Annual report for the period
1 April 2021 to 31 March 2022

DCC Energi Danmark A/S
Nærum Hovedgade 8, DK-2850 Nærum
CVR no. 32 14 18 46

Adopted at the annual general meeting on 30 June 2022

DocuSigned by:
Michael Bak
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Michael Kruse Bak
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of DCC Energi Danmark A/S for the financial year 1 April 2021 - 31 March 2022.

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 2022 and of the results of the company's operations for the financial year 1 April 2021 - 31 March 2022.

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, 30 June 2022

Executive board

DocuSigned by:
Christian Heise
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Christian Frederik Heise
Director

Supervisory board

DocuSigned by:
Edward O'Brian
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Edward Gerard O'Brien
Chairman

DocuSigned by:
Declan Doorly
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Declan James Doorly

DocuSigned by:
Claus Geisler Madsen
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Claus Geisler Madsen

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Christian Heise
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Christian Frederik Heise

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Michael Bak
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Michael Kruse Bak

Independent auditor's report

To the shareholder of DCC Energi Danmark A/S

Opinion

We have audited the financial Statements of DCC Energi Danmark A/S for the financial year 1 April 2021 - 31 March 2022 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 2022, and of the results of the company's operations for the financial year 1 April 2021 - 31 March 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements and the IESBA Code.

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.

Independent auditor's report

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 company 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 the management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read the management's review and, in doing so, consider whether the 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 the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the management's review.

Copenhagen, 30 June 2022

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

DocuSigned by:
David Olafsson
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David Olafsson
State Authorised Public Accountant
MNE no. mne19737

Company details

The company	DCC Energi Danmark A/S Nærum Hovedgade 8 DK-2850 Nærum	
	Telephone:	+45 45580100
	Website:	www.dccenergi.dk
	CVR no.:	32 14 18 46
	Reporting period:	1 April 2021 - 31 March 2022
	Domicile:	Rudersdal
Supervisory board	Edward Gerard O'Brien, chairman Declan James Doorly Claus Geisler Madsen Christian Frederik Heise Michael Kruse Bak	
Executive board	Christian Frederik Heise, director	
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København	
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:

	2021/22	2020/21	2019/20	2018/19	2017/18
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Profit/loss					
Revenue	3,287,489	1,901,935	2,483,845	2,673,253	2,318,105
Profit before net financials	94,781	90,695	104,556	102,465	90,534
Net financials	-3,357	6,062	5,704	3,432	4,965
Profit/loss for the year	70,675	75,467	85,553	87,874	74,484
Balance sheet					
Balance sheet total	1,477,383	1,117,109	1,091,942	1,253,435	1,008,142
Investment in property, plant and equipment	8,767	10,296	11,080	10,598	9,270
Equity	274,695	389,020	396,553	397,874	385,493
Financial ratios					
EBIT margin	2.9%	4.8%	4.2%	3.8%	3.9%
Equity ratio	18.6%	34.8%	36.3%	31.7%	38.2%
Return on equity	21.3%	19.2%	21.5%	22.4%	19.9%

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.

Business review

DCC Energi Danmark A/S sells and distributes energy products to a broad range of customers.

DCC Energi Danmark A/S continuously strives to contribute to effective distribution of energy to the Company's customers in Denmark. General market development for energy products is driven by the cycles and trends within the manufacturing, transportation, agriculture and industrial sectors as well as demand from private households.

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's compliance with the standards.

Determining the carrying amount of some assets and liabilities 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. The company is also subject to risks and uncertainties which may lead actual results to differ from these estimates. Specific risks for DCC Energy Denmark A/S are discussed in the relevant section of the management's review and in the notes to the financial statements.

Unusual matters

The company's financial position at 31 March 2022 and the results of its operations for the financial year ended 31 March 2022 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 March 2022 shows a profit of DKK 70,675 thousand, and the balance sheet at 31 March 2022 shows equity of DKK 274,695 thousand.

The activity level for 2021/22 has overall been at the same level as the expectations for the year and last year's activity level.

Net revenue achieved at DKK 3,287.5 million is an increase compared to 2020/21 and is driven by higher oil price during the year.

It is part of the Company's strategy to generate profitable growth and to secure its investments on the Danish energy market. This is executed with focus on the oil and energy industry with risk diversification relative to market groups requiring energy and relative to seasonal fluctuations and a high focus on streamlining processes. Accordingly, results for the year are considered satisfactory.

The Company's total working capital is strong and with a limited level for losses on client engagements. This is due to the Company's strong focus on credit management and effective measures to avoid bad debts.

As a consequence of the above, the Company's liquidity and financial position were strong at the end of the year.

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 activities in or for the company

The Company does not engage in research and development activities.

Strategy

DCC Energi Danmark A/S pursues the strategy of selling and supplying energy solutions for industrial, transport, agricultural, trading entities and consumers in Denmark - primarily fuels and biofuels, heanting oil, natural gas, biogas and lubricant.

Furthermore, it is part of the Company's strategy to promote green transition where this is possible.

It is part of the strategy to gain market shares in a market with fierce competition through products and sales channels with major trademark value and documented premium quality. This is executed by offering a strong portfolio of differentiated products and services under the brands Shell, Gulf and DLG. The strategy requires that DCC Energi Danmark A/S continually grows at a higher speed than its competitors. Growth is to be organic complemented by mergers and acquisitions to the extent it is an option and can benefit the Company.

The Company strives continuously to identify potential for fostering further growth within its present business areas and to strengthen its competitive power within sale of energy to most sectors in Denmark.

The ongoing societal restructuring towards solutions reducing CO2 emissions from energy consumption is assumed to be of a permanent nature and is hence prioritised in the strategy to ensure long-term profitable growth.

Objectives and outlook for the coming year

Competition remains fierce, and within heating, conversion to alternative sources of energy is expected to increase due to Government focus on energy transition.

During the coming year, the activity level is expected to be at the same level as this year, while the Company still strives to increase its market shares through organic growth.

The result for 2022/23 is expected to be at the same level as 2021/22.

Market outline

General market development for refined oil products and natural gas is driven by the cycles and trends within the manufacturing, transportation, agriculture and industrial sectors as well as demand from private households

The level of public-sector investments in a structural change in the market for heating in order to reduce the Danish impact on the global CO2 footprint were in line with expectations of the Company. Specific political measures have continued with the objective to reduce the consumption of oil used for heating purposes, increase the use of electricity and district heating and in general to increase the share of bio blend added to oil products. Furthermore, there is political focus on increasing the use of renewable sources of energy.

DCC Energi Danmark A/S’ has increased its share of the main market that the Company operates in throughout 2021/22. We still expect that the market in general is subject to increased competition among the suppliers. The conversion from heating oil to other heating form on other sectors of the energy market is expected to continue during 2022/23. The Company expect to be able to improve the share of the market in the Company’s main areas due to a continuous focus on customer service and best-of-market premium products.

Despite the recent invasion of Ukraine our supply chain expertise ensured minimal disruption. The impact of geo-political developments on the global economy and on individual markets and supply chains continue to be monitored.

Special risks - operating risks and financial risks

Operating risks

The Company has entered into agreements with suppliers of raw materials and services used to meet obligations to customers. Further, the Company has entered into long-term agreements for sale and supply under the trademarks Shell and DLG etc.

Through agreements with its affiliate, DCC Energi Center A/S, the Company has taken measures to ensure that operations-related tasks are handled in accordance with DCC Energi Danmark A/S’ policies and liabilities to customers and business partners.

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. The Company has a GDPR platform ensuring that we are in compliance with the EU’s General Data Protection Regulation.

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.

Financial risks

The value of the Company’s products is determined based on official international listings, and accordingly, there may be major deviations in the price level for purchases and sales.

It is a company policy to hedge against risks, ensuring that future deliveries based on a predetermined price are hedged. Against this background, fluctuations in purchase prices have only to a limited extent not been recognised in sales prices.

The Company has activities only in Denmark and settles the vast part of its purchases in DKK and, to a certain extent, in EUR and USD.

Changes in the price level for both EUR and USD will not have any material direct effect on earnings as purchase and sale prices are in all materiality at the same level. The need for entering into forward exchange contracts to hedge currency risks is regularly assessed. During the year, the Company has entered few forward contracts to hedge currency risks in USD.

The Company has relatively modest 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's credit risks primarily arise from risks posed by customers. No individual customer or business partner poses any material credit risk. The Company's policy for undertaking credit risks entails that all large customers and other business partners are credit rated on an ongoing basis. Where appropriate, receivables are hedged e.g. by means of credit insurance, prepayments or other types of credit insurance.

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 and risks to climate, environment, human rights, anti-corruption and social and staff matters as this is contained in the DCC Group’s corporate social responsibility reporting. Reference is made to the annual report of the DCC Group and its ultimate parent company DCC plc, which is available from the Group’s website.

https://www.dcc.ie/investors/annual-reports/2022

The Company has as part of the DCC Group a detailed Anti-Bribery and Corruption Policy in place. The Policy states that no employee or any representative of the business is to offer or accept any bribe, including small facilitation payments, or engage in any other form of corrupt practice. The Policy is available from the Group’s website. No breaches to the Policy have been noted during 2021/22.

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 Danmark A/S is dedicated to operating safe and environmentally responsible in full compliance with requirements and standards.

The Company has a documented and active HSSE policy (Health, Safety, Security and Environment), and accordingly operating systems and processes of the Company and its suppliers are regularly inspected to protect the environment and the surrounding society against risks and, in the worst case, accidents.

Intellectual capital

Sale and delivery of energy products requires intellectual capital and skills regarding leading and management of people and business processes.

This is handled operationally through the group entity, DCC Energi Center A/S, and independent carriers and partners within logistics, IT and other partners bound by contract.

To allow us continuously to serve our market, it is decisive that the Company’s business partners can recruit and retain employees with a broad skills base particularly within human and commercial processes and disciplines directed at due diligently to promote a 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 experience, personal background 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 in management, the Company's Board of Directors has addressed the objectives and policies for the area.

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.

The Company has not set any specific policy for other management levels, as the Company does not have any employees, due to having the Company's activities handled by the Management and employees employed in the affiliate, DCC Energi Center A/S. 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 5 board members and there is currently no female member on the Company's Board of Directors.

With these general conditions, the Company's ambitions within the area are to be fulfilled by DCC Energi Center A/S, also even though this company is not required by the legislation on gender diversity of Management. Furthermore, DCC Energi Center A/S is to attract the best candidates and at the same time be a preferred employer for both genders.

It is an objective 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 DCC Energi Danmark A/S is representative, for future purposes and by natural turnover, to comply with the Board of Directors' ambitions for equal gender distribution of the members of the Board of Directors and at least 1 board member from the under-represented gender by 2022. No new member to the Board of Directors has been appointed during the financial year.

Statement of policy for data ethics

Description of the entity's work with and policy for data ethical questions

DCC Energi Danmark A/S collects, generates, and apply various type of data in running the business and is committed to complying with all legal rules and regulations on data usage, storageand processing as part of our business operations.

All businesses in DCC Energi process data as part of the daily operations, including following:
Customer data: Customer and delivery information required to complete sale, deliver and invoicing of our products and services.
Supplier data: Supplier information required to complete purchases of supply and other services.
HR data: Personal data on DCC Energi employees to fulfill legal or personal requirements.
Other data: Financial data generated for internal measurement/controlling purposes and external regulatory reporting, contractual data from mergers and acquisitions, and contractual data from CAPEX investments.

Personal data is processed carefully, with respect, so that it is kept private and dealt with in accordance with the wishes of the person the information is about.

DCC Energi is committed to protecting personal data and ensuring that appropriate organisational and technical measures are in place to protect any data collected.

Income statement 1 April - 31 March

	Note	2021/22	2020/21
		DKK'000	DKK'000
Revenue		**3,287,489**	**1,901,935**
Cost of sales		-2,904,251	-1,555,251
Other external expenses		-258,490	-225,670
Gross profit		**124,748**	**121,014**
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	3	-29,967	-30,319
Profit before net financials		**94,781**	**90,695**
Financial income	4	1,446	9,872
Financial costs	5	-4,803	-3,810
Profit before tax		**91,424**	**96,757**
Tax on profit for the year	6	-20,749	-21,290
Profit for the year		**70,675**	**75,467**
Proposed dividend for the year		65,000	185,000
Retained earnings		5,675	-109,533
		70,675	**75,467**

Balance sheet 31 March

	Note	2021/22	2020/21
		DKK'000	DKK'000
Assets			
Acquired customer relations		36	612
Goodwill		91,669	119,634
Intangible assets	7	**91,705**	**120,246**
Other fixtures and fittings, tools and equipment		8,767	10,296
Tangible assets	8	**8,767**	**10,296**
Total non-current assets		**100,472**	**130,542**
Finished goods and goods for resale		12,678	6,573
Stocks		**12,678**	**6,573**
Trade receivables		655,971	313,110
Receivables from affiliated entities		504,002	606,474
Other receivables		1,089	2,523
Prepayments		551	598
Financial instruments		196,403	54,004
Receivables		**1,358,016**	**976,709**
Cash at bank and in hand		**6,217**	**3,285**
Total current assets		**1,376,911**	**986,567**
Total assets		**1,477,383**	**1,117,109**

Balance sheet 31 March

	Note	2021/22	2020/21
		DKK'000	DKK'000
Equity and liabilities			
Contributed capital		505	505
Retained earnings		209,190	203,515
Proposed dividend for the year		65,000	185,000
Equity		**274,695**	**389,020**
Provision for deferred tax	9	7,459	10,967
Other provisions	10	19,112	0
Total provisions		**26,571**	**10,967**
Trade payables		122,308	63,297
Payables to affiliated entities		586,203	401,325
Joint taxation contributions payable		23,607	18,849
Other payables		443,999	233,651
Total current liabilities		**1,176,117**	**717,122**
Total liabilities		**1,176,117**	**717,122**
Total equity and liabilities		**1,477,383**	**1,117,109**
Uncertainty in the recognition and measurement	11		
Significant events after the balance sheet date	12		
Contingent liabilities	13		
Financial instruments	14		
Related parties and ownership structure	15		
Fee to auditors appointed at the general meeting	16		

Statement of changes in equity

	Contributed capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 April 2021	505	203,515	185,000	389,020
Ordinary dividend paid	0	0	-185,000	-185,000
Net profit/loss for the year	0	5,675	65,000	70,675
Equity at 31 March 2022	**505**	**209,190**	**65,000**	**274,695**

The contributed capital consists of shares of nom. DKK 1 and multiple hereof. The capital is split into nom. 505,000 shares. The shares are not divided into share classes.

No changes have been made to the share capital for the last 5 years.

1 Accounting policies

The annual report of DCC Energi Danmark A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

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

The annual report for 2021/22 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

Segment information

Segment information is not provided neither on business segments nor on geographical markets as the Company only markets a segment to one market - sales and distribution of fossil fuels in Denmark.

Revenue

Income from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

1 Accounting policies

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Cost of sales

Cost of sales comprise consumption of goods and consumables used for obtaining revenue for the period.

Other external expenses

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

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, realised and unrealised exchange gain and losses 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.

Notes

1 Accounting policies

Balance sheet

Intangible assets

Goodwill and acquired customer relations

Acquired goodwill and acquired customer relations are measured at cost less accumulated amortisation and impairment losses. Goodwill and acquired customer relations are amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas and are longest for strategically acquired entities with a strong market position and long-term earnings profile.

The basis of amortisation calculated as cost less any projected residual value is provided on a straight-line basis over the estimated useful life, which are as follows:

Goodwill 10 years
Acquired customer relations 1-10 years

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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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	2-5 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.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale comprises the purchase price plus delivery costs.

1 Accounting policies

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test to determine indications of impairment other than the decrease in value reflected by write-down.

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 designated as financial assets measured at amortized cost and are initially measured at fair value or transaction price and subsequently measured in the balance sheet at amortized cost, which generally corresponds to nominal value less expected credit loss provision.

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.

The Company applies the simplified matrix model approach to measuring expected credit losses for all receivables. The Matrix approach segregates trade balances into different groups based on risk characteristics and past experience. To measure the expected credit losses, receivables have been grouped based on credit risk characteristics and the days past due.

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.

Notes

1 Accounting policies

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.

Provisions

Provisions comprise expected expenses to fulfill the obligation on contracts. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

When it is probable that the total expenses will exceed the total revenue from contract, the total expected loss is recognised as a provision. The provision is recognised under cost of goods sold.

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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

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.

1 Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are recognised at fair value and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities or firm commitment are recognised in the income statement together with fair value adjustments of the hedged asset or liability. Changes in the fair value of other derivatives are recognised in financial income and expenses.

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.

EBIT margin $\dfrac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Solvency ratio $\dfrac{\text{Equity, end of year x 100}}{\text{Total assets at year-end}}$

Return on equity $\dfrac{\text{Profit/loss from ordinary operations after tax x 100}}{\text{Average equity}}$

Notes

		2021/22	2020/21
		DKK'000	DKK'000
2	**Staff costs**		
	Average number of employees	0	0

The Company does not have any employees as the Company's activities are handled by the Management and employees employed in the affiliate, DCC Energi Center A/S. During 2021/22 the company has bought management and employee assistance for DKK 66.2 million, corresponding to an average of 79 full time employees.

		2021/22	2020/21
3	**Amortisation, depreciation and impairment of intangible assets and property, plant and equipment**		
	Amortisation intangible assets	28,541	28,541
	Depreciation tangible assets	1,426	1,778
		29,967	**30,319**
4	**Financial income**		
	Interest received from affiliated entities	0	8,333
	Interest received from associates	1,358	1,480
	Other financial income	88	59
		1,446	**9,872**
5	**Financial costs**		
	Financial expenses, group entities	2,487	1,251
	Other financial costs	2,175	1,887
	Exchange loss	141	672
		4,803	**3,810**

		2021/22	2020/21
		DKK'000	DKK'000
6	**Tax on profit for the year**		
	Current tax for the year	23,607	18,849
	Deferred tax for the year	-3,492	2,441
	Adjustment of tax concerning previous years	650	102
	Adjustment of deferred tax concerning previous years	-16	-102
		20,749	**21,290**

7 Intangible assets

	Acquired customer relations	Goodwill
Cost at 1 April 2021	75,284	322,504
Cost at 31 March 2022	75,284	322,504
Impairment losses and amortisation at 1 April 2021	74,672	202,870
Amortisation for the year	576	27,965
Impairment losses and amortisation at 31 March 2022	75,248	230,835
Carrying amount at 31 March 2022	**36**	**91,669**
Depreciated over	1-10 years	10 years

8 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 April 2021	21,865
Additions for the year	1,222
Disposals for the year	-1,969
Cost at 31 March 2022	21,118
Impairment losses and depreciation at 1 April 2021	11,569
Depreciation for the year	1,425
Impairment and depreciation of sold assets for the year	-643
Impairment losses and depreciation at 31 March 2022	12,351
Carrying amount at 31 March 2022	**8,767**
Depreciated over	2-5 years

	2021/22 DKK'000	2020/21 DKK'000
9 Provision for deferred tax		
Provision for deferred tax at 1 April 2021	10,967	8,628
Deferred tax recognised in income statement	-3,492	2,441
Adjustment regarding previous years	-16	-102
Provision for deferred tax at 31 March 2022	**7,459**	**10,967**

		2021/22	2020/21
		DKK'000	DKK'000
10	**Other provisions**		
	Provision in year	19,112	0
	Saldo ultimo	**19,112**	**0**
	Expected due dates for other provision:		
	Less than 1 year	18,022	0
	Between 1 and 5 years	1,090	0
		19,112	**0**

Other provisions include amounts recognised in respect of onerous commodity contracts.

11 Uncertainty in the recognition and measurement

There is uncertainty related to the recognition of onerous commodity contracts. Management's assessment of the provision for ounerous commodity contracts is based on the forward price at the expected deliverytime on not hedged sales contracts.

12 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.

13 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 total corporation tax and any liabilities to pay witholding taxes on interest, royalties and for dividends for the jointly taxed companies.

14 Financial instruments

The Company hedges oil and natural gas prices risks in customer contracts where customers have contracted fixed prices by means of oil and natural gas price swaps where floating oil and natural gas prices in oil and natural gas purchases are converted to fixed oil and natural gas prices. The derivatives are settled in cash. The Company applies fair value hedge accounting. All realised and unrealised gains and losses on the derivatives are recognised directly in profit or loss under cost of the goods sold together with fair value changes of the hedged customers contracts.

The fair value of oil and natural gas price swaps are recognised in other liabilities. Total net gain from oil and natural gas swaps in 2021/2022 amounts to DKK 167,492 thousand (2020/21: a loss of DKK 97,905 thousand). Fair value amounts to DKK 196,403 thousand (2020/21: DKK 54,004 thousand). The term of the individual swaps are between 1 and 33 months. The fair value of oil and natural gas swaps are derived from market data using generally accepted valuation methods.

Recognised transactions

	Notional amount	Value adjustment recognised in profit	Fair value	Average remaining term
	Volume (mT)	DKK'000	DKK'000	Months
Swaps	89,350	167,492	196,403	6
	89,350	**167,492**	**196,403**	**6**

Notes

15 Related parties and ownership structure

Controlling interest

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

Other related parties

DCC Energi Center 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, Ireland

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

15 Related parties and ownership structure (continued)

Transactions

Transactions entered into related parties:
Income from sale to related parties amounts to DKK 873,312 thousand
Cost of sales from related parties amounts to DKK 2,562,806 thousand
Other external expenses from related parties amounts to DKK 127,940 thousand
Financial expenses to related parties amounts to DKK 2,487 thousand

The Company has cash of DKK 500,284 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

The group report of can be obtained at the following address:

https://www.dcc.ie/investors/annual-reports/2022

16 Fee to auditors appointed at the general meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, the Company has omitted to disclose fee to auditor appointed by the annual general meeting. Reference is made to the consolidated financial statements for DCC plc.