 39 on the hedging instruments related to the Group's US private placement debt is charged or credited as an exceptional item. In the year ended 31 March 2022, this amounted to an exceptional non-cash gain of £1.2 million. The cumulative net exceptional credit taken in respect IAS 39 ineffectiveness is £0.5 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 £84.4 million from £66.9 million in the prior year reflecting acquisitions completed during the second half of the prior year and in the current year.

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Table 3: Performance Metrics

	2022	2021
Growth:		
Adjusted operating profit growth (%)	**+11.1%**	+7.3%
Adjusted operating profit growth (constant currency) (%)	**+15.1%**	+6.6%
Volume growth DCC LPG (%)	**+15.8%**	+3.8%
Volume growth DCC Retail & Oil (%)	**+14.0%**	-12.3%
Revenue growth – excluding DCC LPG and DCC Retail & Oil (%)	**+5.3%**	+14.4%
Adjusted operating profit margin – excluding DCC LPG and DCC Retail & Oil (%)	**3.4%**	3.0%
Adjusted earnings per share growth (%)	**+11.2%**	+6.6%
Adjusted earnings per share growth (constant currency) (%)	**+15.2%**	+6.0%
Return:		
Return on capital employed – excluding IFRS 16 (%)	**16.5%**	17.1%
Return on capital employed – including IFRS 16 (%)	**15.3%**	15.7%
Operating cash flow (before add-back for depreciation on right-of-use leased assets) (£'m)	**560.6**	842.3
Free cash flow (after IFRS 16) (£'m)	**382.6**	687.8
Conversion of adjusted operating profits to free cash flow (%)	**65%**	130%
Working capital days (days)	**2.8**	(4.3)
Debtor days (days)	**34.3**	35.7
Financial Strength/Liquidity/Financial Capacity for Development:		
EBITDA: net interest (times)	**16.1x**	13.2x
Cash balances (net of overdrafts and short-term debt) (£'m)	**1,326.6**	1,716.9
Net (debt)/cash – excluding lease creditors (£'m)	**(419.9)**	165.0
Net debt – including lease creditors (£'m)	**(756.6)**	(150.2)
Net debt (excluding lease creditors) as a % of total equity (%)	**14.1%**	n/a
Net debt: EBITDA (times)	**0.6x**	n/a

Profit before Tax
Profit before tax increased by 11.1% to £405.7 million.

Taxation
The effective tax rate for the Group increased to 18.3% (2021: 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. The increase in the year was driven by the expansion of the Group in recent years into certain higher tax geographies and the increasing corporate tax rate environment generally.

Adjusted Earnings per Share
Adjusted earnings per share increased by 11.2% (15.2% on a constant currency basis) to 430.1 pence, reflecting the increase in profit before exceptional items and goodwill amortisation.

Dividend
The Board is proposing an 11.2% increase in the final dividend to 119.93 pence per share, which, when added to the interim dividend of 55.85 pence per share, gives a total dividend for the year of 175.78 pence per share. This represents a 10.0% increase over the total prior year dividend of 159.80 pence per share. The dividend is covered 2.4 times by adjusted earnings per share (2021: 2.4 times). It is proposed to pay the final dividend on 21 July 2022 to shareholders on the register at the close of business on 27 May 2022.

Over its 28 years as a listed company, DCC has an unbroken record of dividend growth at a compound annual rate of 13.7%.

Financial Review continued

Table 4: Summary of Cash Flows
The Group generated operating and free cash flow during the year as set out below:

Year ended 31 March	2022 £'m	2021 £'m
Group operating profit	**589.2**	530.2
(Increase)/decrease in working capital	**(168.7)**	177.7
Depreciation (excluding right-of-use leased assets) and other	**140.1**	134.4
Operating cash flow (pre add-back for depreciation on ROU leased assets)	**560.6**	842.3
Capital expenditure (net)	**(170.8)**	(146.9)
	389.8	695.4
Depreciation on right-of-use leased assets	**67.8**	61.4
Repayment of lease creditors	**(75.0)**	(69.0)
Free cash flow	**382.6**	687.8
Interest and tax paid	**(114.2)**	(108.9)
Free cash flow (after interest and tax payments)	**268.4**	578.9
Acquisitions	**(720.1)**	(272.6)
Dividends	**(167.5)**	(148.3)
Exceptional items/disposals	**(29.5)**	(29.4)
Share issues	**0.4**	–
Net (outflow)/inflow	**(648.3)**	128.6
Opening net debt	**(150.2)**	(367.1)
Translation and other	**41.9**	88.3
Closing net debt (including lease creditors)	**(756.6)**	(150.2)
Free cash flow conversion	**65%**	130%
Analysis of closing net debt (including lease creditors):		
Net (debt)/cash at 31 March (excluding lease creditors)	**(419.9)**	165.0
Lease creditors at 31 March	**(336.7)**	(315.2)
Closing net debt (including lease creditors)	**(756.6)**	(150.2)

Cash Flow

The Group's operating cash flow amounted to £560.6 million, compared to £842.3 million in the prior year.

Working capital increased by £168.7 million which includes the expected reversal of approximately £80 million of one-off timing benefits in the prior year which were highlighted in the Results Announcement in May 2021. A decrease in the utilisation of supply chain financing in DCC Technology accounted for £65 million, with the remaining outflow reflecting net investment in working capital across the Group. The increase in energy prices during the period drove a reduction in working capital in DCC Retail & Oil and an increase in working capital in DCC LPG. The movements reflect the respective underlying negative and positive working capital characteristics of each division. The remaining modest net investment in working capital across the Group reflected increased inventory holdings which ensured customers were serviced as effectively as possible given the volatile supply chain environment.

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. As anticipated, the level of supply chain financing at 31 March 2022 was lower than the prior year at £168.0 million (2021: £232.6 million), with the decrease of £65.0 million reflecting the lower volume throughput in the UK business as a result of product supply disruption and warehouse system upgrades. Supply chain financing had a positive impact on Group working capital days of 2.3 days (31 March 2021: 4.9 days).

Overall working capital days were 2.8 days sales, compared to negative 4.3 days sales in the prior year, primarily reflecting the acquisition activity in the year in DCC Technology, DCC Healthcare and DCC LPG.

As illustrated in the table overleaf, net capital expenditure amounted to £170.9 million for the year (2021: £146.9 million) and was net of disposal proceeds of £23.5 million (2021: £15.9 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 development expenditure on tanks, cylinders and installations, supporting new business, the conversion of oil customers to LPG, and the continued rollout of bioLPG cylinders and 'Click and Collect' services. There was also continued development spend in relation to the Avonmouth LPG storage facility in the UK. In the Retail & Oil division, there was continued investment in new retail sites and site upgrades, including adding further lower emission product capability such at HVO in a number of markets and E85 in France, EV fast charging and related services. 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 capability across DCC Health & Beauty Solutions in both Europe and the US, through the installation of new machines across multiple businesses to facilitate the strong growth in customer demand. The majority of the capital expenditure in DCC Technology related to the new warehouse management system which is now live in the UK, solar panel installation on the roof of the UK national distribution centre, along with

development spend in Ireland to relocate to a new, larger, office and warehouse facility during the period. Net capital expenditure for the Group exceeded the depreciation charge (excluding depreciation on right-of-use leased assets) in the year by £32.9 million.

The Group's free cash flow amounted to £382.6 million versus £687.8 million in the prior year. The cumulative conversion of operating profit into free cash flow across both years was very strong at 96%.

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 £774.2 million. An analysis by division is shown below.

DCC continues to be very active from a development perspective. Since the results announcement for the year ended 31 March 2021 in May 2021, DCC has committed approximately £600 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 Technology

Almo Corporation

DCC Technology completed the acquisition of Almo Corporation ('Almo') on 14 December 2021. The acquisition was based on an initial enterprise value of approximately $610 million (£462 million) on a cash-free, debt-free basis. Almo is one of the largest specialist Pro AV businesses in the United States and is a leading national distributor of consumer appliances, consumer electronics and lifestyle products selling to integrators, resellers, dealers, retailers and e-tailers nationwide.

The business is headquartered in Philadelphia and employs approximately 660 people across the United States. In the financial year ended 30 April 2021, the business recorded revenues of approximately $1.3 billion (£1.0 billion) and had underlying EBITA of approximately $75 million (£57 million).

The transaction represents DCC's largest acquisition to date and is a major step in the continuing expansion of both DCC and DCC Technology in North America. Since entering the market in 2018, DCC Technology has expanded significantly, through strong organic growth and acquisition activity. Together with DCC Technology's existing platform, the acquisition of Almo will create the leading specialist Pro AV business in North America. Further details on the acquisition can be found in DCC's stock exchange announcement of 15 December 2021.

During the year DCC Technology also acquired a small business in the Nordic region which distributes AV and security camera equipment, further enhancing DCC Technology's service offering to its customers in the region.

DCC LPG

Naturgy Ireland

In December 2021, DCC LPG acquired Naturgy's Irish power and gas marketing operations. The business is a service-led supplier of electricity and gas to large B2B energy customers and also provides a range of services including demand side management, lighting as a service, solar PV and PPA management. Founded in 2004, the business has a long track record of sourcing and supplying renewable power to industrial and commercial customers and was the first company in Ireland to supply 100% renewable electricity. The acquisition enhances DCC's presence in the Irish electricity and gas markets and represents an important step in its strategy to expand its energy solutions offering across the island of Ireland.

DCC LPG also completed a number of small bolt-on acquisitions in Colorado and Kentucky, further expanding its presence in the US propane market and also completed a number of modest acquisitions in the German and Austrian markets.

DCC Retail & Oil

DCC Retail & Oil completed a number of bolt-on acquisitions during the year. In September 2021, DCC Retail & Oil acquired a network of 19 retail convenience sites in Luxembourg. The locations, which DCC will operate, have a leading convenience offering utilising the Cactus Shoppi brand. The network contains well-located, urban sites, suitable for investment in EV fast charging infrastructure in the future. In Denmark, the business also recently committed to acquire a stake in a biogas production facility. The transaction will secure the supply of the offtake from the plant and further expand the range of renewable products available to customers in the market. In Britain, DCC Retail & Oil completed a number of complementary bolt-on acquisitions including a HGV service business, offering multiple services to hauliers including secure parking, fuel provision, truck washing facilities and accommodation.

DCC Retail & Oil also completed a small bolt-on acquisition in the bulk fuels and lubricants market in Norway.

DCC Healthcare

Since its initial market entry into Germany through the Wörner acquisition in April 2021, DCC Healthcare has completed a primary care bolt-on acquisition and has also now agreed to acquire another, further developing its presence in a fragmented and growing market.

Total Cash Spend on Acquisitions

The total cash spend on acquisitions completed in the year was £720.1 million. The spend primarily reflects acquisitions committed and completed during the current year, but also includes the acquisition of Wörner in DCC Healthcare, Primagaz and Solewa in DCC LPG, Jones Ireland in DCC Retail & Oil and Azenn in DCC Technology which were announced in the prior year Results Announcement in May 2021. Payment of deferred and contingent acquisition consideration previously provided amounted to £52.0 million.

	Acquisitions £'m	Capex £'m	Total £'m
DCC LPG	39.1	91.9	131.0
DCC Retail & Oil	53.9	43.9	97.8
DCC Healthcare	10.1	24.3	34.4
DCC Technology	500.3	10.8	511.1
Total	**603.4**	**170.9**	**774.3**

Financial Review continued

Impact of Climate-Related Issues on Investments

DCC has a clear process and set of priorities for the deployment of capital, both for organic growth and acquisitions, which take account of the impact of climate-related risks and opportunities.

As a Group, our key priorities when making capital deployment decisions are:

- Scaling our DCC Health & Beauty platform in high-growth markets and building DCC Vital into a European leader;
- Scaling the specialist capability of DCC Technology;
- Energy transition capability to accelerate decarbonisation for customers; and
- Consolidating customer bases in North American and European energy markets.

The Group communicated these priorities publicly in December 2021. They reflect our general preference for investments in areas that provide a long-term and sustainable growth opportunity and align with, or can transition towards, DCC's commitment to be net zero across Scopes 1, 2 and 3 by 2050 or sooner.

The updated energy strategy that we have set out in this year's Report on pages 22 to 27 explains the principal transition paths of our customers that we see and intend to follow. That strategy provides a more detailed framework for the allocation of capital within the Energy division.

The Group-wide capital deployment priorities and the Energy division's strategy are reflected in individual capital investment decisions taken over the course of the year.

The Group intends to further develop its processes for the assessment of climate-related risks in individual investment proposals in the future, to take account of, for instance, the risk of more frequent extreme weather events over the longer term.

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:

	2022 excl. IFRS 16	2021 excl. IFRS 16	**2022 incl. IFRS 16**	2021 incl. IFRS 16
DCC LPG	**15.8%**	17.4%	**15.1%**	16.6%
DCC Retail & Oil	**24.8%**	19.2%	**21.0%**	16.9%
DCC Healthcare	**20.5%**	18.7%	**19.2%**	17.0%
DCC Technology	**9.1%***	12.3%	**8.5%**	11.0%
Group	**16.5%**	17.1%	**15.3%**	15.7%

* The ROCE in DCC Technology reflects the acquisition impact of Almo occurring later in the financial year. On a pro-forma basis the ROCE in DCC Technology excluding IFRS 16 was 10.7%.

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 modest decrease in return on capital employed versus the prior year reflects the substantial acquisition spend during the year of £720 million and the timing of the acquisition of Almo, the Group's largest acquisition to date, which occurred later in the year and seasonally had a dilutive impact. It also reflects recent investment in development capital expenditure and working capital which will deliver good organic growth for the Group in the future.

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 is enabling the Group to evolve its approach somewhat, 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 2022, the Group had net debt (including lease creditors) of £756.6 million, net debt (excluding lease creditors) of £419.9 million, cash resources (net of overdrafts) of £1.3 billion and total equity of £3.0 billion.

In March 2022, DCC entered into a new Sustainability-linked Revolving Credit Facility with its banking group of 10 leading international banks. The facility, at £800 million, is significantly larger than the Group's previous facility of £400 million and is committed for five years. The facility is the Group's first sustainability-linked funding arrangement and contains a number of sustainability metrics and targets, demonstrating DCC's commitment to excellence in its approach to Sustainability and ESG generally. The increased scale of the facility will also enable the Group to continue to evolve its funding options into the future.

Substantially all of the Group's term debt has been raised in the US private placement market and has an average maturity of 4.7 years.

Key financial ratios	**2022 Actual**	**Lender covenants**	2021 Actual
Net debt:EBITDA (times)	**0.6x**	**3.5x**	n/a
EBITDA:net interest (times)	**16.1x**	**3.0x**	13.2x
Total equity (£'m)	**2,970.6**	**425.0**	2,705.6

Kevin Lucey
Chief Financial Officer
16 May 2022

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 2022. 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 75% (2021: 65%) of the Group's adjusted operating profit for the year ended 31 March 2022 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 strengthening of the average translation rate of sterling against most currencies, in particular the euro and the US dollar, resulted in a negative impact of approximately £20.9 million on the Group's adjusted operating profit in the year ended 31 March 2022.

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 gain of £26.5 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2022 as set out in the Group Statement of Comprehensive Income mainly reflects the weakening in the value of sterling against the US dollar, with the impact of movements against other currencies largely offsetting against each other.

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 2022, 69% of the Group's term debt, including drawn committed credit lines, was at or 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 activities in the energy sector, 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, 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.

DCC does 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.

Across its energy activities, DCC enters into commodity hedges to fix a portion of own fuel costs.

The net debt balance at 31 March 2022 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

PROGRESS

Continued expansion of lower carbon product & service offerings and consolidation of fragmented markets

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 continues to develop a broader customer offering through the supply of natural gas, power and renewable products, including solar installations, plus a range of specialty gases such as refrigerants and medical gases.



Performance for the Year Ended 31 March 2022

DCC LPG performed strongly during the year with operating profit increasing by 2.8% (6.7% on a constant currency basis) to £237.7 million. The profit growth was achieved despite the backdrop of both very substantial increases and volatility in the wholesale cost of product, with average product cost almost doubling during the year. Notwithstanding this backdrop, DCC LPG delivered modest organic profit growth and also benefited from bolt-on acquisitions completed in the current and prior year.

Volumes increased by 15.8% driven by the reopening of economies and acquisition activity in the US and Ireland. Organic volumes increased by 6.8% due to the strong recovery in commercial and industrial demand. As expected, operating profit per tonne was lower due to the mix impact of the significant increase in lower margin commercial and industrial customer demand and the impact of the lower margin UPG and Naturgy acquisitions.

The French business performed well, benefiting from continued good domestic demand and growth in the cylinder sector, where it has increased its market share over the last two years. The recent acquisitions and expansion of the business into the solar sector has been successful and performed ahead of expectations, driven by strong demand for the design, build and maintenance solution offering. In B2B gas and power, the business continued to expand its customer base and range of energy solutions, although the higher wholesale cost of energy and associated volatility was a headwind throughout the year. The business continues to broaden the energy transition solutions it offers to customers in France and, amongst other initiatives, has launched an innovative service that provides energy efficiency and management, renewable power and EV charging capability to large offices and shopping centres. The business also delivered strong growth in its' other European markets of Scandinavia, Germany and Benelux, benefiting from good organic growth and the acquisition of Primagaz in the Netherlands earlier in the year.

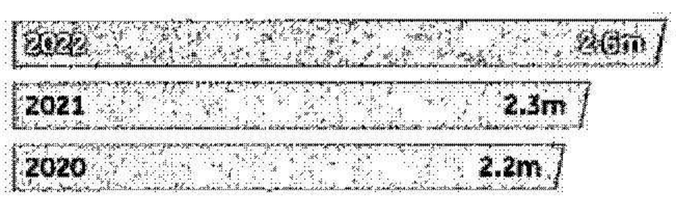
In Britain and Ireland, the business experienced a strong recovery in commercial volumes. It also grew its market share through oil to LPG conversions that lower customer carbon emissions by approximately 20%. In Ireland, the off-grid LPG business performed well, although similar to the experience in France, the on-grid gas and power business faced significant volatility and increased wholesale cost of product for natural gas and electricity. In December 2021, DCC acquired Naturgy's power and gas marketing operations in Ireland. The acquisition adds innovative energy transition expertise in biomethane, direct renewable electricity power purchase agreements and solar solutions, and has performed in line with expectations since acquisition.

The US business delivered strong volume and operating profit growth during the year, driven by the full year contribution from the prior year acquisitions of NES (September 2020) and UPG (January 2021) as well as three smaller bolt-on acquisitions completed in recent months in Kentucky and Colorado. The US business now operates across 22 states serving 310,000 customers. In Hong Kong & Macau, the business performed well during a difficult year for the region and continued to grow its customer base, adding several new large residential estates.

Volume (tonnes) +15.8%

Strategic objective:
Drive increase in sales volumes

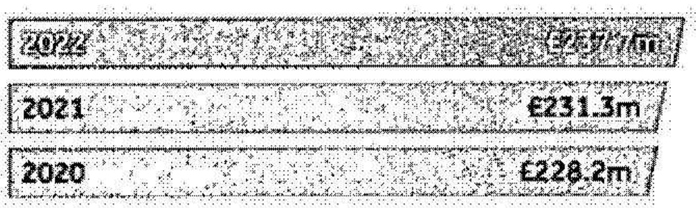
2.6m



Adjusted operating profit +2.8%

Strategic objective:
Drive for enhanced operational performance

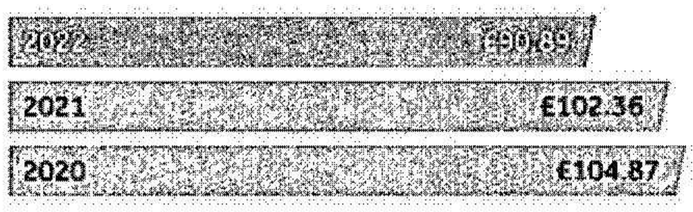
£237.7m



Adjusted operating profit per tonne

Strategic objective:
Grow adjusted operating profit per tonne

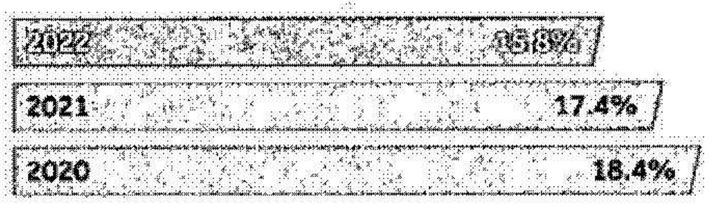
£90.89



Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

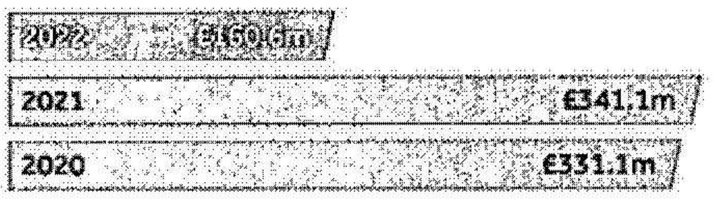
15.8%



Operating cash flow

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

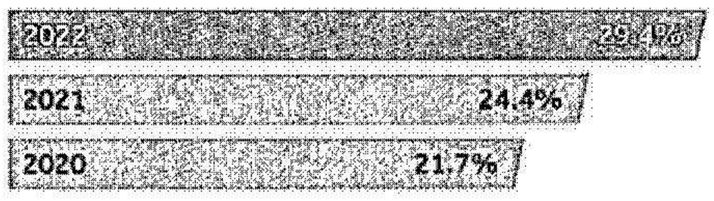
£160.6m



10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

29.4%



Operating Review continued

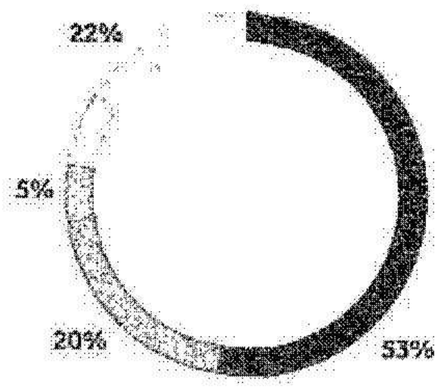
Markets and Market Position

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.

DCC LPG has a leading position in each European market in which it operates, as well as a leading position in Hong Kong and Macau, and has progressed to a number six position in the fragmented US market.

LPG volumes by geography



- Continental Europe
- Britain
- Ireland
- Rest of world

Natural Gas and Electricity

DCC LPG supplies natural gas and electricity to industrial, commercial, agricultural and domestic customers in France and Ireland, and represents 35% of equivalent total volumes.

Speciality Gases

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

France

Butagaz is the second largest LPG distribution business in France where the market size is approximately 1.7 million tonnes. Butagaz has a market share of approximately 21% and operates from 50 depots nationally, distributing to 150,000 bulk customers, 16,000 points of sale (cylinder resellers) and 9,000 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.

Butagaz is pursuing a multi-energy and multi-services strategy as evidenced through the recent acquisitions of Soltéa 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 9.2 TwH of natural gas and power to c.33,000 B2B sites across France. A key aim of the company is to improve energy efficiency for its customers by providing a range of innovative services. During the year, Gaz Européen successfully launched Ekivolt, a new innovative partnership delivering distributed electricity supply management services to commercial properties and their tenants. This provides balanced individual billing in compliance with French energy regulations.

Britain

Flogas Britain is the clear number two LPG distributor in Britain with a market share of c.33% of the addressable market of at least 1 million tonnes, served through a nationwide infrastructure of 60 operating locations. Flogas Britain has successfully grown the LPG market by switching oil consumers in several industrial sectors to LPG, and by supplying LPG to support the generation of biomethane, 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 322,000 tonnes of LPG to over 310,000 customers with a presence in 22 states. The business is now the number six LPG business in the US by volume following the successful integration of the UPG business acquired in December 2020 and is actively looking to extend its footprint further in what is still a relatively unconsolidated market. DCC Propane completed several bolt-on acquisitions during the year.

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 over 800 company-owned LPG delivery vehicles operating from 141 customer service locations.

Ireland

Flogas Ireland is the number two LPG supplier on the island of Ireland, with a 44% 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 in FY21, Flogas recently completed the acquisition of Naturgy's Irish business (now 'Flogas Enterprise'), which is a market leading supplier of renewable electricity, natural gas, biogas and energy services to large energy users in Ireland and Northern Ireland. Today, Flogas Ireland has a platform for a carbon neutral dual fuel offering to residential, SME and large commercial customer segments throughout Ireland. In the year to 31 March 2022, the business supplied 3.1 TWh of natural gas and electricity to approximately 160,000 customers across Ireland.

"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."



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 and service offering. The business has a customer footprint of over 110,000 households based in very large residential complexes. DSG Energy has a number one position in the cylinder market and supplies 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 on Tsing Yi Island located next to DSG's filling and storage facility and distributes c.50,000 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 six operating sites based largely in southern Germany, delivering c.50,000 tonnes of LPG and c.2,500 tonnes of refrigerants annually. TEGA completed a number of small LPG bolt-on acquisitions during the year, and continues to review opportunities in the fragmented German market. The refrigerants business supplies OEMs, wholesalers and service contractors related to air-conditioning, commercial cooling systems and refrigerators, whereas the LPG business services c.30,000 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 48% and 55% market shares in Sweden and Norway respectively. The addressable market is estimated to be approximately 310,000 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 44% of the addressable market of approximately 270,000 tonnes. Operating from five depots 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. The acquisition of SHV's LPG business in the Netherlands, Primagaz B.V., was completed in July 2021 with the combined business securing a market leading position.

Operating Review continued

Strategy and Development

From 1 April 2022, DCC LPG will form part of DCC Energy. DCC Energy's strategy is outlined in the Energy Strategy section on page 22.

DCC LPG's strategy during the year was to:

- Demonstrate the benefits of LPG as a cleaner, more 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, including natural gas, electricity and solar installations;
- 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.

Our strategy as part of DCC Energy is to accelerate the net zero journey of our customer by leading the sales, marketing and distribution of low carbon energy solutions. 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 also be extending our distribution of speciality products such as refrigerants via our current networks.

Expansion will continue through acquisition and consolidation in fragmented markets, as evidenced by the completed acquisition of SHV's LPG business in the Netherlands and US bolt-on acquisitions completed during the year. We will also continue to expand our adjacency offerings as part of our energy transition strategy. This has been demonstrated recently by the acquisition of Naturgy's Ireland business, now Flogas Enterprise, which is a market leading supplier of renewable electricity, natural gas, biogas and energy services to large energy users in Ireland and Northern Ireland. In addition, our solar acquisitions in France provide opportunities for growth in this renewable energy segment.

We will also look to further expand into adjacencies such as natural gas and power to add to our operations in France and Ireland, and refrigerants, which are now offered to our Butagaz and Benegas customers as we leverage the expertise in TEGA, and solar in France and other markets.

Further information on the Group's energy strategy is included on pages 22 to 27 and our website www.dcc.ie includes a recording of our Capital Markets Event on 17 May 2022 which provided an update on our energy strategy.

How we create value for our stakeholders

- Identify alternative lower carbon solutions including oil2gas and green/renewable energy products to fulfil the energy transition requirements of our residential and commercial customers.
- Provide ancillary product and service offerings, including natural gas, electricity and solar installations.
- Invest in enhanced digital solutions to continuously improve the customer interface and deliver supply chain efficiencies.
- Drive efficiencies and growth through consolidating fragmented markets with bolt-on acquisitions and expanding geographical footprint.
- Delivered by passionate, engaged, and diverse teams.
- Committed to sustainable goals around safety, the environment and compliance.



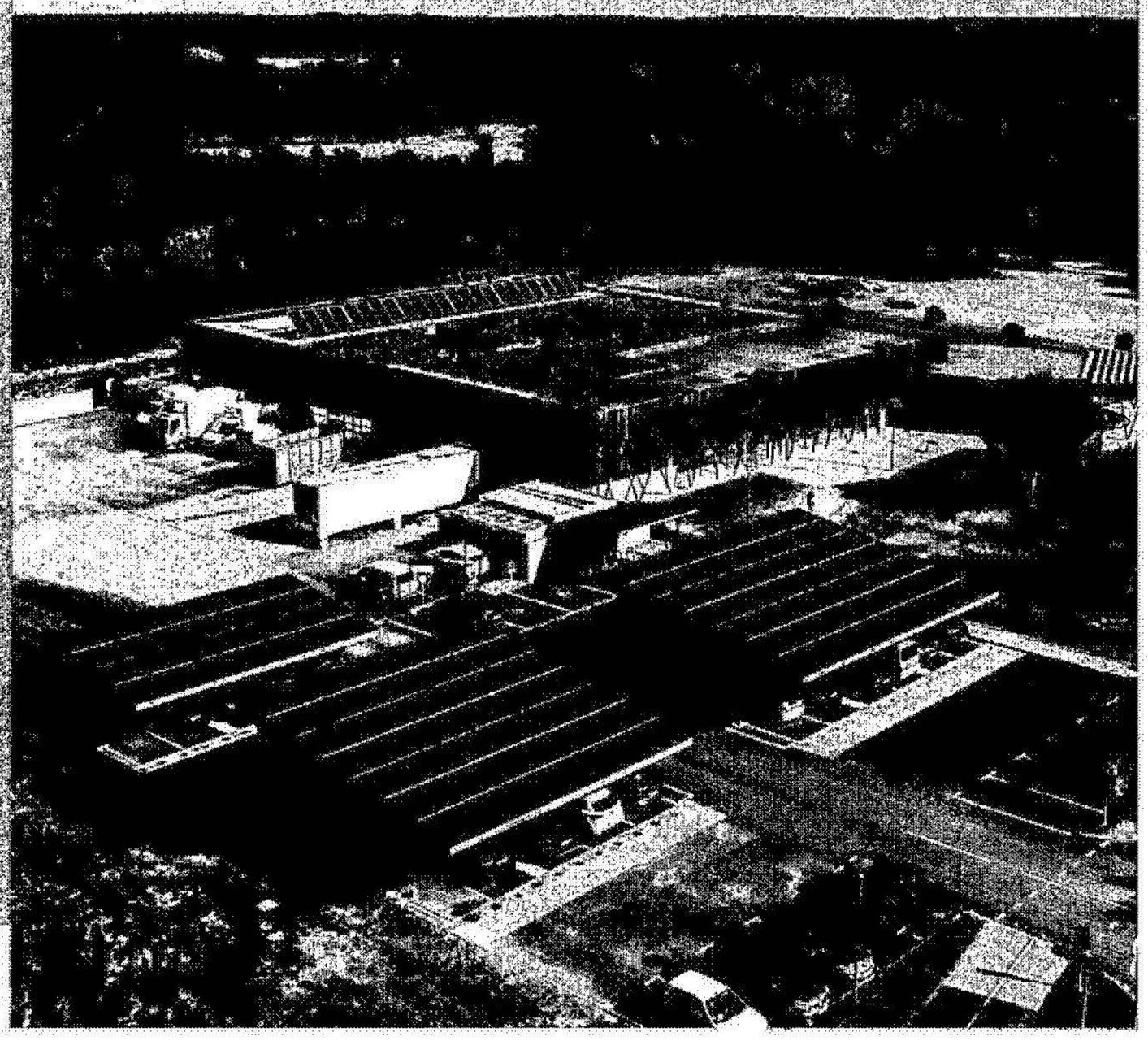
"Our strategy is to lead the energy transition, bringing decarbonisation closer for our customers through domestic and commercial energy solutions."

Case study

Affordable green power for businesses

DCC LPG recently completed the acquisitions of Solewa and Soltec, two French regional businesses focused on the installation and maintenance of rooftop solar photovoltaic systems for commercial and industrial customers. These two subsidiaries employ more than 100 staff and have a 15 year track record of delivering high quality products and services.

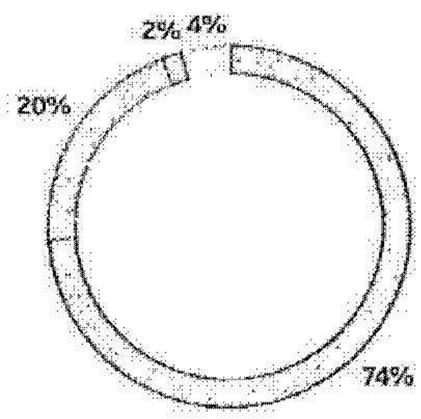
Strong Government policies intended to tackle climate change and growing interest from businesses concerned with rising energy prices is driving demand for alternative energy solutions. The two businesses are ideally positioned to benefit from this demand. Average power capacity per project has grown from 90 kW to 150 kW and there is also fast growth in the customer order book.



Customers

DCC LPG has a very broad customer base, selling directly to approximately 1 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



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, Phillips66, 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.

Segmental reporting

From 1 April 2022, the Group will organise and report all of its energy activities (previously DCC LPG and DCC Retail & Oil) as one reportable segment, DCC Energy. Further information on DCC Energy and its strategy is set out in the Energy Strategy section on page 22.

Key Brands

Benegas*, Butagaz*, Flogas*, Gaz de Paris*, ITEGA*, Nidogas*, Propane Central*, Pacer Propane*, Pacific Coast Energy*, Stayeway Petroleum*, Notheast Oil*, United Propane Gas* and Shell*.

* DCC-owned brands

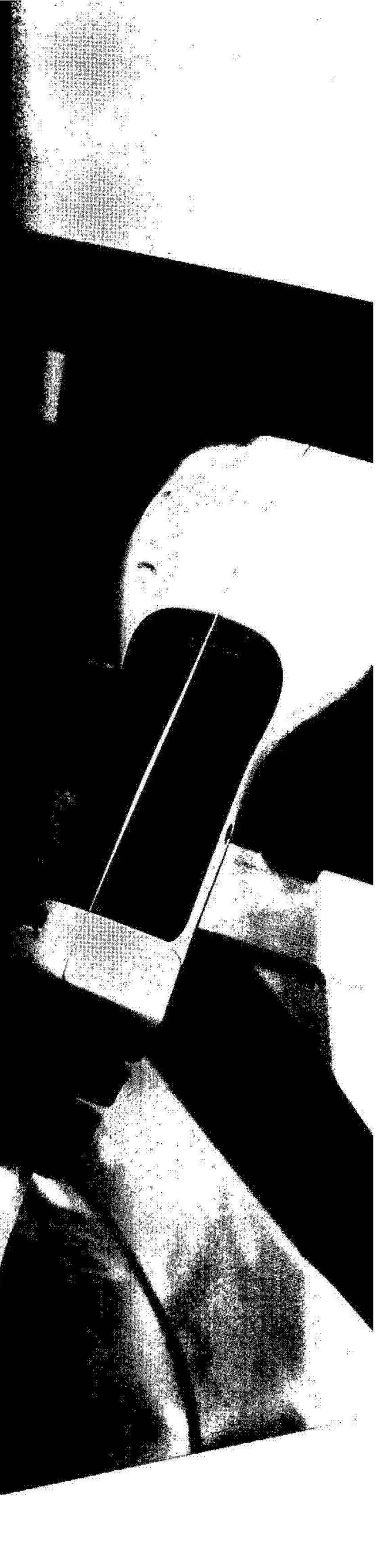
** Operated under a long-term brand licence agreement

Operating Review

DCC RETAIL & OIL

EVOLVING

Working with our customers and suppliers to lead in the marketing and distribution of lower emission energy



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 businesses across Europe, and has a key focus on being a market leader in providing sustainable energy solutions to consumers.

Performance for the Year Ended 31 March 2022

DCC Retail & Oil delivered excellent growth, with operating profit increasing to £169.4 million, 17.0% ahead of prior year (20.1% on a constant currency basis). The vast majority of the growth was organic, reflecting strong volume growth and an excellent operational and cost performance. In addition, the business continues to deliver significant growth in non-fuel profits, particularly in lubricants and HGV and fleet services.

DCC Retail & Oil sold 11.6 billion litres of product, an increase of 14.0% on the prior year. The significant volume increase was driven by a strong recovery in commercial, retail and fuel card volumes, which had been adversely impacted by Covid-19 restrictions in the prior year. The business experienced particularly strong demand in Scandinavia, France and Britain.

The business in Britain and Ireland recorded very strong organic operating profit growth, in part due to the recovery in commercial activity, which drove fuel and fuel card usage. In Britain, the business also delivered good growth in its company owned retail network, with non-fuel sales performing strongly. The business delivered good growth across lubricants, truck stop, roadside services and heating services, with the growth in the increased range of customer solutions continuing to broaden the activities of the British business. Recently, the business acquired a new HGV bunker site in the Port of Felixstowe, further strengthening its network of HGV service coverage to 26 strategically located facilities across Britain. The business in Ireland delivered very strong organic growth, benefiting from the integration of the two recent bolt-on acquisitions and from strong demand from the power generation sector.

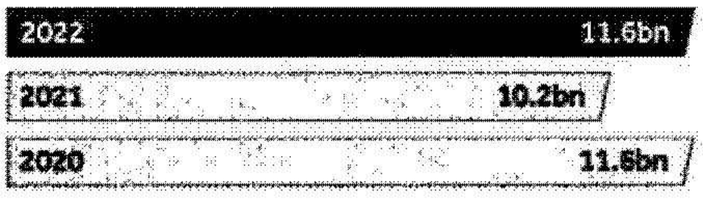
The Scandinavian business performed robustly following an excellent performance in the prior year. The business in Denmark performed particularly well and generated strong growth across the retail, agricultural and commercial sectors. In Scandinavia, the business continued to deploy capital into lower emissions fuels and EV charging infrastructure, including winning a significant tender for a transport mobility hub in Norway. In Denmark, the business has partnered with Shell Re-Charge to provide customers with EV charging solutions in the home, office, forecourts and public spaces.

In France, the business recorded very strong growth, as restrictions were eased and retail mobility consumers were increasingly active. The business made good progress during the year in further developing its products and solution offerings to mobility customers. The business has partnered with ENGIE to deploy EV chargers on 16 motorway sites. It also rolled out the infrastructure to enable the sale of E85 biofuel (85% ethanol content) across 59 sites on its network. E85 offers a significantly lower carbon alternative product for customers. In September 2021, the business also acquired a synergistic network of 19 convenience-led retail sites in Luxembourg, which are performing in line with expectations. Although modest, the acquisition has added a strong company-operated convenience retailing capability. DCC Retail & Oil has also recently entered into a major lubricants distribution agreement to the auto franchise and independent workshop segments in France, establishing a platform to develop further organic revenue opportunities in the lubricants sector in Europe.

Volume (litres) +14.0%

Strategic objective:
Drive increase in sales volumes

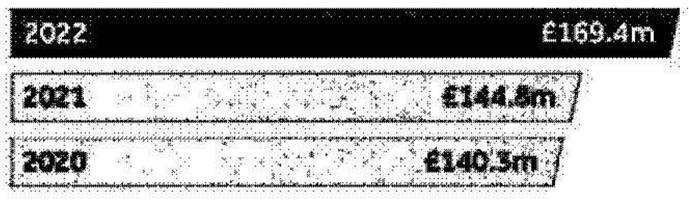
11.6bn



Adjusted operating profit +17.0%

Strategic objective:
Drive for enhanced operational performance

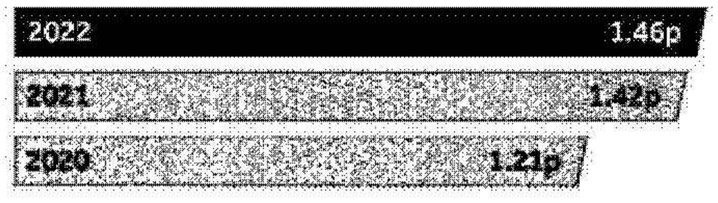
£169.4m



Adjusted operating profit per litre

Strategic objective:
Grow adjusted operating profit per litre

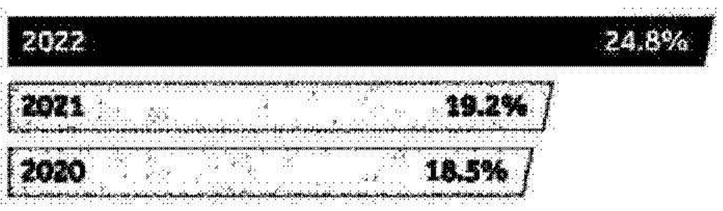
1.46p



Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

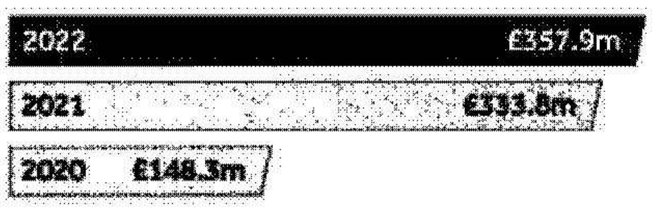
24.8%



Operating cash flow

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

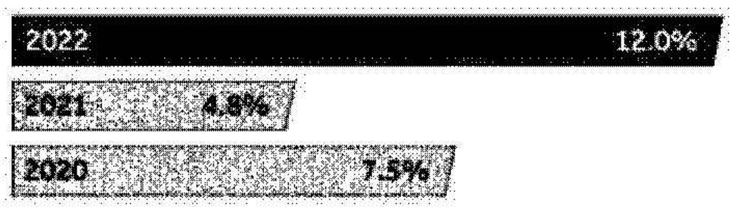
£357.9m



10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

12.0%



Operating Review continued

Markets and Market Position

Retail & Oil is evolving to be a leader in low emission liquid fuels and energy, and related products and services. With operations based in nine countries and a platform to grow the business across Europe, Retail & Oil is a significant consolidator of markets, with over 30 years of industry experience. With scale and access to customers, Retail & Oil is a partner of choice for energy distribution.

DCC Retail & Oil operates 1,173 retail stations, supplies 1,445 dealers and operates extensive fuel cards business for retail and commercial customers in nine European countries. In addition to the extensive retail portfolio, the business has high market share in bulk liquid fuel distribution for transport, heating, industrial and agricultural processes and in domestic heating fuels. The business continues to develop significant positions in adjacencies such as road-side services, electric vehicle fast charging, lubricants and heating services.

Britain

In Britain, DCC Retail & Oil has been a consolidator of the fragmented oil distribution market since 2001 and has grown to become, by far, the largest oil distributor in this market. Our customers are mainly in mobility and heating energy in the commercial, industrial, domestic, agricultural, retail and fuel card sectors. In the year ended 31 March 2022, DCC Retail & Oil's retail and oil distribution business in Britain sold 4.3 billion litres of product, giving it a market share of approximately 15% of the addressable market. In addition to fuels, the business has a significant market presence in lubricants manufacturing, marketing and distribution for a number of leading brands and in AdBlue.

Ireland

Emo is one of the leading oil distributors in Ireland, with a market share of 14%. DCC's addressable oil market in Ireland is estimated to be 6.4 billion litres. Following the acquisition of Campus in the prior year, Emo further grew its business in Ireland by acquiring Jones Oil, increasing its commercial and domestic customer base. With the successful roll-out of 22 Certa-branded forecourts in partnership with Tesco in 2020, Emo has become the leading unmanned forecourt operator in Ireland with 41 unmanned sites all re-branded to Certa.

France

The Esso Retail France business comprises an extensive network of 276 Esso-branded, unmanned retail petrol stations (64 of which include car washes), 43 Esso motorway stations and a further 126 Esso-branded dealer-owned stations. The business sold approximately 1.6 billion litres of fuel to consumers across France in the year. During the year, the business established a partnership with ENGIE to roll out electrical chargers on 16 strategically located motorway sites in France, continuing our commitment to invest in lower emission energy. 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.

Esso Retail France's market share in terms of volumes is approximately 4% in a market where hypermarkets have 60% market share; however, it is the market leader in France in terms of unmanned petrol stations.

Luxembourg

During the year, DCC acquired a network of 19 petrol stations in Luxembourg. The business consists of 11 company-owned, company-operated ('COCO') sites, three company-owned, dealer-operated ('CODO') sites and five dealer-owned, dealer-operated ('DODO') sites, primarily operating under the Gulf brand. The COCO shops all operate Shoppi branded convenience stores. Shoppi is part of the Cactus Group, the largest grocery retailer in Europe. The sites are mainly in urban locations with a number being identified as suitable for an EV charging offering, leveraging our experience in Norway and France.

The business operates from its office in Marnach, Luxembourg, with pricing, supply and back office support provided by the retail hub based in Drogheda, north of Dublin, Ireland.

Denmark

DCC Energi Denmark has a market share of 16%, making it the number two liquid fuels distributor. DCC Energi Denmark, in partnership with Shell, is also the second largest operator in the Danish aviation market, operating in seven of the eight largest Danish airports. The retail operation is the fifth largest player in the Danish retail petrol station market with a market share of approximately 11%. The business is deploying capital into a significant roll-out of electric vehicle chargers in partnership with Shell, and can offer e-mobility solutions from home, office, forecourt and public spaces.

Sweden

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. QStar Energi is a leading distributor of HVO with approximately 26% market share in Sweden. 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.

Norway

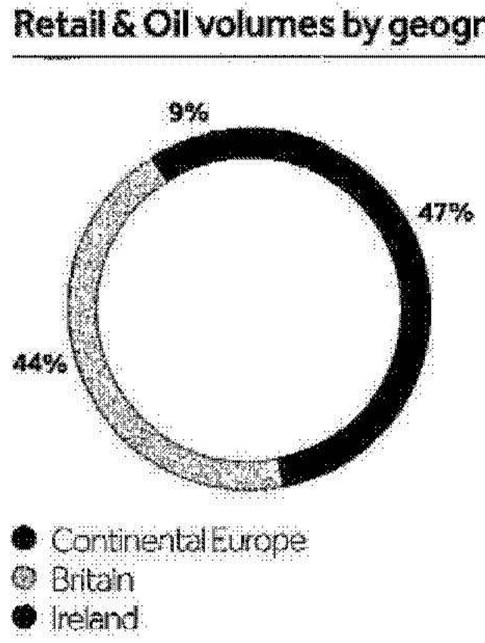
Activities in Norway include a well located Esso branded retail network and an Esso branded bulk distribution business. The Esso retail network in Norway comprises 119 company-operated stations with convenience stores operated in partnership with Norgesgruppen, the largest grocery retailer and wholesaler in Norway, a growing unmanned network of 51 stations and 78 Esso-branded dealer-owned stations. DCC Retail & Oil has a market share of approximately 18%, based on retail volume. In addition, the business has been successfully deploying electric vehicle charging stations, with 80 chargers currently operating across 19 sites with a strong pipeline of additional locations.

The business operates from its office in Sandvika in Norway, with pricing, supply and back office support provided by the retail hub based in Drogheda, north of Dublin, Ireland.

Austria and Germany

The Austrian and German activities managed by Energi Direct and are in bulk distribution and retail, with its own company-owned and operated portfolio with a strong convenience offer on a modest number of sites under the Spritkonig brand. Energie Direct is number two in this market, with a share of 16% of the addressable market. Energie Direct also includes Bronberger & Kessler, a distribution business in Bavaria, Germany.

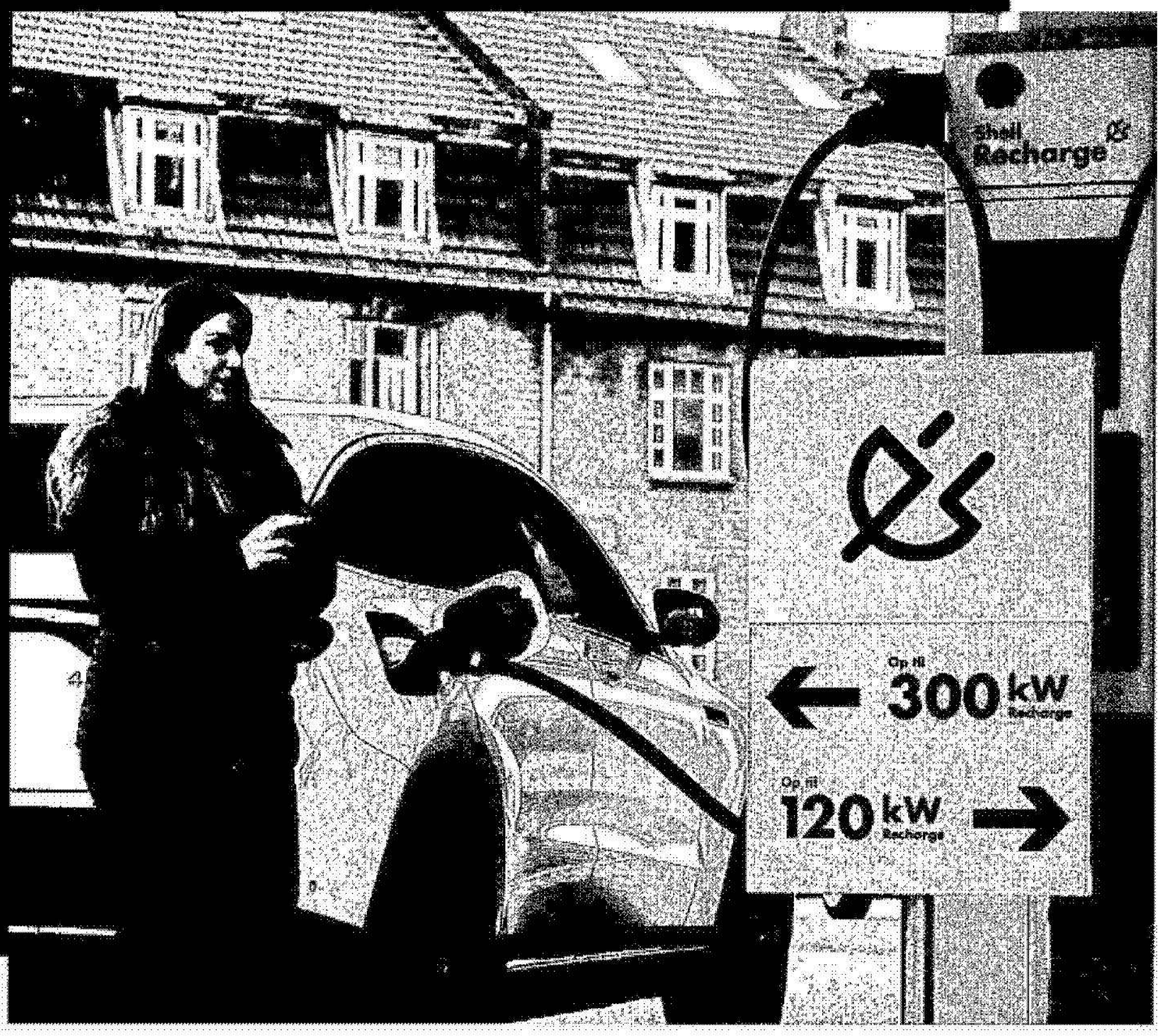
Retail & Oil volumes by geography



Case study

DCC Retail & Oil partners with Shell to offer e-mobility solutions in Denmark

In January 2022 DCC Retail & Oil Denmark entered a partnership with Shell for a solution for e-Mobility under the Shell Recharge brand. It is the first time Shell have licensed the Shell Recharge brand for a solution including both public, workplace and home charging as well as a roaming solution. Since 2016 DCC has been the licensee for the network of 242 Shell branded petrol stations in Denmark. DCC's ability to foster strong relationships with third party brands and our proximity to our customers was a key reason Shell chose DCC as the partner for e-Mobility in Denmark.



Strategy and Development

From 1 April 2022, DCC Retail & Oil will form part of DCC Energy. DCC Energy's strategy is outlined in the Energy Strategy section on page 22.

DCC Retail & Oil's strategy during the year was to be a leader in the supply of low-emission liquid fuels and energy and related products and services to consumers and businesses, and to be market leading in providing sustainable energy solutions to consumers.

The division aimed to achieve this by:

- Building impactful connections – as a distributor we are at the heart of the supply chain connecting the producers of products with consumers. We are a trusted provider building long-term and deeply embedded partnerships with our customers and our suppliers;
- Creating sustainable growth and superior value over the long-term;
- Applying a consistent strategic objective to build a growing, sustainable and cash-generative business which consistently provides returns on capital employed significantly ahead of our cost of capital.

The strategy is to grow in existing markets and expand into new geographies in Western Europe and lead our customers through the energy transition. This growth will be achieved via:

- Continuing to consolidate existing markets, driving greater customer density and logistics efficiencies;
- Leveraging relationships with suppliers and other asset owners to expand geographic reach initially in Europe;
- Investing in a portfolio of energy, including differentiated and lower emission liquid fuels and EV charging, and related products and services, such as lubricants, fuel cards and road-side services.

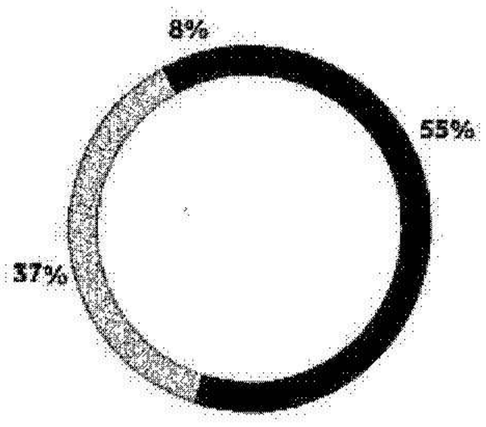
Our actions are clear and purposeful in the energy transition:

- Continuous customer focus: we leverage our long-term customer relationships and understanding of discrete energy markets to target our energy offerings;
- Multi-energy solutions: we deliver real, practicable decarbonising solutions. We help educate customers on their transition pathways;
- Key partnerships: as a distributor, we are the orchestrator of the customer solution working with a range of partners with distinct capabilities;
- Market agility: there is no one-size fits all transition. Our devolved operations ensure tailored solutions for local markets;
- Significant opportunity: new, high growth energies as the world transitions to net zero; and
- Remaining disciplined: Retail & Oil has an experienced management team focused on achievable decarbonisation.

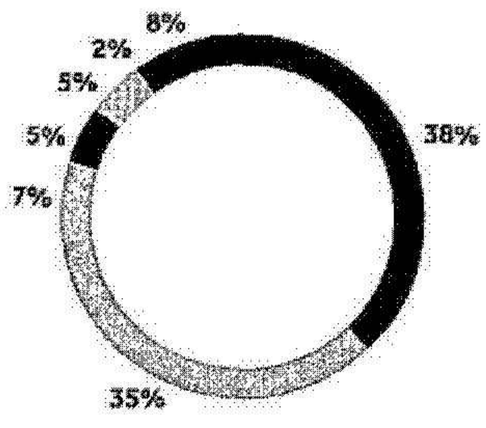
Further information on the Group's energy strategy is included on pages 22 to 27 and our website www.dcc.ie includes a recording of our Capital Markets Event on 17 May 2022 which provided an update on our energy strategy.

Operating Review continued

Retail & Oil total volumes by business type



Retail & Oil total volumes by customer segment



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. DCC Retail & Oil has no material customer dependencies.

Suppliers

As with its customer base, DCC Retail & Oil's supplier portfolio is broadly based. The top five suppliers represent approximately 54% of total volumes supplied, with no one individual supplier accounting for more than 21% of volumes supplied in the current year. The major suppliers to the division are BP Crossbridge, Equinor, Essar, Esso, Ineos, Greenergy, Mabanaft, Neste, OMV, Phillips66, 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.

Segmental reporting

From 1 April 2022, the Group will organise and report all of its energy activities (previously DCC LPG and DCC Retail & Oil) as one reportable segment, DCC Energy. Further information on DCC Energy and its strategy set out in the Energy Strategy section on page 22.

How we create value for our stakeholders

- Strong health and safety ethos, delivering potentially hazardous products safely and reliably.
- Passionate, experienced and committed team of people.
- We are customer focused.
- We believe in providing a high quality of service at competitive prices.
- With our market position, our scale and experience provides security of supply and ability to tailor contracts to customers' requirements.
- Focusing on environmental sustainability by working with customers, suppliers and other partners to reduce emissions.
- Driving returns on capital employed.
- We believe great performance comes from preparation, focus on the detail, relentless determination, a sense of urgency and a genuine hunger for success.

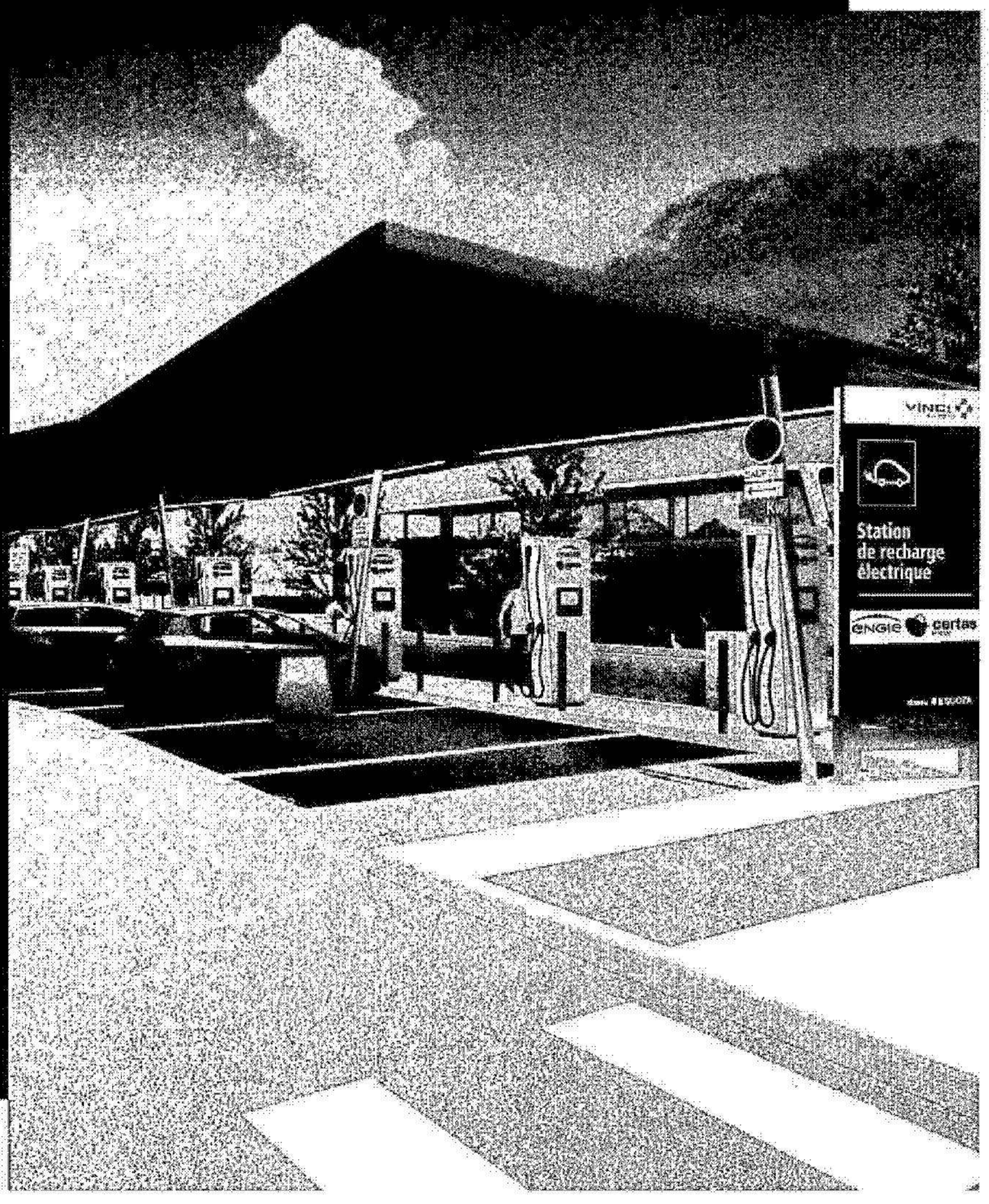


"The strategy is to grow in existing markets and expand into new geographies in Western Europe and lead our customers through the energy transition."

Case study

Certas Energy France and ENGIE Solutions accelerate electric charging on the French motorway network

Certas Energy France and ENGIE Solutions have established an investment partnership to jointly build and operate a network of electric vehicle superchargers at Certas motorway service stations (operated under the Esso brand) in France. The company, controlled by Certas France, will make an initial investment of around €10 million for a first phase of deployment of the network of electric vehicle charging stations. Benefiting from both Certas Energy France and ENGIE Solutions' expertise in the deployment and operation of decentralised energy infrastructure, the company will deploy up to 71 super-chargers on 16 motorway service stations operated by Certas across all three major motorway networks in France. For Certas Energy France, this is the most important initiative to date, to provide greener mobility solutions to its customers and builds on the roll-out of lower emissions fuels including E85 that is now available on 59 of our company-owned sites in France.



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*.

Bulk/B2B Brands
Brogan*, Bronberger & Kessler*, Butler Fuels*, Carlton Fuels*, Certas*, DCC Energi*, Emo Oil*, Campus*, Energie Direct*, Gulf, Jones*, QStar*, Scottish Fuels*, Shell, Swea*, Texaco, Top Oil* (in Austria).

* DCC-owned brands.

Operating Review

DCC HEALTHCARE

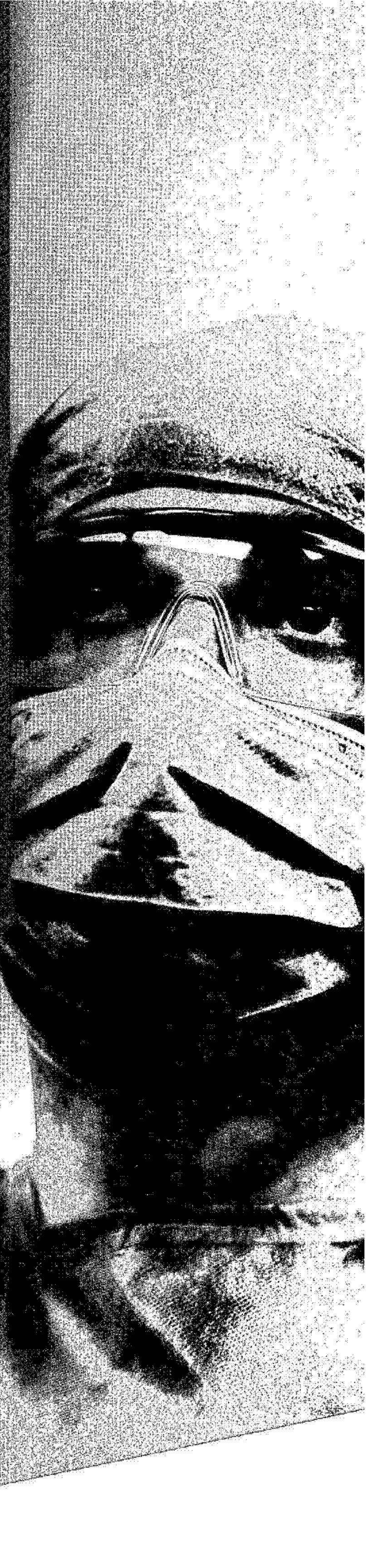
LEADING

Increased capacity, increased capability, and ready for the next phase

What we do

DCC Healthcare is a leading healthcare business, partnering with consumer brands to create and manufacture high quality health and beauty products, and supplying primary and secondary care providers with essential products and services to care for patients.

Read more about DCC Healthcare at dcc.ie



Performance for the Year Ended 31 March 2022

DCC Healthcare delivered an excellent performance, generating operating profit growth of 22.9% (25.5% on a constant currency basis), approximately two-thirds of which was organic. The very strong organic performance was driven by DCC Vital, which generated excellent organic profit growth across Britain, Ireland and the DACH region. DCC Health & Beauty Solutions performed well against a challenging operational backdrop. The strong result also benefited from the first-time contribution of Wörner, acquired in April 2021, which traded ahead of expectations.

DCC Vital, which is focused on the sales and marketing of medical products to healthcare providers, generated excellent revenue and operating profit growth. Although the pandemic continued to impact on the level of routine hospital procedures and in-person GP consultations, DCC Vital continued to service the healthcare systems with the supply of pandemic-related products across all its markets. PPE sales were particularly strong in Scotland and Ireland and the business also benefited from the distribution of antigen tests to the nursing home sector in Germany. DCC Vital is very well positioned to benefit when activity levels normalise across the healthcare systems.

DCC Health & Beauty Solutions, which provides outsourced solutions to international nutrition and beauty brand owners performed well in an environment of supply chain and labour availability challenges. Following excellent growth in the prior year, the US businesses were impacted by supply chain and labour availability challenges as the economy re-opened; and by a small number of customers adjusting their demand to reflect market growth rates normalising back towards longer-term growth trends. The European businesses generated very good profit growth, driven by strong growth with nutrition brands in Germany, Scandinavia and Iberia and in premium skincare products for leading international and digital brands.

It was also another year of strategic progress. Reflecting its strong organic and acquisitive growth expectations, DCC Healthcare strengthened its management resources including establishing a new DCC Health & Beauty Solutions divisional team in the US. DCC Health & Beauty Solutions expanded its capacity and capability across its manufacturing facilities, including adding manufacturing capability in nutritional gummies in Britain and commencing a capital investment project at its Florida facility which will add this capability in the US market in 2023. Gummies is the fastest growing product format in the nutritional market. The acquisition of Wörner by DCC Vital, established a new growth platform in Primary Care in Europe. DCC Vital is pursuing an active pipeline of opportunities to further expand its footprint in the Primary Care sector and has already completed or committed to acquire two bolt-on acquisitions in Germany.

Revenue +16.8%

Strategic objective:
Drive for enhanced operational performance

£765.2m

2022 £765.2m
2021 £655.4m
2020 £578.1m

Adjusted operating profit +22.9%

Strategic objective:
Drive for enhanced operational performance

£100.4m

2022 £100.4m
2021 £81.7m
2020 £60.5m

Operating margin

Strategic objective:
Grow operating margin

13.1%

2022 13.1%
2021 12.5%
2020 10.5%

Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

20.5%

2022 20.5%
2021 18.7%
2020 14.7%

Operating cash flow

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

€106.8m

2022 €106.8m
2021 €110.2m
2020 €77.6m

10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

18.5%

2022 18.5%
2021 16.7%
2020 14.3%

Operating Review continued

Markets and Market Position

DCC Vital

Offering sales, marketing and distribution to healthcare providers

DCC Vital is a leader in the sales, marketing and distribution of medical products in the British, Irish, German and Swiss markets. DCC Vital markets and sells a broad range of high quality 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, through the Wörner Group, is a leader in the supply of products into the primary care sector in Germany and Switzerland. DCC Vital's own-brand medical device portfolio encompasses products across the areas of laparoscopic surgery, theatre consumables, cardiac monitoring, wound care and urology. In addition, DCC Vital has long-standing agency distribution relationships with a range of leading international medical device companies.

The primary and secondary care markets in which DCC Vital operates are large, growing and typically government funded. The Covid-19 pandemic and the significant re-purposing of already constrained healthcare systems to urgently respond to Covid-19 resulted in the curtailment of normal healthcare activity including medical consultations and elective surgery. As countries recover, capacity of health systems are experiencing pressure from a backlog of procedures and pent-up demand for treatment. Additionally, public healthcare policy has been moving towards shifting the point of care to the most cost-effective location, usually away from expensive hospital settings to primary and community care settings. The adoption of digital technology across DCC Vital's customer and supplier base has accelerated over the past year. DCC Vital is very well placed to benefit from these trends given its scale, its investments in technology and people, the strength of its relationships with international suppliers and manufacturers and its deep understanding of the supply chain.

DCC Vital is 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.

DCC Vital provides its customer base of c.9,000 British GP surgeries with excellent service which is increasingly focused on digital capabilities. In recent years, DCC Vital has strengthened its leading position in Britain through complementary bolt-on acquisitions.

In April 2021, DCC Vital established a European growth platform with the acquisition of Wörner, a leading supplier of medical and laboratory products to the primary care sector in Germany, Europe's largest healthcare market, and Switzerland. Wörner sells a broad product range to approximately 20,000 customers annually, including GPs, primary care centres, specialist medical centres and laboratories. Wörner provides an excellent platform for growth across the DACH region and since joining DCC Vital Wörner has already completed two bolt-on acquisitions.

DCC Vital is focused on expanding its portfolio and its range of own brand medical products, through investing in new product development and complementary acquisitions. DCC Vital's 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. These products are marketed by DCC Vital's sales teams in Britain and a range of international distributors in other geographies. DCC Vital also continually expands its portfolio of third-party agency products.

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

DCC Health & Beauty Solutions

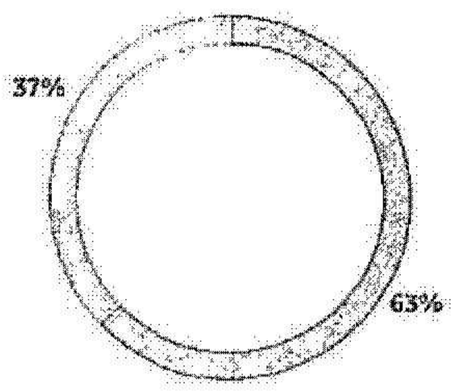
Our services for health and beauty brand owners

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 (health supplements) and beauty products. It operates eight high-quality contract manufacturing facilities. Our manufacturing capability encompasses soft gels, tablets, capsules, effervescents, gummies, creams, liquids, powders and sprays across a range of packaging formats.

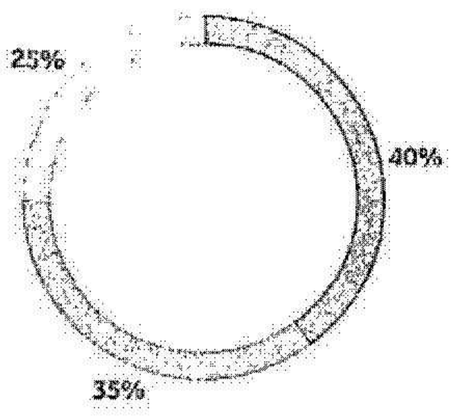
The business operates high quality, well-invested facilities – five Good Manufacturing Practice ('GMP') certified facilities in Britain, four of which are licensed by the Medicines and Healthcare Products Regulatory Agency ('MHRA') and three facilities in the US which comply with FDA current Good Manufacturing Practices ('cGMP') standards and are also certified by leading third-party regulatory bodies including NSF and USDA Organic.

The business has strong market shares in Britain, Scandinavia and Benelux, and is building market share in the US and Continental Europe. The development of our presence in the US nutritional contract manufacturing market has been a key strategic focus in recent years. The US is the world's largest nutritional supplements market, is experiencing strong growth and the contract manufacturing base is highly fragmented; these features provide significant opportunities to a growth orientated, acquisitive business like DCC Health & Beauty Solutions for organic growth (supported by capital investment) and further acquisitions.

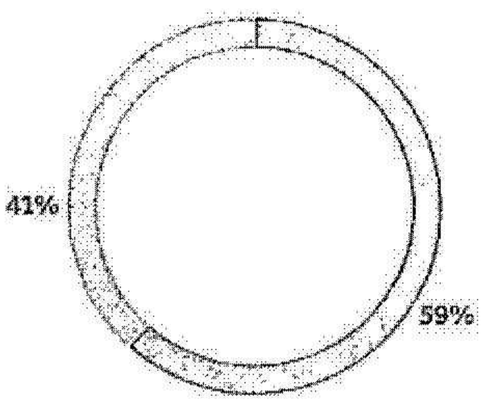
DCC Vital gross profit by brand



DCC Vital gross profit by channel



DCC Health & Beauty Solutions revenue by geography



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"Public healthcare policy has been moving towards shifting the point of care to the most cost-effective location, usually away from expensive hospital settings to primary and community care settings."



DCC Health & Beauty Solutions has three facilities in the US:

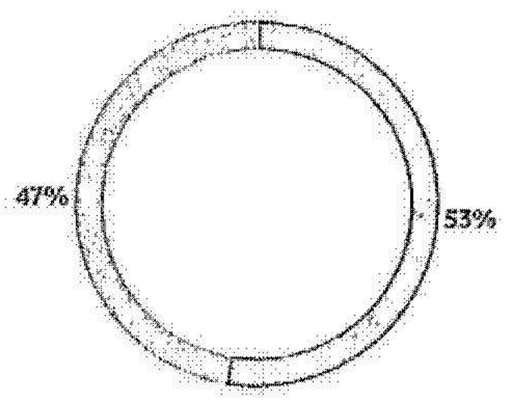
- Amerilab Technologies, Inc. ('Amerilab'), based in Minnesota, a specialist manufacturer of effervescent nutritional products, a higher growth product category, with attractive demographic characteristics and environmental credentials;
- Ion Labs, Inc. ('Ion') based in Florida, which has a broad product format capability encompassing tablets, capsules, gummies, powders and liquids; and
- Elite One Source Nutritional Services, Inc. ('Elite'), based in Montana, a specialist manufacturer of complex formulations in capsule and tablet formats.

With three well-invested facilities in the US and additional management capability to support our growth, DCC Health & Beauty Solutions is leveraging its broad and complementary nutritional products strengths 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. Gummy nutritional products represent a high growth category within the nutritional market and DCC Health & Beauty Solutions is investing to expand its gummy manufacturing and production capability in the US and Britain. These investments will enable the business to meet growing demand for gummies and support our customers to develop more innovative and complex products. DCC Health & Beauty Solutions also made multiple investments to support organic growth during the year, including increased tableting and coating capacity to support higher customer demand in both the US and Europe. The business has a strong programme of continuous capital investment to enhance capability and improve operational efficiencies across all our facilities.

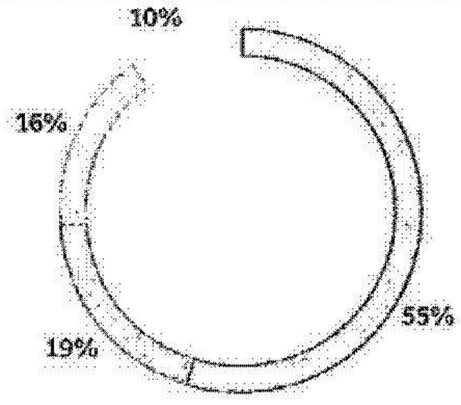
Competitors in the nutritional products sector include International Wellness Group, Aenova and many smaller manufacturers in Europe and the US. Competitors in the beauty products sector include Meiyume, KDC/One and numerous smaller manufacturers of cosmetic creams and liquids in Britain.

DCC Healthcare revenue by business



- DCC Vital
- DCC Health & Beauty Solutions

DCC Healthcare revenue by geography

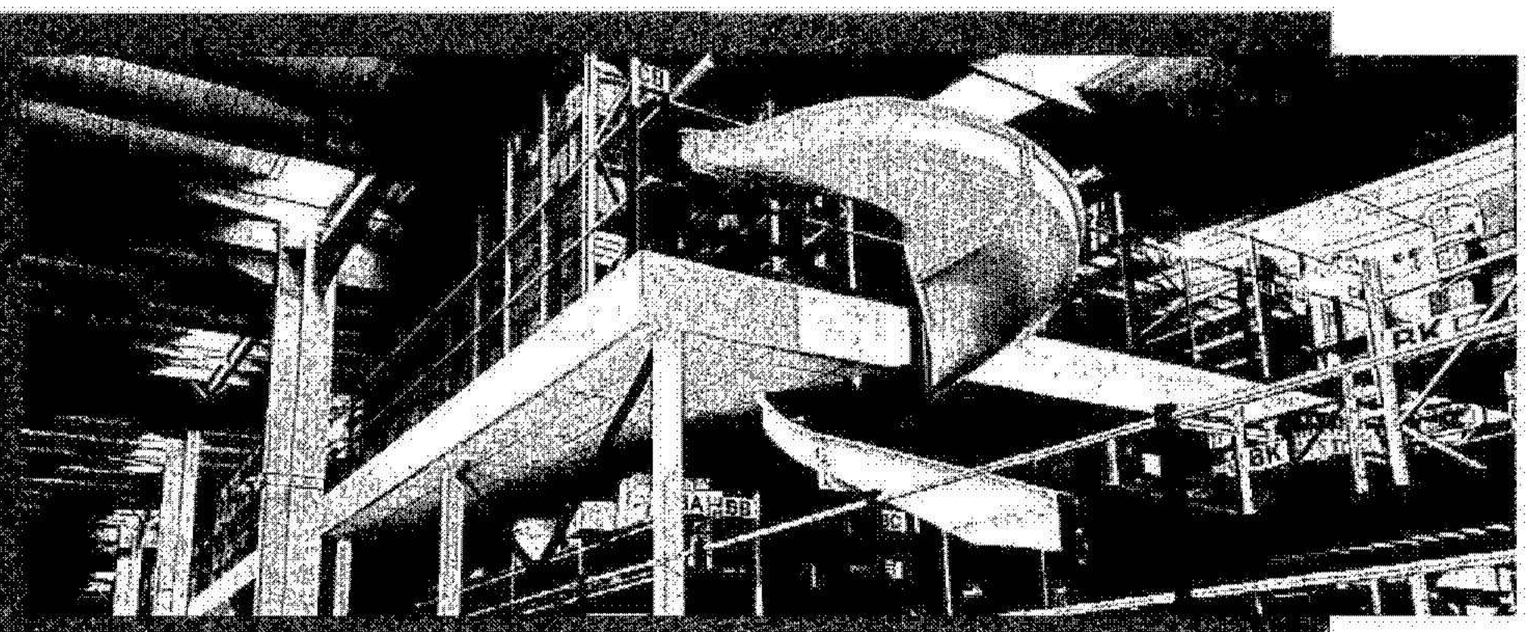


- Britain
- US
- Ireland
- Germany and Switzerland

Operating Review continued

Case study

Scaling for the future



A culture of efficiency and effectiveness is embedded across DCC. We continuously challenge ourselves to create sustainable practices, to simplify and automate more of our systems and to optimise business performance. Over the past number of years, Williams Medical Supplies has grown its UK GP supplies business through a combination of organic and acquisitive growth.

To support this growth and improve efficiencies, we invested in an innovative and expansive warehouse reconfiguration programme. This 18-month project, which commenced in late 2019, focused on increasing productivity, agility and doubling the facility's original capacity. The delivery of the project was significantly tested with the arrival of the Covid-19 pandemic, which put additional strain on the project management and operations. In addition, the business had to satisfy increased volumes of essential Personal Protection Equipment (PPE) to support key healthcare workers while maintaining operational performance.

The project had three core objectives:

- **Sustainability** – Reducing the carbon footprint through introducing paperless picks, optimising box size (reduce empty space), eliminating the use of polystyrene insulation and move to sheep's wool for cold chain, and integrating packaging automation to reduce the use of corrugate. These changes reduced paper packaging, provided improved utilisation of transport and provided customers with a fully recyclable solution. Current performance would indicate that Williams is on track to reduce its packaging by c.60% on a like-for-like basis.
- **Automation** – Implementing digital technology to improve the customer service offering and improve warehouse efficiency. The introduction of vertical storage units, packaging automation and a fully integrated three tier conveyor delivered a paperless operating solution, enabling more efficient use of resources.
- **Scalability** – The improved processes, better utilisation of footprint and increased speed of operation enabled Williams to increase its potential capacity through its existing warehouse by a factor of three, including an additional 25,000 sq. ft. for product storage and 12,000 new product locations.

Strategy and Development

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

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 improving the sales mix (increasing the proportion of higher value-added products and company owned brands), exiting lower margin activities, consolidating support function activities and relentlessly driving efficiency in its operations.

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

- An unrivalled 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, Germany and Switzerland; 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 sales growth through:

- Expanding our own-brand medical products range organically (through new product development) and by acquisition;
- Growing our portfolio of third party agency products;
- Continuing to grow our international presence and infrastructure, including through acquisitions;
- Continuing to invest in technology; and
- Developing our talent and empowering our team to drive growth in DCC Vital.

DCC Health & Beauty Solutions

DCC Health & Beauty Solutions partners with brands to develop opportunities for greater health and wellbeing, and has an excellent track record of growth. The scale of the business has increased significantly in recent years with operating profits growing strongly through a combination of highly complementary acquisitions, new product development for existing customers, new customer acquisitions and a focus on higher value, more complex products.

DCC Health & Beauty Solutions aims to continue this growth through:

- Continuing to offer industry-leading service levels which builds long-term partnerships with customers;
- Further expanding the geographic footprint of our operations in the US, Europe and selectively targeting other regions;
- Driving continued organic sales growth with existing and new customers through our innovative product development capability, well invested facilities and highly responsive, flexible customer service;
- Investing in our facilities to expand both our capability and capacity as demand for our services increases; and
- Enhancing and expanding the service offering, organically and by acquisition, with a particular focus on nutritional gummies and soft gels (in the US), and on beauty products, particularly skincare.

Customers

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, Ireland, Germany and Switzerland, 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. Following the Wörner acquisition, our primary care reach now extends to Germany and Switzerland.

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 brand owners (such as Elemis, Estée Lauder, Eve Lom, Nature's Way, Nestlé Health Science, Omega Pharma, Quincy Bioscience, P&G, Unilever, and Vitabiotics), direct selling and e-commerce companies (such as GOLO, Healthspan, Nature's Best and Whole Body Research), specialist retailers (such as Apoteket, Holland & Barrett and Walgreen Boots Alliance) and consumer healthcare/ pharma companies (such as Alliance Pharma, Dermal Laboratories and GSK).

DCC Healthcare has a broad customer base and our 10 largest customers account for approximately 29% of revenue in the year ended 31 March 2022.

Suppliers

DCC Vital represents leading medical, surgical and diagnostics device brands such as Smith & Nephew, Nova Biosciences and Smiths medical and works with innovative and generic pharma companies such as CSL Behring, Martindale Pharma and Rosemont.

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 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 2022.

How we create value for our stakeholders

- 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.
- Innovative and responsive product development capability that generates great ideas and turns them into high quality products which can improve health and wellbeing.
- Industry leading, flexible and responsive customer service.
- Specialist, highly trained sales teams providing coverage across multiple healthcare channels, including hospitals, community care, primary care and other fragmented healthcare settings in Britain, Ireland, Germany and Switzerland.
- Broad range of high quality own and third party medical products.
- Efficient operations with scalable IT platforms.
- Career development opportunities and training to enable our people to progress across business functions and geographies.

Key Brands

DCC Vital

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

DCC Health & Beauty Solutions(1)

Alliance Pharma, Apoteket, Elemis, Estée Lauder, Golden Hippo, GOLO, Gliadela, Groupe Rocher, GSK, Healthspan, Holland & Barrett, Inovate Health Sciences, Lintbells, Nature's Way (Schwabe Group), Nestlé Health Science, Omega Pharma, P&G Health, Seven Seas, Nature's Best, Lamberts), Quincy Bioscience, Unilever, Space NK, Target, Vitablocks.

(1) DCC-owned brands.
(*) brands we serve.

Operating Review

DCC TECHNOLOGY

CONNECTING

A leading specialised distribution partner for global technology brands and customers

What we do

DCC Technology is a leading specialist distribution partner for global technology and appliance brands and customers, providing reach, simplicity and scale which enables our partners' businesses to grow and progress. DCC Technology provides a broad range of consumer, business and enterprise technology products and services to retailers, resellers and integrators and domestic appliances and lifestyle products to retailers and consumers.

Read more about DCC Technology at dcc.ie



Performance for the Year Ended 31 March 2022

DCC Technology delivered very strong operating profit growth of 12.8% (19.9% on a constant currency basis), driven by the contributions from acquisitions completed during the year. The very strong performance was achieved despite a challenging supply chain environment.

The North American business performed strongly throughout the year. The business delivered very strong organic revenue and operating profit growth and also benefited from the first-time contribution of Almo. Sales of Pro AV products recovered significantly as Covid-19 restrictions eased and spending on large event, conference and other at-work locations resumed. Demand for Pro Audio and music products and entertainment-at-home products, including consumer electronics, remained robust, with supply constraints in certain product categories. The two complementary bolt-on acquisitions (The Music People and JB&A) completed in the prior year both performed well and have strengthened DCC Technology's developing market presence and product portfolio in North America.

In December 2021, DCC Technology completed the acquisition of Almo. Combined with DCC Technology's existing business, the acquisition has created the leading specialist Pro AV value-added distributor in North America. It has also expanded the business into the attractive appliance and lifestyle product categories. Since acquisition Almo has integrated well into the Group and has traded in line with expectations.

In the UK, the business experienced a significant level of supply constraints and reduced demand for consumer products as the pandemic eased. As previously reported, and although now operating effectively, the business was also impacted during the year by the implementation of a new warehouse management system. These factors contributed to a decline in both revenue and operating profit in the year. The business in Ireland performed very well, with good organic revenue and operating profit growth driven by demand for consumer and mobile products and a recovery in demand in the B2B sectors. The business successfully relocated to a new facility during the year which will enable continued growth in the medium term.

In Continental Europe, the business generated good organic revenue and operating profit growth. The business benefited from the recovery in demand for B2B products, particularly in the DACH region and Italy. As anticipated, demand for consumer and working-from-home products began to normalise as the year progressed, while the business also experienced some restrictions in supply, particularly for certain consumer products. In Scandinavia, the business achieved strong revenue and profit growth, particularly in the e-tail and retail channels. In France, the B2B business performed well, driven by good growth in its range of own-brand accessories. In April 2021, the business completed the acquisition of Azenn which has performed strongly since acquisition and has further broadened the B2B product and customer base in France.

Revenue +3.6%

Strategic objective:
Drive for enhanced operational performance

£4.6bn

2022	£4.6bn
2021	£4.5bn
2020	£3.9bn

Adjusted operating profit +12.8%

Strategic objective:
Drive for enhanced operational performance

£81.7m

2022	£81.7m
2021	£72.4m
2020	£65.3m

Operating margin

Strategic objective:
Grow operating margin

1.8%

2022	1.8%
2021	1.6%
2020	1.7%

Return on capital employed (excl. IFRS 16)

Strategic objective:
Deliver superior shareholder returns

9.1%*

2022	9.1%
2021	12.3%
2020	11.0%

Operating cash flow

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

£3.2m

2022	£3.2m
2021	£118.6m
2020	£166.9m

10-year adjusted operating profit CAGR

Strategic objective:
Deliver superior shareholder returns

7.0%

2022	7.0%
2021	7.2%
2020	7.2%

* The return on capital employed (ROCE) of 9.1% reflects the acquisition of Almo occurring later in the financial year. On a pro-forma basis ROCE was 10.7%.

Operating Review 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 geographical customer base. Our strong relationships with suppliers and customers allow us to win business on both a national and international basis. DCC Technology is the leading distributor of appliances, Pro Audio products and musical instruments in North America, and the fourth largest distributor of technology products in Europe with leading positions in the UK and Ireland, France and the Nordic region.

While the overall market remains quite fragmented, in the last year there has been a continued trend towards concentration in key markets, with the larger players consolidating and gaining share at the expense of smaller competitors. DCC Technology has maintained or grown its share in its key markets. Covid-19 resulted in a significant increase in demand for consumer and working from home products and demand continued to be strong through the past year with some softening in the second half of the year. DCC Technology was successful in leveraging its strong supply chains and market presence to grow volumes in these segments but was not immune to the impact of global supply constraints on certain products and to some disruption of supply chains. There was a rebound of demand in B2B segments which had suffered in the first year of the pandemic with North America somewhat ahead of Europe in this regard. By the end of the year, there were indications of a resumption in activity relating to live events as restrictions were relaxed across the world. DCC Technology's strategy of retaining expertise and infrastructure yielded benefits as the bounce back in demand gathered pace.

The pandemic has also led to the acceleration in the growth of e-tail at the expense of traditional retail. DCC Technology has been successful in growing its share of 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. While traditional retail has recovered, the long-term trend of e-tail growth is set to continue with traditional retail becoming the showroom for e-commerce activity.

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.

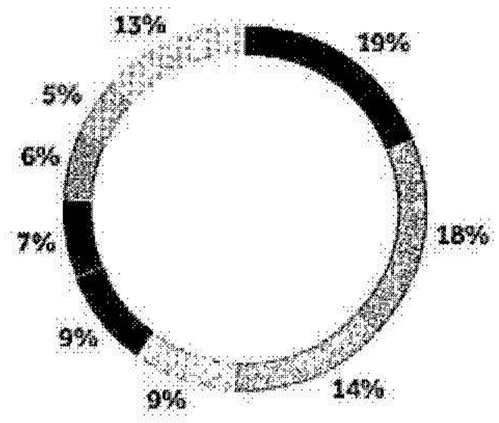
Acquisition of Almo

During the year, DCC Technology completed the acquisition of Almo Corporation ('Almo'), which represented DCC's largest acquisition to date and a major step in the continuing expansion of both DCC and DCC Technology in North America. Almo is a leading specialist sales, marketing and value-added distribution business in the United States, selling to integrators, resellers, dealers, retailers and e-tailers nationwide. Almo is the leading distributor of appliances in the United States with long-standing established relationships with market-leading brands such as LG, Samsung, Frigidaire and Midea as well as a range of premium appliances such as Zephyr, Liebherr and Hestan. Almo has a nationwide warehouse footprint providing timely delivery to customers coast-to-coast. Almo is also one of the largest Pro AV businesses in the United States and is a leading national distributor of consumer appliances, consumer electronics and lifestyle products. The business is headquartered in Philadelphia and employs approximately 700 people across the United States. The combination of Almo's strong presence in Pro AV with DCC Technology's similar share of this market creates the leading added-value distributor in the Pro AV sector in the United States. Almo also further develops DCC Technology's e-commerce offering in the United States, partnering with all the key e-tailers in providing appliances and lifestyle products direct to consumers.

DCC Technology also acquired Azenn, a French distributor of structured cabling and network devices. Azenn provides logistics, refurbishment and staging services for network devices to some of the largest telecoms operators in France and supplies installers and contractors delivering infrastructure projects in the public and private sector. Headquartered in Montauban de Bretagne, Brittany, the business employs approximately 200 people across five locations in France, including a large distribution centre in Lyon.

"The combination of Almo's strong presence in Pro AV with DCC Technology's similar share of this market creates the leading added-value distributor in the Pro AV sector in the United States."

DCC Technology revenue by product category



- Audio visual
- Consumer electronics
- Computing (tablet/PC/notebook)
- Communications & mobile
- Networking, security and components
- Server & storage
- Gaming hardware
- Professional services
- Other



> "Increasingly, technology products are following the trend towards working from home, blurring the boundaries between consumer and business segments."

DCC Technology provides consumer, business and enterprise technology products and services to retailers, e-tailers, resellers and integrators.

Consumer technology products include consumer electronics, televisions, wearable technology, musical instruments, gaming consoles software and accessories.

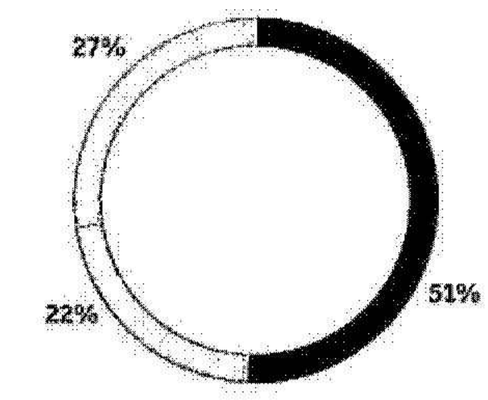
Business and enterprise technology products include computing hardware, components and accessories, large format displays, network and security products and communications products including smartphones. Increasingly, technology products are following the trend towards working from home, blurring the boundaries between consumer and business segments.

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 its customers and suppliers, including end-user fulfilment, digital distribution, product lifecycle solutions, category management and merchandising. DCC Technology also provides product customisation and cross supplier bundling, third-party logistics and website/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.

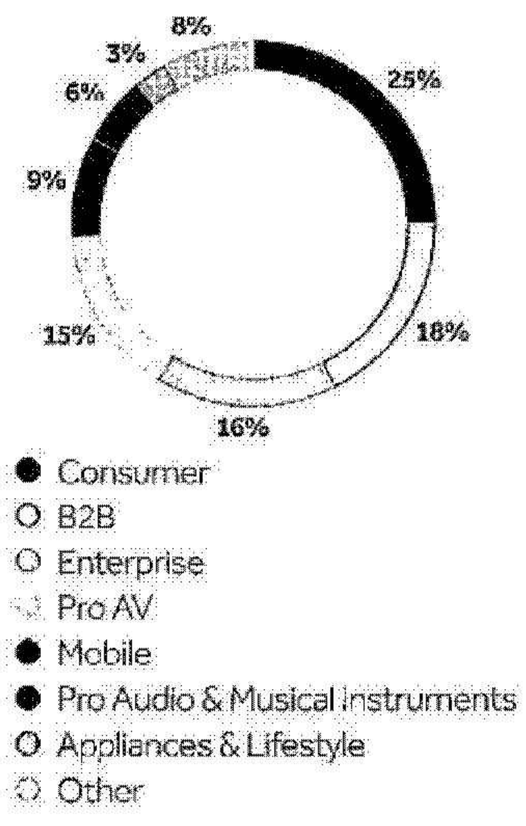
DCC Technology is the market leading distributor of Pro Audio products and musical instruments in North America. This market has performed very strongly through the pandemic with professional audio and music increasingly migrating to 'at home' environments. Demand is expected to level off as the impact of Covid-19 subsides, but there remains a degree of pent-up demand as a result of supply constraints over the past year. Increased demand for products associated with live events will compensate for any softening in demand in the 'at home' sector.

Reflecting the global nature of the technology supply chain, DCC Technology also provides global supply chain services through its dedicated supply chain operations. 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 total revenue by geography



DCC Technology revenue by specialisms



Operating Review continued

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. DCC Technology has already become the leading specialist distributor of Pro AV in North America with a strong presence in the major European markets. The acquisition of Almo also makes the business the leading distributor of premium appliances in North America and provides an entry into a wider portfolio of lifestyle products, many of which are own brand and attract higher margins. We are also the leading distributor of Pro Audio and musical instruments in North America with a strong portfolio of vendor relationships, many with channel exclusivity, supplemented by a growing range of own brand products.

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 developing ever deeper specialisms and own brand offerings; and
- establishing the business as the industry leader in providing end-to-end market development and channel optimisation services.

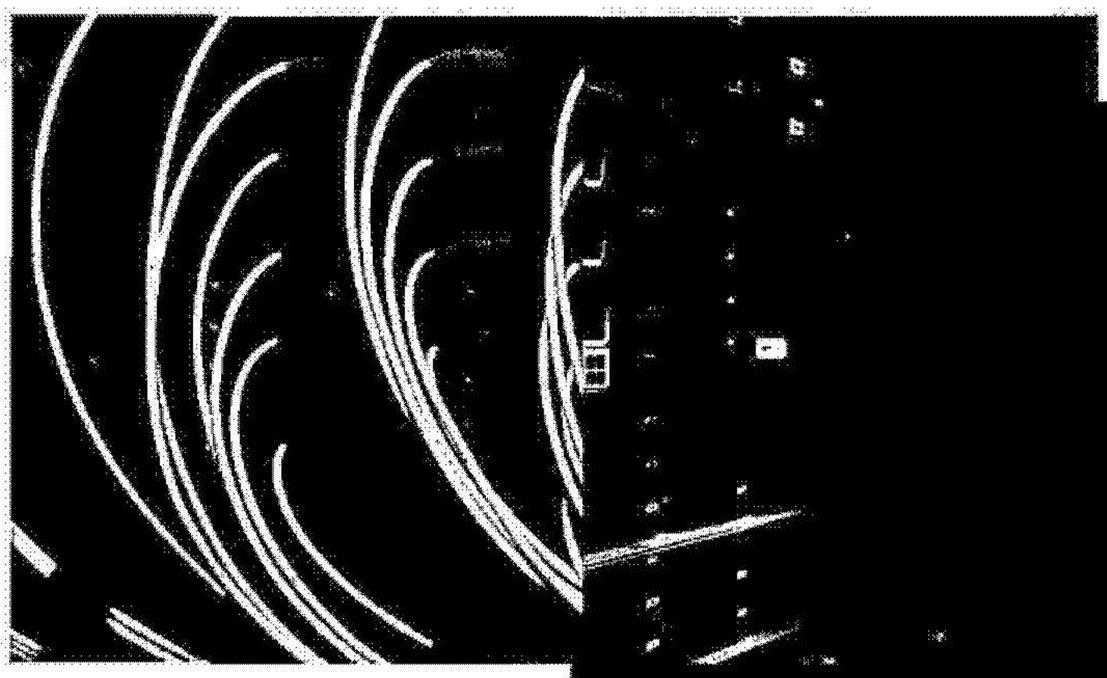
DCC Technology will grow organically by attracting new suppliers, opening new channels and routes to market for our suppliers' products and by continuing to develop value-added services. The business will also grow through acquisition, particularly through leveraging our infrastructure and geographic footprint to bolt-on similar businesses and realising 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. 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 continues to scale its platforms and develop its IT infrastructure around the world as part of a long-term strategy to upgrade and consolidate our ERP and ICT infrastructure, and to realise the efficiencies and operational benefits of newer technologies. DCC Technology also continues to add new robotic process automation and run data integration projects, the benefits of which have started to be realised, with further development planned.

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 keep ahead of the changes in the operating environment. DCC Technology has continued to invest in digital, cloud, and e-commerce solutions to support our suppliers and customers, and help our partners benefit from this strong e-commerce growth.

How we create value for our stakeholders

- Proactive sales and marketing approach reaching a very broad customer base across Europe, North America and beyond.
- Excellent vendor portfolio providing market access and extended reach for suppliers into key global markets.
- Range of specialisms where DCC Technology's detailed knowledge and market leading position generates additional opportunities for vendors and enhanced service for customers, including some on a vendor exclusive basis or through our own-brand portfolio.
- Agile, responsive and service-focused specialist sales organisation, leveraging our infrastructure and geographic footprint to provide customers with what they need.
- Cost-effective and tailored solutions, including e-commerce and direct-to-consumer offerings, for customers and suppliers.
- Technical, digital, supply chain and value-added service expertise, simplifying the complex.
- Continuous re-investment in the business scaling our platforms to facilitate organic growth for the benefit of all stakeholders.
- Safe, ethical and compliant work environment for our workforce.



"DCC Technology has continued to invest in digital, cloud, and e-commerce solutions to support our suppliers and customers and help our partners benefit from strong e-commerce growth."

Case study

Discover the logistic power of Amacom



We need to have the right product in the right place at the right time in order to win with customers. As an all-round distribution and fulfilment partner, Amacom made considerable investments during the year to optimise its processes and expand its vehicle fleet. As a result, we have further strengthened our customer service by offering enhanced logistical solutions.

From four strategic locations, with more than 15,000 m² of available warehouse space, Amacom supplies retail and e-stores, central warehouses and consumers via drop shipments, on a daily basis.

Access to a wide range of products, detailed product knowledge, unbeatable stock availability and speed of delivery are key factors in our success. Orders are delivered directly to the desired delivery address within 24 hours (or faster if required); even outside normal trading hours.

Amacom offers its partners 'real time' insight into stocks, deliveries and the status of orders via its own online ordering and information system Quecom. Partners are also offered assistance in automating processes via API and EDI connections.

Together with our partners, we do everything we can, every day, to continuously improve our service performance. Our own 'purple' delivery service plays an important role in this process. We guarantee a high degree of reliability, fast delivery, less transport damage and shortages, personal contact with a trusted professional and service far beyond the customer's doorstep.

Customers

The business has an extensive customer base, selling to approximately 63,000 customers globally. In the year ended 31 March 2022, DCC Technology's largest customer accounted for approximately 9% of revenue and the 10 largest customers together accounted for 27% of total revenue. The acquisition of Almo has extended the customer base in the United States to encompass independent appliance retailers as well as adding scale to our existing Pro AV and e-tail customer base.

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 business is investing in the expansion of our digital offering providing an increasing number of B2B and direct-to-consumer platforms to support our vendor base and reach a wider cohort of potential customers.

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 and appliance brands. The largest supplier represented 12% of total revenue in the year ended 31 March 2022 and the top 10 suppliers represented 40% 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. In North America, many of the relationships involve channel or geographic exclusivities.

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.

Key Brands

Acer, Allen & Heath, Apple, Asus, Dell, Electrolux (Frigidaire), Epson, Focusrite, HP, Honeywell, Huawei, Intel, Lenovo, LG, Logitech, Microsoft, Midea, Netgear, Oculus (Facebook), Poly, Samsung, Seagate, Sharp NEC, Toshiba, U-Line, Zephyr.

Sustainable Business Report

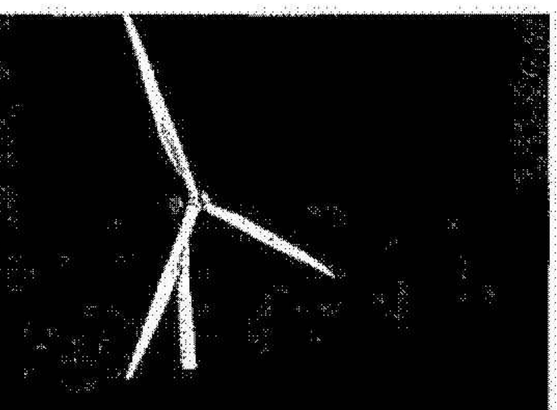
ALIGNING PURPOSE, STRATEGY AND SUSTAINABILITY

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

Highlights of the year

- Net zero target put in place for Scope 3 carbon emissions, based on a clear energy transition strategy.
- Progress made against our existing Scope 1 and 2 reduction targets.
- New Scope 1 and 2 target set: to achieve a 50% reduction by 2050.
- Climate change impacts assessed and TCFD framework adopted in our reporting.
- AAA rating from MSCI retained. CDP rating upgraded to B.
- Strong safety performance, with Lost Time Injuries (LTIs) down.
- Sustainability-linked RCF put in place.

Our Sustainability Reporting Framework



Climate Change and Energy Transition

Our objectives
We will reduce our own Scope 3 emissions to net zero by 2050 or sooner.

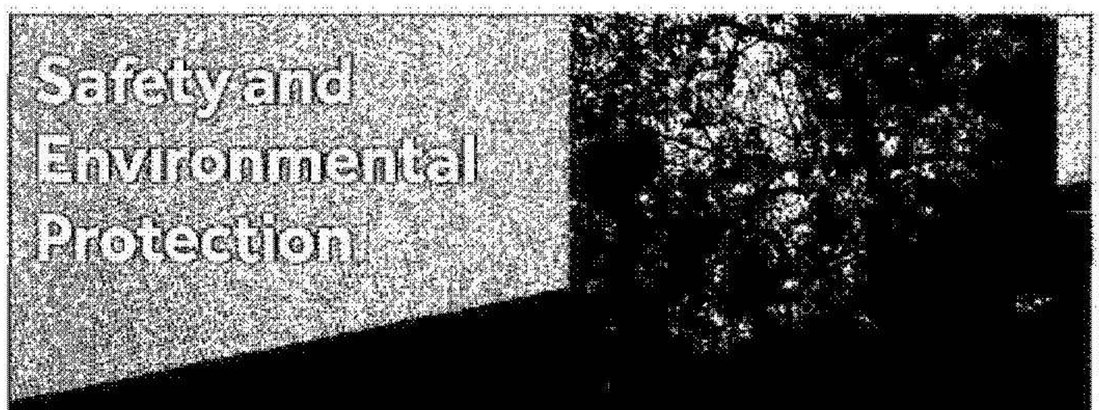
Our objective
We will decarbonise our operations – to net zero by 2050 or sooner and by 50%, against a 2019 baseline, by 2030.

Key metrics
Carbon intensity of energy sold (gCO2e/MJ).
Biogenic content of fuels sold (%).
Scope 3 emissions (mtCO2e).

Key metric
Scope 1 and 2 carbon emissions, adjusted to reflect acquisitions.

Why this is important to DCC and our stakeholders
We are actively helping our customers move their homes and businesses to low and zero carbon energy. While this is happening, we ensure their existing energy supplies are safe, reliable and efficient.

Read more: Energy Strategy on page 22
Sustainable Business Report on page 83
Stakeholder Engagement on page 40



Safety and Environmental Protection

Our objective
We keep our people safe.

Our objective
We protect the environment in communities we serve.

Key metrics
Lost Time Injuries (LTIs).
Serious Safety Events.

Key metric
Spills requiring remediation.

Why this is important to DCC and our stakeholders
Our people drive trucks and operate machinery. They work in energy facilities and warehouses. Some of the products we sell can be dangerous if not stored and transported carefully. We are therefore focused on keeping our people and those who could be affected by our operations, including the communities where we operate, safe at all times.

Read more: Sustainable Business Report on page 86
Stakeholder Engagement on page 40

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In this year's Sustainable Business Report, we are pleased to report further progress, building on the steps taken last year. Highlights this year include:

- We set a goal of reaching net zero, for Scope 1, 2 and 3 by 2050 or sooner;
- This year we reached our 2025 Scope 1 and 2 reduction target and therefore set a new target to achieve a 50% reduction on the 2019 baseline by 2030;
- We analysed a number of carefully chosen scenarios to assess the transitional and physical risks of climate change to our operations;
- In order to demonstrate progress against the net zero target outlined above, we enhanced our reporting on Scope 3 carbon emissions and also improved our CDP rating from C to B; and
- We put in place an €800m sustainability-linked Revolving Credit Facility, with targets linked to core areas of our strategy and Sustainability Programme.

Governance

Sustainability in DCC is governed by the Board with support from the Governance and Sustainability Committee and Executive Sustainability Committee.

The Governance and Sustainability Committee is chaired by the Chairman of the Board, and its activities are outlined in the Governance and Sustainability Committee Report on page 117.

The Executive Sustainability Committee ('ESC') is chaired by the Chief Executive. Its members include the Group CFO and all divisional Managing Directors. The ESC meets six times each year and is responsible for coordinating sustainability matters at management level, monitoring sustainability performance and supporting reporting to the Governance and Sustainability Committee and the Board.

Sustainability Reporting Framework

Our Sustainability Reporting Framework, which is set out below, reflects the questions that are most material to our stakeholders and the long-term success of the Group. Its pillars are directly supportive of key components of our Group strategy, of divisional strategies (most notably in relation to energy transition), to the UN Sustainable Development Goals ('SDGs') and relevant GRI and SASB reporting standards.

People and Social



Our objective
We actively support the development of our people.

Key metrics
Employee turnover.
Performance reviews completed.
Training provided.

Our objective
We actively support inclusion and diversity.

Key metrics
Gender diversity.
Incidents of discrimination.

Why this is important to DCC and our stakeholders

DCC is a people business and developing our people is critical to our current and future success. We do this by investing in training, actively developing careers and building a supportive culture that values diversity and innovation. We also value the relationships that we have with the many local communities where we operate and that we serve. Our businesses will thrive if they help these communities prosper too.

Read more: People section on page 36
Stakeholder Engagement on page 40

Governance and Compliance



Our objective
We protect human rights.

Key metric
Human rights problems in our operations or our supply chain.

Our objective
We prevent corruption.

Key metric
Incidents of bribery and corruption in our operations or our supply chain.

Our objective
We sell safe products.

Key metric
Product safety failures.

Why this is important to DCC and our stakeholders

Good governance and high standards of compliance with the laws and ethical standards that apply to our activities are a fundamental part of how we do business. We also recognise the contribution that working with suppliers and customers who share these values can make to society more generally.

Read more: Corporate Governance Statement on page 108
Sustainable Business Report on page 90
Stakeholder Engagement on page 40

Sustainable Business Report continued

United Nations Sustainable Development Goals

We support the UN SDGs. In the diagram below, we summarise the main links between our Sustainability Reporting Framework and the SDGs. While our business activities touch many of the goals, we have identified six SDGs where we have an opportunity to make the greatest difference. These are:

As a distributor of energy, DCC plays a key role in transitioning end customers to cleaner energy sources. As outlined in the Energy Strategy section on page 86, our Energy division will be a key enabler of the energy transition.

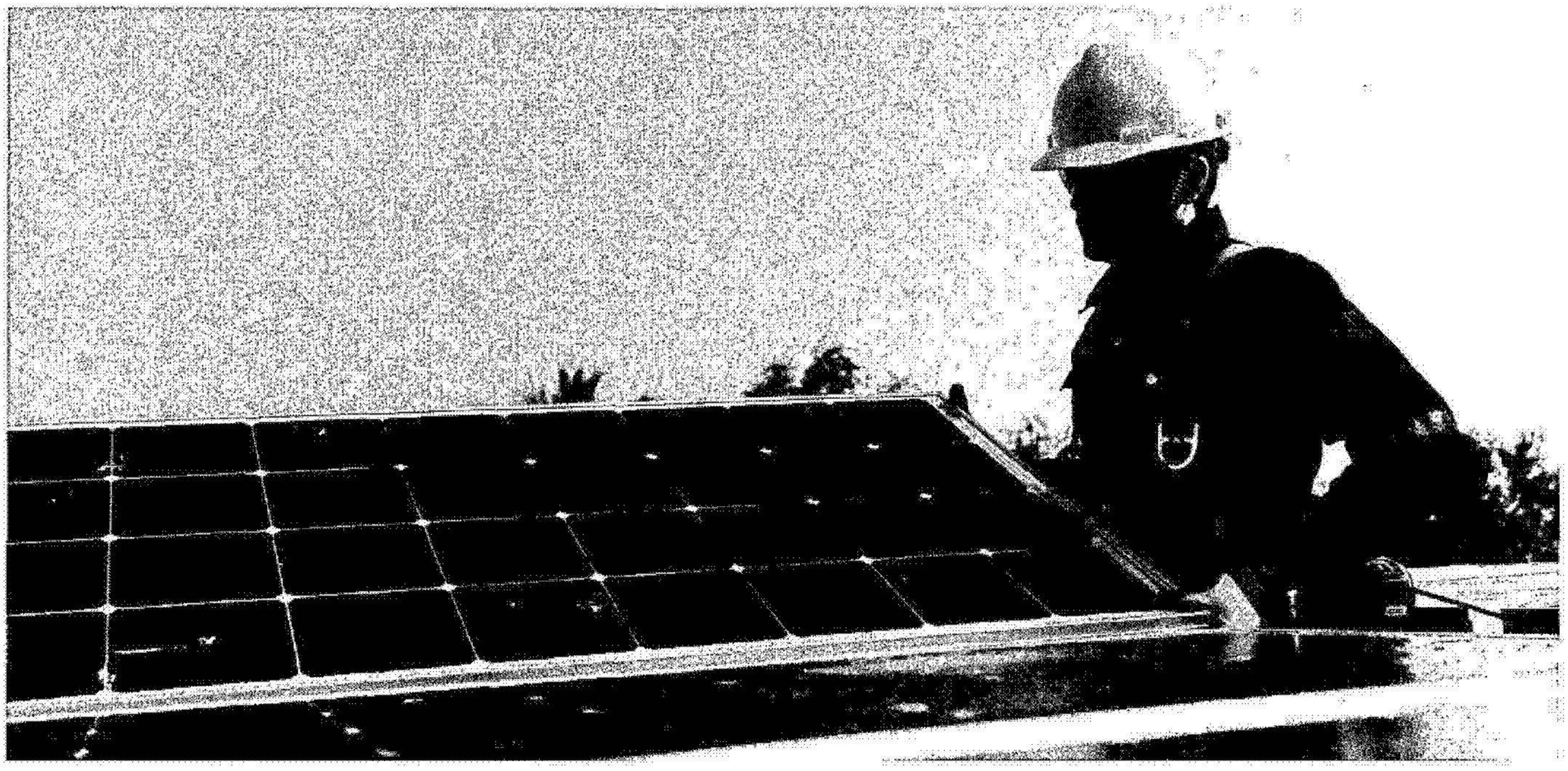


While the energy transition is taking place, customers have an ongoing need for efficient and reliable sources of energy. We will continue to provide energy, while also investing in the partnerships, systems and infrastructure needed to achieve a just transition to net zero.

DCC encourages responsible consumption of energy and promotes energy efficiency solutions as well as cleaner forms of energy. Where we are manufacturers and suppliers of products, we have procedures to ensure that our products are safe and compliant before going to market.

The safety of our employees and contractors is of primary importance, and safety is a core value of the Group. It is part of our purpose that our people and businesses are enabled to grow and progress. This growth helps us to create job opportunities and to be a valuable economic contributor to the communities we serve.

Equality in all its forms is closely linked to our purpose. It is a key element of our HR strategy. We welcome and encourage greater levels of diversity across the Group and recognise the benefits that this brings to our decision making and culture. The people aspects of our policy, strategy and performance are covered in more detail in the People section on page 36.



The four pillars of our Sustainability Reporting Framework are aligned with our purpose, Group and divisional strategy, the UN Sustainable Development Goals and relevant GRI and SASB standards. They reflect the importance we place on building long-term partnerships with our stakeholders.

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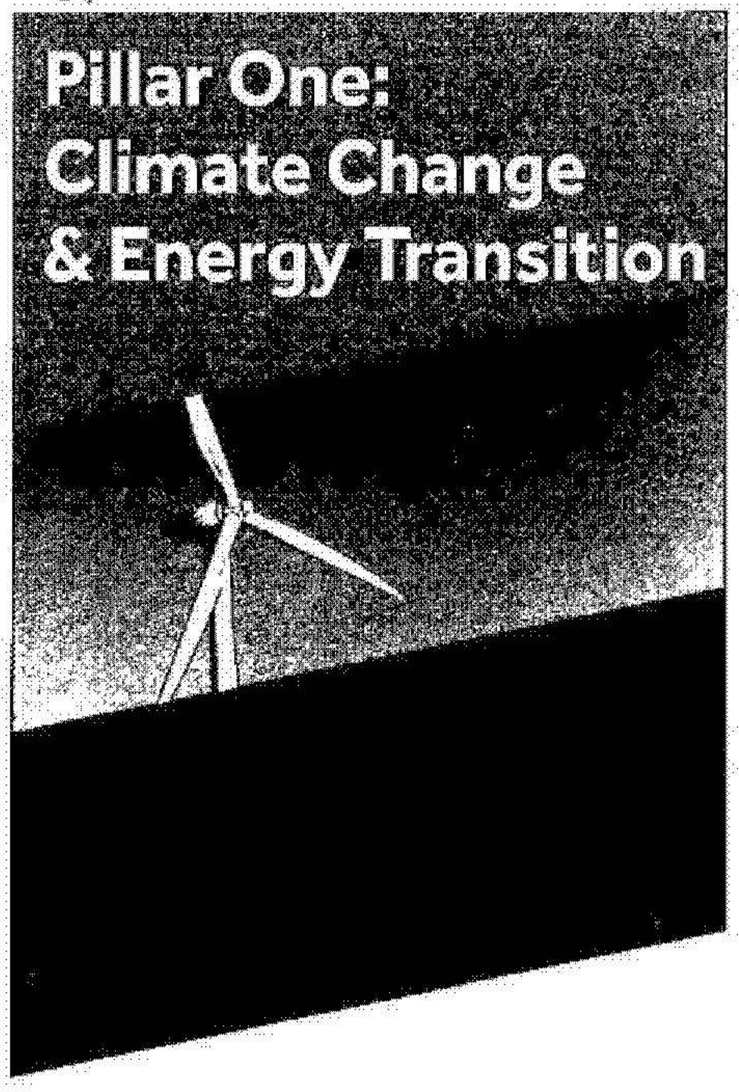
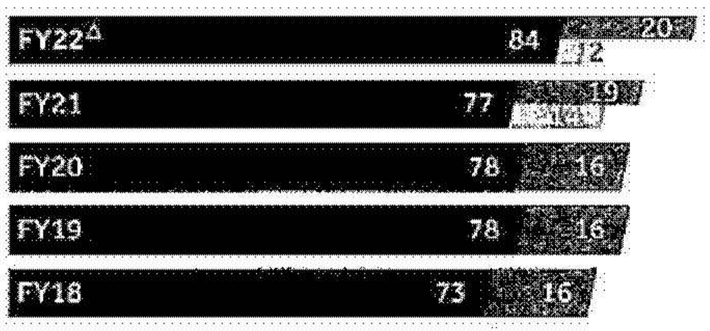


Scope 1 and 2 Carbon Emissions
Scope 1 and 2 emissions are those that arise from our use of heating and transport fuels and electricity use. All DCC businesses record their energy data which are then converted into greenhouse gas ('GHG') emissions by CDP-accredited software.

The data collated is subject to a limited assurance audit, conducted by EY, whose assurance opinion is set out on page 245. The triangle symbol (Δ) is used in the charts below to denote the data that has been subject to EY assurance this year.

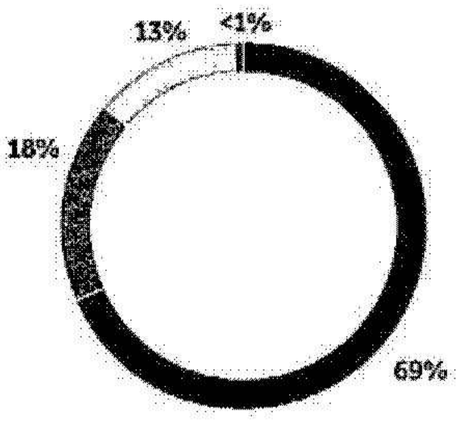
Scope 1 and 2 Carbon Emissions (000's tonnes)



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

Δ Refer to EY Report on page 245

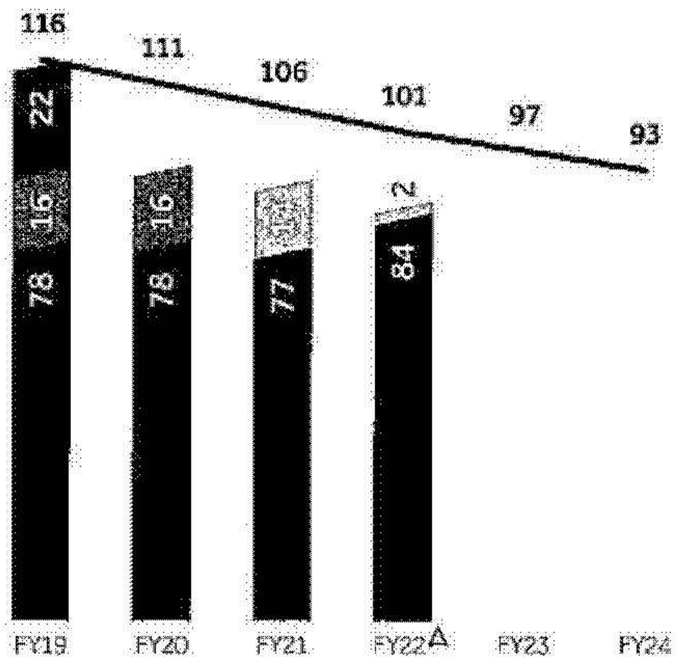
Scope 1 and 2 Carbon Emissions by Source Category



- Mobile combustion
- Electricity
- Stationary combustion
- Fugitive emissions

The charts above show DCC's absolute Scope 1 and 2 GHG emissions. We use both location-based and market-based approaches to the calculation of Scope 2 emissions, as set out in the GHG Protocol. The location-based approach uses the national grid average to calculate Scope 2 emissions. The market-based approach uses supplier provided emissions factors, allowing companies to reflect the actual emissions associated with procured electricity.

Scope 1 and 2 Carbon Emissions Reduction Target
In 2021, DCC committed to implement a 20% reduction in our Scope 1 and 2 emissions by 2025 relative to a 2019 baseline.



- Target Line
- Scope 1
- Scope 2
- Re-base for acquisitions

Δ Refer to EY Report on page 245

In accordance with the GHG Protocol, we adjust the baseline to reflect material acquisitions and disposals undertaken in years since 2019. This means that as the Group grows by acquisition, we have to achieve the same percentage reduction in our carbon emissions. In the year under review, we adjusted the baseline to reflect a number of acquisitions, including the acquisition by DCC Propane of UPG and NES, the acquisition of Almo Corporation by DCC Technology and the acquisition of Wörner by DCC Healthcare. The adjustments to our initial baseline to reflect acquisitions and disposals since 2019 is represented by the grey bar in the chart above. More detail on our methodology in this area can be found in our Greenhouse Gas Reporting Criteria on www.dcc.ie.

In the year under review, substantial progress has been made towards achieving our Scope 1 and 2 target. Our total Scope 1 and 2 emissions were 5.5% lower this year compared to the prior year. By 31 March 2022 we achieved a 25% reduction against the 2019 baseline, exceeding the target of a 20% reduction by 2025. We have now therefore established a new target to achieve a 50% reduction against the 2019 baseline by 2030.

Sustainable Business Report continued

Case study

Successful Certas Energy UK HVO fleet trial scales up

A trial of Hydrotreated Vegetable Oil ('HVO') in Certas Energy UK's own vehicles proved so successful in contributing to the company's 20% carbon reduction target by 2025 that HVO is being rolled out to more depots.

Like many companies reliant on fleet logistics, fuel is the biggest contributor to Certas Energy UK's carbon emissions. And from the initial trial results, it's clear that HVO can play a significant role in decarbonising Certas Energy's fleet as well as customer fleets across the UK.

FAME, sulphur and fossil free, this renewable fuel can reduce carbon emissions by up to 90% compared to conventional diesel. Manufactured from 100% renewable and sustainable waste vegetable fats and oils, HVO can be used as a direct replacement for diesel.

Emma Wordsworth, Operations Director, explains why this HVO trial was so important: "We're viewing HVO as a transitional fuel, a way to reduce carbon from our operations immediately while we explore longer-term clean energy alternatives for our fleet and operations. It's one of many decarbonisation initiatives we are implementing."

"The HVO trial has allowed us to review how HVO performs across our fleet in a controlled way. It's evident that introducing HVO will be transformational in reducing our vehicles' carbon emissions, and fast. It's a great way to demonstrate to our customers the benefits of HVO too."



The majority of this has been achieved through a programme to procure renewable electricity, reducing Scope 2 emissions. In the year under review, we took further steps to switch our electricity use to renewable sources, both directly from suppliers or through the procurement of Green-e® certified Renewable Energy Credits in the United States. This generated a reduction in market-based Scope 2 emissions; 80% of electricity purchased by DCC Group businesses is now renewable. The transition to renewable electricity is supported by other initiatives being taken by Group businesses, such as the installation of PV solar facilities at Exertis UK warehouses in the UK. Additional energy efficiency measures and transport fuel switching have also contributed to reductions achieved to date.

Group businesses are actively looking at further steps to reduce their Scope 1 and 2 emissions, in line with our new target to achieve a 50% reduction by 2030. We have not put in place an internal carbon price, as we consider that existing management processes are working effectively to reduce our use of carbon.

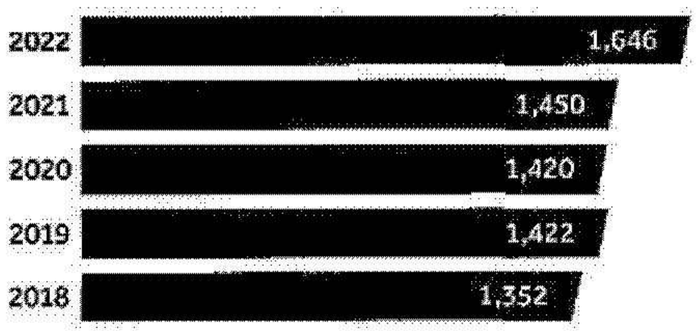
Energy Use

As noted above, reducing energy use is an important element in reducing our own carbon emissions. DCC used 1,646 million gigajoules of energy during the year, which was a 13.5% increase over the prior year. However, this reflected increased volume sales by our energy businesses, as well as other growth in the Group. This increase is partially offset by increased energy efficiency measures mentioned below.

Just over three-quarters of this energy was used by our LPG and Retail & Oil divisions in making deliveries to customers using our transport fleet. Transport fleet efficiencies will play an important role in reducing our own energy use. They are achieved from better driving techniques, more efficient vehicles, and more efficient routing.

Additional energy saving initiatives are targeted to reduce electricity and heating fuels through more efficient lighting, heating controls and equipment.

Energy Usage (000's gigajoules)



Scope 3 Emissions

Scope 3 emissions are indirect emissions generated upstream and downstream of a company's own operations. For most organisations, Scope 3 emissions account for the very large majority of total value chain emissions and DCC is no exception. So, while it is important to continue to reduce Scope 1 and 2 emissions, we are also focused on working in partnership with our suppliers and customers to identify opportunities to reduce emissions in the wider value chain.

Two categories account for over 90% of our Scope 3 emissions:

- Category 3 – Fuel and Energy Related Activities not included in Scope 1 and 2. These are the upstream (often called well-to-tank) emissions associated with the energy sold by the Group's energy businesses.
- Category 11 – Use of Sold Products. These are the emissions generated when the energy products sold by the Group's energy businesses are used by customers.

Reducing these emissions, while continuing to meet our customers' need for reliable and efficient forms of energy, is a core component of our energy strategy, outlined in the Energy Strategy section on page 22.

Under the GHG Protocol, biogenic emissions are not included in Scope 3 emissions. Biogenic emissions are emissions from biofuels which have been blended with regular diesel and petrol fuels. DCC Energy sells a range of biofuels and more detail on the biogenic content of those fuels is contained overleaf.

CDP Reporting

In the year under review, DCC's rating by CDP improved from C to B. This reflects recent improvements in our reporting on carbon emissions, including setting targets and making progress against them, and the Group's overall focus on climate change.

CDP
DISCLOSURE INSIGHT ACTION

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Our Scope 3 emissions performance is measured by three key metrics:
- Absolute Scope 3 emissions (Category 3 and 11 emissions from the Group's energy businesses).
- Carbon intensity of the energy that we sell.
- Biogenic content of the fuel we sell.

The table below shows how each of these metrics has developed over the last four years:

Metric	Unit	FY19	FY20	FY21	FY22Δ
Absolute Scope 3	$mtCO_2e$	41.5	39.8	35.9	41.2
Carbon intensity	gCO_2e/MJ	81.2	79.3	76.5	76.4
Biogenic content	% biogenic content by energy	3.2%	3.2%	4.0%	4.0%

Δ Refer to EY Report on page 245

Absolute Scope 3 Emissions
Our absolute Category 3 and 11 Scope 3 emissions increased in the year under review, reflecting sales volume increases in our energy divisions following two years in which volumes were reduced by Covid-19 restrictions.

Carbon Intensity
This metric illustrates the progress we are making in the energy transition because it shows how the renewable proportion of the energy we sell is developing over time. As the biogenic content of fuel and the volume of renewable electricity sold increases, the carbon intensity metric declines, illustrating the delivery of lower carbon energy to our customers.

As shown in the table above, carbon intensity has been decreasing over recent years, as the biogenic content of fuel sold and the level of renewable electricity sold have increased. Carbon intensity in the year to 31 March 2022 was similar to the prior year largely because increased sales of traditional road fuels, as Covid-19 restrictions eased over the year under review, offset the lower carbon forms of energy. We do not expect this to recur in future years.

Scope 3 Biogenic Content
DCC Group businesses sell a range of biofuels. The blend of these depends on local regulatory requirements. In Europe for example, the blend is generally B7 and E5 for diesel and petrol road fuels respectively. However some countries, such as Sweden, have significantly higher biofuel percentage blends. Group businesses also sell 100% renewable fuels, such as HVO.

The table shows that the biogenic content of the fuels we sold in the year to 31 March 2022 was similar to the prior year. As in the case of carbon intensity, this largely reflects increased sales of road fuels, as Covid-19 restrictions eased over the year, which offset improved biogenic content of many other forms of energy sold. We do not expect this impact to recur in future years.

Scope 3 Emission Reduction Target
This year, the Group has set a target to achieve net zero carbon emissions across Scopes 1, 2 and 3 by 2050 or sooner. For this purpose, net zero means the complete or very substantial removal of carbon from the energy that we sell, with offsetting used only for residual emissions.

The Science-based Targets Initiative ('SBTi') is currently developing detailed guidance for businesses that sell oil and gas. Until this is available, it is not open to businesses in those industries to seek SBTi accreditation. We will consider our eligibility for SBTi accreditation once the relevant guidance is in place. We will also consider setting an interim target for Scope 3 emissions as the regulatory environment develops.

Full details of the methodology underpinning our reporting on Scope 3 are set out in our Greenhouse Gas Reporting Criteria at www.dcc.ie.

Taskforce for Climate-related Financial Disclosure ('TCFD')
In last year's report, we assessed our alignment with TCFD disclosure recommendations for the first time. In this report we build on that foundation by adding further detail on our assessment of climate-related risks and opportunities, the development of our strategy and governance to reflect the importance of climate change and the development of our reporting, including the expansion of our targets and metrics. One very notable development in this regard in the year was our commitment to achieve net zero across Scopes 1, 2 and 3 by 2050 or sooner. A detailed table setting out our approach to the TCFD disclosure recommendations is provided in the Additional Sustainability Information section on page 247.

The impact of climate is embedded within the governance and management processes of the Group. In the Corporate Governance Statement on page 108, we describe the Board's oversight of climate-related issues, and in the Risk Report on page 92, we describe how climate-related risk is integrated into the risk processes that operate throughout the Group. We also describe there our assessment of the physical and transitional impacts, in terms of both risks and opportunities, of climate change on the Group's operations.

Our assessment of climate risks is based in large part on climate scenario analysis ('CSA') work undertaken over the last year. We began this work by conducting a qualitative analysis to identify the most material climate risks to our operations and opportunities. We then undertook a further quantitative analysis to develop our understanding of a carefully selected group of risks and opportunities.

The CSA process looked at climate-related effects on our business under two scenarios, both consistent with the scenario assumptions used by the IPCC (Intergovernmental Panel on Climate Change). The first was a scenario where decarbonisation is achieved consistent with a 1.5°C temperature rise scenario. The second scenario assumed a temperature rise of 4°C, to help illustrate physical climate-related risks. These scenarios align with the two key frameworks used by the climate science community: Shared Socio-Economic Pathways ('SSP'), which describe different socio-economic futures, and Representative Concentration Pathways ('RCP'), which model different emission pathways and the associated impact on climate.

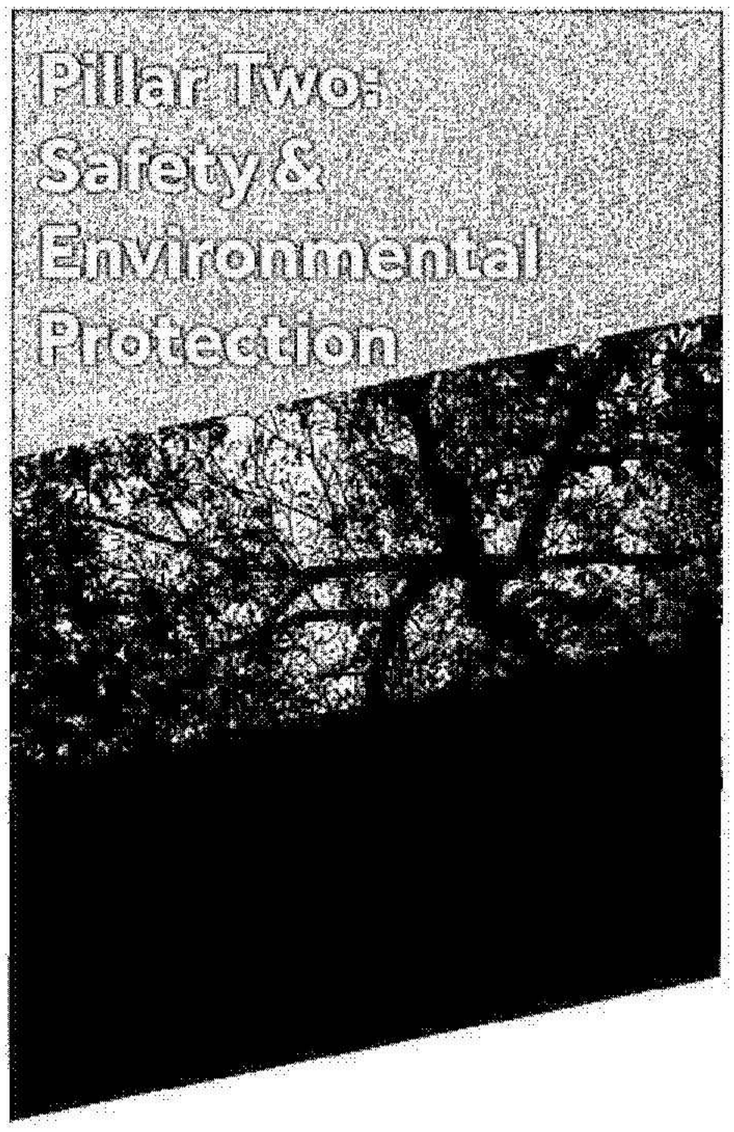
The first scenario we used is based on SSP1 and RCP1.9. Our second scenario is based on SSP5 and RCP8.5.

The risks identified covered both the transitional risk associated with energy transition and our response to it, as well as physical risks from assets that could be affected by changing weather conditions. The CSA process also assessed the opportunity available to our Technology division as the market for recycled technology products develops.

The results of the CSA were assessed within our wider Group risk management framework which is used to assess the potential impact of risks of all types across the Group.

TCFD also requires the development of relevant metrics and targets. The targets and metrics that we have selected form a prominent part of the Sustainability Reporting Framework covered on page 80 of this Report. From this year, this framework covers all scopes of emissions. Further detail on our approach to reporting on Scope 1, 2 and 3 carbon emissions is set out earlier in this section of the Report.

Sustainable Business Report continued



Safety Governance

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

'HSE' refers to the management of health, safety, and environmental protection issues within all aspects of Group activities. It covers the processes by which we ensure a safe working environment for all our colleagues and partners, and the management and mitigation of potentially negative environmental impacts from our operations, for example from loss of containment.

In areas of higher environmental risk our HSE governance and operational processes are supplemented by additional processes.

Our HSE governance structure reflects the varied nature of our Group businesses, both within and across divisions, and reflects the need to cover different HSE functions such as policy development and oversight, operational HSE management, assurance, and people development.

Key roles and responsibilities are:

- The DCC plc Board has overall responsibility for the Group, including HSE matters. The Board devolves executive responsibility to the Chief Executive and the Group Management Team for the management of the Group. From there, different executive bodies have a role in overseeing and managing different but complementary aspects of the HSE discipline;
- The Managing Director of each Group business and their management teams are responsible for operational HSE performance in that business in accordance with local laws, for the implementation of Group HSE policies and for their performance against a set of shared HSE KPIs. Each business is also responsible for having processes by which it keeps up to date with changes in the law;
- The Group HSE function is responsible for developing policy, setting expectations, identifying relevant KPIs and sharing best practice; and
- HSE assurance takes place within businesses in the Group, supplemented by Group level audits using the International Sustainability Rating System ('ISRS') protocol. The nature and complexity of the HSE issues faced by a business determines the frequency and intensity of HSE assurance measures.

The Group Health & Safety and Environmental Policies, which link directly to the DCC Code of Conduct, are available on our website, and set out clear expectations in key areas including leadership, risk management, and compliance.

Every business has in place a HSE management system, reflecting the specific risks related to its operations. These are aligned with the expectations set out in the DCC Group policies. Several businesses are certified to the ISO45001 and or ISO14001 standard (e.g. Certas Energy, Exertis Supply Chain Services, Flogas Sweden and Norway, and Laleham Health & Beauty).

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.

We maintain a rolling Three-Year Plan specifically for HSE, which lays out our continuous improvement actions in the areas of Leadership, Culture & Governance, Operational Execution, Competence & Training, Knowledge Sharing, and Management Reporting. These actions are derived from operational performance reviews, outputs from the Executive Sustainability Committee and HSE Steering Group, and our HSE Governance Review.

Good progress has been made in the implementation of our current HSE Three-Year Plan, with the introduction of a new Working Group for manufacturing operations, acquisition onboarding assessments, a practitioner resource hub and peer review audits, among the steps taken.

The introduction of a HSE Performance Review process across DCC was another of our Three-Year Plan actions. These reviews are conducted annually within each Group business, coordinated at Group level, and comprise a review of prior year commitments, HSE performance, and a focus on future challenges and improvement actions. The review at divisional level promotes learning from experience and sharing of good practice.

These reviews are central to the production of HSE Three-Year Plans within each Group business. Progress against these plans is tracked through divisional management reviews.

Covid-19

Successful implementation of our business continuity plans means Group businesses have been able to meet customer needs during the Covid-19 pandemic while also protecting their employees' health and safety. Our businesses implemented remote and hybrid working arrangements, made changes to workplace layouts and facilities, and modified shift patterns and changeover processes. While the Group was impacted by staff absences, this was largely attributable to community rather than workplace transmission.

Several of our businesses experienced regulatory Covid-19 spot-check inspections, with good outcomes, and we successfully switched governance processes such as site inspections and Group HSE audits to a virtual format, combining offline document reviews with videoconference interviews and remote site inspections. As providers of key products and services, Group businesses worked hard to manage their operations so that the impact of the pandemic was minimised both for our employees and customers.

(2000) 00042

Process Safety

Process safety management is a disciplined framework for managing the integrity of hazardous operating systems and processes 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. Our process safety performance indicator data is aligned to the API-754 reporting framework, which represents best practice in this area. Process Safety Performance Indicators are used to provide assurance that process safety risks continue to be managed appropriately. These KPIs 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. Vehicle-related incidents, such as roll-over, loss of load and combustion, were low in number and severity. Tier 3 indicators, which capture challenges to our safety systems such as equipment reliability and process alarm activations were stable. Tier 4 indicators measure operating discipline and management system performance, including on-time maintenance completion, safety inspections and tests, false alarms, and emergency drills. These indicators were broadly stable through the year under review.

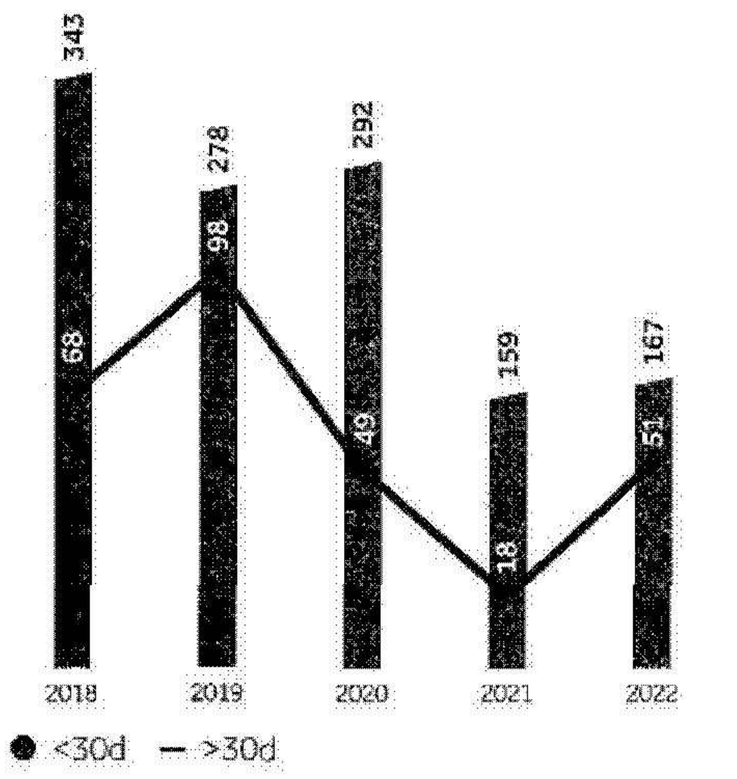
In response to the Covid-19 pandemic, our Process Safety training for senior managers moved online last year, and we continue to deliver the training this way to ensure our focus on process safety leadership, the understanding of risks, controls, and monitoring systems, is maintained.

Occupational Safety

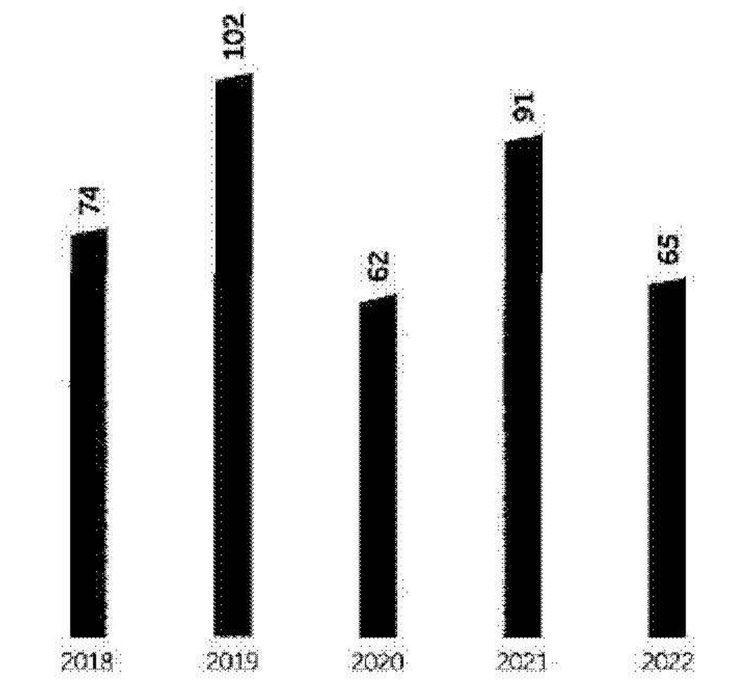
All incidents, including personal injuries, product spills, road traffic accidents and near misses, are recorded to evaluate potential consequences and identify underlying causes, control weaknesses and learnings. Both qualitative and quantitative HSE information is included in monthly reporting processes at all levels of the Group, including in HSE reporting to the Board. Our Learning from Events process is a key tool for sharing knowledge and driving improvement in safety management across the DCC Group.

Events with significant actual or potential consequences are discussed to identify improvements and these are communicated to relevant members of management. We operate a formal Learning from Events process to share knowledge and drive improvement in safety management across the Group. We maintain platforms for sharing good practices within the HSE community and share communication tools to drive improvement in safety systems and culture more widely.

Overdue General Maintenance Tasks



Safety Critical Assets Failure on Test/Inspection



Case study

Investments that improve efficiency, safety and diversity

We invest continually in renewing and modernising our warehouses and recognise the wider benefits this creates.

In 2021, Exertis Ireland invested in the sustainable design of their new warehouse facility in Dublin, Ireland, to enhance our competitiveness, while also adding value for employees and our customers.

The Dublin facility operates on 100% renewable electricity meeting our Scope 2 emission objective. In addition, we also focus on a range of environmentally conscious initiatives including motion sensors and LED lighting systems, and electric vehicle chargers. The future facility investments will see solar power adopted to reduce our national grid usage. We also introduced new sustainable technologies around packaging management and recycling, which increase automation around our logistics processes, and improve carbon efficiency. Our employees benefit from this as well, as these innovations ease their workload.

The implementation of these sustainability initiatives coupled with training courses resulted in more women joining our warehouse operations. While traditionally, warehouse roles are synonymous with a male workforce, our initiative has seen the number of women working in our Dublin warehouse increase in the past year. DCC is committed to diversity and inclusion across all its businesses and we are proud to represent 23 nationalities across our Exertis Ireland, MacroEV and Exertis Supply Chain Services teams based in Ireland, Poland and China.



Sustainable Business Report continued

Case study

EuroCaps and Friend of the Sea®



Environmental sustainability is an important and relevant issue for the fish oil Omega 3 industry. Many consumers, brands and manufacturers increasingly wish to make a sustainable choice of fish oil.

Friend of the Sea® is the only sustainable certification process recognised and supervised globally by national accreditation bodies for fisheries, aquacultures and nutraceutical products. It is the leading international standard for producers of fish oil, fishmeal and Omega 3 supplements.

Friend of the Sea® criteria for sustainable nutraceutical products require:

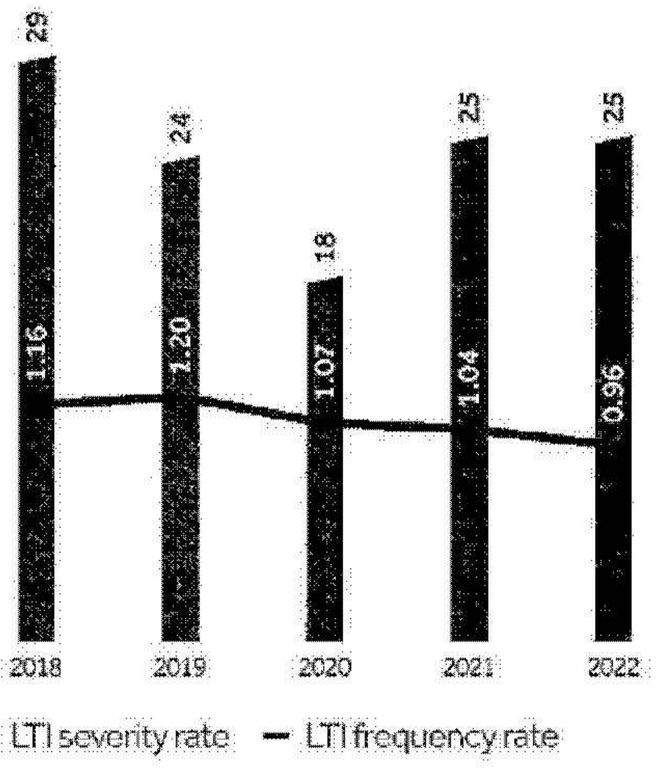
- well-managed sources of fish oil and fishmeal ingredients;
- traceability from certified origin; and
- social accountability.

Friend of the Sea® Omega 3 producers verify that their suppliers implement sustainable fishing practices. In this way, they can provide the best reliable third-party assurance to consumers worldwide.

At its softgel nutritional supplement manufacturing site in Tredegar, South Wales, EuroCaps is certified and approved by Friend of the Sea® and has manufactured softgels using Friend of the Sea® sustainable fish oil since 2017. In 2021 79% of their fish oil purchased was Friend of the Sea® certified.

In doing so, EuroCaps offers its customers and their customers a sustainable and certified choice for fish oil derived Omega 3 supplements. EuroCaps' customers are also permitted to use the Friend of the Sea® logo on their product packs to demonstrate the sustainability of their products.

Lost Time Injury ('LTI') Rates



Lost Time Injuries ('LTIs'), defined as an accident resulting in at least one day lost after the date of the accident, remain an important indicator of overall HSE performance. Injury reporting requirements apply to all employees (full time, part time and temporary) and workers who have a contract with a third party but work under the direction and supervision of DCC. Although injuries to independent third-party contractors may be recorded, they are not included in the Group's safety 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. Reflecting our continued focus on this area, the frequency rate dropped below one injury per 200,000 hours worked during the year under review. We will continue to work on further improvement in our LTI performance in the current year.

The LTI severity rate was was in line with last year.

The majority of LTIs recorded across the Group are relatively minor including slips, trips, and manual handling injuries such as sprains and strains.

The Total Recordable Injury Rate ('TRIR') in the year under review was 1.12. A recordable injury for this purpose is one that results in a fatality, days away from work, restricted work or job transfer, medical treatment beyond first aid, loss of consciousness or a diagnosed significant injury/illness. The Near Miss Frequency Rate per 200,000 hours worked was 18.2.

"Our LTI frequency rate dropped below one injury per 200,000 hours worked during the year under review."

(02760) 00435

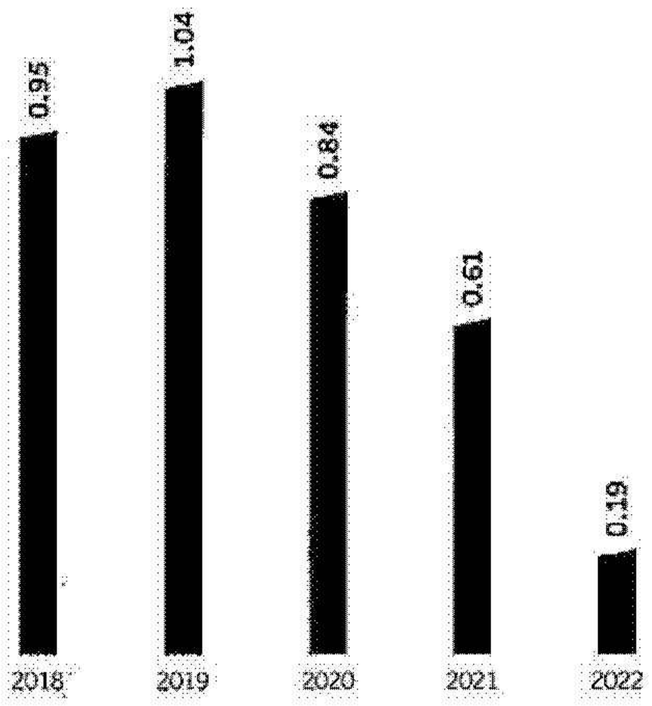
Environmental Protection

The most material risk to the environment in the communities where Group businesses operate is the occurrence of a material spill of liquid fuel, such as home heating oil, petrol or diesel.

In contrast, the loss of LPG can present a significant safety risk, but does not typically result in damage to the local environment. Similarly, operations in our Healthcare and Technology divisions do not generate material risks of local environmental damage. A spill is defined as any unplanned release to the environment. All spills, and near misses, in connection with our operations, are recorded regardless of quantity in order that we can learn lessons from such events. Spills are categorised using a risk matrix, which considers spill quantity, substance and receptor, with low level spills classified as 'events' and any other more significant spills classified according to severity.

In the year ended 31 March 2022, there were in total 791 spills of all levels of significance, or 3.5 spills per ten thousand deliveries. Of those, 44 were categorised above the minimum reporting level, a rate of 0.19 per ten thousand deliveries. This is an improvement over the prior year when there were 0.61 spills per ten thousand deliveries above the minimum category. The proportion of spills rated above the minimum risk category is lower in the year under review versus the prior year at 6%. 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.

Spills per ten thousand deliveries



Pillar Three: People & Social



The People section on page 36 covers progress in the implementation of our HR strategy over the course of the year, including the development of our people and steps taken to increase diversity. This reflects the fundamental importance of people to DCC's purpose, to the delivery of strategy and to the overall performance of the Group.

"Our aim is to create a shared, cohesive culture with a high performing workforce of engaged employees."

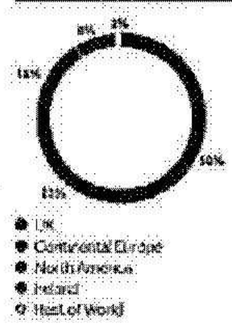
People

ENABLING AN ENGAGED AND DIVERSE TEAM

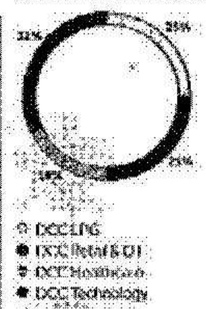
DCC is a people business, developing and investing in its people is a strategic objective for the Group. Our company focuses on growing our brand, finding better ways of working, building partnerships, supporting innovation, and successfully executing our growth strategy. All of our divisions and businesses are led by experienced and ambitious management teams with deep knowledge of the markets in which they operate. As the Group continues to grow, the depth and quality of our talent making continues to be a fundamental success...

At 31 March 2022, we employed 15,400 people, which is a 13% increase on the prior year. This increase was largely due to our acquisition of Aleris Corporation in the US, which has over 700 employees. Our employee turnover rate during the year was 28% and our new joiners amounted to 27% of all employees. The turnover numbers are in line with expectations and are a reflection of the wider employee environment, albeit higher than last year. Both of these figures exclude our seasonal workforce who support our business in peak periods of trading, many of whom return year after year to work with us.

Employees by geography



Employees by division



Employee engagement

Our people's expectations of work has changed considerably post the pandemic. We recognise the importance of culture and engagement and delivering superior performance and creating opportunities for our

In 2021, we made a step change in our approach to engagement and listening to what really matters to our people. We launched our first Group-wide engagement survey which provided a direct feedback opportunity for our colleagues as well as an opportunity for us to measure employee sentiment and transform to a new expression of working in our business

Employee engagement survey

20
countries

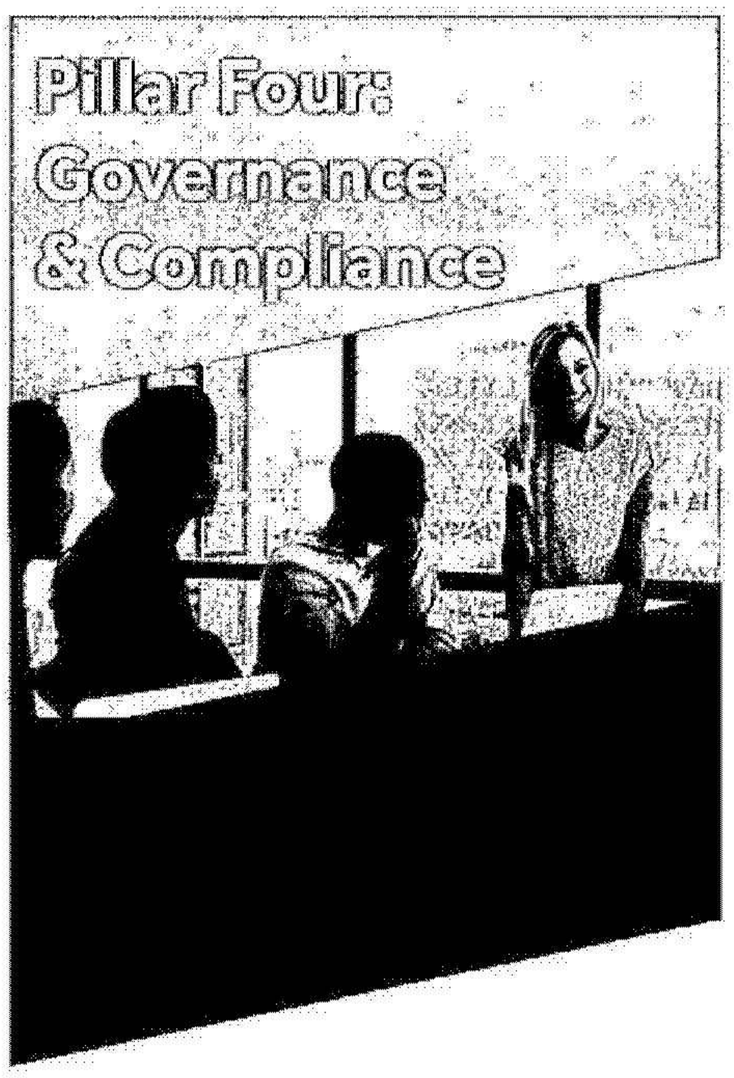
77%
Overall participation rate

OUR VALUES

Case study

Recognition schem

Sustainable Business Report continued



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 108.

Protecting Human Rights
We have had internal controls in place for a number of years to ensure that human rights are protected within our own operations and in our supply chains. These include measures to identify and prevent modern slavery and human trafficking.

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, including modern slavery and among other compliance breaches, do not arise.

Our Supply Chain Integrity Policy and our Human Rights Policy are available on our website www.dcc.ie.

We provided online training covering the importance of protecting human rights to almost 4,000 employees across the Group over the course of the year. Further training will be provided during the year ending 31 March 2023. The large majority of 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 People section on page 36 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 2022. This year's statement and those issued in prior years are available on our website www.dcc.ie. 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 taken to reduce those risks.

No breaches of human rights were identified during the year under review.



"We provided training covering the importance of protecting human rights to almost 4,000 employees across the Group over the course of the year."



> We will continue to ensure that a robust approach is taken to operating within all of the laws and regulations that apply to our activities."

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 to engage in any other form of corrupt practice. The Policy which is available on our website www.dcc.ie, is provided to every employee of the Group as part of their induction. Training on the key provisions of the Policy is also provided to relevant employees. In addition to prohibiting involvement in bribery and other forms of corruption, the Policy requires that every business in the Group maintains suitable 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 representatives.

No Group business was involved in any public legal case regarding corruption during the year under review.

Inclusion and Diversity
The Group actively supports the development of a diverse and inclusive workplace. Details on our Inclusion and Diversity Policy and the other measures we take in this area are set out in the People section on page 36. Where allegations of discrimination are made they are investigated and suitable action is taken in response.

Monetary loss as a result of legal proceedings associated with employment discrimination, covering inclusion and diversity and related issues was less than €0.5m in the year under review.

Product Safety
Group businesses have suitable processes and procedures in place that are designed to ensure that the products that they sell are safe and meet applicable regulatory requirements. There was no monetary loss from legal proceedings associated with product safety during the year.

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 108.

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

ALIGNING RISK WITH GROWTH

We seek to manage risk through a culture that reflects the Group's purpose and values, in addition to formal risk management and internal control processes, with the active involvement of colleagues in every area of our activities.

Risk Management Policies
The Board 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 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 relevant 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.

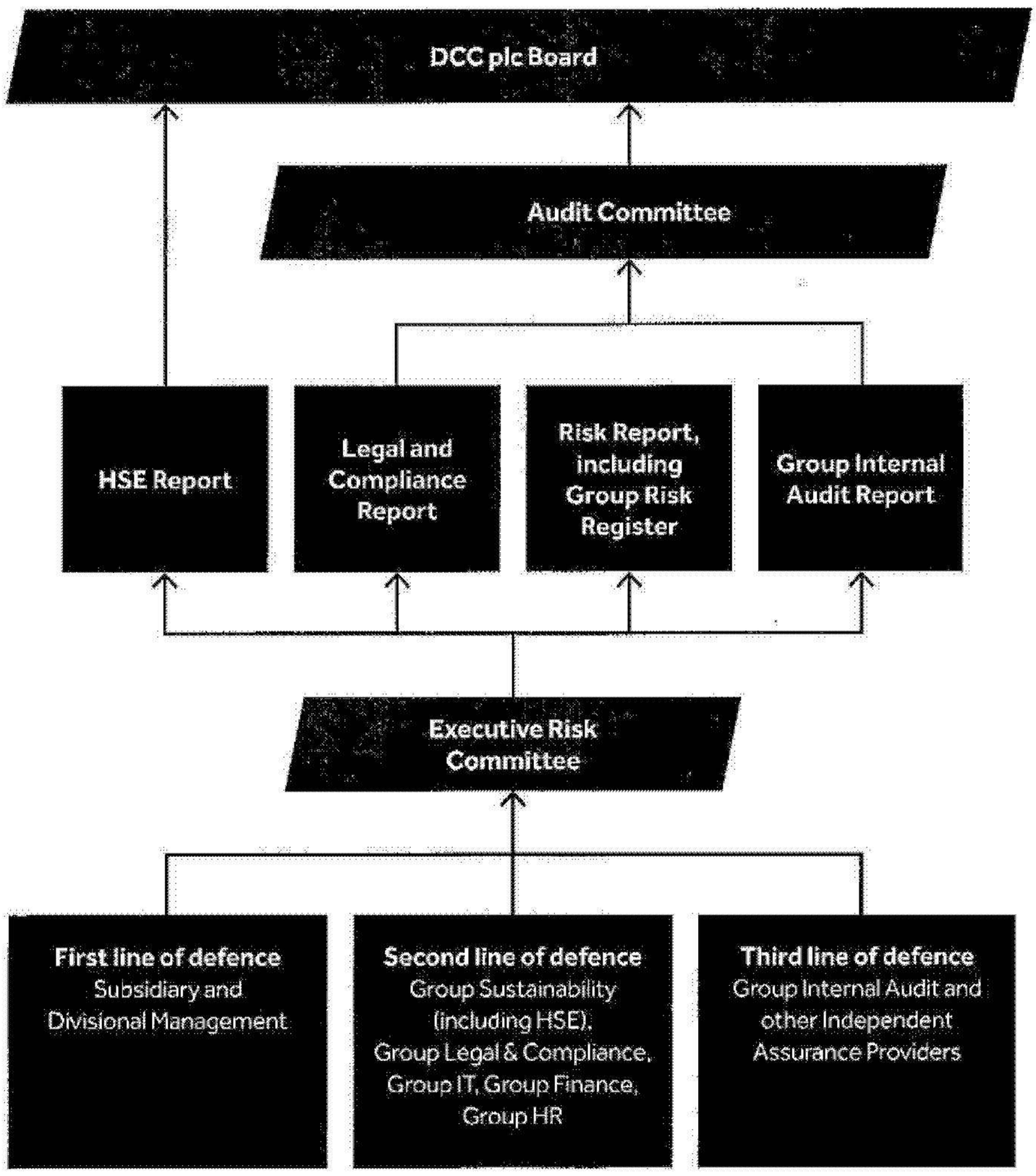
Risk Management Framework
The Group's risk management framework has been designed using a three lines of defence model, as shown in the adjacent diagram, and is embedded within the Group's organisational structure.

Risk management processes are in place across the Group to enable risk-informed strategic planning and decision making. We took steps during the year under review to further integrate our strategic planning and risk management processes and intend to make further progress in this area in the present year.

The Group's risk management framework covers climate-related risks, including their assessment through carefully selected scenarios. This risk assessment process informs strategic planning at business, divisional and Group levels.

A more detailed description of roles, responsibilities and reporting structures under our risk management framework is set out on the opposite page.

Risk Management Framework



2022 Annual Report

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 including 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 significant risk area for the Group, particularly in the Energy division, 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 appropriate recommendations to the Board. • 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 123.
Executive Risk Committee	• Chaired by the Chief Executive and comprised of senior members of 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.
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 regularly reviewed and updated 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 and manufacturing. • Supports Group businesses and divisions in assessing climate risks and mitigating them as part of their strategic planning. • Further detail on these activities is set out in the Sustainable Business Report on page 80.
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 Group Legal & Compliance function assists Group businesses through the identification of relevant requirements and the development and implementation of suitable controls, such as policies and training. • Carries out compliance audits in Group subsidiaries and reports on these to the Executive Risk Committee and Audit Committee. • More detail on the Group Compliance Programme is contained in the Corporate Governance Statement on page 108 and in the Sustainable Business Report on page 90.
Group IT	• Responsible for setting the Group's IT strategy, for major IT and digital initiatives and the management of IT security risks. • Supports Group businesses in meeting the Group Information Security Policy and related IT Standards, which cover areas such as cybersecurity and business continuity. • Provides ongoing technical support, user security training and network penetration testing. • Supports the Group's strategic IT agenda and the deployment of relevant cross-business platforms. • Provides support to key projects and change management programmes.
Group Finance	• Group Finance comprises 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 oversight of subsidiary activities in their areas of operation.
Group HR	• Responsible for the Group HR Strategy. • Reports to the Board on leadership development and succession planning.
Group Strategy	• Supports the review of relevant risks as part of strategy development and business planning processes at business-, divisional- and Group-levels.
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. • 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 Report continued

Risk Management Process

Risk Registers

Our risk process is based on a common, 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 assessed. New risks are added to the risk registers when they are considered to have become material. Emerging risks are monitored for this purpose and this process is outlined below.

The risk register process, as set out in the diagram below, is embedded in the Group's businesses and forms part of ongoing management processes. This facilitates the frequent review and updating of 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 97 to 101.

Emerging Risks

The Group recognises that it faces certain emerging risks 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. As noted above, a watchlist of emerging risks that may become 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, that 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.

Climate Change Risk Management

Overview of our Approach

We assess the impact of climate change on our activities principally by considering both transitional and physical effects over short-term (within three years), medium-term (between three and ten years) and long-term (more than ten years) periods.

Within this framework, we consider scenarios, using reasonable assumptions as to how certain factors, such as regulation, product availability and customer demand are likely to develop, to estimate the impact of climate change on our activities. This analysis in turn informs strategic choices we make regarding the future development of the Group and the divisions.

In the year under review, this approach resulted in an updated strategy for the energy sector, which is covered in the Energy Strategy section on page 22 and in a revised capital allocation framework described in the Financial Review on page 48. In taking these steps, the Group is focused on the need to achieve a just transition to net zero across Scope 1, 2 and 3 carbon emissions by 2050 or sooner.

Climate-related Risk Management Processes

There are three principal elements to our process for identifying, assessing and managing climate-related risks:

- Each business in the Group considers climate risks (including physical risks and transitional risks such as changes in regulation) as part of our general risk management process;
- Businesses in the Group then reflect on their assessment of climate (and other risks) in their strategic planning;
- The impact of climate risks , including their potential scale and scope and their significance relative to other risks, is also considered when risk and strategy is considered at divisional and Group level.

We have put in place common risk definitions as part of our overall risk process (covering both the likelihood and impact/materiality of particular risks) and these are applied to climate-related risks.

Responses to climate-related risks (including their mitigation, transfer, acceptance or control) are considered as part our strategic planning processes, which involve an annual review of strategy at business, divisional and Group level. Progress against strategy and the implementation of specific actions agreed as part of these processes is monitored as part of our existing management processes.

The Board maintains oversight of the Company's response to climate change as part of this process. The overall role of the Board in this respect is summarised in the Governance Report on page 102.

Subsidiary risk registers	Risk survey	Divisional risk registers	Group Risk Register
Each subsidiary is required to maintain a risk register, including details of key controls and mitigation activities. The registers are regularly reviewed and updated as required to reflect changing circumstances and emerging risks by both subsidiary and divisional management.	Each subsidiary completes a bi-annual online risk survey as an additional review of current and emerging risk trends.	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.	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.

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Analysis of Key Climate Scenarios

We considered the resilience of our Group and divisional strategies against a range of climate-related scenarios during the year. This process involved an initial qualitative assessment of climate-related risks and opportunities. More detailed qualitative assessments were then undertaken on four relevant scenarios. The results of this are summarised in the following table. In each case, our analysis was supported by suitable external expert advice.

Risk/Opportunity	Principal Scenario	Impact Assessment	Actions
Transitional impacts of climate change on our energy activities.	We undertook a detailed assessment of the likely evolution of each of the principal energy markets in which we operate (both geographic and customer markets), including a transition compatible with 1.5°C warming. This scenario was based on SSP1/RCP 1.9. This work included an assessment of the evolution of our policy and legal environment (such as the level of carbon pricing), the evolution of technology (such as improvements in EV technology) and the introduction of new forms of energy (such as biofuels and hydrogen). We also then considered how these and other relevant factors would influence the markets where we operate over the short, medium and long-term.	We concluded that there is a significant opportunity available to the Group to support existing and new customers as they reduce their use of fossil fuels over the next few decades. We can achieve this by adding to the range of products and services that we offer, while continuing to use the assets we have today to serve existing markets. It is clear that the transition to lower carbon forms of energy will, over the medium to long-term, see a reduction in demand for fossil fuels. A failure to adopt to this change would clearly create a material risk to our existing energy operations in the long-term.	Businesses in our Energy division are actively involved in decarbonising their own operations and helping their customers move to lower-carbon forms of energy. We updated our energy strategy over the course of the year under review to support and accelerate this. More detail on this is set out in the Energy Strategy section on page 22.
Physical impacts of climate change on our energy activities.	We assessed the impact that an extreme 4°C warming scenario would have on the operation of two of our energy facilities, an LPG import terminal and an oil import terminal, both located in coastal regions. This scenario was based on SSP5/RCP8.5. This work focused on assessing the risk of physical damage to those assets. We also considered the disruption to our wider operations that could be caused if they were inoperable for a certain period.	In the medium to long-term, these facilities are slightly more likely to experience acute physical impacts because of adverse weather and/or sea level rises. If no mitigation measures were taken and no insurance was in place, the financial impact of one of these sites being rendered wholly inoperable is likely to be less than £10m, in current values. This is not a material amount in the context of the Group. Assuming mitigation measures are taken and insurance is in place, the financial impact of these events will be substantially less. DCC Energy's wider strategic resilience to climate change is addressed above and in the Energy Strategy section on page 22.	These impacts can, within the timeframes considered, be fully mitigated through increased physical mitigation measures and business continuity planning. In particular, alternative means of obtaining product are likely to be available. In addition, the Group maintains insurance against physical damage and/or business interruption.
Physical impacts of climate change on our healthcare activities.	We assessed the impact that an extreme 4°C warming scenario would have on the operation of one of our healthcare businesses in the USA. This scenario was based on SSP5/RCP8.5. This work focused on assessing the risk of physical damage to those assets as a result of wind or flooding. We also considered the disruption to our operations that could be caused if they were inoperable for a certain period.	In the medium to long-term, this facility is somewhat more likely to experience acute physical impacts from adverse weather and/or sea level rises. If no mitigation measures were taken and no insurance was in place, the financial impact of one of these sites being rendered wholly inoperable is likely to be less than £10m, in current values. This is not a material amount in the context of the Group. Assuming mitigation measures are taken and insurance is in place, the financial impact of these events will be substantially less. DCC Healthcare's strategy is considered highly resilient to climate-related risks and opportunities.	These impacts can, within the timeframes considered, be fully mitigated through increased physical mitigation measures and business continuity planning. In particular, alternative means of obtaining product are likely to be available. In addition, the Group maintains insurance against physical damage and/or business interruption.
Transitional impacts of a move to a circular use of technology products.	We assessed the possible timing and scale of a change in the global technology market from the purchase of products to their supply as a service, as steps are taken to increase the reuse of the materials used in their manufacture. This scenario was based on SSP1/RCP 1.9. This work included an assessment of the evolution of the relevant policy and legal environment (such as more compulsory recycling of technology products) and the evolution of technology (including manufacturers designing products to support increase reuse of materials). We also then considered how these and other relevant factors, such as demand from retailers and end users, would influence the technology markets where we operate over the short, medium and long-term.	We consider that a significant market for recycled technology products and related services is likely to develop over the medium to long-term. The evolution of this market represents an opportunity for our Technology division, because technology suppliers and customers are likely to need support in moving products back up the supply chain for reuse. However, the scale and timing of this change, particularly within individual geographic markets, are subject to very high levels of uncertainty. DCC Technology's strategy is considered highly resilient to climate-related risks and opportunities.	We will continue to closely monitor developments in the markets where we operate, including through discussions with our suppliers, customers and relevant policy makers.

We will update the scenarios outlined above to take account of changes in regulation, market demand and other relevant factors. We also intend to undertake further scenario analysis on other impacts of climate change on our activities in due course.

Risk Report continued

Going Concern and the 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 97 to 101, 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 48. In addition, note 5.7 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 notwithstanding the turbulent economic and political environment.

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 2025. 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 and, again, with regard to ongoing economic and political uncertainty globally.

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 2025 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 21 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 cash flows 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 97 to 101 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 on 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 the year under review and areas of focus for the year to March 2023.

The Board has reviewed these risks and uncertainties by reference to relevant external and internal factors such as the impact of Russia's invasion of Ukraine, the continued effects of Covid-19, ongoing supply chain disruption and inflationary pressures, together with the continued growth and evolution of the Group.

This report sets out 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 impact which could emerge or evolve and give rise to material consequences.

The overall business environment is currently subject to greater risk and uncertainty than has been the case for some time.

The mitigation measures that are in place in relation to identified 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 and management will continue to actively monitor the Group's risk environment and available mitigation measures over the course of the current year.

Principal Group Risks: Key focus areas during the year

Changing markets and supply chains	The recent Russian invasion of Ukraine has increased pressure on global supply chains and added to wider inflationary pressures which had been caused in part by the disruption created by the pandemic. Heightened political and economic risks are likely to remain a feature of the business environment in the current year. The resilience created by core elements of the Group's strategy and business model – including our diversity, our focus on essential products and services, devolved management structure, excellent cash conversion and robust financial position – is additionally valuable in this environment.
Continued effects of the pandemic	While the strong performance of the Group during a year of continued disruption demonstrates the resilience of DCC's business model, the Board recognises the risk of new variants developing and has therefore at this time not changed its assessment of this risk.
Climate change and energy transition	The impacts of transitional and physical climate risks on the Group's operations were assessed in detail during the year and are outlined on page 99. The Group will continue to carefully monitor these risks and take steps to mitigate their impacts, in addition to actively reducing our own and our customers' carbon emissions.
Project and change management	There are several significant projects and change management programmes ongoing in the Group, including the steps being taken to support our customers' energy transition outlined in the Energy Strategy section on page 22. While we consider the risk in this area to be slightly increased as a result, the Group has a strong track record of managing change and the necessary expertise and resources are accordingly in place to manage this risk.
Attracting and retaining the right people	A range of factors have resulted in a shortage of available personnel at some levels and in some markets where the Group operates. The Group and individual Group business maintain a constant focus on this area in keeping with our purpose and strategy. More detail on our approach is set out in the People section on page 36.

Risk Report continued

Strategic Linkages

Market leading positions | Operational excellence | Innovation | Extend our geographic footprint | Development of our people | Financial discipline

Risk and Impact on Strategy	Principal Mitigation Measures	Developments and Areas of Focus
Major HSE or environmental incident The Group is subject to safety and environmental 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. For more detail, see the Sustainable Business Report on page 80. Further development of HSE controls and management systems will continue in the year ending March 2023 in line with our Three Year HSE Plan, 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 peer-to-peer HSE performance review process.
Global pandemic Global public health emergencies, such as the Covid-19 pandemic and any new variants and viruses in the future, could have a significant impact on the Group's employees, customers and business operations. There is a continued 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. 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, such as absence levels, 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 again 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 has and will continue to 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 on Strategy	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 lessons learned from this. 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 acquisition by DCC Technology of Almo Corporation. Acquisition activity in the current financial year will continue to be subject to robust internal evaluation processes and due diligence. The implementation of the Group's updated energy strategy, as outlined in the Energy Strategy section on page 22, will be a priority in the current year.
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.	The response to the Russian invasion of Ukraine has included a significant number of legal and compliance changes that are relevant to the Group's operations, including the significant extension of sanctions and trade controls, some measures to address increased energy prices and a greater need to monitor and support vulnerable consumers. Group businesses are actively managing compliance with these requirements within the framework of our existing compliance procedures. The Group and individual businesses will continue to monitor the regulatory environment over the coming year to ensure our legal obligations are met as they evolve.
Climate change Transitional climate change risks and opportunities, including 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 has relationships and structures in place to be well-positioned to enable energy transition, including introducing lower carbon forms of energy as these emerge. Detail on our revised approach to the energy sector is available in the Energy Strategy section on page 22. Key sustainability initiatives are overseen by the Board, the Governance and Sustainability Committee and the Executive Sustainability Committee. The Group's businesses have appropriate business continuity and crisis management plans in place.	Significant analysis on the transitional and physical implications of climate change on the Group's operations was undertaken during the year. More detail on our approach to the assessment of this risk is set out on page 94. Management will continue to monitor transitional and physical climate change risks to consider their impact on the Group and to put in place appropriate mitigation.

Risk Report continued

Risk and Impact on Strategy	Principal Mitigation Measures	Developments and Areas of Focus
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, the Group continues to strengthen its mitigation measures and resources in this area. A specific review of ransomware protection measures was undertaken in certain businesses during the year under review. Mandatory cybersecurity training was also enhanced. 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 and retain people The Group's devolved management structure has been fundamental to the Group's success. A failure to attract, retain and develop talent, particularly in new markets and in recent acquisitions could impact on the attainment of strategic objectives.	The Group maintains a constant focus on this area in line with our purpose and strategy, supporting the development of our people and ensuring that our workplaces are inclusive and diverse environments. Key mitigation measures include our: • Annual succession planning cycle which focuses on business continuity risk; • Talent review process which identifies high performing and high potential talent for the future; • International mobility practices which support the transfer of talent across our global group for professional development purposes as well as business need; particularly supporting the integration of new acquisitions; • Core leadership development programmes which support development at key career stages; • Annual remuneration cycle which ensures incentives are competitive from a retention perspective, and aligned with the Group's culture of long-term performance. These programmes form part of the overall Group Talent and People Strategy which is reviewed regularly by the Head of Group Human Resources, Divisional management, the Chief Executive and the Board.	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. The Group is focused on ensuring DCC continues to be a great place to work for all of our colleagues with HR initiatives supporting key areas of culture and engagement, inclusion and diversity and employee experience. The 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 80. More detail on our overall approach to supporting our people is set out in the People section on page 36.

Risk and Impact on Strategy	Principal Mitigation Measures	Developments and Areas of Focus
Corporate reporting Failure to accurately report or forecast financial or non-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 is actively developing its non-financial reporting, including as part of the Group Sustainability Programme. A key objective in this area is to ensure a clear alignment between Group and divisional strategies, while also meeting applicable regulatory requirements.	This Annual Report contains some significant developments in the Group's non-financial reporting, notably in relation to Scope 1, 2, and 3 carbon emissions. We are developing our internal processes and reporting systems so that the Group can efficiently meet additional corporate reporting and assurance requirements.
Changing markets and supply chains External factors outside the direct influence of the Group, such as economic cycles and technological changes, can significantly impact on performance. Specifically, the impact of inflation, rising energy prices and geo-political developments can result in supply chain disruption including logistics, freight costs, availability of labour and product, plant and machinery.	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 geo-political developments, notably the invasion of Ukraine by Russia in February 2022, and the Covid-19 pandemic on the global economy and on individual markets and supply chains continue to be monitored.

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Chairman's Introduction



DCC's purpose, culture and values are reflected in our commitment to high standards of corporate governance.

Dear Shareholder,
On behalf of the Board, I am pleased to present our Governance Report for the year ended 31 March 2022.

As a Board, we take our compliance with the UK Corporate Governance Code seriously. I am happy to confirm that we are in compliance with the Code other than provision 18 in relation to the re-appointment of Jane Lodge as a Director at the 2021 Annual General Meeting ('AGM'), which is addressed on page 122.

Maintaining and promoting high standards of corporate governance is essential to supporting the delivery of our strategy. It is also a vital element of an effective board, whose primary role is to promote the long-term purpose and success of the Group for the benefit of all our stakeholders.

Our Culture
DCC has a strong purpose, culture and set of values which collectively anchor our strategic priorities, decision-making and actions, especially during difficult times such as these. Our clearly defined values of Safety, Integrity, Partnership and Excellence are embedded in our business and guide our day-to-day work. Our people are central to our business and colleague engagement is therefore high on the agenda for the Board. Of equal importance is engagement with our wider stakeholders. The Board received updates on how the application of the Group's culture and values are embedded for colleagues and the Group's wider stakeholders during the year. More detail on this is provided on page 111.

Sustainability, including Climate Change
The pandemic and the recent invasion of Ukraine have not distracted from the challenges presented by climate change. The positive role that DCC will play in this area is described in the Energy Strategy section on page 22 and our Sustainable Business Report on page 80. While building a sustainable business has been part of DCC's strategy for many years, as a Board, we have, and will continue to, give the subject a good deal of consideration and emphasis. Consistent with this, the Board has oversight of sustainability matters. Details of our work to comply with the requirements of the Task Force for Climate-related Financial Disclosures ('TCFD') are set out on page 85.

Board Composition and Diversity
The year under review was a particularly busy year for Board and Committee changes. At the 2021 AGM, I was appointed Chairman of the Board, following the retirement of John Moloney as Chairman and non-executive Director. On the same date, Caroline Dowling succeeded me as the Company's Senior Independent Director, and we welcomed Lily Liu and Laura Angelini as non-executive Directors.

The sudden death in July 2021 of Cormac McCarthy, who had been a non-executive Director since 2016, led to Jane Lodge withdrawing her resignation in advance of the 2021 AGM and subsequently retiring on 31 March 2022. Cormac was a valued Board member, and I would like to acknowledge his great insight, generosity and experience in his role as Director. In a further change to the Board's composition, Alan Ralph joined the Board in November 2021 and became Chairman of the Audit Committee in March 2022. Pam Kirby, who has been a Director since 2013, will retire from the Board at our AGM in 2022.

On behalf of the Board, I wish to extend my sincere appreciation to John, Jane and Pam for their contribution to the Board during their respective tenures as Directors and I wish them all the best for the future. Lily, Laura and Alan's extensive experience, as outlined on pages 104 to 105, complements and further expands the broad range of skills on the Board. The Board actively promotes inclusion and diversity across the Group. The Board continues to meet the requirements of the Hampton-Alexander Review and the Parker Review.

Board Committees
In the year under review, the Board and Committees again adopted a virtual setting for the majority of our meetings. We found that this did not restrict the Board's discussions in any way. But, nonetheless, as soon as restrictions allowed, physical meetings were conducted. All of our Board Committees continued to perform very effectively during the year. You will find, on pages 119 to 153, individual reports, introduced by the Chairman of each Committee, giving details of their activities during the year.

Board Evaluation
The Board and its Committees review their performance each year and examine how improvements could be made. As detailed on page 117, we conducted an internal evaluation in 2022 and I am pleased to report that the results of the process were positive.

Board Development
We continued the development of our Board, with a number of virtual and physical visits to Group businesses over the course of the year. 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. We also received a number of external presentations offering valuable insights on DCC's strategy and operations.

Priorities for the Year Ahead
As a Board, we have a busy year ahead with a number of governance priorities including overseeing the implementation of our growth and net zero strategy for the energy sector, continued progress on our overall sustainability including the development of a diverse group of leaders, and maintaining robust internal control at a time of increased external turbulence. The changes made to the Board over the last year will support this.

Mark Breuer
Chairman
16 May 2022

Board of Directors



1. Mark Breuer
Non-executive Chairman G

Date of appointment: Mark joined the Board in November 2018 and was appointed non-executive Chairman in July 2021.

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.

2. 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.

3. 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. Kevin was appointed Chief Financial Officer in July 2020.

Key external appointments: None.

4. Laura Angelini
Non-executive Director G

Date of appointment: July 2021

Expertise: Laura has extensive knowledge of the healthcare sector in Europe and the US. She has more than 30 years of experience in medical devices across multiple therapies and business models, including hospital products, consumer MedTech and home therapies. In 2021, Laura retired as General Manager of Baxter International's global Renal Care business, having joined Baxter in 2016 in this role. She previously held senior roles in Johnson & Johnson from 1991 to 2016.

Laura's leadership experience, healthcare expertise and knowledge of the North American markets enhances the Board's knowledge in key areas.

Key external appointments: Member of the Board of Trustees of Jacksonville University.

5. Caroline Dowling
Non-executive Director, Senior Independent 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.

6. 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 of 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 IVECO Group N.V. and member of the strategic advisory board of the University of Surrey.

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

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7. David Jukes
Non-executive Director

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.

8. Pamela Kirby
Non-executive Director

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 Hikma Pharmaceutical's plc, Novo Nordisk A/S and Smith and Nephew plc. Pamela was a 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 Reckitt Benckiser Group plc and member of the supervisory board of Akzo Nobel N.V.

9. Lily Liu
Non-executive Director

Date of appointment: July 2021

Expertise: Lily has more than 20 years' experience in finance roles and is the current Chief Financial Officer of Essentra plc, a leading global provider of essential components and solutions and a member of the FTSE 250. Lily joined Essentra plc in 2018 as Chief Financial Officer, having previously been Chief Financial Officer of Xaar plc and Smiths Detection.

Lily's current role as CFO in a global business brings international financial experience to the Board and Audit Committee.

Key external appointments: None.

10. Jane Lodge
Non-executive Director

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 brought substantial audit, risk and audit committee experience to the Board. Jane retired from the Board and as Chairman of the Audit Committee on 31 March 2022.

Key external appointments: Non-executive director of Glanbia plc and Bakkavor Group plc.

11. Alan Ralph
Non-executive Director

Date of appointment: November 2021

Expertise: Alan is a very experienced business and finance leader having spent almost 20 years with UDG Healthcare plc (formerly United Drug plc). Alan spent 10 years leading UDG's largest business unit before supporting its strategic transformation as Chief Financial Officer for five years.

Alan's financial expertise, business leadership experience and knowledge of the healthcare sector complements the Board's knowledge.

Key external appointments: None.

12. Mark Ryan
Non-executive Director

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 and Wells Fargo Bank International.

Mark brings a strong understanding of commercial leadership and business perspective to the Board.

Key external appointments: Chairman of Publicis and Kefron Group and non-executive director of Econiq.

Group Management Team









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1. Donal Murphy
Chief Executive

See Donal's biography on page 104.

2. Kevin Lucey
Chief Financial Officer

See Kevin's biography on page 104.

3. 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.

4. 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.

5. 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.

6. 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 General Manager of Displays & Client Peripherals, before being appointed CEO & Senior Vice President of Dell's business in the UK.

7. 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.

8. 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.

9. 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.

10. 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

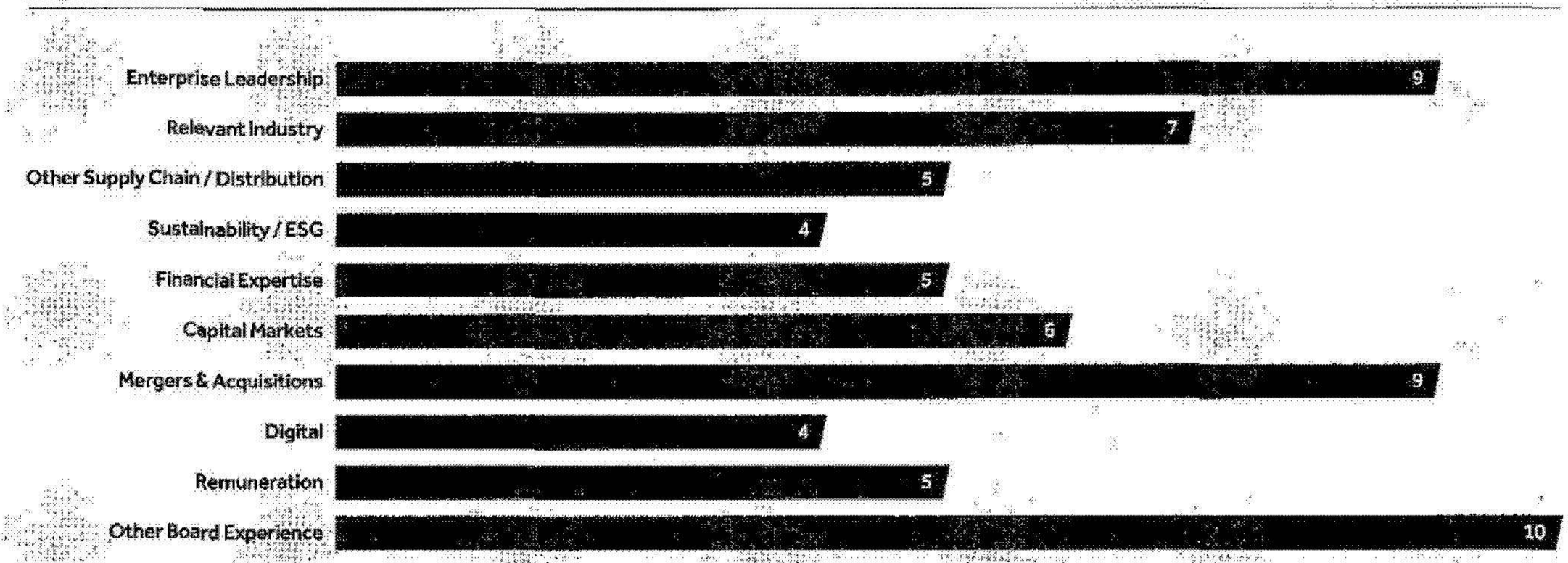
DCC is subject to the UK Corporate Governance Code. This statement details how DCC applied the principles and met the provisions of the Code during the year under review.

Governance at a Glance

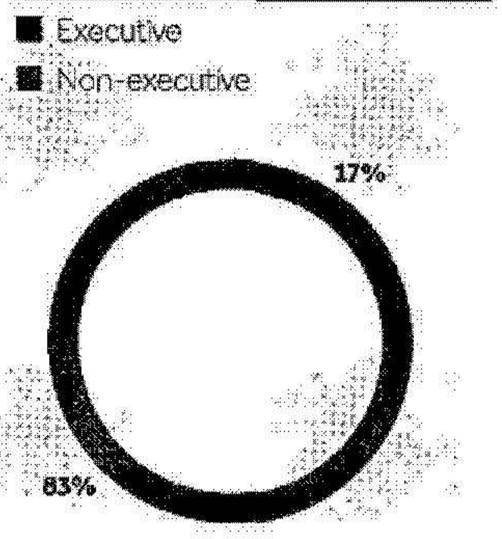
Highlights

- Significant Board renewal, with the appointment of a new Chairman and three non-executive Directors
- Continued focus on the key strategic opportunities and risks facing the Group, including the evolution of the Group's energy activities
- Further growth in the Group, including with the acquisition of Almo Corporation in December 2021

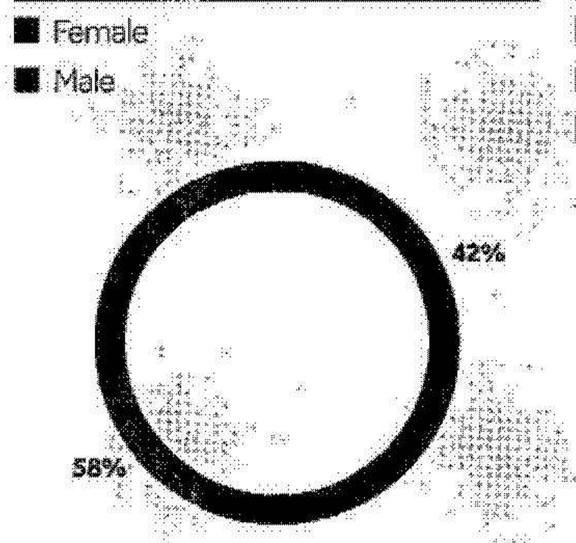
Experience and Skills of the Non-executive Directors



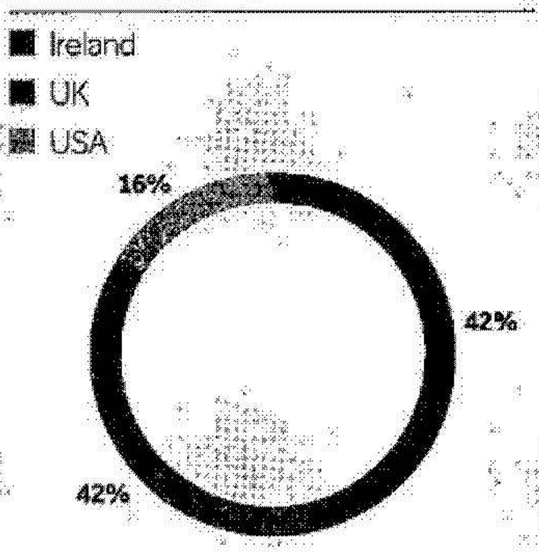
Executive and Non-executive Directors



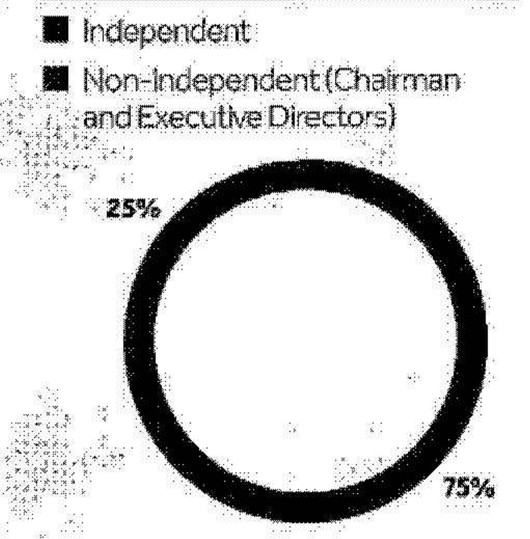
Gender diversity



Geographic location of Directors



Board independence



All of the above charts are as at 31 March 2022.

UK Corporate Governance Code – Statement of Compliance

The Board continues to assess its approach to corporate governance by reference to the UK Corporate Governance Code ('the Code').

As set out above, this Corporate Governance Statement has been structured to allow shareholders to consider how the Code's Principles have been applied.

The Board believes that the spirit of the Code continues to be upheld throughout its work and that of its Committees. It reports one instance of non-compliance during the year with the Code. This was in relation to the annual re-election of directors (Provision 18). Jane Lodge was due to retire at the 2021 AGM and was therefore not proposed for re-election.

A decision that Jane would remain as a Director and as Chairman of the Audit Committee following the sudden death of Cormac McCarthy was made following the publication of the Notice of the AGM.

Further details can be found on page 122.

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, including climate risk.

The Board receives reports at its meetings from the Chairmen of each of the Committees and from the Workforce Engagement Director 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 119 to 122.

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 123 to 127.

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 128 to 153.

Chief Executive

The responsibilities of the Chief Executive are set out on page 110.

Executive Risk Committee

The responsibilities of the Executive Risk Committee are set out in the Risk Report on page 92.

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.

Corporate Governance Statement continued

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.

Non-Executive Directors
The Board consists of an appropriate combination of a non-executive Chairman, two executive Directors and nine 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 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.



Senior Independent Director
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 led the annual Board evaluation process, as detailed under 'Board Performance Evaluation' on page 117.

Company Secretary
The Directors have access to the advice and services of the Company Secretary, whose responsibilities include, assisting the Chairman in relation to corporate governance matters and ensuring compliance by the Company with applicable legal and regulatory requirements.

Chief Executive
The Chief Executive is responsible for day-to-day management of the Group's operations, for the implementation of Group and divisional strategy, and instilling the Company's purpose, values and culture standards throughout the Group.

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. During the year it was updated to confirm the Board's oversight of sustainability matters.

The table below summarises the key matters that are required to be considered by the Board:

Group strategy and investment
- The Group's strategic aims and objectives
- Annual operating and capital expenditure budgets
- Material acquisitions

Structure and capital
- Changes to the Group's capital structure including reduction of capital, share issues and share buybacks
- Changes to the Company's listing arrangements

Corporate reporting
- Final and interim results announcements
- Annual Report and Accounts
- Dividends
- Significant changes in accounting policies or practices
- Oversight of internal control and risk management frameworks, including to reflect climate-related risks

Sustainability, including climate change
- Oversight of the Group Sustainability Programme, including considering recommendations from the Governance and Sustainability Committee in respect of the key sustainability issues and related objectives that are material to the Group as a whole, including climate change and energy transition
- Considering climate-related issues when reviewing and guiding Group and divisional strategy, investment proposals, budgets, and management objectives

Leadership and people
- Composition of the Board, including the CEO and CFO
- Succession planning for the Board and senior management
- Board Committee constitution
- Appointment of the Company Secretary

Shareholders and stakeholders
- Oversight of engagement with shareholders and other stakeholders
- Reviewing mechanisms for engagement with other stakeholders
- Designating a non-executive Director for engagement with the workforce

Board of Directors

Leadership

The Board's leadership responsibilities involve working with management to monitor the Group's 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 the 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, regulators and the Group's other stakeholders.

Strategy

DCC's Group strategy is set out on pages 8 and 9, with detail on divisional strategies provided on pages 22 to 27, 56, 62, 68 and 74. The Board's responsibilities in regard to strategy are summarised on page 112.

Board meetings

The table of Board attendance is set out on page 116. Due to restrictions as a result of Covid-19, the majority of Board meetings held during the year were 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 in the year under review. Therefore, Directors attended virtual site visits in EuroCaps, Flogas Ireland, Certas Energy UK, DCC Energi Denmark and Certas Energy France. Where possible, these visits included a virtual tour of the business as well as a presentation from local management teams, allowing time for questions and answers. In advance of the meetings, the Directors were provided with information on the business covering financial performance, development areas, risks and opportunities, safety and compliance, employee engagement and the impact of Covid-19.

Following the lifting of Covid-19 restrictions, certain Directors made physical site visits to Ion Laboratories, DCC Vital and Certas Retail Ireland.

Purpose, Values and Culture

DCC's purpose is enabling people and businesses to grow and progress. The Board promotes the Group's purpose and values through ongoing virtual and physical site visits to Group companies throughout the year, through meetings with members of senior management teams and at Board meetings where members of senior management presented to the Board.

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.

The Board monitors the Group's culture to ensure it is aligned with DCC's purpose, values and strategy. During the year, the Board considered detailed reports on the results of the Group-wide employee engagement survey, through senior management briefings. A number of Board and individual Director visits to Group companies were also conducted during the year, which allowed the Directors to engage with local management teams and members of the workforce. The ongoing activities of the Workforce Engagement Director are another key means of monitoring culture.

Further details on the relationship between the Company's purpose, values, strategy and business model and how these affect the Group's stakeholders are set out in the Strategic Report on page 6.



Corporate Governance Statement continued

Board activities during the year

A detailed Board calendar is in place to ensure that the Directors discuss a suitable range of topics throughout the year. This is reviewed by the Governance and Sustainability Committee and by the Board in advance of the commencement of the financial year. Board papers are circulated one week in advance of meetings.

The Board met nine times during the year. Additional meetings are arranged if necessary for the Board to properly discharge its duties.

Areas of focus	
Strategy and financing	• Reviewed the strategy of each of the Group's divisions during the year, with a particular focus on the Group's approach to the energy sector. • At a two-day Board meeting in December, Group strategy was considered in detail. • Reviewed the Group's financial structure and position. • Approved an £800 million Revolving Credit Facility. • Regularly considered the impact of Covid-19, supply chain and labour issues and political uncertainty on our business and strategy.
Acquisitions and development	• Approved the Group's largest acquisition to date – Almo Corporation. • Approved the acquisition of Wörner. • Received a detailed presentation from the Corporate Finance team on the Group's development priorities. • Received regular updates on the corporate development pipeline. • Reviewed post-acquisition business performance.
Risk management and internal control	• Received reports from the Chairman of the Audit Committee on its risk management activities. • Considered reports on the Group's principal and emerging risks, including climate-related risks, including a review of 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.
Leadership and succession planning	• Approved the appointment of Mark Breuer as Chairman. • Approved the appointment of three new non-executive Directors: Lily Liu, Laura Angelini and Alan Ralph. • Received reports from the Chairman of the Governance and Sustainability Committee on its activities. • Reviewed the Board's composition, diversity and succession plans. • Considered detailed presentations from the Chief Executive and Head of Group HR on management development and succession planning. • Supported the professional development of Board members.
Stakeholder engagement	• Hosted the Annual General Meeting via audio conference and webcast on 16 July 2021. • Reviewed the results of a Group-wide employee engagement survey. • The Chairman met with a number of the Company's leading shareholders during the year. • Received regular reports from the Group Investor Relations function. • Reviewed regular reports from the Company's brokers and from analysts.
Governance	• Received reports on and discussed relevant regulatory developments. • Oversaw an internally-facilitated Board evaluation process. • Received a report at each meeting from the Chairman of the Remuneration Committee on its activities. • Received reports from the Workforce Engagement Director on his activities. • Reviewed and discussed quarterly updates on Sustainability.



Donal Murphy, Chief Executive, and Mark Breuer, Chairman.

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 limited but took place at a number of our subsidiaries in Ireland and the US. Virtual meetings with senior management in other businesses were also arranged for all the Directors.

External experts are invited to attend certain Board meetings to address the Board on relevant industry and sectoral matters, and on developments in relevant areas such as 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 to be necessary.

Board Induction Programme

The Board welcomed three new non-executive Directors during the year, including Laura Angelini, who is based in the US. Her induction programme covered a range of relevant areas, including the Group's governance, risk management and internal control and operations. Many of the induction meetings were held virtually due to the ongoing pandemic. However, Laura was able to visit a number of our operational sites once restrictions were lifted. Two areas of particular focus in Laura's induction were developing her knowledge of the Group's healthcare activities, given her background in the sector, and matters relevant to her membership of the Governance and Sustainability Committee.

"My induction with DCC was very comprehensive. The move to virtual meetings caused by the pandemic meant that I was able to get to know many members of management from across the Group. And, as Covid-19 restrictions were lifted, I was also able to visit some of Group's businesses, both in the US, where I live, and in Europe. A real highlight was meeting our people, who show such commitment to DCC's purpose and serving our customers every day."

Laura Angelini



Areas	Provided by	Areas covered
Board and governance	**Mark Breuer, Caroline Dowling, Tufan Erginbilgic, David Jukes, Pam Kirby, Lily Liu, Jane Lodge, Mark Ryan**	• Overview of Board and Committee matters • Priority areas for the Board • Governance framework
Group Management Team	**Donal Murphy**, Chief Executive Officer **Kevin Lucey**, Chief Financial Officer **Conor Murphy**, Director of Group Finance **Nicola McCracken**, Head of Group Human Resources **Darragh Byrne**, General Counsel & Company Secretary **Peter Quinn**, Chief Information Officer **Henry Cubbon**, Managing Director, LPG **Eddie O'Brien**, Managing Director, Retail & Oil **Conor Costigan**, Managing Director, DCC Healthcare **Tim Griffin**, Managing Director, DCC Technology	• Group strategy and Company performance • Company purpose and culture • People strategy • Governance processes • Risk, compliance and legal processes • Business performance • Divisional strategy
Group functions	Heads of Group functions	• Key internal controls and risk management processes
Significant Group businesses	Butagaz, DCC Propane, Certas Energy UK, Fuel Card Services, DCC Vital, Ion Labs, Exertis International	• Business performance, strategy, internal controls, including safety, and development of people

Corporate Governance Statement continued

Reflecting stakeholder views in our Board decision making

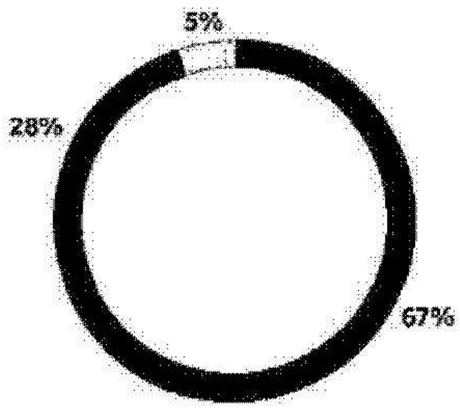
The Board recognises the importance of clear communication and engagement with all of DCC's stakeholders. Details on how both the Company and Board engaged with stakeholders and outcomes as a result of that engagement during the year are outlined on pages 40 to 43 of the Strategic Report. Below we offer further insights from our Workforce Engagement Director on workforce engagement and on the opposite page, we also give a more detailed account of how stakeholder interests were reflected in Board decision making during the year.

How the Board engaged with investors during the year

The Board actively seeks and encourages engagement with investors, including the Company's major institutional shareholders and shareholder representative bodies. The Group engaged with investors in a very active manner during the year. The charts opposite set out the number of meetings held with investors by the Executive Directors, Group Management and our Investor Relations team. These meetings include one-to-one meetings, group and conference meetings.

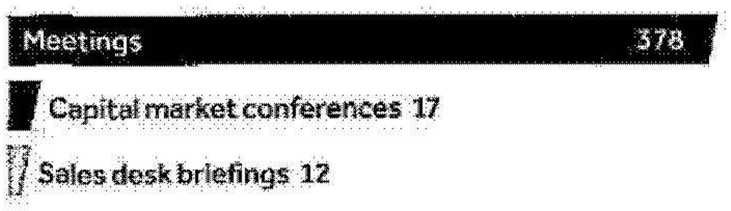
In addition to these meetings, the Group held three separate capital markets events over the last year. The first, held in September 2021 focused on our Healthcare division. In February, a similar event, focused on DCC Technology, was held. In May, the Group hosted an event that outlined our progress in the energy transition, including an updated strategy for our energy activities. These events were well attended and offered an important opportunity for investors to fully understand DCC's approach in the sectors where we operate.

Number of meetings held during the year



- Executive Directors and Investor Relations
- Investor Relations
- Group management and Investor Relations

Engagements with institutional investors

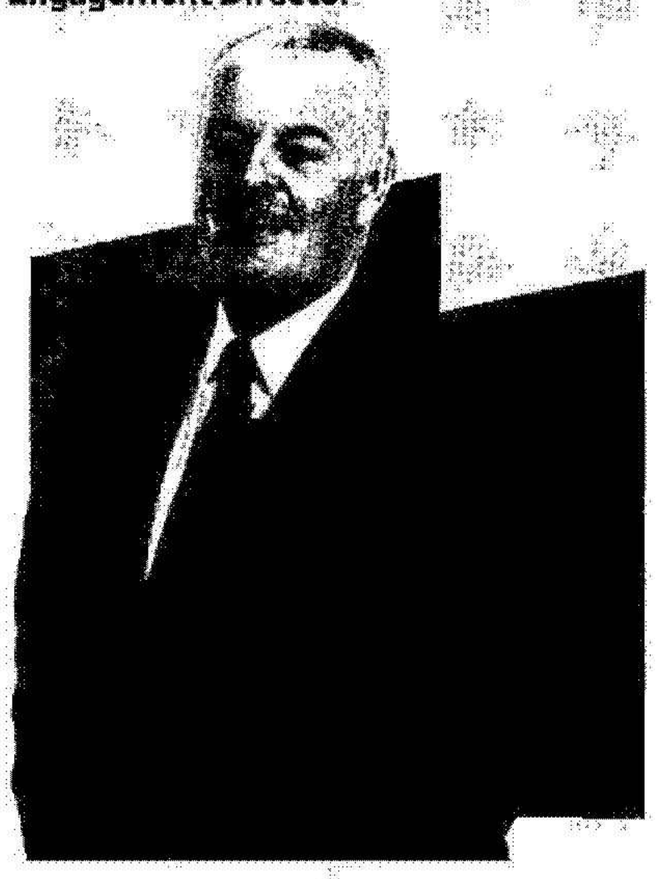


Engagement During the Year

- The Board was kept informed of the views of shareholders through the executive Directors' attendance at the investor relations events held during the year. Relevant feedback from investor meetings, investor relations reports, brokers notes and feedback from DCC's investor perception study were provided to the Board.
- The Board received briefings from the Company's brokers and the Investor Relations team on topics such as fundraising, market perception and shareholder activism.
- The Company Secretary engaged with proxy advisors in advance of the Company's AGM which provides shareholders with the opportunity to question the Chairman, the Committee Chairmen and the Board. All of the resolutions put to shareholders at the 2021 AGM were strongly supported. Following two years of disruption as a result of Covid-19, the Board hopes that no restrictions on attendance will be necessary at this year's AGM.
- The Chairman of the Remuneration Committee led a process of engagement with major shareholders and proxy advisory firms in respect of proposed changes to our Remuneration Policy, which was approved at our 2021 AGM.

Strengthening engagement with our employees

Q&A with Mark Ryan, Workforce Engagement Director



How have you found your first few months as the Board's Workforce Engagement Director and what benefit has it brought to Board discussions?

I have enjoyed my role as the Workforce Engagement Director since my appointment in November 2021. To date I have spent time reviewing and discussing the results of the Group-wide employee engagement survey. This has enabled me to get a better insight and understanding of what is on the minds of our employees and what are the things that matter most to them. I have also engaged with the Group HR Director Nicola McCracken to understand what the businesses across the Group are doing to address any key issues that have been raised in the survey. This has enabled me to support the interests of employees at Board level and ensure the Board are informed on both the survey results and any actions that may be taken. The Board hugely values the direct employee feedback coming from the survey as it is an essential component of our culture.

What makes the role of the Workforce Engagement Director effective?

The purpose of the role is to ensure that there is a direct link between the employees and the Board to ensure that we can get a better understanding of their views and any concerns that they may have. My role and objective is to ensure that I get an accurate understanding of our employee's views and to then share this information directly with the members of the Board.

How do you report back to the Board?

I provide a separate update at each Board meeting around any relevant employee feedback (e.g. survey), an update on any people initiatives in progress and a quick summary of work I have undertaken since the last meeting.

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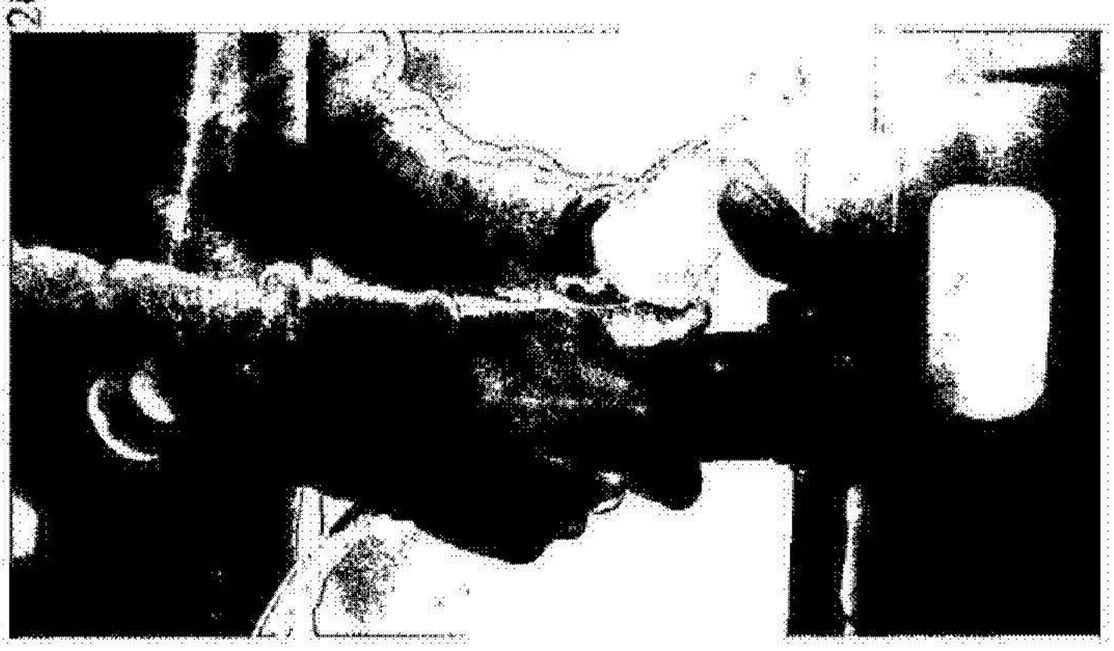
How the Board considered stakeholders during the decision-making process, and how the stakeholder engagement fed into this process

During the year, the Board was closely involved in all key decisions of the Company. As well as providing rigorous oversight of the Group's operations, risk management and reporting, the Board also had regard to the impact on the Company's stakeholders in making significant decisions.



Our revised energy strategy

During the year, the Board reviewed and approved the Group's new strategy for the energy sector, which combines continued growth with a commitment to decarbonisation. By enabling our customers to decarbonise their transport, homes and businesses, we will meet their need for energy today and in the future. This change will positively impact not only our customers, but also our communities and the wider environment, while maintaining returns for our shareholders. The change is also positive for the Group's employees, who wish to work in a business that takes its environmental responsibilities seriously and acts in accordance with its purpose. The process also reflects the Group's careful assessment of and response to the transitional risks that climate change presents to its operations.

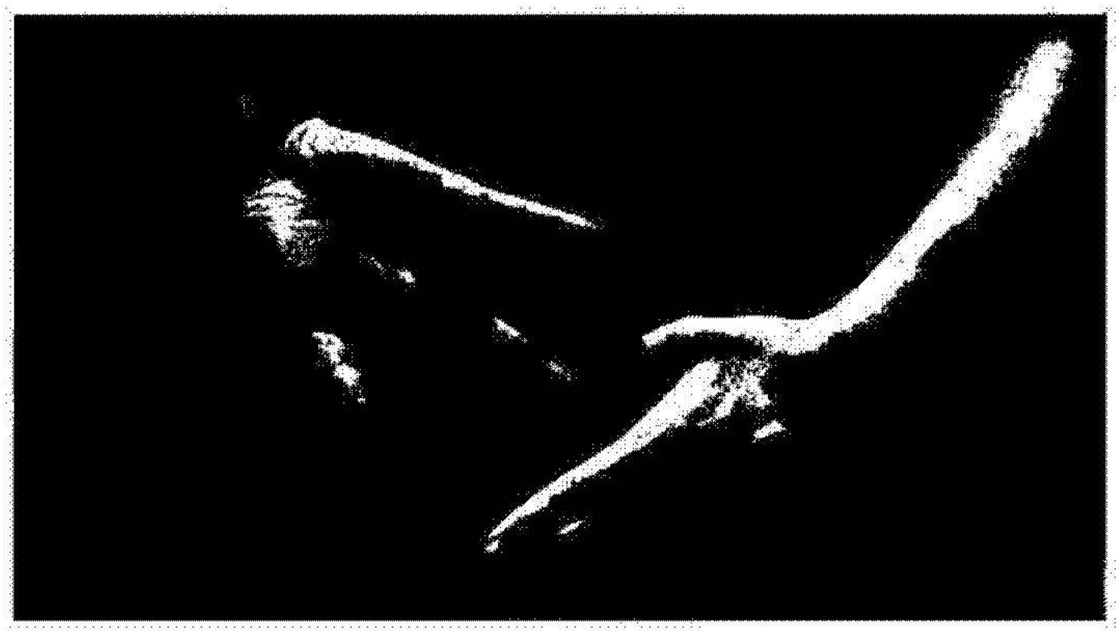
For more information on our energy strategy, see pages 22 to 27.



Growth in North America, including the acquisition of Almo

In December 2021, the Board approved the acquisition of Almo, a leading specialist sales, marketing and value-added distribution business in the US. The acquisition of Almo is a major step in the continuing expansion of both DCC and DCC Technology in North America. The North American market is the largest B2B and consumer technology market in the world and the acquisition enhances DCC Technology's presence and capability in the consumer channel, where Almo is also the largest national distributor of consumer appliance and lifestyle products. As part of the evaluation of the transaction, the Board considered its impact on the Group's employees, including the opportunities created for career development, the impact on existing suppliers and customers, and the benefits of the acquisition for shareholders. Following a detailed assessment, the Board determined to proceed with the investment.

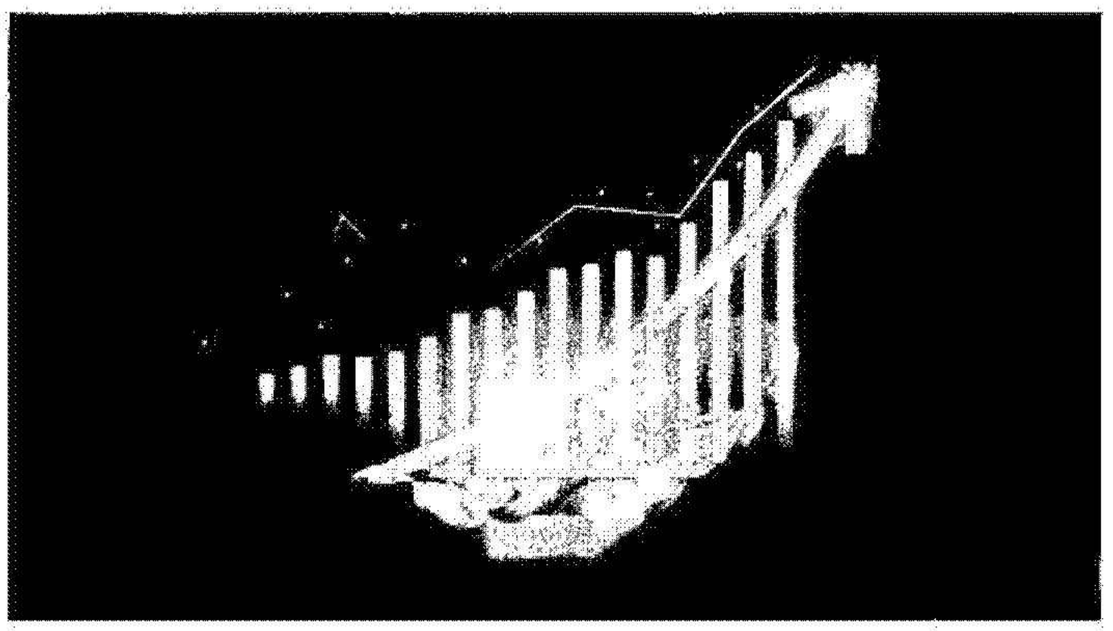
For more information on the Almo acquisition, see page 32.



Response to the invasion of Ukraine

Since the invasion of Ukraine began on 24 February 2021, the Board has considered how DCC could assist the millions of people who have been adversely affected. Therefore, in addition to reviewing impacts on the Group's operations and wider risks, the Board supported a donation by the Company to UNICEF to support its work in Ukraine and also supported steps by Group businesses in a number of European countries to support Ukrainians displaced by the war.

For more information on our community initiatives, see page 43.



Growing our dividend

DCC's record of unbroken dividend growth has few peers and reflects the Group's operational excellence and disciplined approach to capital allocation. Reflecting both our strong financial performance in the year ended 31 March 2022 and the importance of our progressive dividend policy to shareholders, the Board recommended a final dividend of 119.93 pence per share, which when added to the interim dividend of 55.85 pence per share, resulted in a total dividend for the year of 175.78 pence per share. Our record of 28 years of uninterrupted dividend growth illustrates the Group's longstanding and continuing commitment to delivering for shareholders.

For more information on our dividend, see page 51.

Corporate Governance Statement continued

Composition
The Board of DCC currently comprises the non-executive Chairman, nine 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.

Mark Breuer was appointed Chairman of the Company on 16 July 2021. On his appointment as a non-executive Director in 2019, the Board were satisfied he was independent. While Mr Breuer 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 121.

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. Jane Lodge did not submit to re-election at the 2021 AGM as she was due to retire at the AGM. Following the sudden death of Cormac McCarthy, the decision to extend Jane's term as a Director was made after the the publication of the Notice of the AGM. Therefore, the resolution to re-elect Jane was not passed.

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.

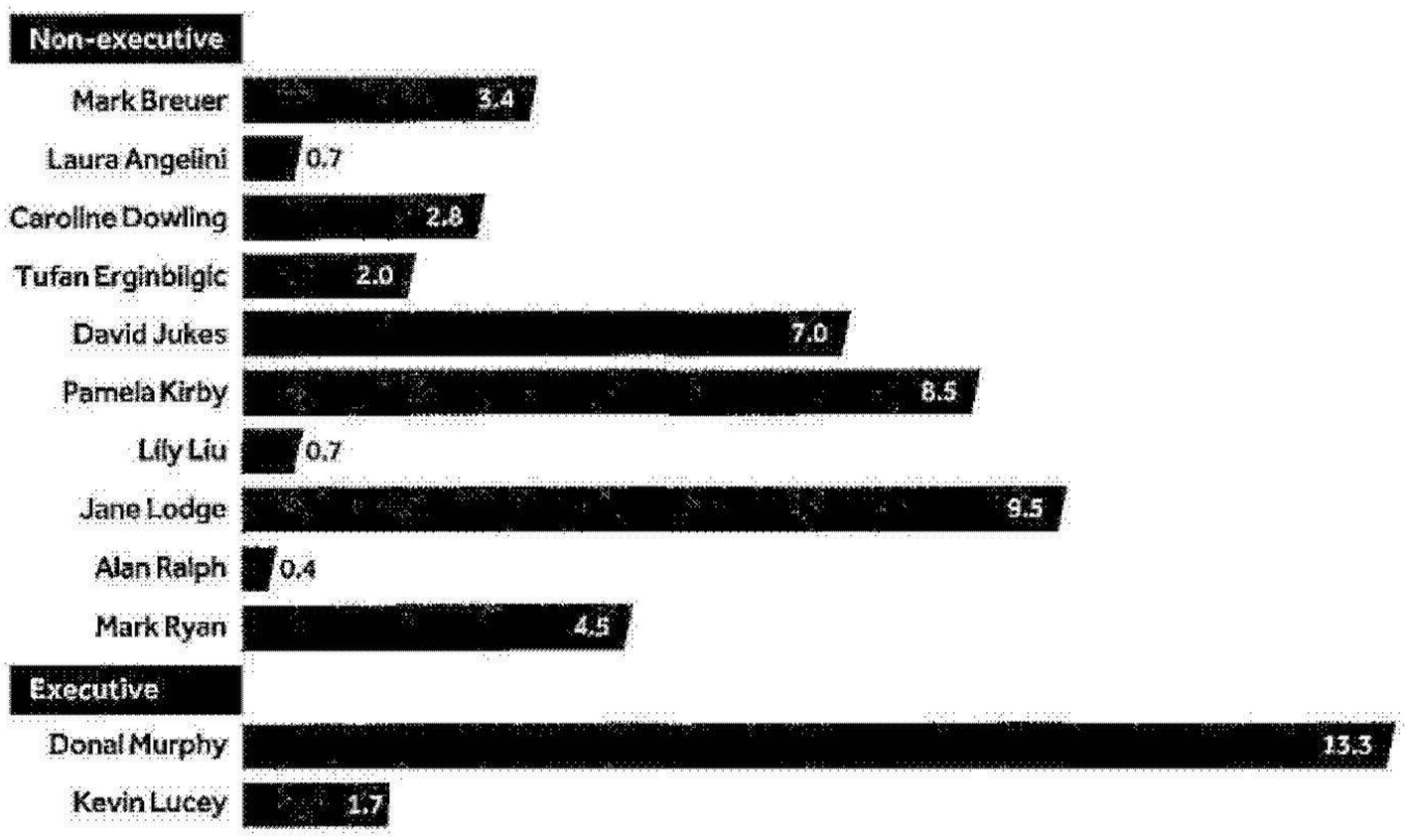
Board of Directors: Attendance at meetings during the year ended 31 March 2022

	Board	Audit Committee	Remuneration Committee	Governance and Sustainability Committee
Meetings held during the year ended 31 March 2022	**9**	**4**	**4**	**6**
Mark Breuer[1]	9	2	–	6
Laura Angelini[2]	6	–	–	4
Caroline Dowling	9	4	4	–
Tufan Erginbilgic	9	–	4	6
David Jukes	9	–	4	–
Pamela Kirby	9	–	4	6
Lily Liu[3]	6	2	–	–
Jane Lodge[4]	9	4	–	–
Kevin Lucey	9	–	–	–
Donal Murphy	9	–	–	–
Alan Ralph[5]	4	1	–	–
Mark Ryan[6]	9	4	–	1
John Moloney[7]	3	–	1	2
Cormac McCarthy[8]	2	1	–	1

1. Mark Breuer left the Audit Committee and was appointed as Chairman and a member of the Governance and Sustainability Committee on 16 July 2021.
2. Laura Angelini was appointed as a non-executive Director and a member of the Governance and Sustainability Committee on 16 July 2021.
3. Lily Liu was appointed as a non-executive Director and a member of the Audit Committee on 16 July 2021.
4. Jane Lodge retired as non-executive Director and Chairman of the Audit Committee on 31 March 2022.
5. Alan Ralph was appointed as a non-executive Director and a member of the Audit Committee on 8 November 2021. He was appointed as Chairman of the Audit Committee on 31 March 2022.
6. Mark Ryan was appointed as a member of the Governance and Sustainability Committee on 8 November 2021.
7. John Moloney retired as Chairman and non-executive Director on 16 July 2021.
8. Cormac McCarthy passed away on 5 July 2021.

There was full attendance at all Board and Committee meetings during the year.

Length of Tenure on Board (Years) as at 31 March 2022



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 2022 are set out in the chart above.

DCC 2022 Annual Report

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 conducted by Heidrick & Struggles, in accordance with the requirement under the Code to have it externally facilitated every three years.

In 2022, the performance evaluation process was conducted internally.

The various phases of the internal performance evaluation process, which commenced in early January and concluded in April, were:

A questionnaire covering key aspects of Board effectiveness, including the composition of the Board, the content and conduct of Board and Committee meetings, and the Directors' continuing education process, was circulated to all Directors.

Completed questionnaires, including views on performance and recommendations for improvement, were returned to Caroline Dowling, as the Senior Independent Director.

Further discussions were held with each of the Directors individually.

The Senior Independent Director then prepared separate summary reports on the Board and its Committees.

The Chairman, on behalf of the Board, conducted evaluations of performance individually with each of the non-executive and executive Directors. The Senior Independent Director conducted an evaluation of the performance of the Chairman.

The non-executive Directors also evaluated the performance of each executive Director.

Each of the Audit Committee, the Remuneration Committee and the Governance and Sustainability Committee considered the summary report as part of the review of its own performance and terms of reference and recommended any changes it considered necessary to the Board for approval.

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.

2022 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 a number of additional external presentations on matters of importance would be provided to the Board. 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 ensuring that their actions are 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 may 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 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 125, as part of the Audit Committee Report.

Corporate Governance Statement continued

Share Ownership and Dealing
Details of the Directors' interests in DCC shares are set out in the Remuneration Report on page 147.

The DCC Share Dealing Code ('the Dealing Code') applies to dealings in DCC shares by the Directors and Company Secretary of DCC and certain 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.

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 92.

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 125.

There is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, including climate-related risks, 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 92 and in the Audit Committee Report on page 124.

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 2022, with the provisions set out in the Code other than provision 18 regarding the reappointment of Jane Lodge at the 2021 AGM, which is addressed on page 122.

Mark Breuer, Donal Murphy
Directors
16 May 2022

Governance and Sustainability Committee Report



Developing the Board and its Committees to support the sustainable success of the Group.

The Governance and Sustainability Committee is responsible for monitoring the composition and development of the Board, reviewing the leadership needs of the Group, supporting the Group's sustainability activities and monitoring the Company's compliance with corporate governance requirements. This report summarises the Committee's activities during the year ended 31 March 2022 and sets out the Committee's priorities for the current year ending 31 March 2023.

Board Composition

In the year under review, there were a number of important changes to the Board. I succeeded John Moloney as Chairman at our AGM on 16 July 2021. Caroline Dowling replaced me as Senior Independent Director with effect from the same date. My appointment as Chairman and that of Caroline's as Senior Independent Director took place following a detailed process overseen by the Governance and Sustainability Committee and was considered by the Board. Neither Caroline nor I were involved in discussions regarding our appointment to these roles.

As mentioned in my Chairman's Statement and in Donal's Chief Executive's Review, we as a Board and our fellow colleagues across DCC were deeply saddened by the sudden death of Cormac McCarthy in July 2021. The Committee acted to ensure that a suitable candidate was identified and we were pleased to welcome Alan Ralph to the Board in November. Jane Lodge kindly agreed to remain on the Board until March 2022 to facilitate Alan's appointment and induction. Following a recommendation from the Committee, Alan was then appointed as Chairman of the Audit Committee with effect from Jane's retirement.

Cormac had been the member of the Board with responsibility for workforce engagement, under provision 5 of the UK Corporate Governance Code. Following a recommendation from the Committee, the Board appointed Mark Ryan with effect from 8 November 2021. Mark was also appointed to the Governance and Sustainability Committee on the same date.

In addition to overseeing the appointment of a new Chairman, Senior Independent Director, Chairman of the Audit Committee and Workforce Engagement Director, the Board oversaw processes for the appointment of two other new non-executive Directors to the Board. Following a detailed search process and interviews with a number of candidates, the Committee were pleased to recommend the appointment of Lily Liu and Laura Angelini to the Board. Lily joined the Board and the Audit Committee, and Laura jointed the Board and the Governance and Sustainability Committee on 16 July 2021.

Board Diversity

The Board supports and values the benefits of a diverse board and the evolution of the Board during the year reinforced our commitment in this area. DCC meets the recommendations of the Hampton-Alexander Review and the Parker Review in relation to Board diversity.

Board Evaluation

Following an externally-facilitated evaluation in 2021, the Committee oversaw an internal evaluation of the effectiveness of the Board and its Committees in early 2022. More information on Board evaluation, including an update on actions identified last year and further improvements to be implemented this year, is set out on page 117 as part of the Corporate Governance Statement.

Sustainability

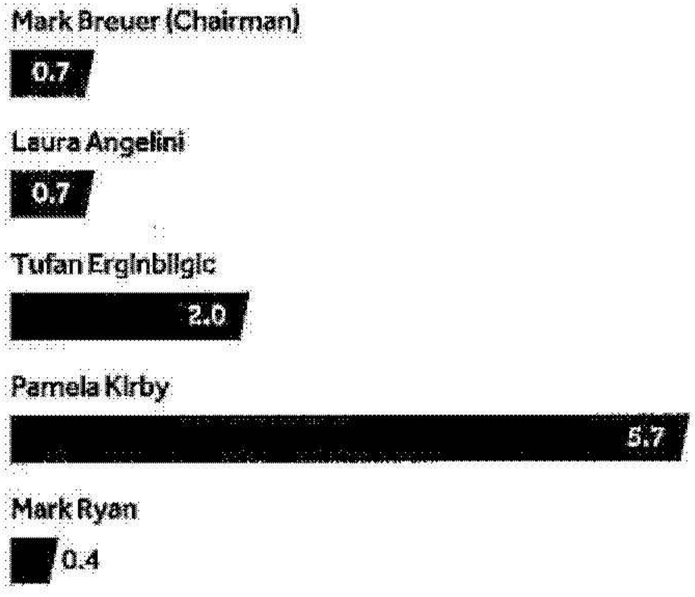
There are four pillars to DCC's sustainability framework, which address the sustainability questions that are most important to the Group and our stakeholders:

- Climate Change and Energy Transition;
- Health and Safety;
- People and Social; and
- Governance and Compliance.

During the year under review, the Committee considered reports on work undertaken in each of these areas, with a particular focus on meeting reporting requirements, such as TCFD. Detailed reports were also provided to the Board on activities within each pillar, with a particular focus on the transitional effects of climate change on the Company's energy businesses. This reflects the materiality of each of the subjects to the Group and the overall responsibility of the Board for sustainability matters.

More details on the governance of sustainability, including climate change, is set out on page 122. The Sustainable Business Report on page 80, the Energy Strategy section on page 22 and the People section on page 36 address our progress in those key areas in more detail.

Length of Tenure on the Governance and Sustainability Committee
as at 31 March 2022 (years)



"The Board supports and values the benefits of a diverse board and the evolution of the Board during the year reinforced our commitment in this area."

We measure our overall sustainability by the value we generate for our stakeholders and the Corporate Governance Statement on pages 114 to 115 sets out how the Board considered stakeholder interests during the year.

Corporate Governance
In addition to considering emerging regulatory developments in relation to sustainability reporting, the Committee also considered developments in relation to corporate governance more generally. These included the proposals set out in the UK Department for Business, Energy and Industrial Strategy's ('BEIS') White Paper Restoring Trust in Audit and Corporate Governance (which were also considered by the Audit Committee).

Priorities
The priorities for the Committee in the financial year ending 31 March 2023 will be:

- Implementing the recommendations of this year's Board evaluation process;
- Supporting the development of the Group's sustainability reporting, with oversight by the Board;
- Monitoring the continued evolution of the Board and its Committees, although the degree of change at Board level will not be as considerable as it has been over the last two years; and
- Monitoring developments in the Group's corporate governance environment, notably any changes introduced following the recent BEIS White Paper.

On behalf of the Governance and Sustainability Committee.

Mark Breuer
Chairman
Governance and Sustainability Committee
16 May 2022

Governance

Committee Composition, Attendance and Tenure
The members of the Governance and Sustainability Committee are Mark Breuer (Chairman) and four independent non-executive Directors: Laura Angelini, Tufan Erginbilgic, Pamela Kirby and Mark Ryan.

Mark Breuer became Chairman of the Committee on 16 July 2021 on the retirement of John Moloney. Laura Angelini joined the Committee on the same date. Mark Ryan joined the Committee on 8 November 2021.

Biographical details for the members of the Committee are set out on pages 104 to 105.

The Company Secretary is the Secretary to the Governance and Sustainability Committee.

Meetings
The Governance and Sustainability Committee met six times during the year ended 31 March 2022. Attendance details are set out in the table on page 116 of the Corporate Governance Statement.

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 may also meet separately, as required, to discuss matters in the absence of any invitees. No such meetings took place during the year under review.

External Commitments
Directors can bring valuable perspectives to the Board as a result of other appointments, such as directorships of other companies. In accordance with the UK Corporate Governance Code, Directors must seek the prior approval of the Board in advance of accepting any additional external appointments. This requirement has been included in all letters of appointment and in the list of Matters Reserved for Board Decision. Before the Board approves any additional external appointment, the Committee considers the impact on the Company, including the time required for the role and any conflicts of interest that might arise from it.

The Committee is satisfied that the existing external commitments of the Directors do not conflict in any way with their duties and commitments to the Company and that all Directors dedicate appropriate time to their responsibilities to the Company and are also available at short notice for any unscheduled Board meetings.

Roles and Responsibilities
The role and responsibilities of the Committee are set out in full in its Terms of Reference which are available on the Company's website. During the year, these were slightly amended to set out the respective roles of the Committee and the Board in relation to sustainability matters and to allow an increase in the membership of the Committee.

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 accordance with the UK Corporate Governance Code. In 2022, this evaluation was internally-facilitated. The last external evaluation was conducted by Heidrick & Struggles in 2021.

A report on the implementation of recommendations of the evaluation undertaken in 2021 and the principal findings of the 2022 evaluation is contained on page 117, as part of the Corporate Governance Statement.

The Committee as part of the Board evaluation process reviewed its own performance and Terms of Reference during the year. No further change to the Committee's Terms of Reference was considered necessary, following this review.

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 Committee is available at 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.

Principal Activities

Board Composition and Renewal

The Governance and Sustainability Committee reviews the composition of the Board and its Committees to ensure that they have an appropriate balance of skills, knowledge, experience, gender, and ethnicity, taking account of the nature, scale, and location of the Group's operations and the tenure of existing Directors.

In 2021, the Committee oversaw a detailed process for the selection of a new Chairman to succeed John Moloney. This included advice from MWM Consulting, reviewing a list of possible external candidates, and conducting interviews. The Committee identified that Mark Breuer's extensive business and capital markets experience, together with his knowledge of the Group, were suited to the position. Following a recommendation from the Committee, the Board appointed Mr Breuer as Chairman with effect from the conclusion of the Company's AGM on 16 July 2021. Mr Breuer did not participate in discussions at the Committee or the Board in relation to the selection of the Chairman.

Following the recommendation to appoint Mr Breuer as Chairman, the Committee considered his replacement as Senior Independent Director. Following this review, the Committee recommended the appointment of Caroline Dowling to the position, based on her knowledge of the Group together with her management and non-executive director experience.

On 17 May 2021, Lily Liu was appointed to the Board and the Audit Committee with effect from the conclusion of the Company's AGM on 16 July 2021. This followed an extensive search led by the Committee, with advice from Russell Reynolds Associates. Members of the Committee reviewed a list of potential candidates and conducted interviews with a number of them before making a recommendation to the Board. Ms Liu brings financial expertise and experience as a sitting CFO in a large international group to her role.

On 15 July 2021, Laura Angelini was also appointed to the Board and as a member of the Governance and Sustainability Committee with effect from 16 July 2021. Her appointment followed a search process overseen by the Committee, with advice from Russell Reynolds Associates. Again, a detailed list of candidates was reviewed and interviews conducted before a recommendation was made by the Committee to the Board. Ms Angelini adds considerable experience in the healthcare sector, with particular insights to the US, to the Board.

Following the sudden death of Cormac McCarthy in July 2021, the Committee appointed Russell Reynolds Associates to identify suitable candidates to replace him. Shortlisted candidates were interviewed by members of the Committee. Following a recommendation from the Committee, Alan Ralph was appointed to the Board and the Audit Committee on 8 November 2021. Mr Ralph brings additional financial expertise, recent experience as a CFO and extensive knowledge of the healthcare sector to the Board and Audit Committee.

The Committee separately considered the appointment of a Chairman of the Audit Committee in advance of Jane Lodge's retirement. Mr Ralph was considered by the Committee to have the financial expertise, business experience and availability to take on the role. His appointment was confirmed by the Board, following a recommendation from the Committee, in February 2022 and took effect from 31 March on Ms Lodge's retirement.

Finally, the Committee reviewed candidates from within the Board in place of Cormac McCarthy as the Director with responsibility for workforce engagement. Following this review, the Board appointed Mark Ryan to the position and as a member of the Governance and Sustainability Committee on 8 November 2021. Mr Ryan's general management experience and experience as a director of other organisations supported his appointment.

Extensive and tailored induction programmes for each new Director were put in place at the time of their appointment. These inductions included reviewing information on the Company, meetings with fellow Directors, members of the Group Management Team and the senior management in significant Group businesses.

Pam Kirby will not be seeking re-election at the Annual General Meeting on 15 July 2022, as she is approaching nine years' service as a Director. Pam will retire from the Board as a non-executive Director and as a member of the Governance and Sustainability Committee and Remuneration Committee. We have commenced a process with MWM Consulting to identify a suitable replacement.

Russell Reynolds Associates and MWM Consulting do not have any connection with the Directors or the Company.

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 and backgrounds, as well as gender and ethnic diversity, bring to the Board.

The Board is currently comprised of 36% female Directors and has one Director from an ethnic minority background. This meets the current requirements of the Hampton-Alexander Review and Parker Review.

Governance and Sustainability Committee Report continued

Succession Planning

In addition to its work on the development of the Board, the Governance and Sustainability Committee specifically considers succession planning for executive Director positions. This is done within the context of the Group's overall talent development and succession planning structures. Those structures have been developed over the last few years to reflect the Group's greater scale and geographic diversity. The Directors receive a detailed update annually from the Head of Group HR on Group talent development and succession planning process. This covers succession planning for senior management roles in detail.

Tenure of Directors

Following the sudden death of Cormac McCarthy in July 2021, Jane Lodge agreed to withdraw her resignation as a Director, which had been due to take effect at the end of the Company's AGM on 16 July 2021. This was done to facilitate the appointment of a new Director and to identify a suitable successor to Ms Lodge as Chairman of the Audit Committee. As a result, Ms Lodge's term continued until her retirement from the Board on 31 March 2022. It was not feasible to issue an amended notice to shareholders in advance of the AGM to facilitate the re-election of Ms Lodge. As a result, Ms Lodge's continued membership of the Board was not put to a shareholder vote. This represented a non-compliance with provision 18 of the UK Corporate Governance Code.

A number of recommendations in respect of renewed Board and Committee membership were also made to the Board by the Committee during the year.

The tenure of the Directors on the Board is set out on page 116. The tenure of members of Committees is dealt with in the relevant Committee reports.

Sustainability, including Climate Change

The Board oversees sustainability matters, including climate-related issues. The Governance and Sustainability Committee supports the work of the Board by reviewing the development of the Group's sustainability activities, including steps taken to meet regulatory requirements.

The Governance and Sustainability Committee is updated at every meeting on sustainability-related work within the Group, including the work of the Executive Sustainability Committee. The Chairman of the Governance and Sustainability Committee briefs the Board on the work of the Committee after each meeting. In addition to updates from management, the Committee received a briefing on sustainability reporting developments from a third party during the year. An external update to the Board on sustainability matters will be provided in the current financial year.

The Board receives a report every quarter from the Head of Group Sustainability on key developments in the Group Sustainability Programme, with a particular focus on pillar 1 (Climate Change and Energy Change) and pillar 2 (Health and Safety). The Board also receives separate updates on the matters covered by pillar 3 (People and Social) from the Head of Group HR and those covered by pillar 4 (Governance and Compliance) from the Group General Counsel.

In addition to considering these reports, the Board devoted considerable time during the year to the review of the Company's strategy for the energy sector, which is outlined in the Energy Strategy section on page 22. That updated strategy is based on a detailed review of the transitional impact of climate change on the Group's energy activities. The Board continues to allocate significant time to climate change and energy transition matters, including the evolution of the Company's operations in the energy sector.

Other risks and opportunities resulting from climate change were also reviewed during the year and reported to the Governance and Sustainability Committee and the Board as part of the reporting cycles described above. Those risks and opportunities are described in the Risk Report on page 92. The Risk Report goes on to describe how climate risks are considered as part of the Group's risk management and risk reporting processes.

The Committee considered a detailed report on the Company's compliance with the TCFD reporting framework. An overview of the Company's compliance with TCFD this year is contained in the Sustainable Business Report on page 80 with further detail provided in the Additional Sustainability Information on page 247. Our 2022 Annual Report includes disclosures that meet all 11 recommended disclosures of the TCFD framework.

Corporate Governance

The Committee advises the Board on significant developments in corporate governance and monitors the Company's compliance with corporate governance best practice.

During the year, the Committee considered a number of corporate governance developments, including the proposals set out in the BEIS White Paper. The same developments were also considered by the Audit Committee and are addressed in its report on page 123. Following these discussions, the Company made a detailed submission to BEIS on a number of the proposed reforms.

The Committee will continue to consider the impacts of corporate governance developments on the Company in the present year, including any UK reforms introduced following the BEIS report and also technical developments such as the removal of share certificates under Irish law.

The Company operated in full compliance with the Code during the year ended 31 March 2022 other than provision 18 in relation to the reappointment of Jane Lodge, which is addressed above.

Audit Committee Report



Maintaining the integrity of the Group's financial reporting, risk management and assurance processes continues to be a key priority of the Committee.

I am pleased to present the report of the Committee for the year ended 31 March 2022. The report summarises the work of the Committee during the year and also sets out a number of priorities for the year ahead.

Role of the Committee

The Committee supports the Board in fulfilling a number of its principal corporate governance responsibilities, including reviewing the Group's risk management and internal control frameworks, overseeing the activities of the Group Internal Audit function, and monitoring financial reporting including the external audit process and the Company's Annual Report and Accounts.

Areas of Focus

The Committee continued to engage in detail with Group management during the year to ensure that robust internal controls and risk management systems were maintained, and that the Group Internal Audit function continued to operate effectively, while recognising the continued pressure on the management and employees of the Group's businesses as a result of the pandemic and, more recently, turbulence generated by the invasion of Ukraine.

Following a detailed planning process, KPMG conducted the largely onsite audit across the Group and ensured all necessary standards and requirements were adhered to and maintained. For the audit in respect of the year ended 31 March 2022, Patricia Carroll replaced Conall O' Halloran as the Group lead audit engagement partner. The Committee would like to take this opportunity to thank Conall for his work as lead audit partner over the past two years.

During the year, the Committee discussed the impact of the audit and corporate governance reforms proposed in a White Paper: Restoring Trust in Audit and Corporate Governance published by the UK Department for Business, Energy and Industrial Strategy. As part of the consultation process, the Company made a submission to the Department on a number of the proposals made in the White Paper. The Committee remained vigilant to the impacts on the Group and on our stakeholders regarding the invasion of Ukraine and will continue to monitor its indirect impact on inflation and certain supply chains.

The Committee also considered the impacts of climate change during the year, including the Company's reporting in accordance with the recommendations of the Taskforce on the Climate-related Financial Disclosures. While our reporting in this area will develop further in future years, our report this year meets all of the recommendations of the TCFD framework.

Further detail on the areas to which the Committee devoted time during the year is set out on page 124.

Priorities for the Year Ahead

The Committee's primary focus for the year ahead will remain the Group's risk management and internal control processes, taking account of the impact of the conflict in Ukraine, inflationary pressures, supply chain disruption and increased cybersecurity risks. The external environment will remain volatile and the Board and management therefore remain fully committed to the ongoing enhancement of risk and financial management across the Group.

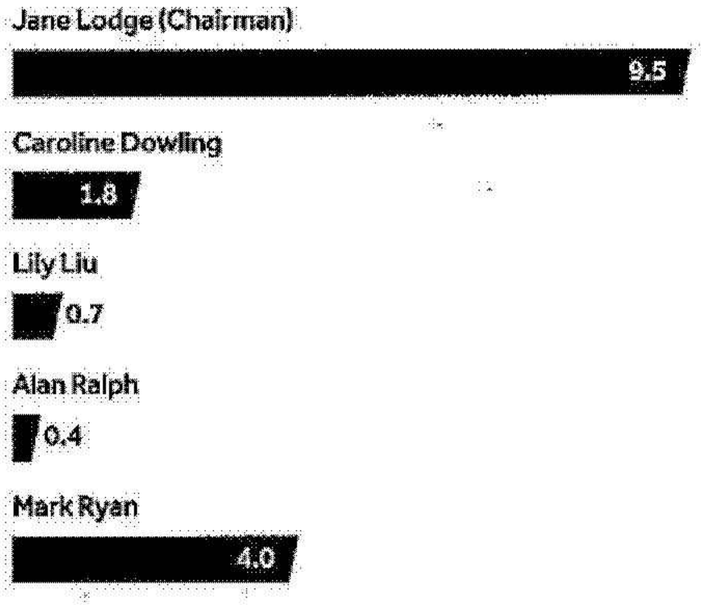
Composition of the Committee

During the year, there were a number of changes to the Committee's membership, details of which are set out on page 124. I would like to thank Jane Lodge for her exemplary stewardship of the Audit Committee for the past nine years. I would also like to acknowledge the valued contribution made to the Audit Committee by Cormac McCarthy before his sudden death in July 2021.

On behalf of the Audit Committee.

Alan Ralph
Chairman, Audit Committee
16 May 2022

Length of Tenure on the Audit Committee
as at 31 March 2022 (years)



"The Committee's primary focus for the year ahead will remain the Group's risk management and internal control processes."

Governance

Committee Composition, Attendance and Tenure

The Audit Committee currently comprises four independent non-executive Directors: Alan Ralph (Chairman), Caroline Dowling, Lily Liu, and Mark Ryan. During the year, there were a number of changes to the Committee's composition. Following the sudden death of Cormac McCarthy on 5 July 2021, Jane Lodge agreed to continue as non-executive Director and Chairman of the Audit Committee. On 16 July 2021, Mark Breuer resigned as a member of the Committee due to his appointment as Chairman of the Board and Lily Liu was appointed as a member of the Committee. On 8 November 2021, Alan Ralph was appointed as a member of the Committee. Following Jane Lodge's retirement on 31 March 2022, Alan Ralph also became Chairman of the Committee.

Biographical details for the current members of the Committee are set out on pages 104 to 105. 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 Alan Ralph and Lily Liu meet the specific requirements for recent and relevant financial experience set out in the UK Corporate Governance 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 four times during the year ended 31 March 2022 and there was full attendance by all members of the Committee.

The Company Secretary is the Secretary to the Audit Committee.

Meetings

The Chief Executive, Chief Financial Officer, Director of Group Finance, Head of Group Internal Audit, Head of Group IT Assurance 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 may also meet in private, as required, to discuss matters in the absence of any invitees.

Annual Evaluation of Performance

The conclusion of the internally-facilitated 2022 Board evaluation process was that the Audit Committee and the Chairman of the Committee operated effectively. All actions from the 2021 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

The role and responsibilities of the Committee are set out in full in its Terms of Reference, which are available on the Company website.

Principal Activities in 2022

Risk management

On behalf of the Board, the Committee reviews and ensures oversight of the processes by which risks are managed, including the Group Risk Register, through regular functional reports and presentations from the Head of Group Internal Audit and other members of management.

The Group Risk Report includes an assessment of emerging risks and ensures, through an Integrated Assurance Report, changes to the Group's risk profile are matched by enhancements to risk assurance activities. In the financial year under review, the Committee continued to monitor emerging risks, both through the review of external reports, and discussions with Group management and Group Internal Audit ('GIA'). The Risk Report on pages 92 to 101 sets out the detailed steps in the process and the Group's principal risks.

Internal Control

The Committee monitors the effectiveness of internal controls and compliance with the UK Corporate Governance Code as detailed on page 108. The Committee also briefs the Board on the operation of the Group's risk mitigation processes and the control environment over financial risk. The Committee discussed the findings from audits and other reviews completed by the GIA function and appropriate responses were agreed. 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.

Review of 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 92 to 101.

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. 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 94. 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 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 108.

Compliance and Whistleblowing

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.

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 117 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 agrees GIA plans and reviews reports of Internal Audit work. The Committee also monitors the effectiveness of the Internal Audit function and reviews the control observations made by the Head of GIA, the adequacy of management's response to recommendations and the status of any unremediated actions. The Head of GIA and the Head of IT Assurance, together with other executives from the GIA function as needed, report to each meeting of the Committee on:

- the findings from each audit, IT audit and any special investigations completed;
- reviews undertaken on newly acquired subsidiaries;
- audits in progress;
- the timely implementation of agreed audit actions; and
- progress on other projects including the implementation of improvements agreed under the most recent External Quality Assessment.

Internal audit continued to be conducted remotely during the year because of continued Covid-19 restrictions. The Committee received regular updates from the Head of GIA on how the remote audits performed in comparison to an in-person audit and were satisfied that the appropriate standards were being met. Remote auditing carried out by the GIA team continued to work satisfactorily with no delay in the internal audit plan. However, the GIA team has resumed in-person audits where possible.

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.

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 in 2021 by EY.

The Audit Committee ensures co-ordination between GIA and the external auditor 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 other members of management.

IT Assurance

The IT Assurance team forms part of the wider GIA team. In addition to IT audit reports, the Head of GIA and Head of IT Assurance report 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.

During the year, this included providing updates to the Audit Committee on the implementation of 'IT Essentials' early warning dashboards in conjunction with the Group IT team which assist management in monitoring and managing their cybersecurity risks and other IT compliance requirements; the completion of a review of common themes around IT issues raised during the year and recommendations to address their underlying root causes; and the results of Target IT Standards reviews in recently acquired businesses during the year.

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.

Audit Committee Report continued

External Auditor

The Audit Committee oversees the relationship with the external auditor, KPMG, including approval of the external auditor's fee. In the year ended 31 March 2022, the Committee engaged with KPMG to ensure a smooth transition to Patricia Carroll as the Group's lead audit engagement partner.

The Audit Committee reviewed KPMG's external audit plan at its meeting held in November 2021 and received an update at its meeting in April 2022, 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.

The Audit Committee meets with the external auditor without the presence of management. In addition, the Audit Committee discusses with the external auditor their approach to audit quality.

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.

Effectiveness

KPMG were appointed as the Group's external auditor on 17 July 2015. 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.

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 2022.

Non-Audit Services

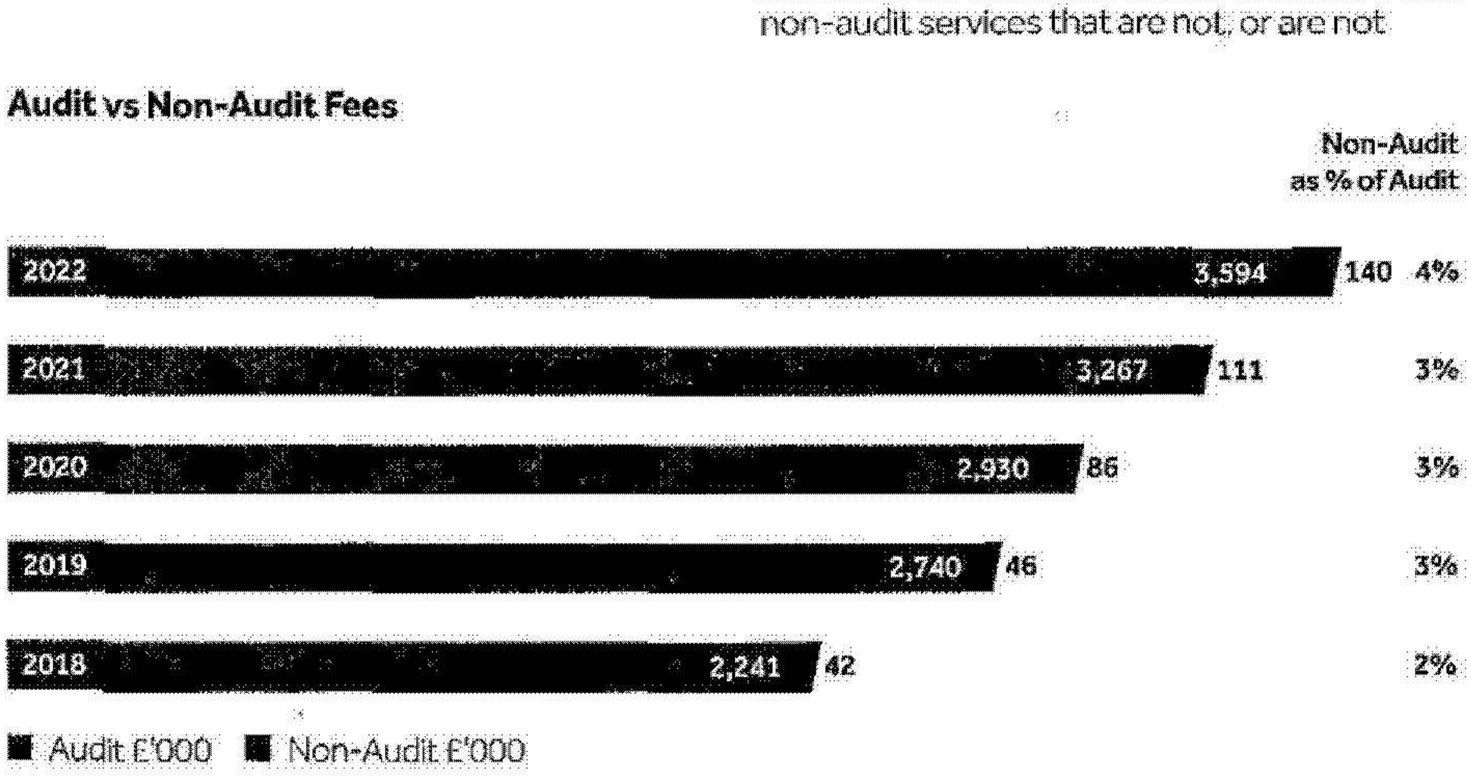
The Audit Committee has approved a policy on the engagement of the external auditor to provide non-audit services, which provides that the external auditor is permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence, providing they have the 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 that 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 177. The chart below sets out the audit and non-audit fees paid to the external auditor over the five-year period from 2018 to 2022 inclusive.

Audit vs Non-Audit Fees



Financial Reporting

An important part of the Committee's role is to ensure that the Company's disclosures are supported by suitably detailed analysis and are subject to challenge. The Committee reports its findings and makes recommendations to the Board accordingly.

The statutory auditor supports the Committee in this role. In the course of the audit, it considers whether accounts have been prepared in accordance with IFRS and whether adequate accounting records have been kept. Furthermore, the GIA function 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 159 to 163.

In relation to the 2022 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 127 sets out the significant issues considered by the Committee in relation to the financial statements for the year ended 31 March 2022.

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.

The Committee reviewed the position regarding distributable reserves in order to recommend payment of the interim and final dividends.

Impact of Climate Change
The Committee considered the Company's approach to the reporting of the impact of climate change on its activities in the 2022 Annual Report and Accounts, including compliance with the recommendations of the Taskforce on Climate-related Financial Disclosures. More detail on compliance with TCFD is contained in the Sustainable Business Report on page 80.

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 2022 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 2022 Annual Report and Accounts, in particular planning, co-ordination and review processes. The Committee also noted the formal review 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 92.

Significant Issues in relation to the Financial Statements for the Year Ended 31 March 2022

Goodwill and Intangible Assets
As set out in note 3.3 to the Group financial statements, the Group had goodwill and intangible assets of £2,634.4 million at 31 March 2022. 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 review was carried out using the carrying values of subsidiaries at 28 February 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 performed by adjusting the discount rate, cash flows and the long-term growth rate. The Committee discussed with management the impact of the revised energy organisational and reporting structure and was satisfied that the goodwill attaching to CGUs which were previously separately reviewed for goodwill impairment purposes, should now be reviewed as a combined CGU, consistent with the level at which the CGU is being managed. 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 one CGU 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.

Business Combinations
As set out in note 5.2 to the Group financial statements, the Group completed a number of acquisitions during the year, the most significant of which were the acquisitions of Almo and Wörner. The Group committed £715.5 million in total consideration to acquisitions completed during the year. This total consideration was satisfied by a net cash outflow of £668.1 million and acquisition related liabilities of £47.4 million.

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, being the date the Group obtains control of the acquiree. 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. Management reported to the Committee that in conducting their review of the fair values of the acquired assets and liabilities at the date of acquisition, identifiable net assets of £492.4 million, non-controlling interests of £0.9 million and goodwill of £224.0 million were acquired. Management engaged independent experts to assist with the valuation of intangible assets on the Almo and Wörner acquisitions. In addition, the Committee discussed and agreed with management's recommendations on the estimated useful lives of intangible assets arising on the Group's acquisitions.

The Committee considered and discussed with management the key assumptions used in determining the fair value of assets and liabilities acquired and was satisfied that the process and assumptions used in determining the fair values of assets and liabilities had been appropriately scrutinised and challenged and were sufficiently robust. The Committee agreed with management's assessment of the fair values of assets and liabilities acquired through business combinations and was satisfied that the related disclosures required under IFRS 3 were complete, accurate and understandable.

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, 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.

Remuneration Report



Executive Remuneration continues to reflect a strong business performance.

Chairman's Introduction

I am pleased to present the Remuneration Report for the year ended 31 March 2022.

As usual, the Report includes the following sections:

- This Chairman's Introduction
- Remuneration at a Glance (page 131)
- Remuneration Policy Report (pages 132 to 138)
- Annual Report on Remuneration (pages 139 to 153)

The purpose of DCC's Remuneration Policy, which was renewed at the 2021 AGM with strong shareholder support, 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 2022.

- Group adjusted operating profit was 11.1% ahead of the prior year.
- Adjusted earnings per share grew by 11.2% and it is proposed that the total dividend for the year will be increased by 10.0%.
- Return on capital employed, a key metric for DCC, was 16.5% and was again substantially in excess of the Group's cost of capital.
- DCC generated a strong shareholder return over the last ten years, as illustrated in the chart below.

The Committee is satisfied that the executive Directors' short- and longer-term remuneration, as described next, properly reflects the Group's strong performance in the year.

DCC's TSR versus the FTSE 100 over the last 10 years



Remuneration of Executive Directors for the Year

Salaries

As reported in last year's Remuneration Report, salary increases were awarded to the executive Directors in respect of the year ended 31 March 2022.

Donal Murphy's salary increased by 3%, which was broadly in line with increases across the Group as a whole.

Kevin Lucey was appointed to the Group CFO role in 2020 on a salary of €450,000. In recognition of Kevin's contribution in the CFO role since his appointment, the Committee approved an increase in his salary of 5% for the year to March 2022 and, more recently, a further increase for the present year to March 2023, which is described on the following page. The Committee will keep this matter under review and, in this context, future increases may be higher than the workforce average and will be fully explained fully in the relevant Remuneration Report.

Further details in relation to remuneration arrangements for the year ended 31 March 2022 are set out on page 139.

Bonuses

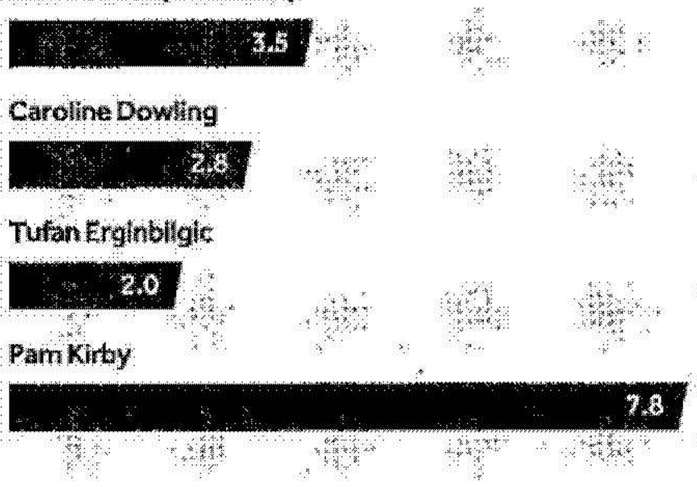
The annual bonuses for the executive Directors in respect of the year ended 31 March 2022 were based on performance against targets for growth in Group adjusted earnings per share (up to 70% of maximum potential) and overall contribution and attainment of strategic and sustainability targets (up to 30% of maximum potential).

Group and individual Director performance against these targets has been reflected in bonus outcomes for each of the executive Directors, Donal Murphy and Kevin Lucey, of 187.1% and 157.6% of salary respectively (compared to maximum potentials of 190% for Donal Murphy and 160% of salary for Kevin Lucey).

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 and concluded that no discretion was required when approving the bonus outcome.

Further details of the performance targets and achievement against those targets are set out on pages 139 to 141.

Length of Tenure on the Remuneration Committee
as at 31 March 2022 (years)



"The Remuneration Committee continues to align remuneration structures with the Company's long term strategic goals and the creation of shareholder value."

Long-Term Incentives
The extent of vesting of the LTIP awards granted in November 2019, which is based on DCC's ROCE, EPS and TSR performance over the three-year period ended 31 March 2022 will be formally determined by the Remuneration Committee in November 2022. The earliest exercise date will be November 2024.

The Committee recently assessed the outcome of the 2019 LTIP cycle against the original targets and concluded that, whilst the formulaic outcomes against the ROCE and TSR measures were a fair reflection of shareholder experience, the EPS outcome misrepresents DCC's strong underlying annualised EPS growth of 6.5% p.a. over the three years ended 31 March 2022. As originally set, vesting of the EPS component was based on outperforming UK RPI, a benchmark which has subsequently been removed from the EPS targets for LTIP cycles, as it has been also for the majority of other FTSE100 companies, given the lack of correlation between DCC earnings and UK RPI. The very significant increase in RPI over the final year of the performance period (with annualised RPI growth increasing from 2.9% at the start of the year to 9% by March 2022) meant that the inflationary benchmark to our earnings growth was far in excess of that expected when the 2019 LTIP EPS targets were originally set (note: annualised RPI growth had averaged 2.8% over the ten years prior to the start of the 2019 LTIP performance period). Consequently, the Committee unanimously agreed that the nil vesting of the EPS component, as suggested by the formulaic outcome against the inflation-linked targets, was not a fair reflection of the strong underlying earnings growth over this period.

The Committee reflected on guidance provided by major shareholders and their representative bodies in recent years around adjustments and considered that the application of discretion at the end of the three-year performance period, taking into account all relevant information, was the best approach. Consequently, the Committee concluded the most appropriate basis on which to determine vesting of the EPS component, which accounts for 40% of the 2019 LTIP award, is to use the EPS range set for the 2021 LTIP (i.e. 3% to 9% p.a.), which delivers LTIP vesting of 27.5%, compared to nil vesting had the original targets been used.

The Committee supports the view that adjustments to incentives should be done only in exceptional circumstances and is satisfied that the recent exceptional increase in UK RPI is such a circumstance. Furthermore, the Committee is satisfied that the adjustment made is appropriate, given the following considerations:

- DCC's annualised EPS growth over the period, of 6.5% p.a., is strong, being around the 65th percentile when compared to other FTSE100 companies over the same period.
- UK RPI is wholly uncontrollable by the management team, and making no adjustment for the recent significant increase in RPI would significantly reduce the credibility of the LTIP, on which DCC relies to provide alignment with shareholders and reinforce longer-term goals.
- The expectations for RPI at the time the 2019 LTIP EPS targets were set were significantly lower than that which has been observed over the 2019 LTIP performance period; making no adjustment for this material external factor would be inconsistent with DCC's philosophy that incentives are designed to reinforce high performance and an entrepreneurial culture.
- Removing RPI as a benchmarking for EPS growth is consistent with market practice, whereby only two of the 40 FTSE100 companies who use EPS in their LTIPs benchmark EPS growth against RPI.

The adjustment to the 2019 LTIP cycle results in a modest uplift in vesting, from 37% to 64.5% of maximum, equivalent to an increase of c.45% of salary for the CEO and c.20% of salary for the CFO. The Committee concluded that this outcome was fair, proportionate, and consistent with its remuneration principles of: incentivising sustained strong financial performance; aligning rewards with delivery of the Group's strategy; and ensuring employee alignment with the interests of shareholders.

The Remuneration Committee is consulting with major shareholders on the approach taken in relation to the vesting of the 2019 LTIP award, as described above.

The 2020 LTIP EPS targets are also based on a real growth range vs UK RPI; consequently, at the time of vesting in 2023, the Committee will assess the formulaic outcome against these targets in relation to the underlying EPS growth and determine whether any similar discretionary adjustment is appropriate, taking into account all available information at that time such as the actual RPI growth over the performance period and DCC's underlying earnings growth.

In terms of the prior year, the Remuneration Committee determined that the LTIP awards granted in November 2018 would vest at 64%, based on DCC's ROCE, EPS and TSR performance over the three-year period ended 31 March 2021. This was consistent with the estimated vesting of 64% disclosed in last year's Report. The earliest exercise date will be November 2023. The Committee concluded that no discretion was required when determining the vesting of the 2018 LTIP awards.

Further details on these vestings are set out on page 142.

Details of LTIP awards granted to the executive Directors in November 2021 are set out in the table on page 148. These were granted under a new LTIP (the DCC plc Long Term Incentive Plan 2021) which was put to shareholders on an advisory, non-binding basis at the 2021 AGM, with 99% voting in favour. The primary change in the new Plan is that awards have a three-year vesting period, with a two-year post-vest sale restriction for executive Directors, rather than the five-year vesting period used previously.

Details of the performance conditions are set out in last year's Annual Report on page 132.

Remuneration for the Year Ahead

Salaries
For the year ending 31 March 2023, the Committee agreed to increase the CEO's salary by 3%. The Committee took into account the projected salary increase for the general workforce.

The Committee also agreed to increase the CFO's salary by 8% in recognition of his demonstrated development in role and full contribution at Board level. As noted above, the Committee will keep this matter under review.

Bonuses
The executive Directors will continue to participate in the bonus plan for the year ending 31 March 2023, consistent with the Remuneration Policy, with bonuses based 70% on growth in Group adjusted EPS and 30% on strategic objectives; the maximum award opportunity for the year will be 200% of salary for the CEO (the maximum opportunity under the Remuneration Policy) and 160% for the CFO.

The Committee wishes to use the full award opportunity for the year ending 31 March 2023 made available under the approved Remuneration Policy for the CEO (which implies a small increase of 10% of salary compared to his opportunity for the year ended 31 March 2022), having reviewed market practice for bonus opportunities and the current positioning of the CEO's overall remuneration levels, which are around market median for a company the size of DCC. The increase will also help to ensure that the bonus maximises, under the current Remuneration Policy, the focus on EPS growth and key strategic goals such as the implementation of the Company's energy strategy.

Long-Term Incentives
The executive Directors will be granted LTIP awards in the year ending 31 March 2023, consistent with the Remuneration Policy. The performance conditions will continue to be based on ROCE, EPS and TSR performance over three years. The grant value will be consistent with that in the year ended 31 March 2022 at up to 200% of salary for the CEO and CFO.

Remuneration Report continued

Non-executive Director Fees

With effect from 1 April 2022, the non-executive Director's basic fee and the total Chair fee will increase by 3%, in line with the average workforce increase.

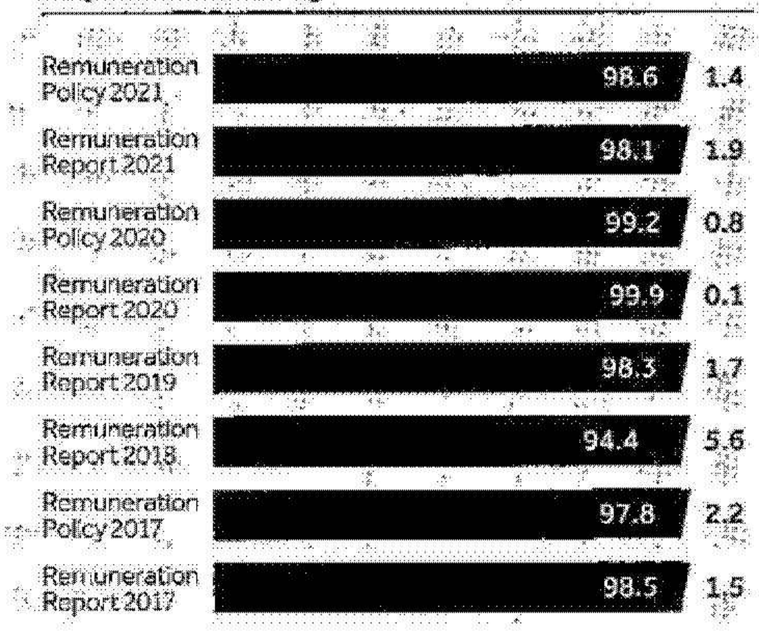
Full details of these fees are set out on page 151.

Shareholder Engagement

The Committee engages in dialogue with major shareholders on remuneration matters, particularly in relation to planned significant changes in Policy. In 2021, we engaged with the Company's major shareholders and offered to hear their views on last year's proposed changes to our Remuneration Policy, which were overall very positive. 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 2022 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. As we are not making any changes to the Remuneration Policy, which was approved by shareholders at the 2021 AGM, we will not be putting this to a shareholder vote.

Details of shareholders' proxy votes on the 2021 Remuneration Report and Remuneration Policy are set out in the chart below, along with a history of votes on Remuneration Reports and Policies since 2017.

AGM Votes on Directors' Remuneration Report and Policy



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 135. 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.

Energy Strategy

The Group undertook a detailed review of its energy strategy during the year under review. That resulted in an updated strategy for the sector and a new target to get the Group to net zero at Scope 1, 2 and 3 by 2050 or sooner. The Group's updated energy strategy is summarised in the Energy Strategy section on page 22. The implementation of that strategy will be reflected in executive Director bonuses for the year ending 31 March 2023, and the Committee will consider during the present year how Executive Director remuneration can be further adapted to reinforce the steps the Group is taking in relation to energy transition and decarbonisation.

UK Companies (Miscellaneous Reporting) Regulations 2018 and Shareholders Rights Directive II

As an Irish-incorporated company, DCC is not subject to the 2018 Regulations. However, 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 reports 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.

Retirement of Committee member

Pam Kirby, who has been a Director since 2013 and a member of the Remuneration Committee since 2014, will retire from the Board at our AGM in 2022. On behalf of the Committee, I would like to thank Pam for her insightful and valued contribution and I wish her the very best for the future.

Conclusion

I am satisfied that the Remuneration Committee has implemented the Group's existing Remuneration Policy in the year ended 31 March 2022 in a manner that properly reflects the performance of the Group in the year. I strongly recommend that shareholders vote in favour of the 2022 Remuneration Report at the 2022 AGM.

We welcome and will consider any shareholder feedback on the implementation of the Remuneration Policy and the 2022 Remuneration Report.

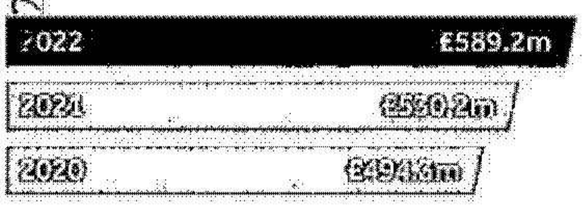
On behalf of the Remuneration Committee

David Jukes
Chairman, Remuneration Committee
16 May 2022

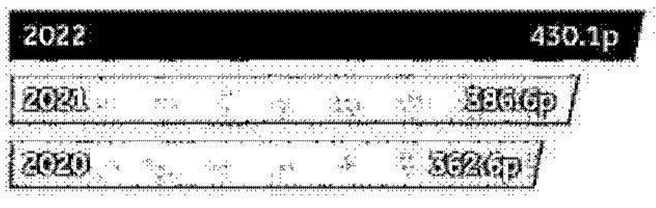
Remuneration at a Glance

How have we performed?

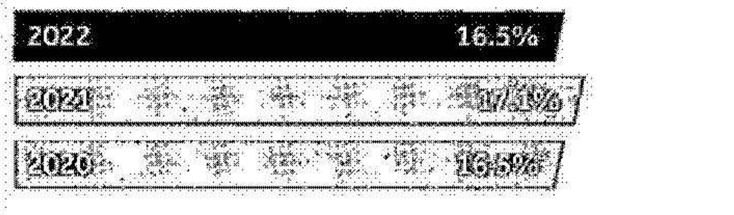
Adjusted operating profit +11.1%



Adjusted EPS +11.2%



Return on capital employed 16.5%



How was this reflected in executive Director pay?

Annual Bonus Outcome for year ended 31 March 2022

EPS growth (+11.2%)



Payout: 100%

Strategic objectives – CEO



Payout: 95%

Strategic objectives – CFO



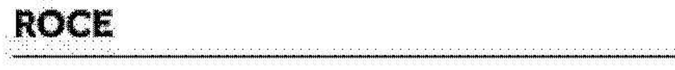
Payout: 95%

	Donal Murphy		Kevin Lucey	
Outcomes	% of max.	% of salary	% of max.	% of salary
Growth in EPS	100.0%	133.0%	100.0%	112.0%
Strategic objectives	95.0%	54.1%	95.0%	45.6%
Overall	**98.5%**	**187.1%**	**98.5%**	**157.6%**

Further details on bonus on page 139.

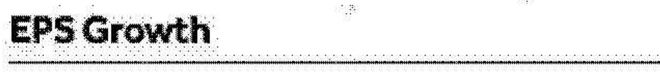
2019 LTIP award outcome based on results for three-year period ended 31 March 2022

ROCE



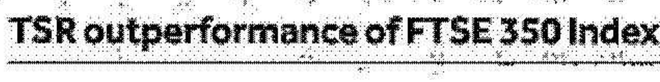
Actual: 16.7%

EPS Growth



Actual: 6.5%

TSR outperformance of FTSE 350 Index

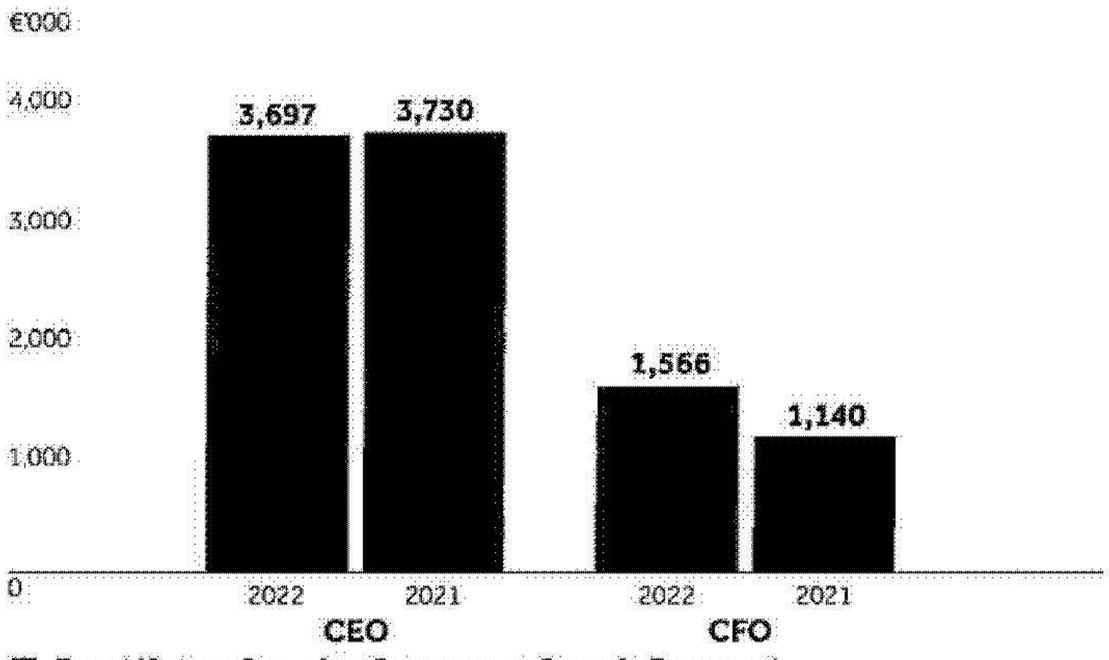


Actual: -6.6%

Extent of vesting	Extent of vesting	Extent of vesting
37%	27.5%	0%

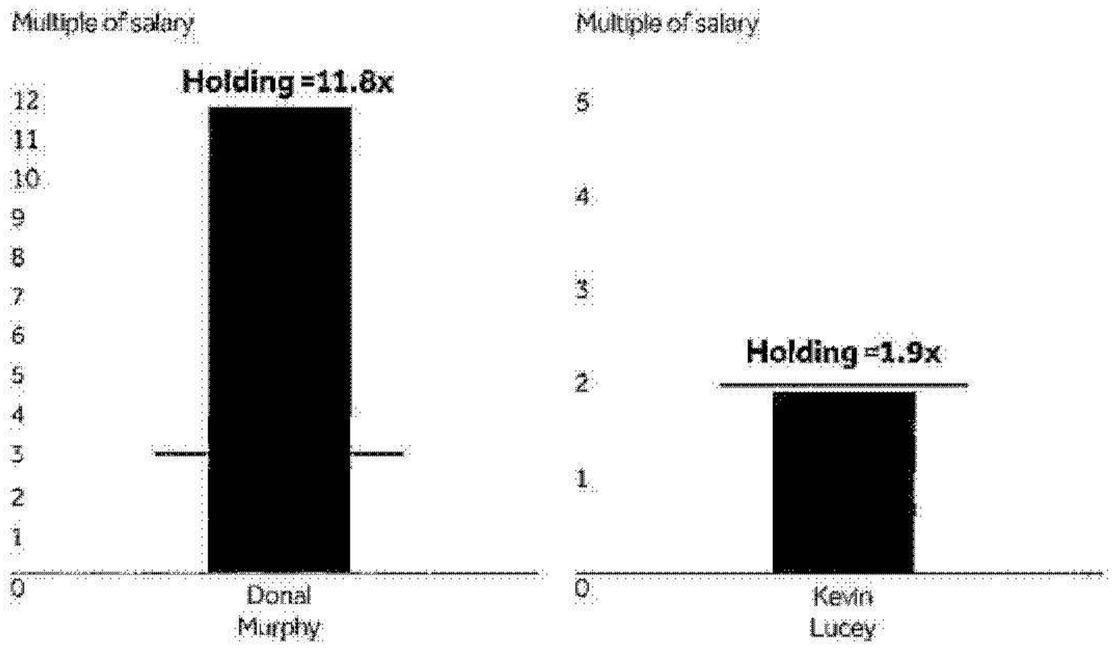
Total amount of November 2019 awards expected to vest: 64.5%
Further details on LTIP on page 142.

Executive Directors' total remuneration



Further details on remuneration on page 139.

Executive Directors' shareholdings



Further details on shareholdings on page 149.

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, the Board recognises the need for our remuneration policies, practices and reporting to reflect best corporate governance practice and have substantially applied these regulations.

Accordingly, the Remuneration Policy was submitted to an advisory, non-binding vote at the 2021 Annual General Meeting ('AGM').

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 executives with those of shareholders, within the framework set out in the UK Corporate Governance Code ('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.

The Committee is mindful of managing any conflicts of interest. No individual was involved in determining his/her own remuneration arrangements.

The table below sets out how the principles of the Code relating to the design of executive director remuneration policy and practices have been applied:

Clarity	Our remuneration policy and the approach to its implementation is clearly communicated to shareholders and well understood by participants.
Simplicity	We operate a simple structure of market-aligned salary and benefits, with annual and long-term performance-based incentives with pay-outs linked to only a small number of performance measures.
Risk	We manage risk by careful setting of performance targets in the context of a wide range of reference points, and the Committee retains discretion to moderate outcomes in the context of underlying performance. The senior executive remuneration structure is heavily weighted to longer-term or deferred elements of pay, helping to ensure our pay structure reinforces a long time horizon.
Predictability	There are defined threshold and maximum pay scenarios, which are described on page 137.
Proportionality	Remuneration is weighted towards financial and non-financial performance, measures for which are selected to align with strategy. We set challenging performance targets that are commensurate with the incentive opportunities awarded.
Alignment to culture	Remuneration design aligns closely to DCC's performance culture and values, which reinforce longer-term decision making and collective efforts. Our annual bonus plan includes sustainability/ ESG targets.

Element and link to strategy	Operation	Maximum opportunity
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.
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.
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 strategic objectives. The 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. Bonus levels are determined by the Committee after the year end based on actual performance achieved. The Commiittee can apply appropriate discretion in specific circumstances in respect of determining the bonuses to be awarded. In particular, the Commmittee 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 135. 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.

Remuneration Report continued

Element and link to strategy	Operation	Maximum opportunity
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. Vesting 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 135.	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.
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.

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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 non-financial/strategic targets 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	Vesting 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 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 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 15,400 people in 21 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.

Each of our businesses is responsible for engaging with their respective workforces in relation to remuneration. The Committee is of the view that such an approach is appropriate in light of DCC's decentralised business model. However, the Committee has oversight of workforce pay and policies at a Group level and at a business unit executive level, which enables it to ensure that the approach taken to executive remuneration is consistent with those workforces.

Given the divergent nature of our businesses, the Committee does not believe that a standardised approach to remuneration is appropriate. However, it does pay particular attention to whether each element of remuneration is consistent with the Company's remuneration philosophy.

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.

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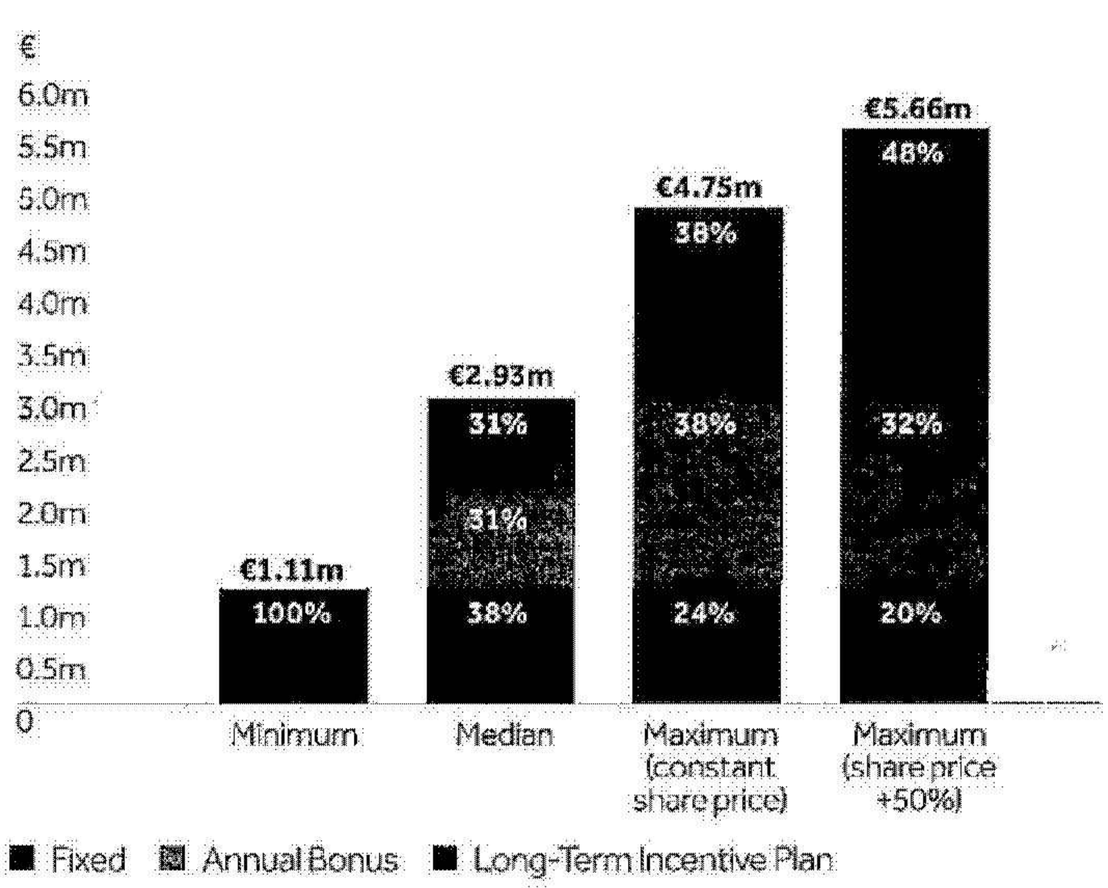
Scenario Charts

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 2023 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



Notes:

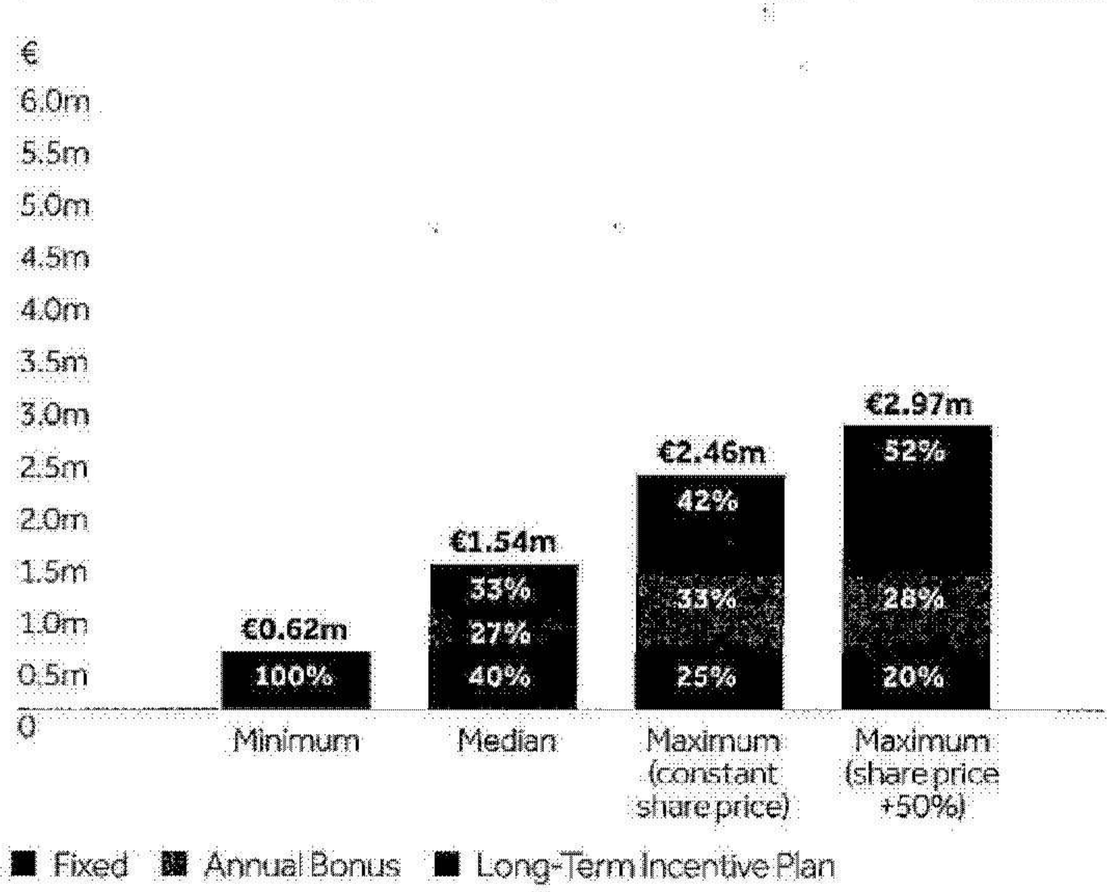
Minimum Performance comprises:

- 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. 100% of salary for CE and 80% of salary for CFO.
- 50% vesting of LTIP i.e. 100% of salary.

Kevin Lucey, Chief Financial Officer



Maximum Performance (constant share price) comprises:

- Fixed pay – base salary, benefits and retirement benefit expense.
- 100% annual bonus payout i.e. 200% 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. 200% 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 under which the Chief Executive, other executive Directors and other senior Group executives are encouraged to build, over a five-year period from appointment, a shareholding in the Company with a valuation relative to base salary as follows:

Executive	Share ownership guideline (multiple of base salary)
Chief Executive	3 x
Other executive Directors	2 x
Senior Group executives	1 x

Compliance with the Share Ownership Guidelines is reviewed annually by the Remuneration Committee. The position of the executive Directors as at 31 March 2022 is set out in the Annual Report on Remuneration on page 149.

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 x
Other executive Directors	2 x

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 chairs of Board Committees, to the Board Chair and to the Senior Independent Director. Additional fees may be paid in respect of Company advisory boards.	The remuneration of the Board Chair is determined by the Remuneration Committee for approval by the Board. The Board Chair absents himself from the Committee meeting while this matter is being considered. The remuneration of the other non-executive Directors is determined by the Board Chair and the Chief Executive for approval by the Board. The fees are reviewed annually, taking account of any changes in responsibilities and 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 chair 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 2022, sets out how the Remuneration Policy will operate in the year ending 31 March 2023, and provides additional information on the operation of the Remuneration Committee.

Remuneration Outcomes for the Year Ended 31 March 2022

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 2022, 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		Sub-Total of Fixed Pay	Sub-Total of Variable Pay
	2022 €'000	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	**2022 €'000**
Donal Murphy	**883**	857	**67**	65	**1,653**	1,543	**132**	129	**–**	–	**962**	1,136	**3,697**	3,730	**1,082**	**2,615**
Kevin Lucey[1]	**472**	316	**42**	22	**745**	473	**66**	44	**–**	–	**241**	285	**1,566**	1,140	**580**	**986**
Fergal O'Dwyer[2]	**–**	155	**–**	10	**–**	280	**–**	23	**–**	170	**–**	385	**–**	1,023	**–**	**–**
	1,355	1,328	**109**	97	**2,398**	2,296	**198**	196	**–**	170	**1,203**	1,806	**5,263**	5,893	**1,662**	**3,601**

1. Kevin Lucey was appointed as CFO and to the Board on 17 July 2020. His 2021 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 2022 for Mr. Murphy was 29:71 and for Mr. Lucey was 37:63.

Salary

The salaries of the executive Directors for the year ended 31 March 2022 were increased from the prior year as shown in the table below.

Donal Murphy's salary increased by 3%, which was broadly in line with increases across the Group as a whole. Kevin Lucey was appointed to the Group CFO role in 2020 on a salary of €450,000. In recognition of Kevin's development in the CFO role since his appointment, the Committee approved an increase to his salary of 5%, which benchmarking against other comparable companies suggest remains around the lower quartile.

	Salary €	Increase %
Donal Murphy	883,019	3%
Kevin Lucey	472,500	5%

Benefits

Benefits include the use of a company car and related costs, life/disability cover, health insurance and club subscriptions.

Determination of Bonuses for the Year Ended 31 March 2022

For the year ended 31 March 2022, the executive Directors participated in the bonus plan, as per the Remuneration Policy. Awards were based 70% on Group EPS and 30% on strategic measures.

The table below sets out the performance in the year ended 31 March 2022 in terms of growth in Group adjusted earnings per share ('Group EPS') compared to the performance target range set for the year.

	Target		
	Minimum (below which nil payout)	Maximum (full payout)	Outcome
Group EPS	3%	10%	11.2%

On the basis of the Group EPS outcome, the Remuneration Committee determined 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 strategic and sustainability objectives, the Remuneration Committee considered the following matters:

Executive Director	Alignment to Strategy and Sustainability	Objective	Measure of Success	Outcome
Donal Murphy	Climate Change & Energy Transition	Undertake a review of the Group's strategy for the energy sector.	A detailed review was undertaken during the year, in consultation with the Board, of the Group's energy strategy. The Group's updated strategy is summarised in the Energy Strategy section on page 22.	●
		Achieve a reduction in the Group's Scope 1 and 2 carbon emissions in line with the Group's target of achieving a 20% reduction by 2025.	Scope 1 and 2 carbon emissions in the year ended 31 March 2022 were 25% lower than the 2019 baseline. As a consequence, the Group has set a new target to reduce its Scope 1 and 2 emissions by 50% by 2050, against the same baseline. See the Sustainable Business Report on page 80 for more detail.	●
	Safety & Environmental Protection	Continue to improve HSE performance including through reduction in LTIs, appropriate management of Covid-19 risk and visible leadership.	The Group recorded a reduction in LTIs during the year. Covid-19 restrictions continued to be maintained, protecting the Group's employees even as the manufacture and delivery of essential products and services were maintained. The Chief Executive provided visible and consistent leadership on HSE matters throughout the year including at management conferences and site visits. For more on the Group's safety culture and performance in the year, see the Sustainable Business Report on page 80.	●
	People & Social Development of our People	Continue to develop the Group's culture, including by actively encouraging diversity.	The Group further developed its talent planning processes during the year, including processes to support increased diversity. For more on the steps the Group is taking to embed its culture and develop diverse talent, see the People section on page 36.	●
	Financial Discipline Operational Excellence	Review the Group's policy on balance sheet management while maintaining appropriate flexibility on development.	The Group set out its capital framework and financial strategy in May 2021 and its capital deployment priorities in December 2021. The Group remains committed to maintaining a strong and liquid balance sheet. For more detail, see the Financial Review on page 48 and www.dcc.ie.	●
	Innovation	Continue to support innovation across the Group, including through digital initiatives.	The Group continued to foster innovation and share best practice across businesses. The Group's processes were further developed during the year to support this. For more detail on developments in this area, see Strategy in Action on page 28.	●

● Fully met ○ Partially met ● Not met

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Executive Director	Alignment to Strategy and Sustainability	Objective	Measure of Success	Outcome
Kevin Lucey	Climate Change & Energy Transition	Undertake a review of the Group's strategy for the energy sector.	A detailed review was undertaken during the year, in consultation with the Board, of the Group's energy strategy. The Group's updated strategy is summarised in the Energy Strategy section on page 22.	●
		Achieve a reduction in the Group's Scope 1 and 2 carbon emissions in line with the Group's target of achieving a 20% reduction by 2025.	Scope 1 and 2 carbon emissions in the year ended 31 March 2022 were 25% lower than the 2019 baseline. As a consequence, the Group has set a new target to reduce its Scope 1 and 2 emissions by 50% by 2050, against the same baseline. See the Sustainable Business Report on page 80 for more detail.	●
	Safety & Environmental Protection	Continue to improve HSE performance including through reduction in LTIs, appropriate management of Covid-19 risk and visible leadership.	The Group recorded a reduction in LTIs during the year. Covid-19 restrictions continued to be maintained, protecting the Group's employees even as the manufacture and delivery of essential products and services were maintained. The CFO provided visible and consistent leadership on HSE matters throughout the year including at management conferences and site visits. For more on the Group's safety culture and performance in the year, see the Sustainable Business Report on page 80.	●
	People & Social Development of our People	Continue to develop the Group's culture, including by actively encouraging diversity.	The Group further developed its talent planning processes during the year, including processes to support increased diversity. For more on the steps the Group is taking to embed its culture and develop diverse talent, see the People section on page 36.	●
	Governance & Compliance	Review the Group's internal control processes to reflect reporting and corporate governance developments.	The Group undertook a review of a number of internal reporting processes to ensure that they meet the continuing needs of the Group as well as evolving external reporting and wider corporate governance requirements. This allowed the Group to, for instance, meet the requirements of the TCFD reporting framework in this year's Annual Report and obtain limited assurance over its Scope 3 carbon emissions. For more detail see the Sustainable Business Report on page 80.	●
	Financial Discipline Operational Excellence	Review the Group's policy on balance sheet management while maintaining appropriate flexibility on development.	The Group set out its capital framework and financial strategy in May 2021 and its capital deployment priorities in December 2021. The Group remains committed to maintaining a strong and liquid balance sheet. For more detail, see the Financial Review on page 48 and www.dcc.ie.	●
	Innovation	Continue to support innovation across the Group, including through digital initiatives.	The Group continued to foster innovation and share best practice across businesses. The Group's processes were further developed during the year to support this. For more detail on developments in this area, see Strategy in Action on page 28.	●

● Fully met ○ Partially met ● Not met

Accordingly, the Committee determined that 95% of this element of the bonus should be awarded to both Donal Murphy and Kevin Lucey.

The resultant bonus payout levels for the year ended 31 March 2022 were as follows:

	Donal Murphy – % of Salary		Kevin Lucey – % of Salary	
Component	% of Max	% of Salary	% of Max	% of Salary
Group EPS	100.0%	133.0%	100.0%	112.0%
Strategic Performance	95.0%	54.1%	95.0%	45.6%
	98.5%	**187.1%**	**98.5%**	**157.6%**

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.

The Remuneration Committee considered the outcomes as set out above and determined that they were appropriate in the circumstances, reflected the Group's strong performance in the year and no discretion was applied.

Remuneration Report continued

Retirement Benefit Expense
Retirement Benefit Expense for Donal Murphy 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.

Long-Term Incentive Plan
The values of the LTIP as shown in the table on page 139 for 2022 and 2021 relate to awards made in November 2019 and November 2018 respectively.

LTIP – 2022 (November 2019 grants)	**LTIP – 2021** (November 2018 grants)
The LTIP awards granted in November 2019 will vest in November 2024 (five years after the grant date). The extent of vesting will be formally determined by the Committee in November 2022 and based 40% on ROCE performance, 40% on EPS performance and 20% on TSR performance versus the FTSE350 over the three-year period ended 31 March 2022.	The LTIP awards granted in November 2018 will vest in November 2023 (five years after the grant date). The extent of vesting, which has been determined by the Committee, was based 40% on ROCE performance, 40% on EPS performance and 20% on TSR performance versus the FTSE350 over the three-year period ended 31 March 2021.
DCC's average ROCE for the three years ended 31 March 2022 was 16.7%. As this was within the range of 14% to 17% set for minimum to maximum vesting, 92.5% of this portion of the award (37% of the total award) will vest.	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.
As outlined in detail in the Chairman's Introduction on page 129, the Remuneration Committee concluded that the most appropriate basis on which to determine vesting of the EPS component was to use the EPS range set for the 2021 LTIP (i.e. 3% to 9% p.a.), replacing the original inflation-linked targets in light of the very material change in UK RPI in the last year of the performance period. DCC's adjusted EPS increased by 6.5% annualised over the three-year period, within the range of 3% to 9% set for minimum to maximum vesting, thereby warranting vesting of 68.8% of this portion of the award (27.5% of the total award).	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.
DCC's TSR performance relative to the FTSE 350 Index over the three-year period ended 31 March 2022 underperformed that of the FTSE 350 Index by 6.6%. As such, none of this portion of the award is expected to vest.	DCC's TSR performance over the three-year period ended 31 March 2021 underperformed that of the FTSE 350 Index by -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 64.5%.	Consequently, the Remuneration Committee determined that 64% of the November 2018 awards will vest in November 2023.
The value of the LTIP for the year ended 31 March 2022 is based on the expected vesting percentage and the share price at 31 March 2022 of €70.05 (£59.26) less the amount payable to purchase the shares (i.e. the exercise cost).	The value of the LTIP for the year ended 31 March 2021 is based on the vesting percentage 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 2022 was lower than the share price at the date of grant, there is no value attributable to a share price uplift to be disclosed.	On this basis, c. 6% of the LTIP value is attributable to share price appreciation (i.e. €64,045 for Donal Murphy, €16,068 for Kevin Lucey and €21,694 for Fergal O'Dwyer.)

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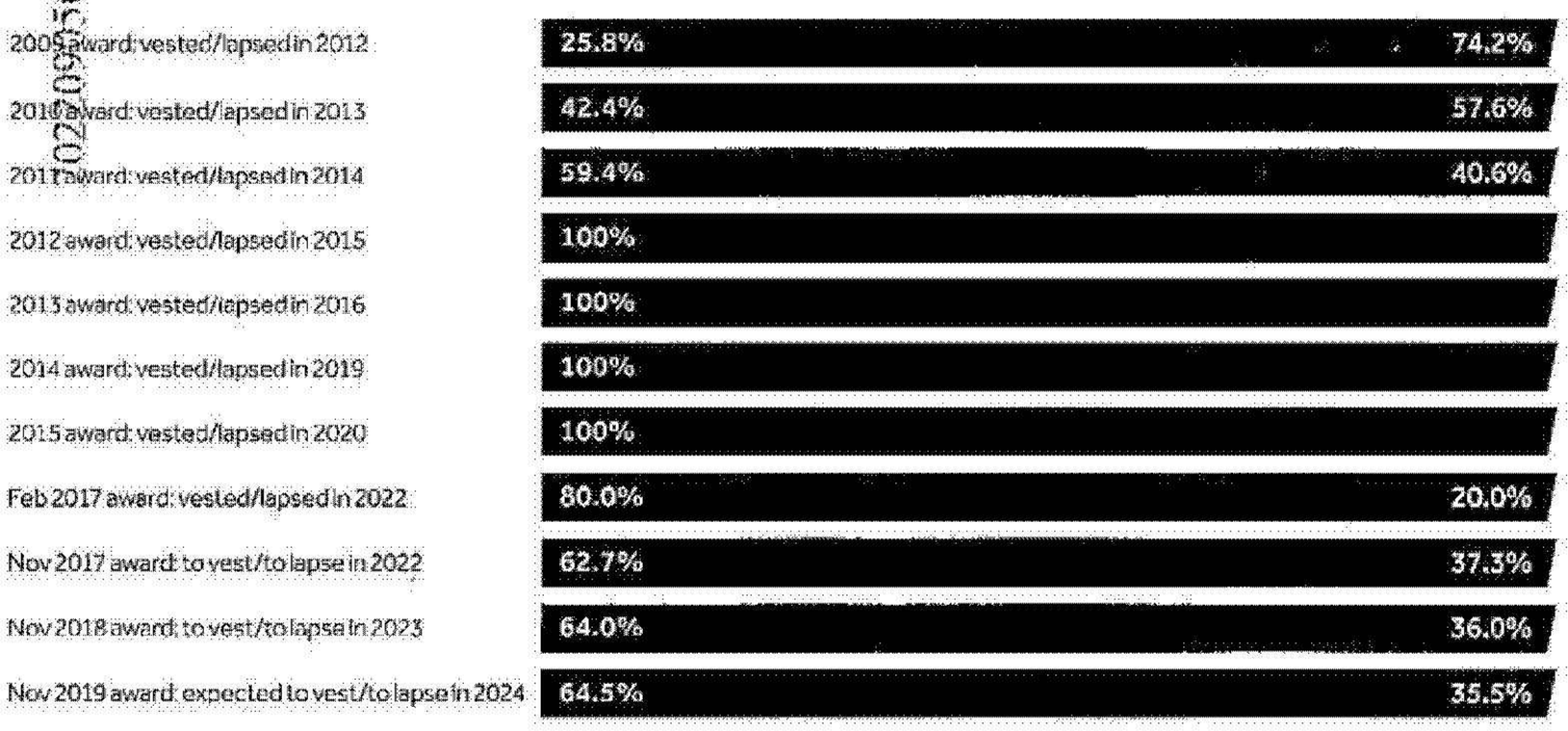
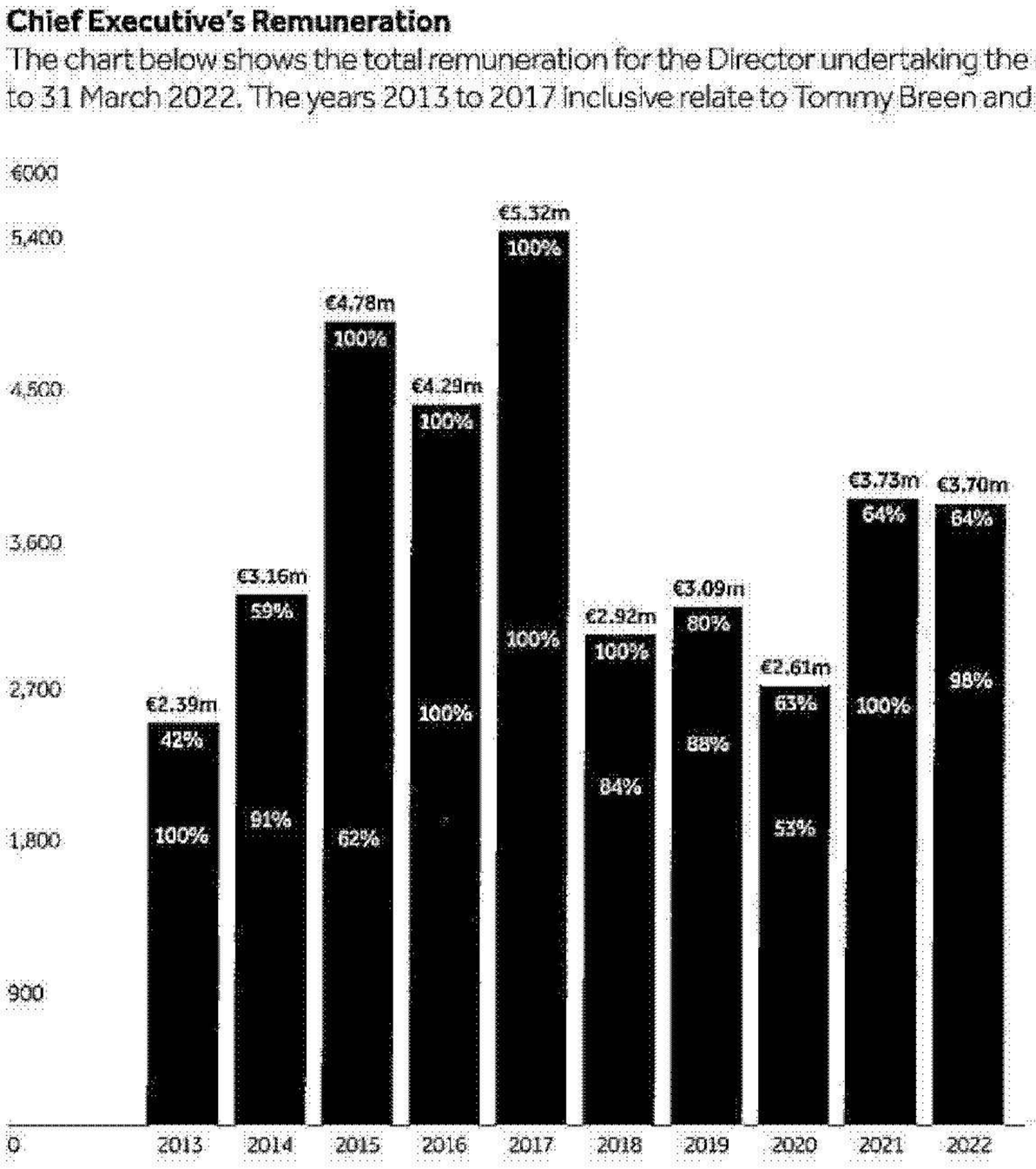
LTIP – Vesting

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 2012 to 31 March 2022. The years 2013 to 2017 inclusive relate to Tommy Breen and the years 2018 to 2022 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 2013 to 2021 and expected vesting for 2022).

Remuneration Report continued

Changes in Remuneration of the Directors

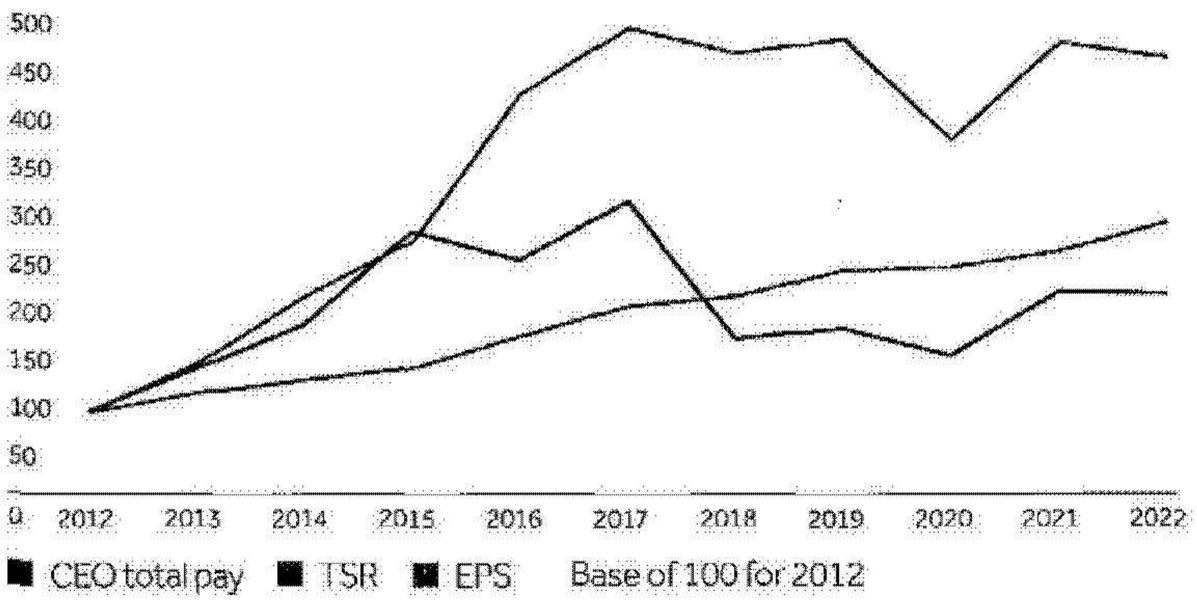
Details of the percentage change in each of the current Director's salary, benefits and annual bonus, along with the average total remuneration of Group employees, for each of the last two years, are set out in the table below.

	% change between 2020/2021 and 2021/2022			% change between 2019/2020 and 2020/2021		
	Salary/Fees	Benefits	Bonus	Salary/Fees	Benefits	Bonus
Executive Directors						
Donal Murphy	+3%	+3%	+7%	0%	-1%	+89%
Kevin Lucey[1]	+5%	+35%	+11%	n/a	n/a	n/a
Non-executive Directors[2]						
Mark Breuer (appointed Chairman on 16 July 2021)	+187%			+16%		
Laura Angelini	n/a			n/a		
Caroline Dowling	+14%			+19%		
Tufan Erginbilgic	+2%			n/a		
David Jukes	+7%			+14%		
Pamela Kirby	+2%			0%		
Lily Liu	n/a			n/a		
Jane Lodge	+2%			0%		
Alan Ralph	n/a			n/a		
Mark Ryan	+4%			0%		
Average remuneration of Group employees[3]	+4%			+1%		

1. As Mr. Lucey's 2020/2021 remuneration relates to an 8 1/2 month period (as he was appointed to the Board on 17 July 2020), this remuneration has been annualised for the purposes of comparison with 2021/2022 remuneration in this table.
2. In FY22, the basic non-executive Director's fee increased by 2% and the Chair fee increased by 8%. In FY21, there were no changes to fee levels. As such, the above increases for the non-executive Directors primarily reflect Committee membership, role changes and appointment of new Chair.
3. 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 2012 for comparative purposes. The Committee is satisfied that, over time, there is a reasonable correlation between the Chief Executive pay and returns to shareholders.



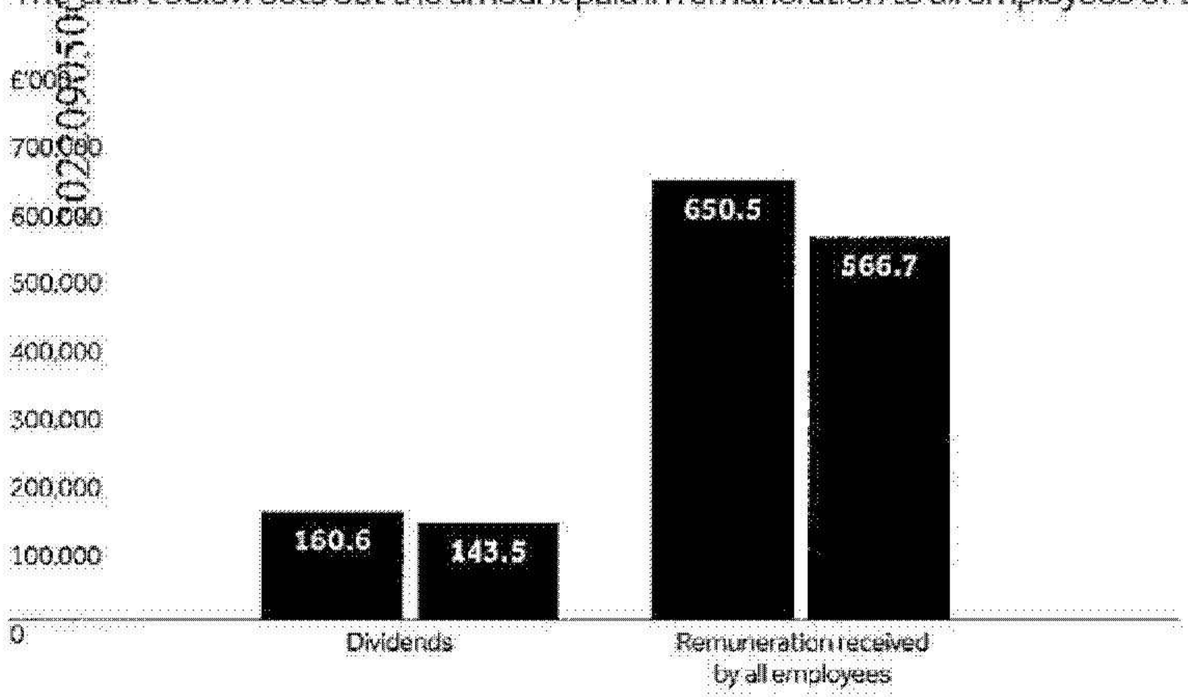
Chief Executive Pay Ratio

The Chief Executive's total remuneration for the year ended 31 March 2022 is 68 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 84 times.

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 2022 and 2021.



Total Shareholder Return

The chart below shows the growth of a hypothetical €100 holding in DCC plc shares since 1 April 2012, relative to the FTSE 100 Index.



Remuneration Report continued

Non-executive Directors' Remuneration Details

The remuneration paid to the non-executive Directors for the year ended 31 March 2022 is set out below. Non-executive Directors are paid a basic fee with additional fees paid to the Board Chair, Board Committee Chairs and members, and to the Senior Independent Director.

	Basic Fee		Committee Chair and Membership Fees		Chairman/Senior Independent Director Fees		Audited Total	
	2022 €'000	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000
Mark Breuer[1]	**75**	73	**5**	8	**190**	13	**270**	94
Laura Angelini[2]	**53**	–	**2**	–	**–**	–	**55**	–
Caroline Dowling	**75**	73	**13**	13	**10**	–	**98**	86
Tufan Erginbilgic	**75**	73	**8**	8	**–**	–	**83**	81
David Jukes	**75**	73	**20**	5	**–**	11	**95**	89
Pamela Kirby	**75**	73	**8**	8	**–**	–	**83**	81
Lily Liu[2]	**53**	–	**5**	–	**–**	–	**58**	–
Jane Lodge	**75**	73	**23**	23	**–**	–	**98**	96
Alan Ralph[3]	**30**	–	**3**	–	**–**	–	**33**	–
Mark Ryan	**75**	73	**9**	8	**–**	–	**84**	81
Cormac McCarthy[4]	**19**	73	**2**	9	**–**	–	**21**	82
John Moloney[5]	**22**	73	**2**	8	**67**	233	**91**	314
Leslie Van de Walle[6]	**–**	22	**–**	7	**–**	4	**–**	33
Total	**702**[7]	679	**100**	97	**267**	261	**1,069**	1,037

1. Mark Breuer was appointed Chairman on 16 July 2021.
2. Laura Angelini and Lily Liu were appointed as Directors on 16 July 2021.
3. Alan Ralph was appointed as a Director on 8 November 2021.
4. Cormac McCarthy passed away on 5 July 2021.
5. John Moloney retired as a Director on 16 July 2021.
6. Leslie Van de Walle retired as a Director on 17 July 2020.
7. Compares to current shareholder 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	
	2022 €'000	2021 €'000
Executive Directors		
Salary	**1,355**	1,328
Benefits	**109**	97
Bonus	**2,398**	2,296
Retirement Benefit Expense	**198**	196
Restricted Retirement Stock	**–**	170
LTIP	**1,203**	1,806
Total executive Directors' remuneration	**5,263**	5,893
Non-executive Directors		
Fees	**1,069**	1,037
Total non-executive Directors' remuneration	**1,069**	1,037
Total Directors' remuneration	**6,332**	**6,930**

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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 2022 (together with their interests at 31 March 2021) are set out below:

	No. of Ordinary Shares at 31 March 2022	No. of Ordinary Shares at 31 March 2021
Directors		
Mark Breuer	**4,697**	1,197
Donal Murphy[1]	**148,711**	145,334
Laura Angelini	**–**	n/a
Caroline Dowling	**800**	500
Tufan Erginbilgic	**–**	–
David Jukes	**94**	94
Pamela Kirby	**2,500**	2,500
Lily Liu	**–**	n/a
Jane Lodge	**3,000**	3,000
Kevin Lucey[2]	**13,072**	10,000
Alan Ralph	**1,500**	n/a
Mark Ryan	**9,696**	9,696
Cormac McCarthy[3]	**2,000**	2,000
John Moloney[4]	**2,000**	2,000
Fergal O'Dwyer[5]	**n/a**	213,480
Leslie Van de Walle[5]	**n/a**	670
Company Secretary		
Darragh Byrne	**6,743**	6,743
Ger Whyte[5]	**n/a**	160,000

1. Donal Murphy's 2022 and 2021 holdings include 7,768 and 6,707 shares respectively held under the deferred bonus arrangement as detailed on page 133.
2. Kevin Lucey's 2022 holdings include 1,035 shares held under the deferred bonus arrangement as detailed on page 133.
3. Cormac McCarthy passed away on 5 July 2021 and his 2022 shareholding is reflected as at that date.
4. John Moloney retired as Director on 16 July 2021 and his 2022 shareholding is reflected as at that date.
5. The FY2021 shareholdings in respect of Fergal O'Dwyer, Leslie Van de Walle and Ger Whyte show the positions at their dates of leaving of 17 July 2020, 17 July 2020 and 2 October 2020 respectively.

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 2022.

There were no changes in the above Directors' and Secretary's interests between 31 March 2022 and 16 May 2022.

Details of the share ownership guidelines which apply to the executive Directors are set out on page 137 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

Details of the executive Directors' and the Company Secretary's awards, in the form of nominal cost (€0.25) options, under the Company's LTIP are set out below:

	Number of options									
	At 31 March 2021	Granted in year	Exercised in year	Lapsed in year	**At 31 March 2022**	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	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	
	13,041	–	–	–	**13,041**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	24,127	–	–	(8,686)	**15,441**	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	
	–	24,598	–	–	**24,598**	11.11.21	£61.42	31 Mar 2024	11 Nov 2024–10 Nov 2028[1]	
	105,452	**24,598**	**–**	**(8,686)**	**121,364**					
Kevin Lucey	4,307	–	(4,307)	–	**–**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020–16 Nov 2022	£60.59
	3,693	–	–	–	**3,693**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	
	3,270	–	–	–	**3,270**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	6,053	–	–	(2,180)	**3,873**	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	
	–	13,162	–	–	**13,162**	11.11.21	£61.42	31 Mar 2024	11 Nov 2024–10 Nov 2028[1]	
	34,955	**13,162**	**(4,307)**	**(2,180)**	**41,630**					
Company Secretary										
Darragh Byrne	2,170	–	–	–	**2,170**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	
	1,889	–	–	–	**1,889**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	3,494	–	–	(1,258)	**2,236**	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	
	–	5,114	–	–	**5,114**	11.11.21	£61.42	31 Mar 2024	11 Nov 2024–10 Nov 2028[1]	
	15,351	**5,114**	**–**	**(1,258)**	**19,207**					

1. The LTIP awards made on 11 November 2021 were granted under a new LTIP (the DCC plc Long Term Incentive Plan 2021). All previous years' awards were granted under the DCC plc Long Term Incentive Plan 2009. The primary change with the new LTIP was that awards have a three-year vesting period, with a two-year post-vest sale restriction for the executive Directors.

   The extent of vesting of the LTIP awards which were granted in November 2021 will be based on the three-year performance period from 1 April 2021 to 31 March 2024. The requirements/ranges set by the Remuneration Committee in respect of these performance conditions were set out in last year's Annual Report on page 132.

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	Number of options									
	At 31 March 2021	Granted in year	Exercised in year	Lapsed in year	**At 31 March 2022**	Date of grant	Market price on grant	Three-year performance period end	Normal exercise period	Market price at date of exercise £
Former CFO										
Fergal O'Dwyer[1]	11,138	–	–	–	–	17.11.15	£57.35	31 Mar 2018	17 Nov 2020–16 Nov 2022	
	9,366	–	–	–	–	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	
	12,672	–	–	–	–	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	14,711	–	–	–	–	15.11.18	£60.65	31 Mar 2021	15 Nov 2023–14 Nov 2025	
	13,032	–	–	–	–	14.11.19	£68.80	31 Mar 2022	14 Nov 2024–13 Nov 2026	
	60,919	–	–	–	–					

	Number of options									
	At 31 March 2021	Granted in year	Exercised in year	Lapsed in year	**At 31 March 2022**	Date of grant	Market price on grant	Three-year performance period end	Market price at date of exercise £	Market price at date of exercise £
Former Company Secretary										
Ger Whyte[1]	3,574	–	–	–	–	17.11.15	£57.35	31 Mar 2018	17 Nov 2020–16 Nov 2022	
	3,006	–	–	–	–	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	
	3,875	–	–	–	–	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	5,113	–	–	–	–	15.11.18	£60.65	31 Mar 2021	15 Nov 2023–14 Nov 2025	
	4,530		–	–	–	14.11.19	£68.80	31 Mar 2022	14 Nov 2024–13 Nov 2026	
	20,098	–	–	–	–					

1. 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.

As at 31 March 2022, the total number of options granted under the LTIP, net of options lapsed, amounted to 1.7% of issued share capital, of which 0.7% is currently outstanding.

Other Information

The market price of DCC shares on 31 March 2022 was £59.26 and the range during the year was £55.00 to £64.86.

Additional information in relation to the DCC plc Long Term Incentive Plan 2009 and the DCC plc Long Term Incentive Plan 2021 appears in note 2.5 to the financial statements on pages 178 to 179.

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 2022 was €0.3 million (2021: €3.4 million).

Share Ownership Guidelines

The shareholdings held by the executive Directors as at 31 March 2022 are shown below.

Executive	Number of shares held as at 31 March 2022	Shareholding as a multiple of base salary for the year ended 31 March 2022	Share ownership guideline (multiple of salary)
Donal Murphy	148,711	11.8	3
Kevin Lucey	13,072	1.9	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 2022 of £59.26 (€70.05). 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.

Remuneration Report continued

Operation of Remuneration Policy in the year ending 31 March 2023

Salary

The Committee approved the following increases to the executive Directors' salaries for the year commencing 1 April 2022:

Executive Director	Year ending 31 March 2023 €	Increase %	Year ended 31 March 2022 €
Donal Murphy	909,510	3%	883,019
Kevin Lucey	510,300	8%	472,500

In agreeing the increase to the CEO's salary of 3%, the Committee took into account the projected salary increase for the general workforce.

The increase in the CFO's salary of 8% reflects his demonstrated development in role and full contribution at Board level.

Benefits

Benefits payable to the executive Directors for the year ending 31 March 2023 include the use of a company car and related costs, life/disability cover, health insurance and club subscriptions.

Bonus

For the year ending 31 March 2023, the executive Directors will continue to participate in the bonus plan, as per the Remuneration Policy, as set out below:

Executive Director	Maximum bonus potential	Deferral of bonus
Donal Murphy	200% of salary	33% of any bonus earned will be deferred into DCC shares for three years.
Kevin Lucey	160% of salary	

The Committee wishes to use the full award opportunity for the year ending 31 March 2023 made available under the approved Remuneration Policy for the CEO (which implies a small increase of 10% of salary compared to his opportunity for the year ended 31 March 2022), having reviewed market practice for bonus opportunities and the current positioning of the CEO's overall remuneration levels, which are around market median for a company the size of DCC. The increase will also help to ensure that the bonus maximises, under the current Remuneration Policy, the focus on EPS growth and key strategic goals such as the Company's energy transition.

Bonuses will be based 70% on growth in Group adjusted EPS and 30% based on strategic objectives; in addition, the Committee has the discretion to reduce bonuses in the event that a pre-determined target return on capital employed is not achieved. 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. The strategic objectives are aligned with DCC's short-and medium-term strategic objectives that promote long-term performance and include sustainability/ ESG targets.

The EPS range and details of the strategic objectives are commercially confidential, but, to the extent no longer commercially confidential, will be disclosed on a retrospective basis in next year's Annual Report.

The Committee will keep the performance targets under review in light of acquisition and other development activity during the year ending 31 March 2023.

Retirement Benefits

Donal Murphy's 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. Kevin Lucey is entitled to contributions to a defined contribution pension plan at a rate of 14% of base salary.

Audit Committee

Long-Term Incentives

For the year commencing 1 April 2022, LTIP awards of up to 200% of salary will be granted to the executive Directors, with vesting based on performance over the three financial years ending 31 March 2025. Vesting will be based 40% on ROCE, 40% on Adjusted EPS growth and 20% on TSR vs an appropriate index. The Committee is due to approve the performance targets for these measures at a meeting post the publication of this report and will therefore disclose the ranges at the time the awards are granted, which is expected to be in November 2022. The Committee also intends to review the basis of the TSR benchmark for the 2022 awards (being the FTSE100 for recent awards) to ensure it remains a credible and robust basis against which to compare DCC's TSR performance; the details of the benchmark will be disclosed at the same time the targets are announced.

Non-executive Directors' Remuneration

The Board approved an increase to the non-executive Director's fee of 3% with effect from 1 April 2022. This change took into consideration both the average workforce increase across the Group as well the level of fees in a range of comparable Irish and UK companies of comparable scale and complexity. The Chairman's fee will also increase by 3%, to €350,200.

	Year ending 31 March 2023 €	Year ended 31 March 2022 €
Chairman (to include basic and Committee fees)	350,200	340,000
Basic Fee	76,890	74,650
Committee Fees:		
Audit	8,000	8,000
Governance and Sustainability	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

Governance

Committee Composition, Attendance and Tenure

At the date of this Report, the Remuneration Committee comprised four independent non-executive Directors, David Jukes (Chairman), Caroline Dowling, Tufan Erginbilgic and Pamela Kirby.

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 2022 is set out in the chart on page 128. Further biographical details regarding the members of the Remuneration Committee are set out on pages 104 and 105.

The Committee met four times during the year ended 31 March 2022 and attendance details are set out in the table on page 116 of the Corporate Governance Statement.

The Company Secretary is the Secretary to the Remuneration Committee.

Meetings

The main activities of the Committee during the year ended 31 March 2022 included (i) reviewing remuneration trends and market practice, (ii) approving salary/fee increases for the executive Directors/Chairman, (iii) approving incentive outcomes for FY21, (iv) approving incentive performance ranges for FY22, (v) keeping abreast of general pension developments, (vi) approving awards under the Company's LTIP, (vii) reviewing the Company's gender pay gap reporting, (viii) conducting a formal tender process in respect of remuneration advisors to the Committee and (ix) approval of this Report.

Typically, the Chief Executive, the Head of Group Human Resources and representatives of advisors to the Committee 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 and welcomes any feedback from shareholders on this report, the remuneration structure and policy, or decisions taken by the Committee.

Role and Responsibilities

The role and responsibilities of the Committee are set out in full in its Terms of Reference, which are available on the Company's website.

Annual Evaluation of Performance

The conclusion from the 2022 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 2022 Board evaluation process.

Gender Pay Gap Reporting

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 under review, 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 was satisfied that the advice was objective and independent.

In the year ended 31 March 2022, Willis Towers Watson received fees of €23,700 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 2022, Mercer received fees of €1,230 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.

Tender Process

During the year, the Committee engaged in a tender process for the external remuneration advisor to the Committee. A number of detailed proposals were considered by the Committee and presentations were made to a sub-committee comprising the Chairman of the Remuneration Committee, the Chief Executive, the Head of Group HR and the Company Secretary. Following the process, the Committee unanimously agreed to appoint Ellason as independent external remuneration advisors to the Committee with effect from March 2022.

2021 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 2021 Remuneration Policy	54,865,957	54,100,511	765,446	2,063
		(98.6%)	(1.4%)	
Advisory vote on 2021 Annual Report on Remuneration	54,673,478	53,644,215	1,029,263	194,542
		(98.1%)	(1.9%)	

This table shows the voting outcome at the 2021 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 2022.

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 15,400 people in 21 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 £17,732.0 million (2021: £13,412.4 million). The profit for the year attributable to owners of the Parent Company amounted to £312.3 million (2021: £292.6 million). Adjusted earnings per share amounted to 430.11 pence (2021: 386.62 pence). Further details of the results for the year are set out in the Group Income Statement on page 164.

The Chairman's Statement on pages 16 and 17, the Chief Executive's Review on pages 18 to 21, the Operating Reviews on pages 56 to 79 and the Financial Review on pages 48 to 55 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 2022, of recent events and of likely future developments. Key Performance Indicators are set out on pages 44 to 47. Information in respect of events since the year end is included in these sections and in note 5.8 on page 221.

Dividends
An interim dividend of 55.85 pence per share, amounting to £55.2 million, was paid on 10 December 2021. The Directors recommend the payment of a final dividend for the year ended 31 March 2022 of 119.93 pence per share, amounting to £118.3 million (based on the number of shares in issue at 16 May 2022). Subject to shareholders' approval at the AGM on 15 July 2022, this dividend will be paid on 21 July 2022 to shareholders on the register at the close of business on 27 May 2022. The total dividend for the year ended 31 March 2022 amounts to 175.78 pence per share, a total of £173.5 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 2022 are shown in note 4.3 on page 209.

Share Capital and Treasury Shares
DCC's authorised share capital is 152,368,568 ordinary shares of €0.25 each, of which 98,645,900 shares (excluding treasury shares) and 2,688,004 treasury shares were in issue at 31 March 2022. 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 2,768,690 (2.81% of the then issued share capital (excluding treasury shares)) with a nominal value of €0.692 million.

A total of 80,686 shares (0.08% of the issued share capital (excluding treasury shares)) with a nominal value of €0.020 million were re-issued during the year consequent to the exercise of share options under the DCC plc Long Term Incentive Plan 2009 (76,274 shares at a price of €0.25 per share) and the deferred bonus arrangements for executive Directors (4,412 shares at a price of €72.36 per share), leaving a balance held as treasury shares at 31 March 2022 of 2,688,004 shares (2.72% of the issued share capital (excluding treasury shares)) with a nominal value of €0.672 million.

At the Annual General Meeting ('AGM') held on 16 July 2021:

- The Company was granted 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 were given 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) 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 15 July 2022, the date of the next AGM of the Company.

At the 2022 AGM:

- The Directors will seek authority to purchase up to 10% of its own shares (the issued share capital (excluding treasury shares)) with a nominal value of €2.47 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 207 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 80 to 91, Our Business Model on pages 10 and 11, the Risk Report on pages 92 to 101 and the Key Performance Indicators on pages 44 to 47.

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 119 to 122.

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 92 to 101.

Directors
The names of the Directors and a short biographical note on each Director appear on pages 104 and 105. 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' and Company Secretary's interests in the share capital of the Company are set out in the Remuneration Report on pages 128 to 153.

Corporate Governance
The Corporate Governance Statement on pages 108 to 118 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 18, 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 2022. Further details on this are set out on page 108.

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. 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.

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 of the votes cast. To be passed, a special resolution requires a majority of at least 75% of the votes cast.

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, speak, ask questions and vote. 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.

The AGM will be held at 11.00 am on 15 July 2022 at The Powerscourt Hotel, Powerscourt Estate, Enniskerry, Co.Wicklow, A98 DR12. Shareholders should monitor the Company's website for further information in this regard.

Memorandum and Articles of Association
The Company's Memorandum of Association sets 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 16 to 17, the Chief Executive's Review on pages 18 to 21, the Operating Reviews on pages 56 to 79, the Financial Review on pages 48 to 55, the Principal Risks and Uncertainties on pages 97 to 101, the Transparency Report in the Statement of Directors' Responsibilities on page 158, the earnings per ordinary share in note 2.11 on page 184, the Key Performance Indicators on pages 44 to 47 and the derivative financial instruments in note 3.10 on pages 193 and 194.

Report of the Directors continued

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 2022 and 16 May 2022.

	As at 31 March 2022		As at 16 May 2022	
	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	8,673,850	8.79%	8,878,837	9.00%
Allianz Global Investors GmbH	6,717,795	6.81%	5,651,520	5.73%
FMR LLC and FIL Limited on behalf of its direct and indirect subsidiaries	5,685,597	5.76%	5,422,381	5.50%
Setanta Asset Management	4,070,245	4.13%	4,072,171	4.13%
Invesco	2,968,315	3.01%	2,673,736	2.71%

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 238 to 241.

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, D18 PK00, 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 123.

Disclosure of Information to the Auditors
Each of the Directors individually confirms 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(3) 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 2022 AGM.

Mark Breuer, Donal Murphy
Directors
16 May 2022

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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 104 and 105 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 2022 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

Mark Breuer
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 2022, which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Group Statement of Changes in Equity, the Group Cash Flow Statement, the Company Balance Sheet, the Company Statement of Changes in Equity, the Company Cash Flow Statement and related notes, including the summary of significant accounting policies set out in note 5.9. 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 Company as at 31 March 2022 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.

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 for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, 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 Groups' 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 and the Irish Corporate Governance Annex, 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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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.

Due to the overall level of acquisitions during the year we have included acquisition accounting as a key audit matter in our audit opinion. The remaining key audit matters have remained unchanged from prior years.

Independent Auditor's Report to the Members of DCC plc continued

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 £2,634 million (2021: £2,207 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 that 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 have considered the significant judgements made by the Directors in the cash flow forecasts used in the determinations 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 significant 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 these 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 performed by the Directors, 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.

Acquisition accounting on business combinations total consideration £716 million (2021: £246 million)
Refer to note 5.9 (accounting policy) and note 5.2 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group made a number of acquisitions in the year ended 31 March 2022 including a number of individually significant transactions. Due to the overall level of acquisitions during the year we have included acquisition accounting as a Key Audit Matter. The total cost of acquisitions completed during the year ended March 2022 totalled £716 million. Significant judgement has been exercised by management in establishing the initial purchase price allocation between intangible assets and goodwill for significant acquisitions. We determined that key assumptions including specific discount rates and projected recurring cashflows give rise to these significant judgements.	For significant acquisitions completed during the year, our audit engagement team supported by valuation specialists performed procedures which included but were not limited to the following: • We made inquiries of Group management to develop an understanding of the process for accounting for business combinations and tested the design and implementation of key controls in this process; • With the assistance of our valuation specialists, we considered the appropriateness of the valuation methods used by comparing the methods to the methods most commonly used in valuing similar assets; • With the assistance of our valuation specialists, we compared the key-discount rates and recurring cashflow projections to independent data when available and challenged management on these assumptions; • We read the underlying legal agreements and other transaction-related documents and assessed the appropriateness of the date of acquisition determined by management and if all potential accounting implications have been considered and appropriately accounted for. Based on the evidence obtained, we found management's judgements relating to the key assumptions used in the purchase price allocation to be appropriate.

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Investment in subsidiary undertakings £1,130 million (2021: £1,142 million)

Refer to note 5.9 (accounting policy) and note 6.4 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The carrying amount of the Parent Company's investments in subsidiary undertakings represents 83% (2021: 84%) of the Parent Company's total assets. The investment in subsidiary undertakings is carried in the Balance Sheet of the Company at cost less impairment. At 31 March 2022, the investment carrying value was £1,130 million. There is a significant risk in respect of the carrying value of these investments if the future cash flows and trading performance of these subsidiaries are not sufficient to support the balance sheet value. We focus on this area due to the significance of the balance to the Company Balance Sheet and the inherent uncertainty involved in the key assumptions used including discount rates and forecasting future cash flows for the subsidiary businesses.	• We obtained and documented our understanding of the process surrounding impairment considerations and tested the design and implementation of the relevant control. • We considered management's assessment of impairment indicators across the Group; • We compared the carrying value of investments in the Company's Balance Sheet to the net assets of the subsidiary financial statements; • We considered the audit work performed in respect of the current year results of subsidiaries and the valuation of goodwill and intangible assets which included consideration of the key assumptions used including discount rates and forecast future cashflows; and • We compared the carrying value of subsidiaries to the market capitalisation of the Company at 31 March 2022. We found management's assessment of the key assumptions used in assessing the carrying value of investments in subsidiary undertakings to be appropriate.

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 £21.4 million. This has been calculated based on 5% of the Group profit before taxation of £405.7 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 £18.3 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 £1 million (2021: £1 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 (2021: £12 million), determined with reference to a benchmark of Company total assets of which it represents 0.9% (2021: 0.9%). Our approach to audit scoping is consistent with that applied in previous years.

The components subjected to full scope audit contributed 99.9% (2021: 98.3%) of total revenues and 99.2% (2021: 99.2%) of total assets.

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 £2.0 million to £5.5 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 preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included 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.

Independent Auditor's Report to the Members of DCC plc continued

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 92 to 101 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 shareholders 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 for our review.
- if the Directors' statement relating to going concern required under the Listing Rules of the UK Listing Authority set out on page 96 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects.

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 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 5(2) to (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 2021 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 96, in relation to going concern and longer-term viability;
- the part of the Corporate Governance Statement on pages 108 to 118 relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

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 158, 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.

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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.

Patricia Carroll
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

16 May 2022

Group Income Statement

For the year ended 31 March 2022

	Note	2022 Pre-exceptionals £'000	2022 Exceptionals (note 2.6) £'000	2022 Total £'000	2021 Pre-exceptionals £'000	2021 Exceptionals (note 2.6) £'000	2021 Total £'000
Revenue	2.1	**17,732,020**	**–**	**17,732,020**	13,412,450	–	13,412,450
Cost of sales		**(15,694,347)**	**–**	**(15,694,347)**	(11,592,970)	–	(11,592,970)
Gross profit		**2,037,673**	**–**	**2,037,673**	1,819,480	–	1,819,480
Administration expenses		**(517,128)**	**–**	**(517,128)**	(499,812)	–	(499,812)
Selling and distribution expenses		**(965,489)**	**–**	**(965,489)**	(814,758)	–	(814,758)
Other operating income/(expenses)	2.2	**34,178**	**(46,534)**	**(12,356)**	25,333	(40,495)	(15,162)
Adjusted operating profit	2.1	**589,234**	**(46,534)**	**542,700**	530,243	(40,495)	489,748
Amortisation of intangible assets	2.1	**(84,340)**	**–**	**(84,340)**	(66,898)	–	(66,898)
Operating profit		**504,894**	**(46,534)**	**458,360**	463,345	(40,495)	422,850
Finance costs	2.7	**(77,205)**	**–**	**(77,205)**	(85,639)	–	(85,639)
Finance income	2.7	**23,075**	**1,192**	**24,267**	26,253	1,384	27,637
Share of equity accounted investments' profit after tax	2.8	**314**	**–**	**314**	233	–	233
Profit before tax		**451,078**	**(45,342)**	**405,736**	404,192	(39,111)	365,081
Income tax expense	2.9	**(81,235)**	**1,501**	**(79,734)**	(66,382)	4,104	(62,278)
Profit after tax for the financial year		**369,843**	**(43,841)**	**326,002**	337,810	(35,007)	302,803
Profit attributable to:							
Owners of the Parent Company		**356,214**	**(43,841)**	**312,373**	327,626	(35,007)	292,619
Non-controlling interests		**13,629**	**–**	**13,629**	10,184	–	10,184
		369,843	**(43,841)**	**326,002**	337,810	(35,007)	302,803
Earnings per ordinary share							
Basic earnings per share	2.11			**316.78p**			297.04p
Diluted earnings per share	2.11			**316.36p**			296.62p

Group Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	2022 €'000	2021 €'000
Group profit for the financial year		**326,002**	302,803
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation		**26,549**	(53,527)
Movements relating to cash flow hedges		**88,776**	67,961
Movement in deferred tax liability on cash flow hedges	2.9	**(16,138)**	(11,554)
		99,187	2,880
Items that will not be reclassified to profit or loss			
Group defined benefit pension obligations:			
– remeasurements	3.15	**(748)**	254
– movement in deferred tax asset	2.9	**210**	159
		(538)	413
Other comprehensive income for the financial year, net of tax		**98,649**	3,293
Total comprehensive income for the financial year		**424,651**	306,096
Attributable to:			
Owners of the Parent Company		**411,485**	298,172
Non-controlling interests		**13,166**	7,924
		424,651	306,096

Group Balance Sheet
As at 31 March 2022

	Note	2022 €'000	2021 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	**1,253,349**	1,137,634
Right-of-use leased assets	3.2	**327,551**	308,863
Goodwill	3.3	**1,765,961**	1,527,598
Intangible assets	3.3	**868,488**	679,137
Equity accounted investments	3.4	**26,843**	27,134
Deferred income tax assets	3.14	**54,494**	30,706
Derivative financial instruments	3.10	**118,578**	121,671
		4,415,264	3,832,743
Current assets			
Inventories	3.5	**1,133,666**	685,950
Trade and other receivables	3.6	**2,508,613**	1,689,372
Derivative financial instruments	3.10	**107,361**	40,181
Cash and cash equivalents	3.9	**1,394,272**	1,786,556
		5,143,912	4,202,059
Total assets		**9,559,176**	8,034,802
EQUITY			
Capital and reserves attributable to owners of the Parent Company			
Share capital	4.1	**17,422**	17,422
Share premium	4.1	**883,321**	882,924
Share based payment reserve	4.2	**47,436**	40,969
Cash flow hedge reserve	4.2	**85,768**	13,130
Foreign currency translation reserve	4.2	**87,272**	60,260
Other reserves	4.2	**932**	932
Retained earnings	4.3	**1,783,033**	1,631,797
Equity attributable to owners of the Parent Company		**2,905,184**	2,647,434
Non-controlling interests	4.4	**65,379**	58,210
Total equity		**2,970,563**	2,705,644
LIABILITIES			
Non-current liabilities			
Borrowings	3.11	**1,933,482**	1,553,200
Lease creditors	3.12	**273,164**	261,617
Derivative financial instruments	3.10	**10,330**	652
Deferred income tax liabilities	3.14	**259,796**	183,220
Post-employment benefit obligations	3.15	**(7,745)**	(8,024)
Provisions for liabilities	3.17	**284,191**	279,492
Acquisition related liabilities	3.16	**72,650**	62,549
Government grants	3.18	**356**	373
		2,826,224	2,333,079
Current liabilities			
Trade and other payables	3.7	**3,468,705**	2,604,177
Current income tax liabilities		**59,963**	44,081
Borrowings	3.11	**67,668**	219,659
Lease creditors	3.12	**63,538**	53,607
Derivative financial instruments	3.10	**28,634**	9,843
Provisions for liabilities	3.17	**50,279**	42,859
Acquisition related liabilities	3.16	**23,602**	21,853
		3,762,389	2,996,079
Total liabilities		**6,588,613**	5,329,158
Total equity and liabilities		**9,559,176**	8,034,802

Mark Breuer, Donal Murphy
Directors

Group Statement of Changes in Equity

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For the year ended 31 March 2022

	Attributable to owners of the Parent Company						
	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
At 1 April 2021	**17,422**	**882,924**	**1,631,797**	**115,291**	**2,647,434**	**58,210**	**2,705,644**
Profit for the financial year	–	–	312,373	–	312,373	13,629	326,002
Other comprehensive income:							
Currency translation	–	–	–	27,012	27,012	(463)	26,549
Group defined benefit pension obligations:							
– remeasurements	–	–	(748)	–	(748)	–	(748)
– movement in deferred tax asset	–	–	210	–	210	–	210
Movements relating to cash flow hedges	–	–	–	88,776	88,776	–	88,776
Movement in deferred tax liability on cash flow hedges	–	–	–	(16,138)	(16,138)	–	(16,138)
Total comprehensive income	–	–	311,835	99,650	411,485	13,166	424,651
Re-issue of treasury shares	–	397	–	–	397	–	397
Share based payment	–	–	–	6,467	6,467	–	6,467
Dividends	–	–	(160,599)	–	(160,599)	(6,909)	(167,508)
Non-controlling interest arising on acquisition	–	–	–	–	–	912	912
At 31 March 2022	**17,422**	**883,321**	**1,783,033**	**221,408**	**2,905,184**	**65,379**	**2,970,563**

For the year ended 31 March 2021

	Attributable to owners of the Parent Company						
	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
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

Group Cash Flow Statement
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Operating activities			
Cash generated from operations before exceptionals	5.3	**628,433**	903,659
Exceptionals		**(30,270)**	(29,358)
Cash generated from operations		**598,163**	874,301
Interest paid (including lease interest)		**(70,103)**	(84,342)
Income tax paid		**(76,292)**	(62,191)
Net cash flow from operating activities		**451,768**	727,768
Investing activities			
Inflows:			
Proceeds from disposal of property, plant and equipment		**23,524**	15,898
Government grants received in relation to property, plant and equipment	3.18	**–**	89
Disposal of equity accounted investments		**772**	–
Interest received		**22,759**	27,930
		47,055	43,917
Outflows:			
Purchase of property, plant and equipment		**(194,353)**	(162,879)
Acquisition of subsidiaries	5.2	**(668,123)**	(236,232)
Payment of accrued acquisition related liabilities	3.16	**(52,006)**	(36,330)
		(914,482)	(435,441)
Net cash flow from investing activities		**(867,427)**	(391,524)
Financing activities			
Inflows:			
Proceeds from issue of shares	4.1	**397**	37
Net cash inflow on derivative financial instruments		**30,936**	68,554
Increase in interest-bearing loans and borrowings		**372,426**	320,000
		403,759	388,591
Outflows:			
Repayment of interest-bearing loans and borrowings		**(149,182)**	(437,612)
Repayment of lease creditors (principal)		**(65,580)**	(59,279)
Dividends paid to owners of the Parent Company	2.10	**(160,599)**	(143,523)
Dividends paid to non-controlling interests	4.4	**(6,909)**	(4,802)
		(382,270)	(645,216)
Net cash flow from financing activities		**21,489**	(256,625)
Change in cash and cash equivalents		**(394,170)**	79,619
Translation adjustment		**3,878**	(47,496)
Cash and cash equivalents at beginning of year		**1,716,896**	1,684,773
Cash and cash equivalents at end of year	3.9	**1,326,604**	1,716,896
Cash and cash equivalents consist of:			
Cash and short-term bank deposits	3.9	**1,394,272**	1,786,556
Overdrafts	3.9	**(67,668)**	(69,660)
		1,326,604	1,716,896

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 96 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 on a going concern basis 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 2022 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 a material change to the Group's financial statements:

- Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). See further detail below.

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ('IBOR') is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments applied to four interest rate swaps and two cross currency interest rate swaps in place at 31 March 2022 and the hedge documentation and floating rate calculations were updated accordingly ahead of 31 March 2022. The amendments did not result in a material change to the Group's financial statements. There are no other hedge accounting relationships or financial instruments that have yet to transition to an alternative benchmark rate as at 31 March 2022.

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:

- 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
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The impact of these new standards is not expected to result in a material change to the Group's financial statements.

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. Further details are included in note 3.1 Property, Plant and Equipment and note 3.3 Intangible Assets and Goodwill. 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 £1,766.0 million at 31 March 2022. 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. The Group engages a specialist valuation expert to assist with this process where appropriate.

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.

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 continues to develop 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 and biofuels, and related services to consumers and 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. DCC Technology provides a broad range of consumer, business and enterprise technology products and services to retailers, resellers and integrators and domestic appliances and lifestyle products to retailers and consumers.

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.

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2.1 Segment Information continued

The segment results for the year ended 31 March 2022 are as follows:

Income Statement items

	Year ended 31 March 2022				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	**2,608,303**	**9,714,286**	**765,213**	**4,644,218**	**17,732,020**
Adjusted operating profit	**237,700**	**169,432**	**100,415**	**81,687**	**589,234**
Amortisation of intangible assets	**(45,903)**	**(9,764)**	**(6,092)**	**(22,581)**	**(84,340)**
Net operating exceptionals (note 2.6)	**(10,487)**	**(6,200)**	**(6,540)**	**(23,307)**	**(46,534)**
Operating profit	**181,310**	**153,468**	**87,783**	**35,799**	**458,360**
Finance costs					**(77,205)**
Finance income					**24,267**
Share of equity accounted investments' profit after tax					**314**
Profit before income tax					**405,736**
Income tax expense					**(79,734)**
Profit for the year					**326,002**

	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

Notes to the Financial Statements continued

2.1 Segment Information continued

Balance Sheet items

	As at 31 March 2022				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment assets	**2,503,997**	**2,308,080**	**706,152**	**2,339,399**	**7,857,628**
Reconciliation to total assets as reported in the Group Balance Sheet:					
Equity accounted investments					**26,843**
Derivative financial instruments (current and non-current)					**225,939**
Deferred income tax assets					**54,494**
Cash and cash equivalents					**1,394,272**
Total assets as reported in the Group Balance Sheet					**9,559,176**
Segment liabilities	**947,198**	**1,607,664**	**143,695**	**1,096,857**	**3,795,414**
Reconciliation to total liabilities as reported in the Group Balance Sheet:					
Borrowings (current and non-current)					**2,001,150**
Lease creditors (current and non-current)					**336,702**
Derivative financial instruments (current and non-current)					**38,964**
Income tax liabilities (current and deferred)					**319,759**
Acquisition related liabilities (current and non-current)					**96,252**
Government grants (current and non-current)					**372**
Total liabilities as reported in the Group Balance Sheet					**6,588,613**

	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

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2. Segment Information continued

Other segment information

	Year ended 31 March 2022				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Capital expenditure – additions (note 3.1)	**101,478**	**58,179**	**27,793**	**11,781**	**199,231**
Capital expenditure – business combinations (note 3.1)	**15,251**	**17,070**	**1,704**	**29,148**	**63,173**
Depreciation (excluding right-of-use assets) (note 3.1)	**64,357**	**45,613**	**12,564**	**15,442**	**137,976**
Total consideration on business combinations (note 5.2)	**81,168**	**43,078**	**79,692**	**511,566**	**715,504**
Goodwill and intangible assets acquired (note 3.3)	**89,208**	**44,194**	**87,733**	**260,175**	**481,310**

	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

Geographical analysis

The Group has a presence in 21 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*	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Republic of Ireland (country of domicile)	**1,609,797**	901,802	**254,453**	180,635
United Kingdom	**6,632,084**	5,932,234	**1,264,586**	1,253,059
France	**3,251,238**	2,442,082	**950,929**	918,853
United States	**1,301,893**	801,368	**871,143**	548,708
Rest of World	**4,937,008**	3,334,964	**901,081**	779,111
	17,732,020	13,412,450	**4,242,192**	3,680,366

* Non-current assets comprise property, plant and equipment, right-of-use leased assets, intangible assets, 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 energy product costs on absolute revenues. Whilst changes in underlying energy 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 2022				
	DCC LPG £'000	DCC Retail & Oil £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	313,206	781,194	117,405	397,992	1,609,797
United Kingdom	425,871	3,804,115	419,088	1,983,010	6,632,084
France	1,148,089	1,752,698	–	350,451	3,251,238
North America	261,559	–	148,318	1,035,055	1,444,932
Rest of World	459,578	3,376,279	80,402	877,710	4,793,969
	2,608,303	9,714,286	765,213	4,644,218	17,732,020
Products transferred at point in time	2,608,303	9,714,286	765,213	4,644,218	17,732,020
LPG and related products	2,608,303	–	–	–	2,608,303
Oil and related products	–	9,714,286	–	–	9,714,286
Medical and pharmaceutical products	–	–	407,672	–	407,672
Nutrition and health & beauty products	–	–	357,541	–	357,541
Technology products and services	–	–	–	4,644,218	4,644,218
	2,608,303	9,714,286	765,213	4,644,218	17,732,020

	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	530,907	2,699,344	373,413	2,528,570	5,932,234
France	767,199	1,348,429	–	326,454	2,442,082
North America	173,122	–	178,587	571,886	923,595
Rest of World	283,500	2,200,128	–	729,109	3,212,737
	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
Medical and pharmaceutical products	–	–	281,540	–	281,540
Nutrition and health & beauty products	–	–	373,824	–	373,824
Technology products and services	–	–	–	4,483,330	4,483,330
	1,685,570	6,588,186	655,364	4,483,330	13,412,450

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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):

	2022 £'000	2021 £'000
Other operating income/(expenses)		
Fair value gains on non-hedge accounted derivative financial instruments – commodities	**30,762**	11,745
Fair value gains on non-hedge accounted derivative financial instruments – forward exchange contracts	**905**	1,702
Property and tank rental income	**21,496**	20,114
Net profit on disposal of property, plant and equipment	**7,281**	5,263
Throughput	**6,092**	5,785
Haulage	**4,222**	3,423
Fair value losses on non-hedge accounted derivative financial instruments – commodities	**(30,762)**	(11,745)
Fair value losses on non-hedge accounted derivative financial instruments – forward exchange contracts	**(779)**	(2,441)
Expensing of employee share options and awards (note 2.5)	**(6,467)**	(6,055)
Other net operating expenses	**1,428**	(2,458)
Net other operating income before exceptional items	**34,178**	25,333
Other operating income included in net exceptional items	**1,219**	1,097
Other operating expenses included in net exceptional items	**(47,753)**	(41,592)
Total net other operating expenses	**(12,356)**	(15,162)

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:

	2022 £'000	2021 £'000
Depreciation on property, plant and equipment (note 3.1)	**137,976**	131,199
Depreciation on right-of-use assets (note 3.2)	**67,804**	61,373
Amortisation of intangible assets (note 3.3)	**84,340**	66,898
Amortisation of government grants (note 3.18)	**(20)**	(36)
Foreign exchange loss	**566**	469

During the year the Group obtained the following services from the Group's auditors (KPMG):

	2022 £'000	2021 £'000
KPMG Ireland (statutory auditor):		
Audit fees	**1,831**	1,699
Other including non-audit, audit related and assurance services	**31**	14
	1,862	1,713
Other KPMG network firms:		
Audit fees	**1,763**	1,568
Other including non-audit, audit related and assurance services	**109**	97
	1,872	1,665

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:

	2022 Number	2021 Number
DCC LPG	**3,736**	3,415
DCC Retail & Oil	**3,580**	3,373
DCC Healthcare	**2,816**	2,458
DCC Technology	**4,374**	3,953
	14,506	13,199

The employee benefit expense (excluding termination payments – note 2.6) for the above were:

	2022 £'000	2021 £'000
Wages and salaries	**650,473**	566,725
Social welfare costs	**85,006**	70,878
Share based payment expense (note 2.5)	**6,467**	6,055
Pension costs – defined contribution plans	**18,992**	17,286
Pension costs – defined benefit plans (note 3.15)	**318**	386
	761,256	661,330

Directors' emoluments (which are included in operating costs) and interests are presented in the Remuneration Report on pages 128 to 153. Details of the compensation of key management personnel for the purposes of the disclosure requirements under IAS 24 are provided in note 5.6. The prior year figure for wages and salaries has been adjusted to correct a misstatement which did not affect any other items in the financial statements apart from this disclosure note.

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 £6.467 million (2021: £6.055 million) has been arrived at by applying a Monte Carlo simulation technique for share awards issued under the DCC plc Long Term Incentive Plans.

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 2022 £'000	Expense in Income Statement 2021 £'000
17 November 2015	£57.35	5 years	131,455	£49.56	**–**	835
10 February 2017	£67.75	5 years	137,269	£54.17	**1,159**	1,317
16 November 2017	£70.95	5 years	128,451	£56.52	**1,073**	374
15 November 2018	£60.65	5 years	167,567	£46.13	**405**	1,462
14 November 2019	£68.80	5 years	147,939	£53.32	**1,499**	1,561
12 November 2020	£57.08	5 years	170,152	£44.63	**1,446**	506
11 November 2021	£61.42	3 years	171,974	£46.39	**885**	–
Total expense					**6,467**	6,055

2. Employee Share Options and Awards continued

Share options and awards

DCC plc Long Term Incentive Plans

At 31 March 2022, Group employees hold awards to subscribe for 730,042 ordinary shares under the DCC plc Long Term Incentive Plans.

The general terms of the DCC plc Long Term Incentive Plans are set out in the Remuneration Report on page 134.

The DCC plc Long Term Incentive Plans contain 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 Plans during the year is as follows:

	2022 Number of share awards	2021 Number of share awards
At 1 April	**702,329**	757,460
Granted	**171,974**	170,152
Exercised	**(76,274)**	(162,044)
Expired and forfeited	**(67,987)**	(63,239)
At 31 March	**730,042**	702,329

The weighted average share price at the dates of exercise for share awards exercised during the year under the DCC plc Long Term Incentive Plans was £60.75 (2021: £63.59). The share awards outstanding at the year end have a weighted average remaining contractual life of 4.6 years (2021: 4.6 years).

The weighted average fair values assigned to share awards granted under the DCC plc Long Term Incentive Plan, which were computed in accordance with the Monte Carlo valuation methodology, were as follows:

Granted during the year ended 31 March 2022	**£46.39**
Granted during the year ended 31 March 2021	£44.63

The fair values of share awards granted under the DCC plc Long Term Incentive Plan were determined taking account of peer group total share return volatilities and correlations together with the following assumptions:

	2022	2021
Risk-free interest rate (%)	**0.65**	0.04
Dividend yield (%)	**2.7**	2.4
Expected volatility (%)	**29.0**	29.0
Expected life in years	**5.0**	6.0
Share price at date of grant	**£61.42**	£57.08

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**	**2022 Number of share awards**	2021 Number of share awards
12 November 2014	12 November 2021	**–**	23,689
17 November 2015	17 November 2022	**38,028**	61,734
10 February 2017	10 February 2024	**57,226**	75,551
16 November 2017	16 November 2024	**62,541**	64,871
15 November 2018	15 November 2025	**86,051**	162,262
14 November 2019	14 November 2026	**144,070**	144,070
12 November 2020	12 November 2027	**170,152**	170,152
11 November 2021	11 November 2028	**171,974**	–
Total outstanding at 31 March		**730,042**	702,329
Total exercisable at 31 March		**95,254**	85,423

Notes to the Financial Statements continued

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.

	2022 €'000	2021 €'000
Adjustments to contingent acquisition consideration (note 3.16)	**(19,864)**	27
Restructuring and integration costs and other	**(16,736)**	(26,918)
Acquisition and related costs	**(9,934)**	(13,604)
Net operating exceptional items	**(46,534)**	(40,495)
Mark-to-market of swaps and related debt (note 2.7)	**1,192**	1,384
Net exceptional items before taxation	**(45,342)**	(39,111)
Income tax and deferred tax attaching to exceptional items	**1,501**	4,104
Net exceptional items attributable to owners of the Parent Company	**(43,841)**	(35,007)

Adjustments to contingent and deferred consideration of €19.864 million reflects movements in provisions associated with the expected earn-out or other deferred arrangements that arise through the Group's corporate development activity. The charge in the year primarily reflects increases in contingent consideration payable in respect of acquisitions in DCC Technology where the trading performance of acquisitions in North America has been very strong and ahead of expectations and also in respect of an acquisition in DCC Retail & Oil where performance has also been ahead of expectations. In accordance with IFRS 3, this increase in the fair value of contingent consideration is recognised as a charge in the Income Statement.

Restructuring and integration costs and other of €16.736 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. The significant items during the year include costs related to the integration of acquisitions in DCC LPG and DCC Technology. These include the integration of Primagaz in the Netherlands, acquired during the financial year and where integration with DCC's existing operations is continuing in line with expectations. It also includes the integration of Almo and combination with DCC Technology's existing Pro-Av business in North America. It also includes the final stage of the consolidation of the UK infrastructure in DCC Technology and a project underway in France to enhance the efficiency of the LPG operating infrastructure.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to €9.934 million (2021: €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 2022, this amounted to an exceptional non-cash gain of €1.192 million (2021: 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 €0.546 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 €1.501 million in relation to certain exceptional charges.

The net cash flow impact in the current year for exceptional items and the disposal of equity accounted investments was an outflow of €29.498 million (2021: an outflow of €29.358 million).

Restructuring and integration costs and other of €26.918 million in the prior year primarily related to restructuring of operations as part of the integration of completed acquisitions across a small number of businesses. It included 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 was created to better leverage the strong brand presence while reducing risk associated with this market in France. It also included the dual running costs relating to DCC Technology's UK SAP implementation which went live during the prior year 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.

2022 Proof 5 04.09

2.4 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 and net income on interest rate and currency swaps whilst finance costs mainly comprise interest on Unsecured Notes, bank borrowings and lease creditors.

	2022 €'000	2021 £'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes	**(58,302)**	(65,941)
Unwinding of discount applicable to lease creditors (note 3.12)	**(9,473)**	(9,707)
Unwinding of discount applicable to acquisition related liabilities (note 3.16)	**(969)**	(1,011)
Unwinding of discount applicable to provisions for liabilities (note 3.17)	**(1,676)**	(1,630)
Facility fees	**(1,244)**	(1,810)
Other interest	**(5,541)**	(5,540)
	(77,205)	(85,639)
Finance income		
Interest on cash and term deposits	**1,024**	1,279
Net income on interest rate and currency swaps	**21,890**	24,811
Net interest income on defined benefit pension schemes (note 3.15)	**161**	163
	23,075	26,253
Mark-to-market of swaps and related debt*	**1,192**	1,384
	24,267	27,637
Net finance cost	**(52,938)**	(58,002)

* Mark-to-market of swaps and related debt:		
Interest rate swaps designated as fair value hedges	**(28,201)**	(6,990)
Cross currency interest rate swaps designated as fair value hedges	**(240)**	(59,062)
Adjusted hedged fixed rate debt	**29,633**	67,436
Mark-to-market of swaps designated as fair value hedges and related debt	**1,192**	1,384
Movement on cross currency interest rate swaps designated as cash flow hedges	**9,401**	(28,193)
Transferred to cash flow hedge reserve	**(9,401)**	28,193
	–	–
Total mark-to-market of swaps and related debt	**1,192**	1,384

Notes to the Financial Statements continued

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:	2022 £'000	2021 £'000
Revenue	**13,267**	7,550
Operating profit and profit before tax	**370**	266
Income tax expense	**(56)**	(33)
Profit after tax	**314**	233

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

	2022 £'000	2021 £'000
Current taxation		
Irish corporation tax at 12.5%	**9,365**	7,038
United Kingdom corporation tax at 19%	**15,470**	15,086
Other overseas tax	**75,351**	56,041
Income tax credit attaching to exceptional items	**(1,726)**	(2,971)
Over provision in respect of prior years	**(4,884)**	(4,598)
Total current taxation	**93,576**	70,596
Deferred tax		
Irish at 12.5%	**(2,992)**	288
United Kingdom at 25%	**5,933**	1,153
Other overseas deferred tax	**(13,536)**	(8,372)
Deferred tax credit attaching to exceptional items	**225**	(1,133)
Over provision in respect of prior years	**(3,472)**	(254)
Total deferred tax	**(13,842)**	(8,318)
Total income tax expense	**79,734**	62,278

(ii) Deferred tax recognised in Other Comprehensive Income

	2022 £'000	2021 £'000
Deferred tax relating to defined benefit pension obligations	**(210)**	(159)
Deferred tax relating to cash flow hedges	**16,138**	11,554
Total deferred tax charge recognised in Other Comprehensive Income	**15,928**	11,395

27/05/2022 (090504)

2.9 Income Tax Expense continued

(iii) Reconciliation of effective tax rate

	2022 €'000	2021 €'000
Profit before taxation	**405,736**	365,081
Less: share of equity accounted investments' profit after tax	**(314)**	(233)
Add back: amortisation of intangible assets	**84,340**	66,898
Profit before share of equity accounted investments' profit after tax and amortisation of intangible assets	**489,762**	431,746
Add back: net exceptional items before tax	**45,342**	39,111
Profit before share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	**535,104**	470,857
Profit before taxation	**405,736**	365,081
At the standard rate of corporation tax in Ireland of 12.5%	**50,717**	45,635
Amortisation and share of equity accounted investments at the standard rate of corporation tax in Ireland of 12.5%	**10,503**	8,333
Adjustments in respect of prior years	**(8,356)**	(4,852)
Effect of earnings taxed at higher rates	**42,176**	29,976
Other differences	**2,616**	954
Income tax expense	**97,656**	80,046
Income tax and deferred tax attaching to exceptional items	**(1,501)**	(4,104)
Deferred tax attaching to amortisation of intangible assets	**(16,421)**	(13,664)
Total income tax expense	**79,734**	62,278

	2022 %	2021 %
Income tax expense as a percentage of profit before share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	**18.3%**	17.0%
Impact of share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	**1.4%**	0.1%
Total income tax expense as a percentage of profit before tax	**19.7%**	17.1%

(iv) Factors that may affect future tax rates and other disclosures

No change has been enacted 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% and will increase to 25% with effect from 1 April 2023. This rate change has been taken into account in these financial statements. A French corporate income tax rate of 28.4% applied for the year ended 31 March 2022. The French corporate income tax rate is legislated to reduce 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:	2022 €'000	2021 €'000
Final: paid 107.85 pence per share on 22 July 2021 (2021: paid 95.79 pence per share on 23 July 2020)	**105,417**	92,478
Interim: paid 55.85 pence per share on 10 December 2021 (2021: paid 51.95 pence per share on 9 December 2020)	**55,182**	51,045
	160,599	143,523

The Directors are proposing a final dividend in respect of the year ended 31 March 2022 of 119.93 pence per ordinary share (€118.303 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

Notes to the Financial Statements continued

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.

	2022 £'000	2021 £'000
Profit attributable to owners of the Parent Company	**312,373**	292,619
Amortisation of intangible assets after tax	**67,919**	53,234
Exceptionals after tax (note 2.6)	**43,841**	35,007
Adjusted profit after taxation and non-controlling interests	**424,133**	380,860

Basic earnings per ordinary share	**2022 pence**	2021 pence
Basic earnings per ordinary share	**316.78p**	297.04p
Amortisation of intangible assets after tax	**68.88p**	54.04p
Exceptionals after tax	**44.45p**	35.54p
Adjusted basic earnings per ordinary share	**430.11p**	386.62p
Weighted average number of ordinary shares in issue (thousands)	**98,610**	98,510

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	**2022 pence**	2021 pence
Diluted earnings per ordinary share	**316.36p**	296.62p
Amortisation of intangible assets after tax	**68.79p**	53.96p
Exceptionals after tax	**44.40p**	35.49p
Adjusted diluted earnings per ordinary share	**429.55p**	386.07p
Weighted average number of ordinary shares in issue (thousands)	**98,739**	98,650

The earnings used for the purposes of the diluted earnings per ordinary share calculations were £312.373 million (2021: £292.619 million) and £424.133 million (2021: £380.860 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 2022 was 98.739 million (2021: 98.650 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:

	2022 '000	2021 '000
Weighted average number of ordinary shares in issue	**98,610**	98,510
Dilutive effect of options and awards	**129**	140
Weighted average number of ordinary shares for diluted earnings per share	**98,739**	98,650

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.

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 2022						
Opening net book amount	**342,040**	**534,990**	**135,397**	**65,971**	**59,236**	**1,137,634**
Exchange differences	**2,107**	**2,633**	**345**	**764**	**368**	**6,217**
Arising on acquisition (note 5.2)	**36,557**	**19,376**	**4,354**	**2,740**	**146**	**63,173**
Additions	**16,655**	**104,171**	**24,135**	**9,342**	**44,928**	**199,231**
Disposals	**(6,341)**	**(6,227)**	**(1,361)**	**(679)**	**–**	**(14,608)**
Depreciation charge	**(16,353)**	**(80,719)**	**(27,111)**	**(13,793)**	**–**	**(137,976)**
Impairment charge	**(105)**	**(75)**	**(142)**	**–**	**–**	**(322)**
Reclassification	**5,295**	**1,313**	**17,004**	**(11)**	**(23,601)**	**–**
Closing net book amount	**379,855**	**575,462**	**152,621**	**64,334**	**81,077**	**1,253,349**
At 31 March 2022						
Cost	**463,239**	**1,261,065**	**310,716**	**165,104**	**81,077**	**2,281,201**
Accumulated depreciation and impairment losses	**(83,384)**	**(685,603)**	**(158,095)**	**(100,770)**	**–**	**(1,027,852)**
Net book amount	**379,855**	**575,462**	**152,621**	**64,334**	**81,077**	**1,253,349**
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

Useful economic lives of assets

The Group updated its energy strategy over the course of the year to ensure the Group remains well placed to support customers as they transition to lower carbon forms of energy. This process took account of the Group's assessment of the risks and opportunities created by climate-change to its existing and future operations, which is outlined in more detail in the Risk Report on pages 92 to 101. The Group's updated energy strategy has, in turn, allowed the Group to commit to reducing its carbon emissions from its own activities (Scope 1 and 2) and from the energy it sells (Scope 3) to net zero by 2050 or sooner. Due consideration is given to these factors when determining the useful lives of the Group's assets. Importantly, many of the Group's existing assets, such as depots, storage equipment and trucks will continue to be used for the distribution of lower carbon forms of fuel, such as biofuels. Capital expenditure will continue to be required in relation to these assets in the short and medium term. The Group therefore considers that these assets will continue to be an integral part of the total asset portfolio of the Group in the short and medium term. Further information is included in note 3.3 Intangible Assets and Goodwill on page 188.

There remains a risk that the useful lives of the assets created by future capital expenditure may differ from current assumptions. For instance, governments in some of the Group's operating locations could take measures to restrict the use of certain fossil-based assets which could affect the estimated useful lives of those assets. However, for the reasons stated, there were no significant changes in the estimates of useful lives during the current financial year.

Notes to the Financial Statements continued

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 2022					
Opening net book amount	**256,576**	**3,677**	**456**	**48,154**	**308,863**
Exchange differences	**476**	**(199)**	**2**	**(128)**	**151**
Arising on acquisition (note 5.2)	**30,684**	**543**	**–**	**833**	**32,060**
Additions (note 3.12)	**42,938**	**1,371**	**244**	**11,380**	**55,933**
Terminations	**(1,407)**	**(3)**	**3**	**(245)**	**(1,652)**
Depreciation charge	**(46,923)**	**(1,306)**	**(161)**	**(19,414)**	**(67,804)**
Impairment charge	**–**	**–**	**–**	**–**	**–**
Closing net book amount	**282,344**	**4,083**	**544**	**40,580**	**327,551**
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

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 2022				
Opening net book amount	**1,527,598**	**497,230**	**181,907**	**2,206,735**
Exchange differences	**14,705**	**15,848**	**553**	**31,106**
Arising on acquisition (note 5.2)	**224,020**	**248,787**	**8,503**	**481,310**
Adjustments to contingent consideration (note 3.16)	**(362)**	**–**	**–**	**(362)**
Amortisation charge	**–**	**(75,963)**	**(8,377)**	**(84,340)**
Closing net book amount	**1,765,961**	**685,902**	**182,586**	**2,634,449**
At 31 March 2022				
Cost	**1,804,232**	**1,099,417**	**222,416**	**3,126,065**
Accumulated amortisation and impairment losses	**(38,271)**	**(413,515)**	**(39,830)**	**(491,616)**
Net book amount	**1,765,961**	**685,902**	**182,586**	**2,634,449**

	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

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 11.8 years (2021: 11.3 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 26.5 years (2021: 27.7 years). There are no internally generated brand related intangibles recognised on the Group Balance Sheet.

Notes to the Financial Statements continued

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 2022 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	**104,894**	**8.1 years**	**119,088**	**32.5 years**
Almo	DCC Technology	**151,019**	**9.7 years**	**–**	**–**
DCC Propane	DCC LPG	**100,419**	**10.3 years**	**33,282**	**16.2 years**
DSG Hong Kong & Macau	DCC LPG	**60,913**	**20.8 years**	**–**	**–**
Mobility Continental Europe	DCC Retail & Oil	**52,319**	**14.3 years**	**–**	**–**
DCC Vital	DCC Healthcare	**45,811**	**19.0 years**	**–**	**–**
Others		**170,527**		**30,216**	
Closing net book amount		**685,902**		**182,586**	

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	–	–
Mobility Continental Europe	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	

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 32 CGUs (2021: 33 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	
	2022 number	2021 number	**2022 £'000**	2021 £'000
DCC LPG	**9**	9	**578,634**	518,503
DCC Retail & Oil	**7**	8	**588,036**	563,931
DCC Healthcare	**7**	7	**267,922**	227,221
DCC Technology	**9**	9	**331,369**	217,943
	32	33	**1,765,961**	1,527,598

As part of the revised Energy strategy discussed on pages 22 to 27, management considered the impact of the planned restructuring of the Group's LPG and Retail & Oil divisions on the identification of CGUs in these divisions and the level at which goodwill will be assessed for internal management purposes. In particular, consideration was given to the Group's retail fuel businesses in France, Denmark and Norway, which previously represented separate CGUs, together with the recently acquired Luxembourg retail fuels business. Management considered the new management structures, how performance will be monitored, product supply agreements, shared IT platforms and ongoing synergies. Arising from this review, management have identified a new CGU, "Mobility Continental Europe", which includes the Group's retail fuels activities in France, Denmark, Norway and Luxembourg. The comparative data in the tables below has been adjusted accordingly.

The Group's North American Stampede business will be integrated into that of the recently acquired Almo business. Accordingly, the combined entity now represents one single CGU ('Almo') for goodwill impairment testing purposes. The comparative data in the table overleaf has been adjusted accordingly.

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3.3 Intangible Assets and Goodwill continued

In accordance with IAS 36 Impairment of Assets, the CGUs to which significant amounts of goodwill have been allocated are as follows:

CGU	Segment	2022 £'000	2021 £'000
Certas Energy UK Group	DCC Retail & Oil	**290,255**	282,495
Butagaz	DCC LPG	**208,151**	191,733
DCC Vital Group	DCC Healthcare	**174,264**	136,491
Mobility Continental Europe	DCC Retail & Oil	**166,595**	154,078
DCC Propane	DCC LPG	**117,317**	103,618
Almo	DCC Technology	**136,390**	26,916
Exertis UK Group	DCC Technology	**101,598**	101,629
Others		**571,391**	530,638
Closing net book amount		**1,765,961**	1,527,598

For the purpose of impairment testing, the before-tax discount rates applied to these CGUs to which significant amounts of goodwill have been allocated were 9.8% (2021: 9.4%) for the Certas Energy UK Group, Butagaz, Mobility Continental Europe and DCC Propane, 11.0% (2021: 10.7%) for the DCC Vital Group and 11.2% (2021: 10.8%) for the Exertis UK Group and Almo. The long-term growth rates assumed for the Certas Energy UK, DCC Vital and Exertis UK Groups was 1.5%, a long-term growth rate of 1.7% was assumed for Almo and DCC Propane and a long-term growth rate of 1.0% was assumed for Mobility Continental Europe. No growth was assumed for Butagaz. The remaining goodwill balance of £571.391 million is allocated across 25 CGUs (2021: £530.638 million across 26 CGUs), none of which are individually significant.

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. These cash flow forecasts are consistent with those used for the Group's going concern and viability assessments. 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. Net cash flows include consideration of the estimated capital expenditure required to achieve the Group's 2030 and 2050 emissions commitments. 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 1.5% (2021: 1.4%).

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 the Covid-19 pandemic was still ongoing. Lockdown restrictions have generally been lifted in the jurisdictions in which the Group operates and the Three Year Plans assume that the Group's businesses return to normal activity levels in the short-term. Whilst the pace of recovery from the pandemic in the next year could differ from that modelled, the vast majority of the value in use is in the terminal value, which is derived by applying the growth rate to the terminal year cash flow projection. Beyond the uncertainty over the short to medium-term recovery, the Directors continue to assume there will not be any long-term net adverse impact from the pandemic based on the strength of our customer relationships and the recovery in demand for the Group's products as restrictions have been lifted.

The assumptions behind the cash flow projections also take account of the climate change risk assessment exercise carried out during the year as described in the Risk Report on page 95. The climate scenarios tested and the principal conclusions relevant for the impairment assessment are discussed below.

The Group's climate change risk assessment considered the transitional impacts of climate change on our energy activities in a scenario consistent with 1.5°C warming by 2050. Whilst there is a challenge arising from the evolution of the legal environment, technological change and the introduction of new forms of energy that will likely see a reduction in demand for fossil fuels over the medium to long-term, the Group concluded that there is a significant opportunity available to our energy businesses to support existing and new customers as they reduce their use of fossil fuels over the coming decades. In particular, our energy businesses can add to the range of products and services that we offer while continuing to use the assets that we currently own.

The Group's climate change risk assessment also considered the physical impacts of climate change on certain of the Group's assets in a scenario consistent with 4.0°C warming by 2050. This risk assessment considered both the risk of physical damage to assets and the potential disruption to our wider operations that would be caused if these sites were inoperable for a certain period because of more frequent adverse weather conditions. The Group concluded that whilst there is a risk in the medium term to these assets, these risks can be fully mitigated through increased physical mitigation measures and business continuity planning. In addition, the Group maintains insurance cover against physical damage and/or business interruption. And finally, the geographical diversity of the Group and potential alternative sources of supply means that the risk to the Group as a whole is unlikely to be material.

Notes to the Financial Statements continued

3.3 Intangible Assets and Goodwill continued

Having assessed these scenarios the Group has concluded that, while climate change is an existing and evolving risk, it does not warrant any amendments to the assumptions used in the Group's impairment testing.

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 9.8% to 11.2% (2021: 9.4% to 10.8%).

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 2022 (2021: 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 one CGU detailed below.

In relation to a CGU which forms part of the DCC Technology segment, the value in use of £53.5 million represented an excess of £1.1 million over its carrying value of £52.4 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 Technology
Increase in discount rate	0.2 percentage points
Reduction in long-term growth rate	0.3 percentage points
Reduction in cash flow	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%.

	2022 £'000	2021 £'000
At 1 April	**27,134**	27,729
Share of profit after tax	**314**	233
Disposals	**(935)**	–
Exchange and other	**330**	(828)
At 31 March	**26,843**	27,134

Investments in associates at 31 March 2022 include goodwill of £19.107 million (2021: £19.131 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:

	2022 £'000	2021 £'000
Non-current assets	**34,999**	36,177
Current assets	**8,174**	6,335
Non-current liabilities	**(1,468)**	(1,847)
Current liabilities	**(14,862)**	(13,531)
	26,843	27,134

Details of the Group's principal associates are included in the Group Directory on page 241.

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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.

	2022 £'000	2021 £'000
Raw materials	**66,258**	59,409
Work in progress	**5,844**	6,539
Finished goods	**1,061,564**	620,002
	1,133,666	685,950

Write-downs of inventories recognised as an expense within cost of sales amounted to £21.5 million (2021: £7.7 million) and arose in the normal course of activities.

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.

	2022 £'000	2021 £'000
Trade receivables	**2,086,578**	1,477,573
Allowance for impairment of trade receivables	**(54,929)**	(40,360)
Prepayments and accrued income	**313,648**	142,532
Value-added tax recoverable	**43,711**	32,159
Other debtors	**119,605**	77,468
	2,508,613	1,689,372

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 5.7. The aged analysis of these balances is as follows:

	Gross trade receivables		Trade receivables net of allowance for impairment	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Not overdue	**1,760,825**	1,255,609	**1,755,430**	1,243,643
Less than 1 month overdue	**194,240**	132,543	**188,461**	127,443
1 – 3 months overdue	**71,294**	42,207	**66,269**	40,081
3 – 6 months overdue	**26,625**	14,660	**19,893**	10,472
Over 6 months overdue	**33,594**	32,554	**1,596**	15,574
	2,086,578	1,477,573	**2,031,649**	1,437,213

The movement in the allowance for impairment of trade receivables during the year is as follows:

	2022 £'000	2021 £'000
At 1 April	**40,360**	36,744
Allowance for impairment recognised in the year	**17,556**	15,536
Subsequent recovery of amounts previously provided for	**(832)**	(697)
Amounts written off during the year	**(5,884)**	(10,612)
Arising on acquisition	**3,619**	572
Exchange	**110**	(1,183)
At 31 March	**54,929**	40,360

The vast majority of the allowance for impairment relates to trade and other receivables balances which are over six months overdue.

Notes to the Financial Statements continued

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.

	2022 £'000	2021 £'000
Trade payables	**2,402,935**	1,850,102
Other creditors and accruals	**895,758**	623,800
PAYE and National Insurance or equivalent	**23,425**	13,951
Value-added tax	**113,740**	91,082
Government grants (note 3.18)	**16**	20
Interest payable	**13,981**	11,668
Amounts due in respect of property, plant and equipment	**18,850**	13,554
	3,468,705	2,604,177

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 2022				
At 1 April 2021	**685,950**	**1,689,372**	**(2,604,177)**	**(228,855)**
Translation adjustment	**15,299**	**4,383**	**(2,471)**	**17,211**
Arising on acquisition (note 5.2)	**254,522**	**200,443**	**(229,336)**	**225,629**
Exceptional items, interest accruals, capital accruals and other	**–**	**155**	**(9,292)**	**(9,137)**
Increase/(decrease) in working capital (note 5.3)	**177,895**	**614,260**	**(623,429)**	**168,726**
At 31 March 2022	**1,133,666**	**2,508,613**	**(3,468,705)**	**173,574**
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)

3.9 Cash and Cash Equivalents

The majority of the Group's cash and cash equivalents are held in current accounts and deposit accounts with maturities of up to three months.

	2022 £'000	2021 £'000
Cash at bank and in hand	**904,036**	594,119
Short-term deposits	**490,236**	1,192,437
	1,394,272	1,786,556

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:

	2022 £'000	2021 £'000
Cash and short-term deposits	**1,394,272**	1,786,556
Bank overdrafts	**(67,668)**	(69,660)
	1,326,604	1,716,896

Bank overdrafts are included within current borrowings (note 3.11) in the Group Balance Sheet.

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.

	2022 €'000	2021 £'000
Non-current assets		
Cross currency interest rate swaps – fair value hedges	**72,122**	70,147
Cross currency interest rate swaps – cash flow hedges	**38,606**	29,386
Interest rate swaps – fair value hedges	**1,737**	21,433
Commodity forward contracts – cash flow hedges	**6,113**	705
	118,578	121,671
Current assets		
Cross currency interest rate swaps – fair value hedges	**–**	16,812
Interest rate swaps – fair value hedges	**–**	107
Currency swaps – not designated as hedges	**554**	190
Foreign exchange forward contracts – cash flow hedges	**765**	1,072
Foreign exchange forward contracts – not designated as hedges	**19**	98
Commodity forward contracts – cash flow hedges	**94,152**	15,358
Commodity forward contracts – not designated as hedges	**11,871**	6,544
	107,361	40,181
Total assets	**225,939**	161,852
Non-current liabilities		
Interest rate swaps – fair value hedges	**(8,398)**	–
Commodity forward contracts – cash flow hedges	**(1,932)**	(652)
	(10,330)	(652)
Current liabilities		
Currency swaps – not designated as hedges	**(558)**	(100)
Foreign exchange forward contracts – cash flow hedges	**(1,094)**	(847)
Foreign exchange forward contracts – not designated as hedges	**(49)**	(55)
Commodity forward contracts – cash flow hedges	**(6,101)**	(375)
Commodity forward contracts – not designated as hedges	**(20,832)**	(8,466)
	(28,634)	(9,843)
Total liabilities	**(38,964)**	(10,495)
Net asset arising on derivative financial instruments	**186,975**	151,357

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.

Notes to the Financial Statements continued

3.10 Derivative Financial Instruments continued

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 2022 total £192.5 million and €260.0 million. At 31 March 2022, the fixed interest rates vary from 1.96% to 4.49% and the floating rates are based on sterling SONIA and EURIBOR.

Cross currency interest rate swaps

The Group utilises cross currency interest rate swaps to swap fixed rate US dollar denominated debt of $554.0 million into floating rate sterling debt of £128.662 million and floating rate euro debt of €263.839 million, which are based on sterling SONIA and EURIBOR respectively. At 31 March 2022 the fixed interest rates vary from 4.04% to 4.53%. 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 2022 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 2022, 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 2022 total £180.570 million (2021: £40.509 million).

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 31 March 2022 total £142.703 million (2021: £113.600 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 4.2) at 31 March 2022 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 2022 total £267.184 million (2021: £162.146 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 4.2) at 31 March 2022 on forward commodity contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to 60 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.

	2022 £'000	2021 £'000
Non-current		
Unsecured Notes	**1,544,822**	1,553,200
Bank borrowings	**388,660**	–
Total borrowings	**1,933,482**	1,553,200
Lease creditors (note 3.12)	**273,164**	261,617
Total non-current borrowings and lease creditors	**2,206,646**	1,814,817
Current		
Unsecured Notes	**–**	149,999
Bank borrowings	**67,668**	69,660
Total borrowings	**67,668**	219,659
Lease creditors (note 3.12)	**63,538**	53,607
Total current borrowings and lease creditors	**131,206**	273,266
Total borrowings and lease creditors	**2,337,852**	2,088,083

The maturity of non-current borrowings is as follows:

	2022 €'000	2021 £'000
Between 1 and 2 years	**310,955**	46,664
Between 2 and 5 years	**1,111,059**	767,177
Over 5 years	**784,632**	1,000,976
	2,206,646	1,814,817

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 six months by reference to inter-bank interest rates (EURIBOR, sterling SONIA and US$ SOFR) and consequently fair value approximates carrying amounts.

The Group has a £800 million five-year committed revolving credit facility with ten relationship banks: Barclays, BNP Paribas, Danske Bank, HSBC, ING, J.P. Morgan, National Westminster Bank, Bank of Ireland, Citibank and Toronto Dominion. The facility matures in March 2027 and £411 million remained undrawn at 31 March 2022. The drawing at that date was at a floating rate of 1.45%. The Group had various other uncommitted bank facilities available at 31 March 2022.

Unsecured Notes

The Group's Unsecured Notes which fall due between 2023 and 2034 are comprised of 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$425.0 million, €45.0 million and £65.0 million issued in 2014 and maturing in 2024, 2026 and 2029 (the '2024/26/29 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 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 SONIA, $85.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ 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 2024/26/29 Notes denominated in US dollars, $178.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ 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 SONIA, $135.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ 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 2024/26/29 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 2024/26/29 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 SONIA.

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 SONIA. 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:

	2022	2021
Average maturity	**4.7 years**	5.2 years
Average fixed interest rates*:		
– US$ denominated	**4.45%**	4.48%
– sterling denominated	**3.34%**	3.36%
– euro denominated	**2.26%**	2.33%
Average floating rate including swaps:		
– sterling denominated	**2.34%**	1.91%
– euro denominated	**1.04%**	1.01%

* Issued and repayable at par.

Notes to the Financial Statements continued

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 2022 is as follows:

	2022 £'000	2021 £'000
At 1 April	**315,224**	306,867
Exchange differences	**934**	(6,145)
Additions of right-of-use assets (note 3.2)	**55,933**	67,891
Terminations	**(1,627)**	(3,254)
Arising on acquisition (note 5.2)	**31,818**	9,144
Lease repayments	**(75,053)**	(68,986)
Unwinding of discount applicable to lease creditors (note 2.7)	**9,473**	9,707
At 31 March	**336,702**	315,224

An analysis of the maturity profile of the discounted lease creditor arising from the Group's leasing activities as at 31 March 2022 is as follows:

	2022 £'000	2021 £'000
Within one year	**63,538**	53,607
Between one and two years	**55,478**	46,664
Between two and five years	**98,564**	97,973
Over five years	**119,122**	116,980
At 31 March	**336,702**	315,224

Analysed as:		
Non-current liabilities	**273,164**	261,617
Current liabilities	**63,538**	53,607
	336,702	315,224

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:

	2022 £'000	2021 £'000
Short-term leases	**6,365**	6,520
Leases of low-value assets	**562**	462
Wholly variable lease payments	**59,033**	54,226
Total	**65,960**	61,208

The total cash outflow for lease payments during the period was as follows:

	2022 £'000	2021 £'000
Cash outflow for short-term leases, leases of low value assets and wholly variable lease payments	**65,960**	61,208
Lease payments relating to capitalised right-of-use leased assets	**75,053**	68,986
Total cash outflow for lease payments	**141,013**	130,194

Lease commitments for short-term leases at the Balance Sheet date are not materially different to the short-term lease costs expensed during the year.

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3.12 Lease Creditors continued

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 forecourts costs which 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 Debt

Net 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 debt

The reconciliation of opening to closing net debt for the year ended 31 March 2022 is as follows:

	At 1 April 2021 £'000	Cash/debt movements £'000	Fair value adjustment: Income Statement £'000	Fair value adjustment: Cash Flow Hedge Reserve £'000	Translation adjustment £'000	At 31 March 2022 £'000
Cash and short-term deposits	**1,786,556**	**(396,266)**	**–**	**–**	**3,982**	**1,394,272**
Overdrafts	**(69,660)**	**2,096**	**–**	**–**	**(104)**	**(67,668)**
	1,716,896	**(394,170)**	**–**	**–**	**3,878**	**1,326,604**
Bank loans and loan notes	**–**	**(372,426)**	**–**	**–**	**(16,234)**	**(388,660)**
Unsecured Notes	**(1,703,199)**	**149,182**	**29,633**	**–**	**(20,438)**	**(1,544,822)**
Derivative financial instruments (net)	**151,357**	**(36,999)**	**(28,441)**	**101,198**	**(140)**	**186,975**
Group net cash/(debt) (excl. lease creditors)	**165,054**	**(654,413)**	**1,192**	**101,198**	**(32,934)**	**(419,903)**
Lease creditors	**(315,224)**	**(20,544)**	**–**	**–**	**(934)**	**(336,702)**
Group net debt (incl. lease creditors)	**(150,170)**	**(674,957)**	**1,192**	**101,198**	**(33,868)**	**(756,605)**

The reconciliation of opening to closing net debt for the year ended 31 March 2021 is as follows:

	At 1 April 2020 £'000	Cash/debt movements £'000	Fair value adjustment: Income Statement £'000	Fair value adjustment: 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)

Notes to the Financial Statements continued

3.13 Analysis of Net Debt continued

Currency profile

The currency profile of net debt at 31 March 2022 and 31 March 2021 is as follows:

	Cash and cash equivalents €'000	Borrowings and lease creditors* €'000	Derivatives €'000	Total €'000
As at 31 March 2022				
Euro	**364,412**	**(1,012,373)**	**114,766**	**(533,195)**
Sterling	**594,877**	**(592,309)**	**77,238**	**79,806**
US dollar	**131,206**	**(681,565)**	**5,339**	**(545,020)**
Danish krone	**162,805**	**(10,033)**	**(10,353)**	**142,419**
Swedish krona	**71,293**	**(16,753)**	**–**	**54,540**
Norwegian krone	**38,004**	**(16,766)**	**(15)**	**21,223**
Hong Kong dollar	**15,574**	**(2,694)**	**–**	**12,880**
Other	**16,101**	**(5,359)**	**–**	**10,742**
At 31 March 2022	**1,394,272**	**(2,337,852)**	**186,975**	**(756,605)**
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)

* 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 2022 and 31 March 2021 have maturity periods up to three months (note 3.9).

Bank borrowings are at floating interest rates for periods up to six months while the Group's Unsecured Notes due 2023 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.

Consolidated Financial Statements

3.4 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 2022:

	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 2021	**28,452**	**132,420**	**(902)**	**554**	**2,561**	**(10,571)**	**152,514**
Consolidated Income Statement	**4,333**	**(15,185)**	**707**	**469**	**225**	**(4,389)**	**(13,840)**
Recognised in Other Comprehensive Income	**–**	**–**	**–**	**(207)**	**16,138**	**(3)**	**15,928**
Arising on acquisition (note 5.2)	**1,603**	**64,648**	**(10,740)**	**(285)**	**–**	**(6,176)**	**49,050**
Exchange differences and other	**(16)**	**2,010**	**(452)**	**7**	**–**	**101**	**1,650**
At 31 March 2022	**34,372**	**183,893**	**(11,387)**	**538**	**18,924**	**(21,038)**	**205,302**
Analysed as:							
Deferred tax asset	**(5,630)**	**(71)**	**(11,387)**	**(2,238)**	**–**	**(35,168)**	**(54,494)**
Deferred tax liability	**40,002**	**183,964**	**–**	**2,776**	**18,924**	**14,130**	**259,796**
	34,372	**183,893**	**(11,387)**	**538**	**18,924**	**(21,038)**	**205,302**

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

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 2022 of €54.494 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.

Notes to the Financial Statements continued

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 31 August 2018 and 1 April 2021. 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 2022 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:

	2022	2021
Republic of Ireland schemes		
Rate of increase in salaries	**n/a***	n/a*
Rate of increase in pensions in payment	**1.25% – 2.60%**	1.25% – 2.50%
Discount rate	**2.10%**	1.50%
Inflation assumption	**2.60%**	1.50%
UK schemes		
Rate of increase in salaries	**0.00% – 3.60%**	0.00% – 3.25%
Rate of increase in pensions in payment	**1.80% – 4.00%**	1.63% – 4.00%
Discount rate	**2.75%**	2.20%
Inflation assumption	**3.60%**	3.25%
German schemes		
Rate of increase in salaries	**3.60%**	2.50%
Rate of increase in pensions in payment	**2.60%**	1.50%
Discount rate	**2.10%**	1.50%
Inflation assumption	**2.60%**	1.50%

* There is no future service accrual for the Irish schemes.

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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 25 years' time. The mortality assumptions are as follows:

	2022 Years	2021 Years
Current retirees		
Male	**23.3**	23.3
Female	**25.3**	25.4
Future retirees		
Male	**25.6**	25.7
Female	**27.6**	27.7

The Group does not operate any post-employment medical benefit schemes.

The net pension asset recognised in the Balance Sheet is analysed as follows:

	2022			
	ROI €'000	UK €'000	Germany €'000	Total €'000
Equities	**11,494**	**1,546**	**–**	**13,040**
Bonds	**37,835**	**15,233**	**–**	**53,068**
Property	**31**	**–**	**–**	**31**
Investment funds	**2,734**	**12,323**	**–**	**15,057**
Cash	**4,771**	**720**	**876**	**6,367**
Total fair value at 31 March 2022	**56,865**	**29,822**	**876**	**87,563**
Present value of scheme liabilities	**(44,147)**	**(24,406)**	**(11,265)**	**(79,818)**
Net pension asset/(liability) at 31 March 2022	**12,718**	**5,416**	**(10,389)**	**7,745**

	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

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes are as follows:

	2022 €'000	2021 €'000
Current service cost	**(263)**	(272)
Administration expenses	**(55)**	(114)
Total, included in employee benefit expense (note 2.4)	**(318)**	(386)
Interest cost on scheme liabilities	**(1,391)**	(1,562)
Interest income on scheme assets	**1,552**	1,725
Net interest income, included in net finance costs (note 2.7)	**161**	163

Based on the assumptions employed for the valuation of assets and liabilities at 31 March 2022, the net charge in the Group Income Statement in the year ending 31 March 2023 is expected to be broadly in line with the current year figures.

Notes to the Financial Statements continued

3.15 Post-Employment Benefit Obligations continued

Remeasurements recognised in Other Comprehensive Income are as follows:

	2022 £'000	2021 £'000
Return on scheme assets excluding interest income	**(1,753)**	9,003
Experience variations	**(900)**	(680)
Actuarial gain from changes in demographic assumptions	**441**	126
Actuarial gain/(loss) from changes in financial assumptions	**1,464**	(8,195)
Total, included in Other Comprehensive Income	**(748)**	254

Cumulatively since transition to IFRS on 1 April 2004, £48.861 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:

	2022 £'000	2021 £'000
At 1 April	**90,200**	88,351
Interest income on scheme assets	**1,552**	1,725
Remeasurements:		
– return on scheme assets excluding interest income	**(1,753)**	9,003
Contributions by employers	**643**	836
Contributions by members	**40**	41
Administration expenses	**(55)**	(114)
Benefit and settlement payments	**(2,649)**	(7,183)
Exchange	**(415)**	(2,459)
At 31 March	**87,563**	90,200

The actual return on plan assets was a loss of £0.201 million (2021: gain of £10.728 million).

The movement in the present value of defined benefit obligations is as follows:

	2022 £'000	2021 £'000
At 1 April	**82,176**	81,036
Current service cost	**263**	272
Interest cost	**1,391**	1,562
Remeasurements:		
– experience variations	**900**	680
– actuarial gain from changes in demographic assumptions	**(441)**	(126)
– actuarial (gain)/loss from changes in financial assumptions	**(1,464)**	8,195
Contributions by members	**40**	41
Benefit and settlement payments	**(2,649)**	(7,183)
Exchange	**(398)**	(2,301)
At 31 March	**79,818**	82,176

The weighted average duration of the defined benefit obligation at 31 March 2022 was 17.7 years (2021: 18.7 years).

Employer contributions for the forthcoming financial year are estimated at £0.5 million. The level of actual employer contributions paid in the current year of £0.6 million was in line with the expectation of £0.6 million included in the 2021 Annual Report.

3.15 Post-Employment Benefit Obligations continued

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 4.3%	Decrease/increase by 4.8%	Decrease/increase by 4.5%
Price inflation	Increase/decrease by 0.25%	Increase/decrease by 2.1%	Increase/decrease by 4.2%	Increase/decrease by 3.0%
Mortality	Increase/decrease by one year	Increase/decrease by 3.7%	Increase/decrease by 3.8%	Increase/decrease by 3.9%

Split of scheme assets

	Republic of Ireland		UK		Germany		Total	
	2022 €'000	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000	**2022 €'000**	2021 €'000
Investments quoted in active markets:								
Equity instruments:								
– developed markets	**11,266**	12,234	**1,546**	3,001	**–**	–	**12,812**	15,235
– emerging markets	**228**	812	**–**	–	**–**	–	**228**	812
Debt instruments:								
– non government debt instruments	**3,646**	2,477	**4,387**	12,643	**–**	–	**8,033**	15,120
– government debt instruments	**34,189**	35,848	**10,846**	1,206	**–**	–	**45,035**	37,054
Investment funds	**2,734**	3,168	**12,323**	12,323	**–**	–	**15,057**	15,491
Cash and cash equivalents	**4,771**	4,967	**720**	626	**876**	863	**6,367**	6,456
Unquoted investments:								
Property	**31**	32	**–**	–	**–**	–	**31**	32
	56,865	59,538	**29,822**	29,799	**876**	863	**87,563**	90,200

Notes to the Financial Statements continued

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 £96.252 million (2021: £84.402 million) as stated on the Balance Sheet are payable as follows:

	2022 £'000	2021 £'000
Within one year	**23,602**	21,853
Between one and two years	**25,368**	27,496
Between two and five years	**47,282**	35,053
	96,252	84,402
Analysed as:		
Non-current liabilities	**72,650**	62,549
Current liabilities	**23,602**	21,853
	96,252	84,402

The currency profile of the Group's acquisition related liabilities, which are stated at fair value, is as follows:

	2022 £'000	2021 £'000
Euro	**49,037**	38,098
US dollar	**33,351**	35,236
Hong Kong dollar	**6,345**	6,391
Sterling	**7,048**	4,626
Other	**471**	51
	96,252	84,402

The movement in the Group's acquisition related liabilities is as follows:

	2022 £'000	2021 £'000
At 1 April	**84,402**	113,634
Arising on acquisition (note 5.2)	**47,381**	9,321
Unwinding of discount applicable to acquisition related liabilities (note 2.7)	**969**	1,011
Adjustments to contingent consideration (adjustment to goodwill) (note 3.3)	**(362)**	2,648
Adjustments to contingent consideration (recognised in the Income Statement) (note 2.6)	**19,864**	(27)
Paid during the year	**(52,006)**	(36,330)
Exchange and other	**(3,996)**	(5,855)
At 31 March	**96,252**	84,402

26/29/2022 [illegible]

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 2022 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 2021	**31,328**	**88,676**	**158,947**	**43,400**	**322,351**
Provided during the year	**11,433**	**8,148**	**10,767**	**12,590**	**42,938**
Unwinding of discount applicable to provisions for liabilities (note 2.7)	**–**	**367**	**1,306**	**3**	**1,676**
Utilised during the year	**(15,593)**	**(3,912)**	**(1,774)**	**(8,870)**	**(30,149)**
Unutilised/reversed during the year	**(1,087)**	**(66)**	**(5,260)**	**(1,351)**	**(7,764)**
Arising on acquisition (note 5.2)	**1,053**	**–**	**5,336**	**1,038**	**7,427**
Exchange and other	**(427)**	**(544)**	**(880)**	**(158)**	**(2,009)**
At 31 March 2022	**26,707**	**92,669**	**168,442**	**46,652**	**334,470**
Analysed as:					
Non-current liabilities	**14,265**	**84,584**	**158,697**	**26,645**	**284,191**
Current liabilities	**12,442**	**8,085**	**9,745**	**20,007**	**50,279**
	26,707	**92,669**	**168,442**	**46,652**	**334,470**

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

Notes to the Financial Statements continued

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.

	2022 €'000	2021 €'000
At 1 April	**393**	342
Government grants received in year	**–**	89
Amortisation in year	**(20)**	(36)
Exchange	**(1)**	(2)
At 31 March	**372**	393
Analysed as:		
Non-current liabilities	**356**	373
Current liabilities (note 3.7)	**16**	20
	372	393

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Section 4 Equity

4.5 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.

	2022 €'000	2021 €'000
Authorised		
152,368,568 ordinary shares of €0.25 each	**25,365**	25,365

Issued

Year ended 31 March 2022	Number of shares	Share capital €'000	Share premium €'000	Total €'000
At 31 March 2021 (including 2,768,690 ordinary shares held as treasury shares)	**101,333,904**	**17,422**	**882,924**	**900,346**
Premium arising on re-issue of treasury shares	**–**	**–**	**397**	**397**
At 31 March 2022 (including 2,688,004 ordinary shares held as treasury shares)	**101,333,904**	**17,422**	**883,321**	**900,743**

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

As at 31 March 2022, the total authorised number of ordinary shares is 152,368,568 shares (2021: 152,368,568 shares) with a par value of €0.25 per share (2021: €0.25 per share). Share premium relates to the share premium arising on the issue of shares.

During the year the Company re-issued 80,686 treasury shares for a consideration of £0.397 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 134 to 148.

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 (if any) 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 (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 shares specified in such notice and/or, in certain circumstances, 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.

Notes to the Financial Statements continued

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 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**
Currency translation	**–**	**–**	**27,012**	**–**	**27,012**
Cash flow hedges:					
– fair value gain in year – private placement debt	**–**	**9,402**	**–**	**–**	**9,402**
– fair value gain in year – other	**–**	**247,305**	**–**	**–**	**247,305**
– tax on fair value net gains	**–**	**(46,365)**	**–**	**–**	**(46,365)**
– transfers to sales	**–**	**374**	**–**	**–**	**374**
– transfers to cost of sales	**–**	**(155,913)**	**–**	**–**	**(155,913)**
– transfers to operating expenses	**–**	**(12,392)**	**–**	**–**	**(12,392)**
– tax on transfers	**–**	**30,227**	**–**	**–**	**30,227**
Share based payment	**6,467**	**–**	**–**	**–**	**6,467**
At 31 March 2022	**47,436**	**85,768**	**87,272**	**932**	**221,408**

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.

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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.

	2022 £'000	2021 £'000
At 1 April	**1,631,797**	1,482,288
Net income recognised in Income Statement	**312,373**	292,619
Net income recognised in Other Comprehensive Income:		
– remeasurements of defined benefit pension obligations	**(748)**	254
– deferred tax on remeasurements	**210**	159
Dividends	**(160,599)**	(143,523)
At 31 March	**1,783,033**	1,631,797

The cost to the Group and the Company of €39.702 million to acquire the 2,688,004 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: €14.77) 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.

	2022 £'000	2021 £'000
At 1 April	**58,210**	54,765
Share of profit for the financial year	**13,629**	10,184
Dividends to non-controlling interests	**(6,909)**	(4,802)
Non-controlling interest arising on acquisition (note 5.2)	**912**	323
Exchange	**(463)**	(2,260)
At 31 March	**65,379**	58,210

Notes to the Financial Statements continued

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	
	2022 Stg£1=	2021 Stg£1=	**2022 Stg£1=**	2021 Stg£1=
Euro	**1.1750**	1.1182	**1.1820**	1.1736
Danish krone	**8.7400**	8.3295	**8.7918**	8.7282
Swedish krona	**12.0190**	11.6205	**12.2187**	12.0154
Norwegian krone	**11.8654**	12.0742	**11.4787**	11.7304
US dollar	**1.3694**	1.3036	**1.3122**	1.3760
Hong Kong dollar	**10.6580**	10.1056	**10.2740**	10.6975

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 Healthcare in June 2021 of 100% of 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 centres and laboratories;
- The acquisition by DCC LPG of 100% of Primagaz from SHV Energy in July 2021. The business focuses on the bulk and cylinder LPG markets, and serves approximately 10,000 customers annually;
- The acquisition by DCC Retail & Oil in September 2021 of a network of 19 retail forecourt sites in Luxembourg. Most of the sites are Gulf branded with established convenience retail operations under the Cactus Shoppi brand which DCC will operate. The network contains well-located, urban sites, suitable for investment in EV fast charging infrastructure in the future;
- The acquisition of 100% of Naturgy's Irish power and gas marketing operations by DCC LPG in December 2021. The business is a service-led supplier of electricity and gas to large B2B energy customers and also provides a range of services including demand side management, lighting as a service, solar PV and PPA management. The acquisition enhances DCC's presence in the Irish electricity and gas markets and represents an important step in its strategy to expand its energy solutions offering across the island of Ireland; and
- The acquisition by DCC Technology of 100% of Almo Corporation ('Almo') in December 2021. Almo is one of the largest specialist Pro AV businesses in the United States and is a leading national distributor of consumer appliances, consumer electronics and lifestyle products selling to integrators, resellers, dealers, retailers and e-tailers nationwide. The transaction represents DCC's largest acquisition to date and is a major step in the continuing expansion of both DCC and DCC Technology in North America.

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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.

	Almo 2022 £'000	Others 2022 £'000	Total 2022 £'000	Total 2021 £'000
Assets				
Non-current assets				
Property, plant and equipment (note 3.1)	**28,052**	**35,121**	**63,173**	41,868
Right-of-use leased assets (note 3.2)	**7,113**	**24,947**	**32,060**	9,144
Intangible assets (note 3.3)	**149,701**	**107,589**	**257,290**	124,014
Deferred income tax assets	**15,254**	**390**	**15,644**	15
Total non-current assets	**200,120**	**168,047**	**368,167**	175,041
Current assets				
Inventories (note 3.8)	**229,556**	**24,966**	**254,522**	18,209
Trade and other receivables (note 3.8)	**113,009**	**87,434**	**200,443**	30,640
Total current assets	**342,565**	**112,400**	**454,965**	48,849
Liabilities				
Non-current liabilities				
Deferred income tax liabilities	**(40,419)**	**(24,275)**	**(64,694)**	(10,981)
Provisions for liabilities	**–**	**(7,336)**	**(7,336)**	(659)
Lease creditors	**(3,670)**	**(20,585)**	**(24,255)**	(7,350)
Total non-current liabilities	**(44,089)**	**(52,196)**	**(96,285)**	(18,990)
Current liabilities				
Trade and other payables (note 3.8)	**(104,677)**	**(124,659)**	**(229,336)**	(48,955)
Provisions for liabilities	**–**	**(91)**	**(91)**	(69)
Current income tax assets/(liabilities)	**5,138**	**(2,599)**	**2,539**	(880)
Lease creditors	**(3,443)**	**(4,120)**	**(7,563)**	(1,794)
Total current liabilities	**(102,982)**	**(131,469)**	**(234,451)**	(51,698)
Identifiable net assets acquired	**395,614**	**96,782**	**492,396**	153,202
Non-controlling interest arising on acquisition (note 4.4)	**–**	**(912)**	**(912)**	(323)
Goodwill (note 3.3)	**103,648**	**120,372**	**224,020**	92,674
Total consideration	**499,262**	**216,242**	**715,504**	245,553
Satisfied by:				
Cash	**465,657**	**215,799**	**681,456**	248,694
Net debt/(cash and cash equivalents) acquired	**16,519**	**(29,852)**	**(13,333)**	(12,462)
Net cash outflow	**482,176**	**185,947**	**668,123**	236,232
Acquisition related liabilities (note 3.16)	**17,086**	**30,295**	**47,381**	9,321
Total consideration	**499,262**	**216,242**	**715,504**	245,553

Notes to the Financial Statements continued

5.2 Business Combinations continued

The acquisition of Almo has been deemed to be a substantial transaction and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining 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:

Almo	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	50,419	149,701	200,120
Current assets	348,696	(6,131)	342,565
Non-current liabilities	(3,670)	(40,419)	(44,089)
Current liabilities	(101,595)	(1,387)	(102,982)
Identifiable net assets acquired	293,850	101,764	395,614
Goodwill arising on acquisition	205,412	(101,764)	103,648
Total consideration	499,262	–	499,262

Others	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	64,355	103,692	168,047
Current assets	117,686	(5,286)	112,400
Non-current liabilities	(27,967)	(24,229)	(52,196)
Current liabilities	(128,294)	(3,175)	(131,469)
Identifiable net assets acquired	25,780	71,002	96,782
Non-controlling interest arising on acquisition	(912)	–	(912)
Goodwill arising on acquisition	191,374	(71,002)	120,372
Total consideration	216,242	–	216,242

Total	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	114,774	253,393	368,167
Current assets	466,382	(11,417)	454,965
Non-current liabilities	(31,637)	(64,648)	(96,285)
Current liabilities	(229,889)	(4,562)	(234,451)
Identifiable net assets acquired	319,630	172,766	492,396
Non-controlling interest arising on acquisition	(912)	–	(912)
Goodwill arising on acquisition	396,786	(172,766)	224,020
Total consideration	715,504	–	715,504

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 2023 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.

£8.3 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 £9.934 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 £206.523 million. The fair value of these receivables is £200.443 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £6.080 million.

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5.2 Business Combinations continued

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 £71.0 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:

	2022 £'000
Revenue	**851,115**
Profit for the financial year attributable to Owners of the Parent Company	**29,596**

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:

	2022 £'000
Revenue	**18,779,745**
Profit for the financial year attributable to Owners of the Parent Company	**345,547**

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.

	2022 €'000	2021 €'000
Profit for the financial year	**326,002**	302,803
Add back non-operating expenses/(income):		
– tax	**79,734**	62,278
– share of equity accounted investments' profit	**(314)**	(233)
– net operating exceptionals	**46,534**	40,495
– net finance costs	**52,938**	58,002
Operating profit before exceptionals	**504,894**	463,345
– share-based payments expense (note 2.5)	**6,467**	6,055
– depreciation (including right-of-use leased assets)	**205,780**	192,572
– amortisation of intangible assets (note 3.3)	**84,340**	66,898
– profit on disposal of property, plant and equipment	**(8,916)**	(5,263)
– amortisation of government grants (note 3.18)	**(20)**	(36)
– other	**4,614**	2,418
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– inventories (note 3.8)	**(177,895)**	(57,813)
– trade and other receivables (note 3.8)	**(614,260)**	(49,603)
– trade and other payables (note 3.8)	**623,429**	285,086
Cash generated from operations before exceptionals	**628,433**	903,659

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

	2022 €'000	2021 €'000
Capital expenditure on property, plant and equipment that has been contracted for but has not been provided for in the financial statements	**58,102**	19,281
Capital expenditure on property, plant and equipment that has been authorised by the Directors but has not yet been contracted for	**146,263**	161,368
	204,365	180,649

Notes to the Financial Statements continued

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 £2,411.237 million (2021: £2,018.990 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, Budget Energy Limited, Budget Energy Holdings Limited, Campus Oil Limited, CC Lubricants Limited, Certas Energy Ireland 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 Unlimited Company, DCC Financial Services Holdings Unlimited Company, DCC Financial Services International dac, DCC Financial Services International Holdings Limited, DCC Financial Services Investments CLG, DCC Financial Services Ireland Unlimited Company, DCC Financial Services Management dac (formerly 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 Services 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 Enterprise Solutions Limited (formerly Naturgy Limited), Flogas Ireland Limited, Flogas Natural Gas Limited,, Jones Oil Limited, Medisource Ireland Limited, Source LS Global 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 238 to 241 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:

	2022 £'000	2021 £'000
Short-term benefits	**4,197**	4,407
Post-employment benefits	**169**	175
Share-based payment (calculated in accordance with the principles disclosed in note 2.5)	**1,060**	1,653
	5,426	6,235

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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:

	2022 £'000	2021 £'000
Capital and reserves attributable to the owners of the Parent Company	**2,905,184**	2,647,436
Net debt/(cash) (excl. lease creditors) (note 3.13)	**419,903**	(165,054)
Lease creditors (note 3.12)	**336,702**	315,224
Acquisition related liabilities (note 3.16)	**96,252**	84,402
At 31 March	**3,758,041**	2,882,008

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 2022. 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 has a consistent focus on maintaining financial strength through a disciplined approach to balance sheet management and maintaining relatively low levels of financial risk. At 31 March 2022, the Group had cash and cash equivalents of £1,394.272 million (note 3.9) and £411.3 million undrawn under its committed revolving credit facility (note 3.11). At 31 March 2022, the capital structure, as summarised above had net debt excluding lease creditors of £419.903 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.

As detailed in note 3.6, the Group's trade receivables at 31 March 2022 amount to £2,086.578 million (2021: £1,477.573 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 2.6% of the Group's gross trade receivables (2021: 2.7%). The vast majority of the allowance for impairment relates to trade and other receivables balances which are over six months overdue.

Notes to the Financial Statements continued

5.7 Financial Risk and Capital Management continued

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 2022 was £168.037 million (2021: £232.595 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 2022 amounted to £1,305.432 million (2021: £1,738.657 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 2022 of £1,394.272 million, 13.8% (£192.230 million) was with money market funds, 97.9% (£1,364.810 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 98.1% (£1,368.152 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 2022, derivative transactions were with counterparties with ratings ranging from A+ to A- (long-term) with Standard and Poor's or Aa1 to A2 (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 2022.

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 2022, 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.

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 2022	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	(3,468,705)	–	–	–	(3,468,705)
Interest bearing loans and borrowings	(67,668)	(255,296)	(1,009,186)	(674,406)	(2,006,556)
Interest payments on interest bearing loans and borrowings	(62,252)	(52,533)	(102,859)	(56,701)	(274,345)
Lease creditors	(63,538)	(55,478)	(98,564)	(119,122)	(336,702)
Interest payments on lease creditors	(8,376)	(7,075)	(15,155)	(40,825)	(71,431)
Acquisition related liabilities	(23,602)	(25,368)	(47,282)	–	(96,252)
Cross currency swaps – gross cash outflows	(13,423)	(228,135)	(327,540)	(18,717)	(587,815)
Other derivative financial instruments	(28,634)	(252)	(1,680)	–	(30,566)
	(3,736,198)	(624,137)	(1,602,266)	(909,771)	(6,872,372)
Derivative financial instruments – cash inflows					
Interest rate swaps – net cash inflows	4,357	4,322	5,367	1,704	15,750
Cross currency swaps – gross cash inflows	28,826	274,514	406,747	23,979	734,066
Other derivative financial instruments	107,361	5,461	652	–	113,474
	140,544	284,297	412,766	25,683	863,290

5.7 Financial Risk and Capital Management continued

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

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.

(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 gain of £26.5 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2022 as set out in the Group Statement of Comprehensive Income mainly reflects the weakening in the value of sterling against the US dollar, with the impact of movements against other currencies largely offsetting each other.

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 £28.6 million (2021: £23.7 million) impact on the Group's profit before tax and exceptional items, would change the Group's equity by £188.4 million and change the Group's net debt by £84.5 million (2021: £143.9 million and £43.5 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 SONIA. 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.

Notes to the Financial Statements continued

5.7 Financial Risk and Capital Management continued

Sensitivity of interest charges to interest rate movements

Based on the composition of net debt at 31 March 2022 a one percentage point (100 basis points) change in average floating interest rates would have a £3.8 million (2021: £2.6 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 activities in the energy sector, 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, 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.

DCC does 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.

Across its energy activities, DCC enters 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.

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 (2021: immaterial) and an immaterial impact on the Group's equity (2021: 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:

	2022		2021	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Financial assets				
Derivative financial instruments	**225,939**	**225,939**	161,852	161,852
Trade and other receivables	**2,508,613**	**2,508,613**	1,689,372	1,689,372
Cash and cash equivalents	**1,394,272**	**1,394,272**	1,786,556	1,786,556
	4,128,824	**4,128,824**	3,637,780	3,637,780
Financial liabilities				
Borrowings (excluding lease creditors)	**2,001,150**	**2,052,844**	1,772,859	1,860,499
Lease creditors	**336,702**	**336,702**	315,224	315,224
Derivative financial instruments	**38,964**	**38,964**	10,495	10,495
Acquisition related liabilities	**96,252**	**96,252**	84,402	84,402
Trade and other payables	**3,468,705**	**3,468,705**	2,604,177	2,604,177
	5,941,773	**5,993,467**	4,787,157	4,874,797

5.3 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 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Derivative financial instruments (note 3.10)	**–**	**225,939**	**–**	**225,939**
	–	**225,939**	**–**	**225,939**
Financial liabilities				
Acquisition related liabilities (note 3.16)	**–**	**–**	**96,252**	**96,252**
Derivative financial instruments (note 3.10)	**–**	**38,964**	**–**	**38,964**
	–	**38,964**	**96,252**	**135,216**

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

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 5.0% to 18.0%;
- forecasted average outflow on Butagaz acquisition related liabilities £4.3 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 2022, holding the other inputs constant, would have the following effects:

Impact on the carrying value of contingent consideration	2022 £'000	2021 £'000
Forecasted average adjusted operating profit growth rate (1% movement)	**2,289**	449
Forecasted outflow on Butagaz acquisition related liabilities (5% movement)	**698**	1,279
Risk adjusted discount rate (0.5% movement)	**793**	811

Offsetting financial assets and financial liabilities

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements or similar agreements:

As at 31 March 2022	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	Related amounts not set off in the Balance Sheet: Financial liabilities £'000	Related amounts not set off in the Balance Sheet: Cash collateral received £'000	Net amount £'000
Derivative financial instruments	**112,465**	**–**	**112,465**	**(8,084)**	**–**	**104,381**
Cash and cash equivalents	**467,047**	**–**	**467,047**	**(65,287)**	**–**	**401,760**
	579,512	**–**	**579,512**	**(73,371)**	**–**	**506,141**

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	Related amounts not set off in the Balance Sheet: Financial liabilities £'000	Related amounts not set off in the Balance Sheet: 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

(ii) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements or similar agreements:

As at 31 March 2022	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	**8,398**	**–**	**8,398**	**(8,084)**	**–**	**314**
Bank borrowings	**65,287**	**–**	**65,287**	**(65,287)**	**–**	**–**
	73,685	**–**	**73,685**	**(73,371)**	**–**	**314**

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)	–	–

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.

As detailed on pages 22 to 27, the Group will organise and report all of its energy activities (previously DCC LPG and DCC Retail & Oil) as one reportable segment, DCC Energy, with effect from 1 April 2022. Further information on the establishment of DCC Energy and its strategy is available on www.dcc.ie.

There have been no other material events subsequent to 31 March 2022 which would require disclosure in this Report.

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. Rebates, allowances 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, electricity 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.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

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 the shareholders' right to receive payment have been established.

Rental income
Rental income principally comprises property and LPG tank rental income and rental income from operating leases is recognised on a straight line basis over the term of the lease. The related assets are recorded within property, plant and equipment and are depreciated on a straight-line basis over the useful lives of the assets.

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 and 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.

5.9 Summary of Significant Accounting Policies continued

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.

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%

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

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.

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.

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5.9 Summary of Significant Accounting Policies continued

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.

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.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies continued

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.

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'.

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.

Notes to the Financial Statements continued

5.9 Summary of Significant Accounting Policies 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.

The DCC plc Long Term Incentive Plan 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.

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.

5.9 Summary of Significant Accounting Policies continued

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 16 May 2022.

Company Balance Sheet
As at 31 March 2022

	Note	2022 €'000	2021 €'000
ASSETS			
Non-current assets			
Investments in subsidiary undertakings	6.4	**1,130,455**	1,141,692
Current assets			
Trade and other receivables	6.5	**204,611**	200,563
Cash and cash equivalents	6.7	**31,867**	19,237
		236,478	219,800
Total assets		**1,366,933**	1,361,492
EQUITY			
Capital and reserves			
Share capital	4.1	**17,422**	17,422
Share premium	4.1	**883,321**	882,924
Other reserves	6.8	**105,414**	108,486
Retained earnings	6.9	**318,532**	309,022
Total equity		**1,324,689**	1,317,854
LIABILITIES			
Current liabilities			
Trade and other payables	6.6	**42,244**	43,638
Total equity and liabilities		**1,366,933**	1,361,492

Mark Breuer, Donal Murphy
Directors

Company Statement of Changes in Equity
For the year ended 31 March 2022

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For the year ended 31 March 2022

	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 2021	**17,422**	**882,924**	**309,022**	**108,486**	**1,317,854**
Profit for the financial year	–	–	**170,109**	–	**170,109**
Other comprehensive income:					
Currency translation	–	–	–	**(9,539)**	**(9,539)**
Total comprehensive income	–	–	**170,109**	**(9,539)**	**160,570**
Re-issue of treasury shares	–	**397**	–	–	**397**
Share based payment	–	–	–	**6,467**	**6,467**
Dividends	–	–	**(160,599)**	–	**(160,599)**
At 31 March 2022	**17,422**	**883,321**	**318,532**	**105,414**	**1,324,689**

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

Company Cash Flow Statement
For the year ended 31 March 2022

	Note	2022 €'000	2021 €'000
Operating activities			
Cash generated from operations	6.10	**(88)**	(73,415)
Interest paid		**–**	(1)
Income tax received		**–**	1
Net cash flow from operating activities		**(88)**	(73,415)
Investing activities			
Inflows:			
Interest received		**8,268**	8,406
Proceeds on disposal		**4,347**	24,671
Dividends received from subsidiaries		**160,526**	199,070
Net cash flow from investing activities		**173,141**	232,147
Financing activities			
Inflows:			
Proceeds from issue of shares		**397**	37
Outflows:			
Dividends paid	2.10	**(160,599)**	(143,523)
Net cash flow from financing activities		**(160,202)**	(143,486)
Change in cash and cash equivalents		**12,851**	15,246
Translation adjustment		**(221)**	(908)
Cash and cash equivalents at beginning of year		**19,237**	4,899
Cash and cash equivalents at end of year	6.7	**31,867**	19,237

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.

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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 €15,450 and is payable to KPMG, Ireland, the statutory auditor (2021: €15,000).

6.3 Profit Attributable to DCC plc

Profit after taxation for the year attributable to owners of the Parent Company amounting to €170.109 million (2021: €207.377 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

	2022 €'000	2021 €'000
At 1 April	**1,141,692**	1,218,408
Proceeds received in respect of share based payments previously capitalised	**–**	(6,362)
Disposals	**(9)**	(24,671)
Impairment	**(3,073)**	–
Exchange and other	**(8,155)**	(45,683)
At 31 March	**1,130,455**	1,141,692

Details of the Group's principal operating subsidiaries are included in the Supplementary Information section on pages 238 to 241. Non-wholly owned subsidiaries principally comprises DCC Holding Denmark A/S (60%) (which owns 100% of DCC Energi Danmark A/S and DCC Energi Retail A/S).

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

	2022 €'000	2021 €'000
Amounts owed by subsidiary undertakings	**204,611**	200,563

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 2022 (31 March 2021: nil). The Company does not expect any loss in relation to trade and other receivables at 31 March 2022.

Notes to the Company Financial Statements continued

6.6 Trade and Other Payables

	2022 £'000	2021 £'000
Amounts due to subsidiary undertakings	**41,716**	43,118
Other creditors and accruals	**528**	520
	42,244	43,638

6.7 Cash and Cash Equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	**31,867**	19,237

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 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**
Share based payment	**6,467**	**–**	**–**	**6,467**
Currency translation	**–**	**(9,539)**	**–**	**(9,539)**
At 31 March 2022	**47,436**	**57,749**	**229**	**105,414**

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

	2022 £'000	2021 £'000
At 1 April	**309,022**	245,168
Total comprehensive income for the financial year	**170,109**	207,377
Dividends	**(160,599)**	(143,523)
At 31 March	**318,532**	309,022

6.10 Cash Generated from Operations

	2022 £'000	2021 £'000
Profit for the financial year	**170,109**	207,377
Add back non-operating income:		
– tax	**–**	(1)
– net operating exceptionals	**(1,265)**	–
– net finance income	**(8,268)**	(8,406)
– dividend income	**(160,526)**	(199,070)
Operating profit before exceptionals	**50**	(100)
Changes in working capital:		
– trade and other receivables	**951**	178,225
– trade and other payables	**(1,089)**	(257,902)
Other	**–**	6,362
Cash generated from operations	**(88)**	(73,415)

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 of £168.526 million. Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 230, 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 2022 amount to £204.611 million (2021: £200.563 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 2022 of £31.867 million was held with financial institutions with minimum short-term ratings of A-2 (Standard and Poor's) or P-1 (Moody's).

(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 2022	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	**42,244**	**–**	**–**	**–**	**42,244**
	42,244	**–**	**–**	**–**	**42,244**

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

The Company has sufficient cash resources and liquid assets to enable it to meet its trade and other payables.

Notes to the Company Financial Statements continued

(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 2022 or at 31 March 2021 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 £1.2 million (2021: £0.8 million) impact on the Company's profit before tax, would change the Company's equity by £120.7 million and change the Company's net cash by £3.2 million (2021: £119.8 million and £1.9 million respectively).

Interest rate risk management

Based on the composition of net cash at 31 March 2022 a one percentage point (100 basis points) change in average floating interest rates would have a £0.3 million (2021: £0.2 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:

	2022		2021	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	**204,611**	**204,611**	200,563	200,563
Cash and cash equivalents	**31,867**	**31,867**	19,237	19,237
	236,478	**236,478**	219,800	219,800
Financial liabilities				
Trade and other payables	**42,244**	**42,244**	43,638	43,638
	42,244	**42,244**	43,638	43,638

As at 31 March 2022 and 31 March 2021 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.

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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, D18 PK00, 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	100
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, Matthew's Lane, Donore Road, Drogheda, Co. Louth, A92 T803, 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-Str. 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	Sandakervelen 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, D18 PK00, 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, D18 PK00, Ireland	Procurement, sales and marketing of petroleum products	Ireland	100
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

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.

DCC Retail & Oil continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
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, R32 YY26, 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, D18 PK00, Ireland	Holding and divisional management company	Ireland	100

DCC Vital

DCC Vital Limited	Fannin House, South County Business Park, Leopardstown, Dublin 18, D18 Y0C9, 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, D18 Y0C9, 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
Wörner Medizinprodukte und Logistik GmbH	Ferdinand-Lassalle-Str. 37, 72770 Reutlingen, Germany	Sales, marketing and distribution of medical and laboratory supplies and services to the German primary care healthcare market	Germany	100
Medilab Medical Equipments AG	Hauptstrasse 160a, 8274 Tägerwilen, Switzerland	Sales, marketing and distribution of medical and laboratory supplies and services to the Swiss primary care healthcare market	Switzerland	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

Principal Subsidiaries and Associates continued

DCC Healthcare continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Health & Beauty Solutions continued				
EuroCaps Limited	Crown Business Park, Dukestown, Tredegar, Gwent NP22 4EF, Wales	Development and contract manufacture of nutritional products in softgel capsule format	Britain	100
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, D18 PK00, 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	Unit 21, Fonthill Business Park, Fonthill Road, Dublin 22, D22 FR82, Ireland	Sales, marketing and distribution of technology products	Ireland	100
Almo Corporation	2709 Commerce Way, Philadelphia, PA19154, USA	Sales, marketing and distribution of technology, appliances and lifestyle products	United States	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	100
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	100

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DCC Technology continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Azenn SAS	23 Rue du Champ Morin, 35360, Montauban-de-Bretagne, France	Sales, marketing and distribution of technology products and services	France	100
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	Unit 21, Fonthill Business Park, Fonthill Road, Dublin 22, D22 FR82, 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, D11 NY90, 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

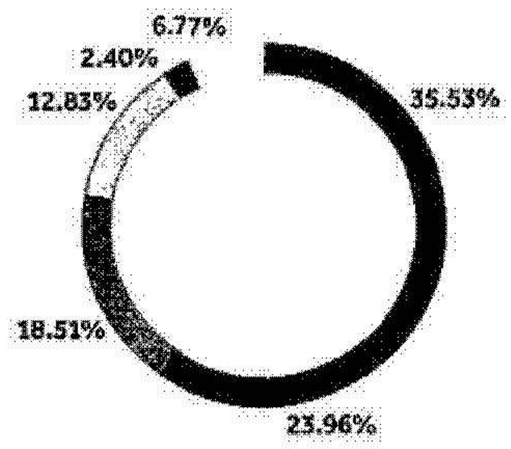
Share Listing
DCC's shares have a Premium Listing on the Official List of the United Kingdom Listing Authority ('UKLA Official List') and are traded solely on the London Stock Exchange in sterling.

Share Price Data	2022 €	2021 €
Share price at 16 May	62.68	–
Market capitalisation at 16 May	6,183m	–
Share price at 31 March	59.26	62.90
Market capitalisation at 31 March	5,845m	6,200m
Share price movement during the year		
– High	64.86	72.04
– Low	55.00	47.62

DCC plc's ordinary share price information can be accessed on the Company's website under the 'Investors' tab.

Shareholdings as at 31 March 2022

By location



Geographic division[1]	Number of shares[2]
UK	35,047,368
North America	23,637,661
Continental Europe	18,257,625
Ireland	12,660,603
Asia/Rest of World	2,369,084
Retail[3]	6,673,559
Total	98,645,900

Notes:
1. This represents the best estimate of the number of shares controlled by fund managers resident in the relevant geographic regions.
2. Excludes 2,688,004 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 156.

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 55.85 pence per share was paid on 10 December 2021.

Subject to shareholders' approval at the Annual General Meeting, a final dividend of 119.93 pence per share will be paid on 21 July 2022 to shareholders on the register of members at the close of business on 27 May 2022.

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.

Financial Calendar

17 May 2022	Final results announcement for 2022
26 May 2022	Ex-dividend date – final dividend
27 May 2022	Record date – final dividend
15 July 2022	Interim Management Statement
15 July 2022	Annual General Meeting
21 July 2022	Proposed payment date – final dividend
8 November 2022	Interim results announcement
December 2022	Proposed payment date – interim dividend
February 2023	Interim Management Statement

Annual General Meeting, Electronic Proxy Voting and Euroclear Bank Voting

The Annual General Meeting will be held at 11.00 am on 15 July 2022 at The Powerscourt Hotel, Powerscourt Estate, Enniskerry, Co. Wicklow, A98 DR12, Ireland. The Notice of Meeting together with an explanatory letter from the Chairman and a Form of Proxy accompany this Annual Report.

Shareholders (being registered members) may lodge a Form of Proxy for the 2022 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 that 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

The use of electronic communications enables the faster receipt of documents, in an environmentally friendly and cost-effective manner. 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, D24 AK82, 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, D18 PK00, Ireland.

Tel: + 353 1 2799 400
email: investorrelations@dcc.ie

Corporate Information

Company Secretary
Darragh Byrne

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Independent Assurance Statement

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 2022.

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 for the purposes of Subject Matter reporting. As a result, the Subject Matter may not be suitable for another purpose.

DCC 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 conducted our engagement in accordance with the International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information *('ISAE 3000')*, 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 18 January 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. 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 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. The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Independent Assurance Statement continued

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 review 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 2022, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of DCC for limited assurance of the Subject Matter for the year ended 31 March 2022 and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young
16 May 2022
Dublin, Ireland

Additional Sustainability Information

1. GRI and SASB Reference Table

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	305-1 & 2	EM-RM-110a.1	Page 83
	We help our customers reduce their carbon emissions	Scope 3 emissions	13: Climate Action	305-3	N/A	Page 84
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	Page 88
		Number of serious personal injuries to employees and contractors.				Page 88
		Number of API Tier 1 process safety events		N/A	EM-RM-540a.1	Page 87
	We protect the environment in the communities where we operate	Number of significant spills.	12: Responsible Consumption & Production	306-3	EM-RM-150a.2	Page 89
People & Social	We support the development of our people	Number and rate of senior employee turnover by age group, gender, and region	8: Decent Work and Economic Growth	401-1 (b)	N/A	N/A
		Number of employees by age group, gender and region who received a performance and career development review.		404-3	N/A	N/A
		Average hours of training by age group, gender, and region.		404-1	N/A	N/A
	We support inclusion and diversity.	Gender balance of senior management teams (MD-1) and above. (See comment on Governance below.)	5: Gender Equality	405-1	N/A	Page 38
		Number of incidents of discrimination, the status of incidents reviewed and confirmation of remediation.	10: Reduced Inequalities	406-1	N/A	Page 91
		Monetary loss from inclusion and diversity related legal proceedings.		N/A	CG-MR-330a.2	Page 91
Governance & 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	Page 90
	We prevent corruption.	Number of significant cases and monetary losses related to bribery and corruption.		205-1	HC-BP-510a.2	Page 90
	We sell safe products.	Product safety-related compliance failures.		416-2	HC-DI-250a.1	Page 91

Additional Sustainability Information continued

2. TCFD Reference Table

		Recommended Disclosure	Principal Section of Annual Report
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Risk Report page 92 Corporate Governance Statement page 108
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Energy Strategy page 22 Sustainable Business Report page 80 Risk Report page 92 Corporate Governance Statement page 108
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.	Energy Strategy page 22 Financial Review page 48 Sustainable Business Report page 80 Risk Report page 92
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Energy Strategy page 22 Financial Review page 48 Sustainable Business Report page 80 Risk Report page 92
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Energy Strategy page 22 Risk Report page 92
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.	Financial Review page 48 Sustainable Business Report page 80 Risk Report page 92
		b) Describe the organisation's processes for managing climate-related risks.	Risk Report page 92
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk Report page 92
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.	Energy Strategy page 22 Sustainable Business Report page 80
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Sustainable Business Report page 80
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Energy Strategy page 22 Sustainable Business Report page 80

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	**2022 €'000**	2021 €'000
Operating profit	Income Statement	**458,360**	422,850
Net operating exceptional items	Income Statement	**46,534**	40,495
Amortisation of intangible assets	Income Statement	**84,340**	66,898
Adjusted operating profit (EBITA)		**589,234**	530,243

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	**2022 €'000**	2021 €'000
Adjusted operating profit (EBITA)	Per above	**589,234**	530,243
Depreciation of property, plant and equipment	Note 3.1	**137,976**	131,199
Adjusted operating profit before depreciation (EBITDA)		**727,210**	661,442

Net interest before exceptional items
Definition
The Group defines net interest before exceptional items 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	**2022 €'000**	2021 €'000
Finance costs before exceptional items	Income Statement	**(77,205)**	(85,639)
Finance income before exceptional items	Income Statement	**23,075**	26,253
Net interest before exceptional items		**(54,130)**	(59,386)

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	2022 €'000	2021 €'000
EBITDA	Per above	**727,210**	661,442
Less: impact of IFRS 16		**(6,728)**	(5,563)
EBITDA for covenant purposes		**720,482**	655,879
Net interest before exceptional items	Per above	**(54,130)**	(59,386)
Less: impact of IFRS 16	Note 2.7	**9,473**	9,707
Net interest for covenant purposes		**(44,657)**	(49,679)
EBITDA interest cover (times)		**16.1x**	13.2x

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 adjusted operating profit less net interest before exceptional items.

Calculation	Reference in Financial Statements	2022 €'000	2021 €'000
Adjusted operating profit	Per above	**589,234**	530,243
Net interest before exceptional items	Per above	**(54,130)**	(59,386)
		535,104	470,857
Income tax expense	Income Statement	**79,734**	62,278
Income tax attaching to exceptional items	Note 2.9	**1,501**	4,104
Deferred tax attaching to amortisation of intangible assets	Note 2.9	**16,421**	13,664
Total Income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets		**97,656**	80,046
Effective tax rate (%)		**18.3%**	17.0%

Dividend cover

Definition

The dividend cover ratio measures the Group's ability to pay dividends from earnings.

Calculation	Reference in Financial Statements	2022 pence	2021 pence
Adjusted earnings per share	Note 2.11	**430.11**	386.62
Dividend	Note 2.10	**175.78**	159.80
Dividend cover (times)		**2.4x**	2.4x

Approved 22/09/2022

Constant currency

Definition

The translation of foreign denominated earnings can be impacted by movements in foreign exchange rates versus sterling, the Group's presentation currency. In order to present a better reflection of underlying performance in the period, the Group retranslates foreign denominated current year earnings at prior year exchange rates.

Revenue (constant currency)

Calculation	Reference in Financial Statements	2022 £'000	2021 £'000
Revenue	Income Statement	**17,732,020**	13,412,450
Currency impact		**496,412**	–
Revenue (constant currency)		**18,228,432**	13,412,450

Adjusted operating profit (constant currency)

Calculation	Reference in Financial Statements	2022 £'000	2021 £'000
Adjusted operating profit	Per above	**589,234**	530,243
Currency impact		**20,872**	–
Adjusted operating profit (constant currency)		**610,106**	530,243

Adjusted earnings per share (constant currency)

Calculation	Reference in Financial Statements	2022 €'000	2021 £'000
Adjusted profit after taxation and non-controlling interests	Note 2.11	**424,133**	380,860
Currency impact		**14,976**	–
Adjusted profit after taxation and non-controlling interests (constant currency)		**439,109**	380,860
Weighted average number of ordinary shares in issue ('000)	Note 2.11	**98,610**	98,510
Adjusted earnings per share (constant currency)		**445.30p**	386.62p

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	2022 £'000	2021 £'000
Purchase of property, plant and equipment	Group Cash Flow Statement	**194,353**	162,879
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	**(23,524)**	(15,898)
Net capital expenditure		**170,829**	146,892

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	2022 £'000	2021 £'000
Cash generated from operations before exceptionals	Group Cash Flow Statement	**628,433**	903,659
Repayment of lease creditors	Note 3.12	**(75,053)**	(68,986)
Net capital expenditure	Per above	**(170,829)**	(146,892)
Free cash flow		**382,551**	687,781

Alternative Performance Measures continued

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	2022 €'000	2021 €'000
Free cash flow	Per above	**382,551**	687,781
Interest paid (including interest relating to lease creditors)	Group Cash Flow Statement	**(70,103)**	(84,342)
Interest relating to lease creditors	Note 3.12	**9,473**	9,707
Income tax paid	Group Cash Flow Statement	**(76,292)**	(62,191)
Interest received	Group Cash Flow Statement	**22,759**	27,930
Free cash flow (after interest and tax payments)		**268,388**	578,885

Cash conversion ratio

Definition

The cash conversion ratio expresses free cash flow as a percentage of adjusted operating profit.

Calculation	Reference in Financial Statements	2022 €'000	2021 €'000
Free cash flow	Per above	**382,551**	687,781
Adjusted operating profit	Per above	**589,234**	530,243
Cash conversion ratio (%)		**65%**	130%

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	2022 €'000	2021 €'000
Total equity	Group Balance Sheet	**2,970,563**	2,705,644
Net debt (including lease creditors)	Note 3.13	**756,605**	150,170
Goodwill and intangibles written off		**546,813**	462,473
Right-of-use leased assets	Note 3.2	**(327,551)**	(308,863)
Equity accounted investments	Group Balance Sheet	**(26,843)**	(27,134)
Acquisition related liabilities (current and non-current)	Note 3.16	**96,252**	84,402
Closing total capital employed (excl. IFRS 16)		**4,015,839**	3,066,692
Average total capital employed (excl. IFRS 16)		**3,541,266**	3,076,327
Adjusted operating profit	Per above	**589,234**	530,243
Less: impact of IFRS 16 on operating profit		**(6,728)**	(5,563)
		582,506	524,680
Return on capital employed (%) excl. IFRS 16		**16.5%**	17.1%

ROCE (incl. IFRS 16)

Calculation	Reference in Financial Statements	2022 £'000	2021 £'000
Total capital employed	Per above	**4,015,839**	3,066,692
Right-of-use leased assets	Note 3.2	**327,551**	308,863
Closing total capital employed (incl. IFRS 16)		**4,343,390**	3,375,555
Average total capital employed (incl. IFRS 16)		**3,859,473**	3,382,807
Adjusted operating profit	Per above	**589,234**	530,243
Return on capital employed (%) incl. IFRS 16		**15.3%**	15.7%

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	2022 £'000	2021 £'000
Net cash outflow on acquisitions during the year	Group Cash Flow Statement	**668,123**	236,232
Cash outflow on acquisitions which were committed to in the previous year		**(114,658)**	(22,388)
Acquisition related liabilities arising on acquisitions during the year	Note 3.16	**47,381**	9,321
Acquisition related liabilities which were committed to in the previous year		**(21,510)**	(539)
Amounts committed in the current year		**24,100**	152,000
Committed acquisition expenditure		**603,436**	374,626

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	2022 £'000	2021 £'000
Inventories	Note 3.5	**1,133,666**	685,950
Trade and other receivables	Note 3.6	**2,508,613**	1,689,372
Less: interest receivable		**(170)**	(16)
Trade and other payables	Note 3.7	**(3,468,705)**	(2,604,177)
Less: interest payable	Note 3.7	**13,981**	11,668
Less: amounts due in respect of property, plant and equipment	Note 3.7	**18,850**	13,554
Less: government grants	Note 3.7	**16**	20
Net working capital		**206,251**	(203,629)

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	2022 £'000	2021 £'000
Net working capital	Per above	**206,251**	(203,629)
March revenue		**2,267,233**	1,468,052
Working capital (days)		**2.8 days**	(4.3 days)

Alternative Performance Measures continued

Economic contribution

Definition

The Group generates financial and non-financial value for our stakeholders through our activities. We make a direct contribution to our stakeholders through the taxes, interest, salaries and dividends that we pay together with the payments we make to our suppliers for goods and services. The Group also retains capital for future investment. The table below provides an analysis of some of the financial value generated and shared by the Group during the year and should be read in conjunction with the outputs from the Group's Business Model as presented on page 11.

Calculation	Reference in Financial Statements	**2022 £'000**	2021 £'000
Revenue from goods and services	Income Statement	**17,732,020**	13,412,450
Finance income (pre exceptional items)	Income Statement	**23,075**	26,253
Other operating income		**88,093**	62,694
Total revenue		**17,843,188**	13,501,397
Cost of sales	Income Statement	**(15,694,347)**	(11,592,970)
Administration expenses	Income Statement	**(517,128)**	(499,812)
Selling and distribution expenses	Income Statement	**(965,489)**	(814,758)
Other operating expenses		**(53,915)**	(37,361)
Less: employee costs	Note 2.4	**761,263**	661,330
Total goods and services supplied		**(16,469,616)**	(12,283,571)
Interim dividend paid	Note 2.10	**(55,182)**	(51,045)
Proposed final dividend	Note 2.10	**(118,303)**	(106,303)
Total dividends		**(173,485)**	(157,348)
Finance costs (pre exceptional items)	Income Statement	**(77,205)**	(85,639)
Employee costs	Note 2.4	**(761,263)**	(661,330)
Income tax expense (pre exceptional items)	Income Statement	**(81,235)**	(66,382)
Capital retained for reinvestment before exceptional items		**280,384**	247,127

5 Year Review

Group Income Statement Year ended 31 March	2018 £'m	2019 £'m	2020 £'m	2021 £'m	2022 £'m
Revenue	13,121.7	15,226.9	14,755.4	13,412.5	17,732.0
Adjusted operating profit	384.4	460.5	494.3	530.2	589.2
Exceptional items	(15.3)	(28.2)	(65.5)	(40.5)	(46.5)
Amortisation of intangible assets	(43.0)	(63.2)	(62.1)	(66.9)	(84.3)
Operating profit	326.1	369.1	366.7	422.8	458.4
Finance costs (net)	(35.5)	(42.3)	(56.2)	(57.9)	(53.0)
Share of equity accounted investments	0.4	0.7	1.0	0.2	0.3
Profit before tax	291.0	327.5	311.5	365.1	405.7
Income tax expense	(24.1)	(56.4)	(57.3)	(62.3)	(79.7)
Non-controlling interests	(5.1)	(8.5)	(8.7)	(10.2)	(13.6)
Profit attributable to owners of the Parent Company	261.8	262.6	245.5	292.6	312.4
Earnings per share					
– basic (pence)	293.83p	280.14p	249.64p	297.04p	316.78p
– basic adjusted (pence)	318.35p	358.16p	362.64p	386.62p	430.11p
Dividend per share (pence)	122.98p	138.35p	145.27p	159.80p	175.78p
Dividend cover (times)	2.6x	2.6x	2.5x	2.4x	2.4x
Interest cover (times)*	10.8x	9.9x	10.5x	10.6x	13.0x

* excludes exceptional items.

Group Balance Sheet As at 31 March	2018 £'m	2019 £'m	2020 £'m	2021 £'m	2022 £'m
Non-current and current assets:					
Property, plant and equipment	933.0	996.5	1,089.0	1,137.6	1,253.3
Right-of-use leased assets	–	–	304.1	308.9	327.6
Intangible assets	1,953.8	2,069.6	2,126.9	2,206.7	2,634.4
Equity accounted investments	24.5	24.2	27.7	27.1	26.8
Cash/derivatives	1,150.0	1,765.6	2,059.9	1,948.5	1,620.2
Other assets	1,982.8	2,221.7	2,313.5	2,406.0	3,696.9
Total assets	6,044.1	7,077.6	7,921.1	8,034.8	9,559.2
Equity	1,677.9	2,433.5	2,541.5	2,705.6	2,970.6
Non-current and current liabilities:					
Borrowings/derivatives	1,692.7	1,784.0	2,120.0	1,783.3	2,040.1
Lease creditors	–	–	306.8	315.2	336.7
Retirement benefit obligations	(0.3)	(1.4)	(7.3)	(8.0)	(7.7)
Other liabilities	2,673.8	2,861.5	2,960.1	3,238.7	4,219.5
Total liabilities	4,366.2	4,644.1	5,379.6	5,329.2	6,588.6
Total equity and liabilities	6,044.1	7,077.6	7,921.1	8,034.8	9,559.2
Net (debt)/cash included above (excl. lease creditors)	(542.7)	(18.4)	(60.2)	165.1	(419.9)

Group Cash Flow Year ended 31 March	2018 £'m	2019 £'m	2020 £'m	2021 £'m	2022 £'m
Operating cash flow	473.3	607.5	724.0	903.7	628.4
Capital expenditure	145.4	173.5	167.8	147.0	170.8
Acquisitions	691.0	296.8	227.5	272.6	720.1

Other Information	2018	2019	2020	2021	2022
Return on capital employed (%)	17.5%	17.0%	16.5%	17.1%	16.5%
Working capital (days)	(2.0)	(0.4)	(0.6)	(4.3)	2.8

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