Annual report for the period
1 April 2020 to 31 March 2021

DCC Energi Center A/S
Nærum Hovedgade 8, DK-2850 Nærum
CVR no. 32 14 17 73

Adopted at the annual general meeting on 25 August 2021

Michael Kruse Bak
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of DCC Energi Center A/S for the financial year 1 April 2020 - 31 March 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 March 2021 and of the results of the company's operations for the financial year 1 April 2020 - 31 March 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Nærum, 25 August 2021

Executive board

Christian Frederik Heise
Director

Supervisory board

Edward Gerard O'Brien Chairman	Declan James Doorly	Claus Geisler Madsen
Christian Frederik Heise	Michael Kruse Bak	Daniel Michel Andersen

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Independent auditor's report

To the shareholder of DCC Energi Center A/S

Opinion

We have audited the financial statements of DCC Energi Center A/S for the financial year 1 April 2020 - 31 March 2021 comprising, income statement, balance sheet, statement of change in equity, and notes including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 March 2021 and of the results of the company's operations for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 25 August 2021

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

David Olafsson
State Authorised Public Accountant
MNE no. mne19737

Company details

The company	DCC Energi Center A/S Nærum Hovedgade 8 DK-2850 Nærum	
	Telephone:	+45 45580100
	E-mail:	info@kundeservice.dccenergi.dk
	Website:	www.dccenergi.dk
	CVR no.:	32 14 17 73
	Reporting period:	1 April 2020 - 31 March 2021
	Domicile:	Rudersdal
Supervisory board	Edward Gerard O'Brien, chairman Declan James Doorly Claus Geisler Madsen Christian Frederik Heise Michael Kruse Bak Daniel Michel Andersen	
Executive board	Christian Frederik Heise, director	
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø	
Lawyers	Accura Advokataktieselskab Tuborg Boulevard 1 DK-2900 Hellerup	
Bankers	Danske Bank Holmens Kanal 2 DK-1090 København K	

Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2020/21	2019/20	2018/19	2017/18	2016/17
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Profit/loss					
Gross profit/loss	122,799	122,568	118,550	112,166	113,696
Profit/loss before net financials	11,083	11,130	9,683	10,350	17,350
Net financials	-642	-362	754	683	-100
Profit/loss for the year	8,055	8,507	9,839	8,459	12,848
Balance sheet					
Balance sheet total	61,451	106,139	87,858	116,894	47,174
Investment in property, plant and equipment	12,448	17,062	632	998	665
Equity	19,433	19,378	12,973	9,723	13,350
Number of employees	128	126	129	131	70
Financial ratios					
Return on assets	13.2%	11.5%	9.5%	12.6%	44.3%
Solvency ratio	31.6%	18.3%	14.8%	8.3%	28.3%
Return on equity	41.5%	52.6%	86.7%	73.3%	114.4%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Where the accounting policies have been changed regarding IFRS 16 in 2019/20, the comparatives have not been restated.

Business review

DCC Energi Center A/S performs sales, distribution and administration for the affiliates DCC Energi Danmark A/S, DCC Energi Retail A/S and DCC & Shell Aviation A/S for the purpose of the companies' sale of oil, petrol, fuel, lubricants, natural gas and similar products to their customer segments.

Further, the Company has entered into agreement with the affiliates Flogas Sverige AB and Flogas Norge AS on the handling of their back-office functions with services within IT operations and administration.

Recognition and measurement uncertainties

In preparing financial statements, certain provisions in the standards require management’s judgments, including various accounting estimates and assumptions. Such judgments are considered important to understand the accounting policies and DCC Energi Center’s compliance with the standards.

Determining the carrying amount of development projects requires judgments, estimates and assumptions concerning future events that are based on historical experience and other factors, which by their very nature are associated with uncertainty and unpredictability.

These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. No impairment of fixed assets has been identified in 2020/21.

The area involving a high degree of judgment and estimation that is significant to the financial statements are described in more detail in the basis of accounting in the related sections.

Unusual matters

The company's financial position at 31 March 2021 and the results of its operations for the financial year ended 31 March 2021 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 March 2021 shows a profit of DKK 8,055 thousand, and the balance sheet at 31 March 2021 shows equity of DKK 19,433 thousand.

In general, the activities carried out in 2020/21 in related companies were on the same level as 2019/20. The company expected a profit before tax at DKK 10,000 thousand and the profit before tax in 2020/21 was DKK 10,441 thousand. Accordingly, results for the year are considered satisfactory.

The Covid-19 pandemic required our people and businesses to change the way they operated in fundamental ways. Our ability to respond successfully was enabled by core elements of our strategy. All staff have been able to perform planned activities and tasks working from home for the lock-down periods.

The Covid-19 pandemic and the lockdowns in Denmark have not had negatively effect on the activities in the company.

The company's financial position is strong and considered adequate to fulfill the strategic objectives.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Research and development

The Company does not engage in research and development activities.

Strategy

DCC Energi Center A/S pursues the strategy of providing services to related companies in the form of the operation of the retail-network, sales and delivery of oil and natural gas energy solutions, lubricant solutions and biogenic products for aviation, industrial, transport, agricultural and business entities and consumers in Denmark. Likewise, it is part of the Company’s strategy to deliver efficient backoffice solutions to other DCC group entities in Scandinavia.

Further, it is part of the strategy to continuously ensure the necessary development in the operational and technical platforms to satisfy the Company's customers and to continuously improve operational efficiency.

By means of this strategy, it is DCC Energi Center A/S' objective to generate a profit for the Company's shareholders that meets the shareholders' expectations for return on their investment.

Moreover, it is the Company's strategy to pay dividend based on excess capital resources that are not dedicated for business development.

Objectives and outlook for the coming year

In the coming year, the activity level is expected to be at the same level, but also with continued focus on efficiency development for the services provided to group companies.

The result for 2021/22 is expected to be in the same level as 2020/21 around DKK 10,000 thousand before tax.

Market outline

As the Company only provides services to companies operating in the energy market, the market conditions for the Company are based on the general market conditions in the energy sector and the activities carried out in related companies, DCC Energi Retail A/S, DCC Energi Danmark A/S, DCC & Shell Aviation Denmark A/S, Flogas Norge AS and Flogas Sverige AB.

Special risks - operating risks and financial risks

Operating risks

The Company has implemented a comprehensive set of policies ensuring that the Company, at any time, can be run in accordance with uniform, high standards and principles for good corporate governance.

Furthermore, the Company has implemented and regularly follows up on polices ensuring business integrity, including compliance with competition law, and proper protection against the risk of bribery and corruption for customers and business partners.

The Company has no primary market risks but is subject to customers' general market conditions.

Financial risks

The Company has activities only in Denmark and settles the vast part of its purchases in DKK.

The Company has only to a limited extent net interest-bearing debt, and moderate changes in the interest rate level will not have any major direct impact on earnings. Accordingly, the Company does not enter into contracts for interest rate hedging instruments.

The Company has no credit risks, as in the customers portfolio no individual customer or business partner poses any material credit risk.

Corporate social responsibility

With reference to section 99a (6) of the Danish Financial Statements Act, no full corporate social responsibility reporting has been prepared for the Company, including policies to climate, environment and human rights, as this is contained in the DCC Group’s corporate social responsibility reporting. Reference is made to the annual report 2021 of the DCC Group and its ultimate parent company DCC plc, which is available from the Group’s website.

https://www.dcc.ie/investors/reports/2021

The specific policies regarding employees, HSSE, Environment, Ethics and ”Compliance” and “Anti bribery and corruption policy” and “Business conduct guidelines” are available from the Group’s website.

https://www.dcc.ie/responsibility

The Company’s CSR polices are directed at two areas - external environment and intellectual capital, which have been accounted for in the following.

External environment

DCC Energi Center A/S is dedicated to operate safe and environmentally responsible in full compliance with requirements and standards.

Intellectual capital

Sale and delivery of refined oil products and products within the other energy areas requires intellectual capital and skills regarding leading and management of people and business processes.

To continuously serve the market, it is decisive that the Company can recruit and retain employees with a broad skills base particularly within human and commercial processes and disciplines directed at due diligently promoting safe and reliable conduct of business.

Diversity and equality

The Company has defined policies for diversity and equality for the purpose of developing a workplace characterised by diversity and equal opportunities for all. The Company offers equal opportunities to all present and future employees, and employment, promotion and remuneration is based on skills, competencies and experience. On this basis, the Company invests in staff development and encourages an open and honest culture appreciating our differences.

The Company's policies and initiatives within the area are an integrated part of the employee handbook, and by this measure, the Company undertakes to accept and value the various kind of characteristics making individuals unique by employing people with different life experiences, personal back ground and with different skills, competences and professional experience.

The Company strives to develop a working culture which is fair and inclusive and which encourages all employees to contribute to the organisation based on their own experience and opinions.

Considering the standing ambition to have the best skilled executives, it is also the Company's objective to promote gender diversity.

Gender diversity of Management

As part of the Danish model to ensure a more equal distribution of men and women on top management, the Company's Board of Directors have addressed the objectives and policies for the area.

The Company is not required by the legislation regarding setting goals and policies for gender diversity of top management and other executive levels. By contrast, this is the case for several of the Company's affiliates to which the Company makes available executives. Accordingly, the Company's Board of Directors has chosen to define goals and policies, ensuring that the Company's executives can make up a representative basis to meet future ambitions with the relevant affiliates for an equal gender distribution of the board members. Overall, the objective of the policy for the area is to promote diversity on a broad scale and at any time to recruit the best-qualified candidate irrespective of gender, age, nationality, sexual orientation and religious beliefs.

Furthermore, the objective of DCC Energi Center A/S is to be a preferred employer for both genders which amongst others is supported by an active set of policies to ensure a reasonable work-life balance. Furthermore, the Company's owners have decided that the Board of Directors is to be made up solely by representatives from the Executive Board and executives from Finance, Sales and Operations in Denmark and country managers employed in the ultimate Irish parent company, DCC plc.

The Board of Directors consists of 6 board members and there is currently no female member on the Company's Board of Directors. There are one woman in the group making up the basis for recruiting executives for the executive management of the Company and thereby the affiliates. This is not sufficient for fulfilling the Board of Directors ambition, and therefore it is the Company's objective that within two years, the Company must have 2 female members of its Board of Directors so far that this can be achieved by natural employee turnover.

This is supported with the objective that when recruiting executives and specialists that the process delivers strong candidates of both genders to qualify for the interview rounds, ensuring that the basis of recruitment for the top management of the affiliates is representative in relation to the ambitions in the affiliates for the gender distribution of the top management.

Income statement 1 April - 31 March

	Note	2020/21	2019/20
		DKK'000	DKK'000
Gross profit		**122,799**	**122,568**
Staff costs	2	-100,083	-99,268
Profit before amortisation/depreciation and impairment losses		**22,716**	**23,300**
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	3	-11,633	-12,170
Profit before net financials		**11,083**	**11,130**
Financial income	4	45	35
Financial costs	5	-687	-397
Profit before tax		**10,441**	**10,768**
Tax on profit for the year	6	-2,386	-2,261
Profit for the year		**8,055**	**8,507**
Proposed dividend for the year		7,500	8,000
Transferred to reserve for development expenditure		-87	-3,740
Retained earnings		642	4,247
		8,055	**8,507**

Balance sheet 31 March

	Note	2020/21	2019/20
		DKK'000	DKK'000
Assets			
Completed development projects		6,220	11,410
Goodwill		327	408
Development projects in progress		3,250	1,254
Intangible assets	7	**9,797**	**13,072**
Other fixtures and fittings, tools and equipment		861	994
Leasehold improvements		249	373
Right-of-use assets		11,338	15,695
Tangible assets	8	**12,448**	**17,062**
Total non-current assets		**22,245**	**30,134**
Receivables from affiliated entities		34,527	70,935
Other receivables		2,205	2,319
Prepayments		2,419	2,696
Receivables		**39,151**	**75,950**
Cash at bank and in hand		**55**	**55**
Total current assets		**39,206**	**76,005**
Total assets		**61,451**	**106,139**

Balance sheet 31 March

	Note	2020/21	2019/20
		DKK'000	DKK'000
Equity and liabilities			
Contributed capital		502	502
Reserve for development expenditure		6,542	6,629
Retained earnings		4,889	4,247
Proposed dividend for the year		7,500	8,000
Equity		**19,433**	**19,378**
Provision for deferred tax	9	1,221	2,364
Total provisions		**1,221**	**2,364**
Lease liabilities		6,231	10,696
Total non-current liabilities	10	**6,231**	**10,696**
Short-term part of long-term debt	10	5,390	5,182
Trade payables		5,400	2,979
Payables to affiliated entities		111	12,086
Payables to associates		1,407	2,801
Joint taxation contributions payable		3,453	11,826
Other payables		18,805	38,827
Total current liabilities		**34,566**	**73,701**
Total liabilities		**40,797**	**84,397**
Total equity and liabilities		**61,451**	**106,139**
Significant events after the balance sheet date	11		
Contingent liabilities	12		
Related parties and ownership structure	13		

Statement of changes in equity

	Contributed capital	Reserve for development expenditure	Retained earnings	Proposed dividend for the year	Total
Equity at 1 April 2020	502	6,629	4,247	8,000	19,378
Ordinary dividend paid	0	0	0	-8,000	-8,000
Net profit/loss for the year	0	-87	642	7,500	8,055
Equity at 31 March 2021	**502**	**6,542**	**4,889**	**7,500**	**19,433**

The contributed capital consists of shares of nom. DKK 1 and multiple hereof. The capital is split into nom. 502.000 shares. The shares are not divided into share classes. During the last five years, there have been the following movements on the contributed capital:

On 9 July 2015, the contributed capital was increased from DKK 501 thousand to DKK 502 thousand by contribution of existing business at par.

1 Accounting policies

The annual report of DCC Energi Center A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C and with certain options applying to large enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2020/21 is presented in DKK'000.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less other external expenses.

Revenue from sale of services is recognised in the income statement when the sale has taken place and delivery has been made.

1 Accounting policies

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to leases, realised and unrealised foreign currency transactions, and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and impairment losses.

Goodwill is amortised over the expected economic life of the asset, measured by reference to management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 10 years. The amortisation period is based on the assessment that the entities in question are strategically acquired entities with a strong market position and a long-term earnings profile.

1 Accounting policies

Development projects

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 1-10 years.

An amount corresponding to recognised development costs is tied up in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve which is unavailable for dividend distribution or the distribution of losses. If recognised development costs are sold or in some other way are excluded from the Company's operations, the reserve will be reduced or dissolved. This will take place in the form of direct transfer to distributable reserves under equity. If recognised development costs are written down, part of the reserve for development costs is to be reversed. The part to be reversed is equivalent to the write-down of development costs. If write-down of development costs are subsequently reversed, the reserve for development costs will subsequently be re-established. In addition, the reserve for development costs will be reduced by amortisation made. Accordingly, the reserve will not exceed the amount recognised as developments costs in the balance sheet.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life
Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	1-10 years

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Notes

1 Accounting policies

Leases

The Company recognise a right-of-use asset and a lease liability at the commencement date, for all lease agreements, that the Company has entered into as lessee, except short-term leases and leases of low value asset.

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs including any dismantling and restoration costs

The lease liabilitiy is initially measured at the present value of the future payments from lease components, discounted using an appropriate incremental DCC borrowing rate. The lease liability is subsequently measured by increasing the carrying amount, to reflect interest and by reducing the carrying amount to reflect the lease payments made. Further lease liabilities are changed when reameasurements are needed, corresponding adjustment is the related right-of-use asset.
In determining the lease period extension, options are only included if it is reasonably certain they will be utilised.

Gain or loss from a lease modification, not accounted for as a separate lease, is recognised in profit and loss.

The right-of-use assets are amortised over its expected leaseperiod, according to the straight-line method.

-Property 3 years
-Fixtures and fittings, tools and equipment 1-5 years

Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease.

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension options and applicable discount rates. In addition, significant estimates have been applied in determining these in relation to the implementation of IFRS 16.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

1 Accounting policies

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

1 Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under ‘Equity’.

Cash flow statement

No cash flow statement has been prepared for the parent company, as the parent company's cash flows are included in the consolidated cash flow statement, see section 86(4) of the Danish Financial Statements Act.

Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

		2020/21	2019/20
		DKK'000	DKK'000
2	**Staff costs**		
	Wages and salaries	90,700	89,960
	Pensions	8,293	8,039
	Other social security costs	1,090	1,269
		100,083	**99,268**
	Average number of employees	128	126

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the executive board has not been disclosed.

3	**Amortisation, depreciation and impairment of intangible assets and property, plant and equipment**		
	Amortisation intangible assets	5,591	6,914
	Depreciation tangible assets	6,042	5,256
		11,633	**12,170**

4	**Financial income**		
	Interest received from affiliated entities	45	35
		45	**35**

5	**Financial costs**		
	Other financial costs	485	166
	Interest expenses on lease liabilities	202	231
		687	**397**

		2020/21	2019/20
		DKK'000	DKK'000
6	**Tax on profit for the year**		
	Current tax for the year	3,453	3,882
	Deferred tax for the year	-1,068	-1,318
	Adjustment of tax concerning previous years	76	-208
	Adjustment of deferred tax concerning previous years	-75	-95
		2,386	**2,261**

7 Intangible assets

	Completed development projects	Goodwill	Development projects in progress
Cost at 1 April 2020	37,265	814	1,254
Additions for the year	128	0	2,188
Transfers for the year	192	0	-192
Cost at 31 March 2021	37,585	814	3,250
Impairment losses and amortisation at 1 April 2020	25,855	406	0
Amortisation for the year	5,510	81	0
Impairment losses and amortisation at 31 March 2021	31,365	487	0
Carrying amount at 31 March 2021	**6,220**	**327**	**3,250**
Amortised over	3 years	10 years	

7 Intangible assets (continued)

Special assumptions regarding development projects and tax assets

Completed development projects comprise development and test of IT software to be used at DCC Energi Danmark A/S, DCC Energi Retail A/S, Flogas Norway AS and Flogas Sweden AB. The IT software has been completed and is in use. Management did not find indication of impairment.

Development projects comprise development and test of IT systems. Costs consist of internal costs in the form of direct costs, external consultants and purchased material registered through the Company's internal project module.

Development projects in progress are expected to be available for use during the financial year 2022/23. Management did not find indication of impairment.

8 Tangible assets

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Right-of-use assets
Cost at 1 April 2020	4,628	1,635	20,416
Additions for the year	355	0	1,072
Disposals for the year	0	0	-313
Cost at 31 March 2021	4,983	1,635	21,175
Impairment losses and depreciation at 1 April 2020	3,634	1,262	4,721
Depreciation for the year	488	124	5,429
Reversal of impairment and depreciation of sold assets	0	0	-313
Impairment losses and depreciation at 31 March 2021	4,122	1,386	9,837
Carrying amount at 31 March 2021	**861**	**249**	**11,338**
Depreciated over	3-5 years	1-10 years	1-5 years

	2020/21	2019/20
	DKK'000	DKK'000
9 Provision for deferred tax		
Provision for deferred tax at 1 April 2020	2,364	3,777
Deferred tax recognised in income statement	-1,143	-1,413
Provision for deferred tax at 31 March 2021	**1,221**	**2,364**

10 Long term debt

	Debt at 1 April 2020	Debt at 31 March 2021	Instalment next year	Debt outstanding after 5 years
Lease liabilities	10,696	6,231	5,390	0
	10,696	**6,231**	**5,390**	**0**

11 Significant events after the balance sheet date

No events have occurred after the balance sheet date that may materially affect the Company's financial position.

12 Contingent liabilities

The Company is jointly taxed with other Danish entities in the DCC Group and is liable with the other jointly taxed companies for the total corporation tax and any liabilities to pay witholding taxes on interest, royalties and for dividends for the jointly taxed companies.

13 Related parties and ownership structure

Controlling interest

DCC Holding Denmark A/S
Nærum Hovedgade 8, 2850 Nærum

Other related parties

DCC Energi Danmark A/S
Nærum Hovedgade 8, 2850 Nærum

DCC Energi Retail A/S
Nærum Hovedgade 8, 2850 Nærum

DCC & Shell Aviation Denmark A/S
Nærum Hovedgade 8, 2850 Nærum

Flogas Norge AS
Sandakerveien 116, bygg D, 0484 Oslo, Norway

Flogas Sverige AB
Brännkyrkag. 63, 118 22 Stockholm, Sweden

Exertis Captech Denmark ApS
Nærum Hovedgade 8, 2850 Nærum

DLG Service A/S
Ballesvej 2, 7000 Fredericia

Team AG
Team Alle 22, 24392 Süderbrarup, Germany

DCC Holding A/S
Nærum Hovedgade 8, 2850 Nærum

DCC plc and subsidiaries and associated thereto
Brewery Road, Dublin, Irland

Members of the Board of Directors and the Executive Board are mentioned under company details.

13 Related parties and ownership structure (continued)

Transactions

Transactions entered into related parties:
Income from sale to related parties amounts to DKK 168,741 thousand
Other external expenses purchased from related parties amounts to DKK 1,675 thousand
Financial income from related parties amounts to DKK 45 thousand
Financial expenses to related parties amounts to DKK 291 thousand

The Company has cash of a total DKK 27,966 thousand included in the DCC Group's International cash pool which is included in the balance sheet item "receivables from affiliated entities".

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

DCC Holding Denmark A/S
Nærum Hovedgade 8, 2850 Nærum

Consolidated financial statements

The Company's Danish parent companies DCC Holding Denmark A/S and DCC Holding A/S do not prepare consolidated financial statements. The Company is included in the consolidated financial statements of:

DCC plc
DCC House
Leopardstown Road
Foxrock
Dublin 18, Ireland

DCC plc is both largest and smallest group for which consolidated financial statements are prepared. The consolidated financial statements can be obtained at DCC plc's website:

https://www.dcc.ie/investors/reports