

Annual report 2017/18

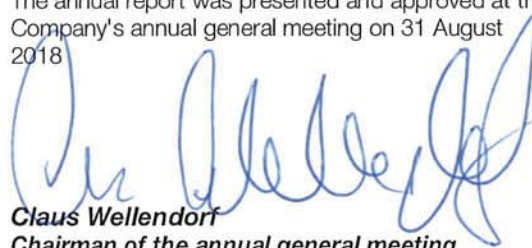
DCC Holding Denmark A/S

CVR no. 36558830

Nærum Hovedgade 8

DK-2850 Nærum

The annual report was presented and approved at the
Company's annual general meeting on 31 August
2018



Claus Wellendorf

Chairman of the annual general meeting

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Statements and reports

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of DCC Holding Denmark A/S for the financial year 1 April 2017 – 31 March 2018.

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

In our opinion, the financial statements a true and fair view of the Company's assets, liabilities and financial position at 31 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018.

Further, in our opinion, the Management's review presents a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

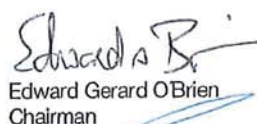
Nærum, 31 August 2018

Executive Board



Christian Frederik Heise

Board of Directors



Edward Gerard O'Brien
Chairman



Morgan McElligott

Kevin Lorenzen



Christian Frederik Heise

Lars Aage Sørensen

Statements and reports

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We recommend that the annual report be approved at the annual general meeting.

Nærum, 31 August 2018

Executive Board

Christian Frederik Heise

Board of Directors

Edward Gerard O'Brien
Chairman

Morgan McElligott


Kevin Lorenzen

Christian Frederik Heise


Lars Aage Sørensen

Statement and reports

Independent auditor's report

To the shareholders of DCC Holding Denmark A/S

Opinion

We have audited the financial statements of DCC Holding Denmark A/S for the financial year 1 April 2017 – 31 March 2018, comprising income statement, balance sheet 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 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018 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 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

Statement and reports

Independent auditor's report

- 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 the Management's review

Management is responsible for the 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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 August 2018

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Michael Sten Larsen
State Authorised
Public Accountant
MNE no. 10488



Morten Høgh-Petersen
State Authorised
Public Accountant
MNE no. 34283

Management's review

Company details

Company	<p>DCC Holding Denmark A/S Nærum Hovedgade 8 DK-2850 Nærum</p> <p>Telephone: +45 45 58 01 00 Telefax: +45 45 58 01 90</p> <p>Email: info@kundeservice.dccenergi.dk Website: www.dccenergi.dk</p> <p>CVR no.: 36 55 88 30 Financial year: 1 April – 31 March Registered office: Nærum</p>
Board of directors	<p>Edward Gerard O'Brien, Chairman Morgan McElligott Kevin Lorenzen Christian Frederik Heise Lars Aage Sørensen</p>
Executive Board	<p>Christian Frederik Heise</p>
Audit	<p>KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København Ø</p>
Attorney	<p>Accura Advokataktieselskab Tuborg Boulevard 1 DK-2900 Hellerup</p>
Bank	<p>Danske Bank Holmens Kanal 2 DK-1090 København K</p>

Management's review

Operating review

BUSINESS PERFORMANCE AND BUSINESS FOUNDATION

The annual report of DCC Holding Denmark A/S for 2017/18 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with option of specific provisions for reporting class C. The Company's financial year is from 1 April to 31 March the subsequent calendar year.

Principal activities

DCC Holding Denmark A/S serves as holding company for the Company's subsidiaries DCC Energi Danmark A/S, DCC Energi Center A/S and Dansk Fuels A/S.

DCC Holding Denmark A/S is a subsidiary of DCC Holding A/S, which owns 60% of the contributed capital. The residual contributed capital is owned by the DLG group. The ultimate parent company is DCC plc, which is domiciled in Ireland.

A decision has been made to the effect that the entire profit of the Company's subsidiaries is to be distributed as dividends to the parent company. Accordingly profit for the year is transferred to distributable reserves under equity.

Through the subsidiaries the customers of the DCC Energi Denmark group may now profit from access to a nationwide network of petrol stations, sales and delivery of fuel and heating to private households and the Danish business sectors within transport, industry, service and agriculture and aviation fuel for Danish airports as well as fuel card solutions under the trademarks *Shell* and *Euro Shell*.

Since the acquisition previous year of Dansk Fuels A/S, an extensive plan has been executed to ensure the integration of the activities in Dansk Fuels A/S with DCC Energi Danmark and DCC Energi Center and to realise identified and potential synergies.

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 particular focus on the oil industry with risk diversification relative to market groups requiring energy and relative to seasonal fluctuations.

The cooperative platform with DLG and the acquisition of Dansk Fuels have had the expected impact in terms of business growth, balancing of sales, distribution and earnings during the year and it significantly contributed to the ongoing realisation of the Company's strategic objective. By means of this strategy, it is DCC Holding Denmark A/S' objective to generate a profit for the Company's shareholders that exceeds the shareholders' demand 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.

Performance during the year

The Company's income statement for 2017/18 shows a profit after tax of DKK 68.5 million, and equity at DKK 388.5 million in the Company's balance sheet total at 31 March 2018.

The Company's results rely directly on the results of the fully owned subsidiaries. The most important goals and results for the Company's subsidiaries for the year under review have been to increase profitability and to further strengthen the Company's market position without reducing the service level offered to customers and business partners.

The Group managed to capture market shares and regularly invests in further strengthening its market position within refined oil products, biogenic fuels and electricity.

Accordingly, results for the year are considered satisfactory.

Management's review

Operating review

Correction of material errors

Management has identified a material error when determining the Company's current and deferred tax in the annual report for 2016/17 for group companies. The errors have been corrected directly in Equity at 1 April 2017 in the annual report for 2017/18 and in the comparative figures for 2016/17.

The financial impact of the correction have been described in note 1 "Accounting policies".

Events after the balance sheet date

No events have occurred after the balance sheet date of importance to the annual report for 2017/18.

Uncertainty regarding recognition and measurement

Recognition and measurement in the annual report has not been subject to any uncertainty.

Financial statements

Income statement 1 April 2017 – 31 March 2018

	Note	2018 DKK'000	2017 DKK'000
Administrative expenses		1,329	-13,760
Ordinary operating profit/loss		1,329	-13,760
Income from equity investments in group entities	2	71,832	-14,412
Financial expenses	3	-10,826	-5,370
Profit/loss before tax		62,335	-33,542
Tax on profit/loss for the year	4	2,089	1,867
Profit/loss for the year		64,424	-31,675
Profit appropriation/distribution of loss			
Proposed profit appropriation/distribution of loss:			
Retained earnings		64,424	-31,675
		64,424	-31,675

Financial statements

Balance sheet at 31 March 2018

Assets

	Note	2018 DKK'000	2017 DKK'000
Equity investments in group entities	5	798,675	838,261
Investments		798,675	838,261
Receivables from group entities		2,225	2,079
Corporation tax recievable		50	1,198
Other receivables		3,882	1,793
Receivables		6,157	5,070
Cash at bank and in hand		0	0
Current assets		6,157	5,070
Assets		804,832	843,331

Equity and liabilities

Contributed capital		835	835
Share premium		310,166	310,166
Retained earnings		71,101	10,399
Equity		382,102	321,400
Trade payables		0	195
Payables to group entities		422,684	521,721
Other payables		46	15
Current liabilities		422,730	521,931
Current liabilities			
Equity and liabilities		804,832	843,331
Accounting policies	1		
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Financial statements

Statement of changes in equity

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 April 2017	835	310,166	26,519	337,520
Correction of material error	0	0	247	247
Correction of material errors in subsidiaries	0	0	-16,367	-16,367
Equity at 1 April 2017	835	310,166	10,399	321,400
Results for the year	0	0	64,424	64,424
Exchange rate adjustments			-3,722	-3,722
Equity at 31 March 2018	835	310,166	71,101	382,102

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 April 2016	835	310,166	42,074	353,075
Results for the year	0	0	-31,675	-31,675
Equity at 31 March 2017	835	310,166	10,399	321,400

The contributed capital consists of shares of nom. DKK 1 and multiple hereof.

The capital is split into nom. 835,000 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 5 March 2015, the contributed capital was formed in the amount of T.DKK 500 at par.

On 9 July 2015, the contributed capital was increased from T.DKK 500 to T.DKK 501 by contribution of existing business at a price of 1,300,348.

On 9 July 2015, the contributed capital was increased from T.DKK 501 to T.DKK 835 by contribution of existing business at a price of 92,964.

Financial statements

Notes to the financial statements

Note

1 ACCOUNTING POLICIES

The annual report of DCC Holding Denmark A/S for 2017/18 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with option of specific provisions for reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The annual report is presented in DKK.

Correction of material errors

Management has identified material errors when determining the Company's current and deferred tax in the annual report for 2016/17 for group companies. The errors have been corrected directly in Equity at 1 April 2017 in the annual report for 2017/18 and in the comparative figures for 2016/17.

The monetary impact on the comparative figures is as follows:

Increase of tax income of the year, 2016/17, TDKK 247

Reduction of result of investments in subsidiaries, 2016/17, TDKK 14,009

Reduction of result of the year, 2016/17, TDKK 13,762

Reduction of investments in subsidiaries as at 31 March 2017, TDKK 14,009

Reduction of joint taxation contribution receivable as at 31 March 2017, TDKK 247

Reduction of equity as at 31 March 2017, TDKK 13,762.

Measurement and recognition

The financial statements have been prepared on the basis of historical cost.

Income is recognised in the income statement as earned. In addition, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Further, all costs incurred to obtain revenue for the year, including write-down, depreciation, amortisation and provisions are 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 reliably measured.

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

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

Certain financial assets and liabilities are measured at amortised cost, and thus, constant effective interest is recognised over the term. Amortised cost is calculated as original cost less payments and addition/deduction of the accumulated write-down of the difference between cost and nominal amount which allocates capital losses and capital gains over the term.

At measurement and recognition, consideration is given to unpredictable losses and risks occurring before the presentation of the annual report confirming or disconfirming matters that existed at the balance sheet date.

DKK is used as functional currency. Other currencies are regarded as foreign currency.

Financial statements

Notes to the financial statements

Consolidated financial statements

No consolidated financial statements have been prepared as the Company fulfils the exemption rules for subgroups laid down in section 112 of the Danish Financial Statements Act.

INCOME STATEMENT

Administrative expenses

Administrative expenses comprise legal and accounting expenses as well as expenses for services performed by the subsidiary DCC Energi Center A/S.

Income from equity investments in group entities

Income from equity investments in group entities comprise the proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of intra-group gains/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised exchange rate adjustments as well as surcharges and refunds under the on-account tax scheme.

Corporation tax

Tax for the year, which comprises current tax for the year and deferred tax for the year, is recognised in the income statement at the amount attributable to the profit/loss for the year. Tax recognised in the income statement is classified as tax on profit/loss from ordinary activities.

Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

In terms of tax, the Company is included in the Danish group of jointly taxed entities, which comprises DCC Energi Danmark A/S, DCC Energi Center A/S, Dansk Fuels A/S and DCC Holding A/S.

The tax effect of the joint taxation with the jointly taxed Danish companies is allocated between profitable as well as loss-making Danish entities in relation to their taxable income (full allocation with refunds for tax losses). The jointly taxed entities are included in the on-account tax scheme.

BALANCE SHEET

Equity investments in group entities

Equity investments in group entities are recognised and measured according to the equity method.

This entails that the equity investments are measured at the proportionate share of the entities' equity value plus non-amortised goodwill and less or plus unrealised intra-group gains and losses.

The total net revaluation of equity investments in group entities is transferred via the profit appropriation/distribution of loss to the reserve for net revaluation according to the equity method under equity.

Financial statements

Notes to the financial statements

Receivables

Receivables are measured at amortised cost in the balance sheet or a lower net realisable value, corresponding to fair value less write-down for bad debt losses. Write-down made for bad debt losses are calculated on the basis of an assessment of the individual receivables and for trade receivables also on a general write-down relying on the Company's past experience.

Dividend

Proposed dividend is recognised as a liability at the date on which they are adopted at the annual general meeting. The expected dividend payment for the financial year is disclosed as a separate item under equity.

Liabilities

Current liabilities are measured at amortised cost usually corresponding to the nominal value of the liability.

Deferred tax assets and liabilities

Deferred tax is recognised of all temporary differences between carrying value and tax value of assets and liabilities.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Where taxable value can be computed according to alternative taxation rules, deferred tax is measured on basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets are measured at the value at 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.

Deferred tax assets and liabilities are presented as offset.

Financial statements

Notes to the financial statements

Note		2018 DKK'000	2017 DKK'000
2	Income from equity investments in group entities		
	Share of results after tax in group entities	73,032	-13,212
	Amortisation of goodwill	-1,200	-1,200
		<u>71,832</u>	<u>-14,412</u>
3	Financial expenses		
	Exchange rate adjustments	0	3
	Interest expenses to group entities	10,826	5,367
		<u>10,826</u>	<u>5,370</u>
4	Corporation tax		
	Current tax for the year	2,089	1,620
	Correction to tax previous years	0	247
	Deferred tax for the year	0	0
	Total tax for the year	<u>2,089</u>	<u>1,867</u>
	Specified as follows:		
	Correction to tax previous years	0	247
	Tax on profit/loss for the year (joint taxation contribution)	2,089	1,620
	Total tax for the year	<u>2,089</u>	<u>1,867</u>

Financial statements

Notes to the financial statements

Note		2018 DKK'000	2017 DKK'000
5	Equity investments in group entities		
	Cost at 1 April	810,337	323,503
	Additions during the year	0	486,834
	Cost at 31 March	810,337	810,337
	Revaluations at 1 April	27,924	42,336
	Results for the year	73,032	-13,212
	Exchange rate adjustments	-3,722	0
	Paid dividend	-107,696	0
	Amortisation on goodwill	-1,200	-1,200
	Revaluation at 31 March	-11,662	27,924
	Carrying amount at 31 March	798,675	838,261

Goodwill is amortised over 10 years.

Equity investments in subsidiaries are specified as follows: (DKK'000):

	Registered office	Equity interest in %	Contributed capital DKK'000	Equity DKK'000	Results for the year after tax DKK'000
DCC Energi Danmark A/S	Rudersdal	100%	505	386,493	74,484
DCC Energi Center A/S	Rudersdal	100%	502	9,723	8,459
Dansk Fuels A/S	Rudersdal	100%	150,000	394,136	-9,911
			<u>151,007</u>	<u>790,352</u>	<u>73,032</u>

6 Contingencies

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 withholding taxes on interest, royalties and for dividends for the jointly taxed companies.

Financial statements

Notes to the financial statements

Note

7

Related parties and ownership

DCC Holding Denmark A/S' related parties comprise the following:

Control

DCC Holding A/S
Nærum Hovedgade 8, 2850 Nærum

Other related parties

DCC Energi Center A/S Nærum Hovedgade 8, 2850 Nærum	Subsidiary
DCC Energi Danmark A/S Nærum Hovedgade 8, 2850 Nærum	Subsidiary
Dansk Fuels A/S Nærum Hovedgade 8, 2850 Nærum	Subsidiary
Flogas Norge AS Nydalsveien 15, Oslo, Norge	Group entity
Flogas Sverige AB Brännkurgatan 63, Stockholm, Sverige	Group entity
DCC plc and subsidiaries and associated thereto Brewery Road, Dublin, Irland	Parent Company
DLG Service A/S Vesterbrogade 4A, 1620 København V	Minority shareholder
Team AG Team Alle 22, 24392 Süderbrarup, Germany	Minority shareholder

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

The consolidated financial statements for DCC plc may be obtained at the Group's website.

Transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis. During the financial year there have not been any such transactions.

Financial statements

Notes to the financial statements

Note

8 Group structure

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

DCC plc
DCC House
Brewery Road, Stillorgan
Blackrock
Co. Dublin, 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>