DCC & Shell Aviation Denmark A/S

CVR no. 39 99 04 66
Nærum Hovedgade 8
DK-2850 Nærum

Annual report 2018/19

November 1st 2018 – March 31st 2019

The annual report was presented and approved at the Company's annual general meeting on 31 August 2019

Chairman of the annual general meeting:

Michael Kruse Bak

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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 & Shell Aviation Denmark A/S for the financial year 1 November 2018 – 31 March 2019.

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

In our opinion, the financial statements present a true and fair view of the Company's assets, liabilities and financial position at 31 March 2019 and of the results of the Company's operations for the financial year 1 November 2018 – 31 March 2019.

Further, in our opinion, the Management's review gives 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 2019

Executive Board

Ulrik Vengberg Brendstrup

Board of Directors

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Morgan McElligott	Christian Frederik Heise	

Statements and reports

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Statements and reports
Independent auditor's report

To the shareholders of DCC & Shell Aviation Denmark A/S

Opinion

We have audited the financial statements of DCC & Shell Aviation Denmark A/S for the financial year 1 November 2018 – 31 March 2019 comprising income statement, balance sheet, statement of changes 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 2019 and of the results of the Company's operations and cash flows for the financial year 1 November 2018 – 31 March 2019 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.

- 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 2019
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Sten Larsen
State Authorised
Public Accountant
MNE no. 10488

Management's review
Company details

Company	DCC & Shell Aviation Denmark A/S Nærum Hovedgade 8 2850 Nærum Telephone: +45 33 37 25 20 Email: support@shellaviation.dk Website: www.shellaviation.dk CVR no.: 39 99 04 66 Established: 1 November 2018 Financial year: 1 April 2018 – 31 March 2019 First Financial year: 1 November 2018 - 31 March 2019 Registered office: Nærum
Board of Directors	Edward Gerard O'Brien, Chairman Sunkalp Sharma Adam Richard Harrison Morgan McElligott Christian Frederik Heise
Executive Board	Ulrik Vengberg Brendstrup
Auditor	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København Ø
Attorney	Accura Advokataktieselskab Tuborg Boulevard 1 DK-2900 Hellerup
Bank	Danske Bank Holmens Kanal 2 DK-1090 København K

Key figures

	1 November 2018 - 31 March 2019 USD'000
Results	
Gross profit	3,166
Ordinary operating profit	170
Profit/loss from financial income and expenses	43
Profit/loss for the year	143
Balance sheet	
Balance sheet total	24,473
Equity	3,895
Investments	
Property, plant and equipment and intangible assets	2,807
Staff	
Average number of full-time employees	0

Financial ratios

Gross margin (%)	6.3
Operating margin (%)	5.4
Return on invested capital (%)	0.7
Solvency ratio (%)	15.9
Return on equity (%)	3.7

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios".

FINANCIAL HIGHLIGHTS

Definitions of financial ratios

Gross margin	Gross profit/loss x 100 / Revenue
Operating margin (EBIT-margin)	Operating profit/loss x 100/ Revenue
Return on invested capital	Operating profit/loss x 100 / Total assets
Solvency ratio	Equity x 100 / Total assets
Return on equity	Profit/loss for the year x 100 / Average equity

BUSINESS PERFORMANCE AND BUSINESS FOUNDATION

The annual report of DCC & Shell Aviation Denmark A/S for the period 1 November 2018 – 31 March 2019 has been prepared in accordance with the provisions applying to reporting class C large sized under the Danish Financial Statements Act.

The Company's financial year is from 1 April to 31 March the subsequent calendar year. The Company's 1st financial year is from 1 November 2018 to 31 March 2019.

Principal activity

DCC & Shell Aviation Denmark A/S was established 1 November 2018.

The purpose of the company is to carry out business in the form of branded marketing, service and distribution business that will supply aviation fuels at airports across Denmark.

The ultimate parent company is DCC plc, which is domiciled in Ireland.

Market outline

General market development for refined oil products is driven by the cycles and trends within the aviation sectors. The general demand for fuel products is at the same level as previous year.

The public-sector investments to enforce structural changes in the market to reduce the Danish impact on the global CO_2 emission level were in line with expectations. Specific political measures have been taken to increase the share of biologically-based components added to oil products. Furthermore, there is political focus on increasing the use of renewable sources of energy.

DCC & Shell Aviation Denmark A/S have had a positive market development, which is expected to continue in the future. Please refer to the section on Strategy and Objectives.

Performance during the year

The Company's income statement shows a profit after tax of USD 143 thousand, and equity at USD 3,895 thousand in the Company's balance sheet total at 31 March 2019.

Results for the year are considered satisfactory.

Events after the balance sheet date

On 1st July 2019 the shareholders of Dansk Fuels A/S has approved the de-merger of the Company's Aviation Business to DCC & Shell Aviation Denmark A/S. The demerger is retroactive as from 1st November 2018. Further the parent company, DCC Holding Denmark A/S sold 49% of the shares in DCC & Shell Aviation Denmark A/S to Shell Overseas Investments B.V.

Financial position

The Company's total working capital is strong and with a limited level for losses on costumer 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.

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.

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 & Shell Aviation Denmark 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 implemented and followed up on the efficiency of policies ensuring and protecting data made available to customers, suppliers, employees and the surrounding society against abuse and misuse. We have completed our implementation of a GDPR-platform in 2018/19 ensuring that we are in compliance with the EU's General Data Protection Regulation (GDPR).

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.

Market 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.

The Company keeps track of the daily listings and determines its sales prices on the basis of the market price. 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.

Currency risks

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

Changes in the price level for both USD and DKK 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 under review, it has not been necessary to enter into forward contracts to hedge currency risks.

Interest rate risks

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.

Credit risks

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.

STRATEGY AND OBJECTIVES

Strategy

DCC & Shell Aviation Denmark A/S strives continuously to identify potential for fostering further growth within its present business areas and to strengthen its competitive power within sale of fossil fuels to selected sectors in Denmark.

The ongoing societal restructuring towards solutions reducing CO_2 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.

By means of this strategy, it is DCC & Shell Aviation 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 business development.

Objectives and outlook for the coming year

In line with the strategy the Company expect a result around USD 2 million for the year 2019/20.

BASIS OF EARNINGS

Research and development

The Company does not engage in research and development activities.

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.

As the activities in DCC & Shell Aviation Denmark A/S has been established 1 July 2019 by de-merger from Dansk Fuels A/S retrospective by 1 November 2018, the activities have been carried out in accordance with the DCC Group CSR guidelines in the period 1 November to 31 March.

Before the de-merger, all Dansk Fuels A/S activities have been carried in accordance with DCC Group CSR guidelines.

Reference is made to the annual report 2019 of the DCC Group and its ultimate parent company DCC plc, which is available from the Group's website (p.68 to 71).

https://www.dcc.ie/investors/reports/2019

The specific policies regarding employees, HSSE, Environment, Ethics & "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.

Anti-Bribery and Corruption

DCC & Shell Aviation Denmark A/S 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 2018/19.

External environment

DCC & Shell Aviation Denmark A/S is dedicated to operate 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 distribution of refined oil 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 continuously serve the market effectively, 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 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 Group 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 on top 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, which are 5 Board members in total.

As mentioned, an important element of DCC's strategy is to grow through acquisitions and mergers, and for this purpose, members of the Board of Directors and Executive management have been recruited based on the need for continuity and growth in the surviving company. The optimum solution has been to recruit executive candidates from the businesses acquired. There are currently no women in this group making up the basis for recruiting executives for the top management of DCC & Shell Aviation Denmark A/S.

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. Since 2017, it has been 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 & Shell Aviation Denmark 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.

Management's judgments and estimates

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. DCC is also subject to risks and uncertainties which may lead actual results to differ from these estimates. Specific risks for DCC are discussed in the relevant section of the management's review and in the notes to the financial statements.

The areas involving a high degree of judgment and estimation that are significant to the financial statements are described in more detail in the related sections/notes.

Financial statements

Income statement 1 November 2018 – 31 March 2019

	Note	1 November 2018 - 31 March 2019 USD'000
Revenue	2	49,933
Cost of sales		-46,767
Gross profit		3,166
Sales and distribution costs	3,4,8,9	-2,443
Administrative expenses	3.4	-553
Ordinary operating profit		170
Financial income	3	386
Financial expenses	4	-343
Profit before tax		213
Corporation tax	5	-70
Profit for the year		143

Distribution of profit

Proposed distribution of profit	
Retained earnings	143
	143

Financial statements

Balance sheet at 31 March 2019

Assets	Note	31 March 2019 USD'000	1 November 2018 USD'000
Software	6	63	76
Intangible assets		**63**	**76**
Land and buildings	7	30	27
Fixtures and fittings, tools and equipment	7	2,714	2,628
Property, plant and equipment under construction	7	0	0
Property, plant and equipment		2,744	2,656
Equity investments in joint ventures	8	1,906	1,921
Investments		1,906	1,921
Fixed assets		**4,713**	**4,653**
Inventories		**2,933**	**1,298**
Trade receivables		6,728	7,241
Receivables from affiliated entities		3,384	0
Other receivables		209	2,952
Deferred tax asset	9	305	587
Prepayments		79	45
Receivables		**10,705**	**10,825**
Cash at bank and in hand		**6,123**	**2,870**
Total current assets		**19,761**	**14,993**
Total assets		**24,473**	**19,646**

Financial statements

Balance sheet at 31 March 2019

Equity and liabilities	Note	31 March 2019 USD'000	1 November 2018 USD'000
Contributed capital		76	76
Share premium		3,676	0
Retained earnings		143	3,676
Equity		**3,895**	**3,752**
Trade payables		15,043	15,136
Payables to affiliated entities		55	0
Payables joint taxation contribution	10	131	0
Other payables		5,349	758
Current liabilities other than provisions		**20,578**	**15,894**
Total equity and liabilities		**24,473**	**19,646**

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Financial statements
Statement of changes in equity

	Contributed capital USD'000	Share premium USD'000	Retained earnings USD'000	Total USD'000
Equity at 1 November 2018	61		0	61
Capital increased by non cash contribution of shares	15	3,676	0	3,691
Results for the year	0	0	143	143
Equity at 31 March 2019	**76**	**3,676**	**143**	**3,895**

The Company was formed by a cash contribution of USD 61k in contributed capital at 1 November 2018.
The contributed capital consists of shares of nom. USD 100.

On 1 November 2018, the contributed capital was increased from USD 61 thousand to USD 76 thousand by contribution of the Aviation business in a de-merger from Dansk Fuels A/S. The de-merger was approved by the shareholders of Dansk Fuels A/S on 1 July 2019.

Note

1 **ACCOUNTING POLICIES**

The annual report of DCC & Shell Aviation Denmark A/S for 2018/19 has been prepared in accordance with the provisions applying to reporting class C large sized under the Danish Financial Statements.

It is the Company's first financial year, why comparatives figures for the previous financial year is not included in the annual report for 2018/19.

Included comparatives figures disclosure the Company's opening balance as per 1 November 2018.

The annual report has been presented in USD.

Cash flow statement

No cash flow statement has been prepared as the Company's cash flows are included in the cash flow statement in the consolidated financial statements of DCC plc.

Measurement and recognition

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.

US dollar is used as the measurement currency. All other currencies are regarded as foreign currencies.

At 31 March 2019 the year-end exchange rate for USD/DKK was 6.64.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Gains and losses arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies, which are not recognised at the balance sheet date, 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 of transaction is recognised in the income statement as financial income or financial expenses.

Translation of activities in foreign currency

The Company's business handling sale of aviation fuel is partly recognized in DKK.

The income statement of the Company is translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

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 aviation fuels in Denmark.

Business Combinations

Business combinations under common control are accounted for using the book value method and are recognised using the effective date of the transaction under the Corporation Act. Historical figures are not adjusted.

INCOME STATEMENT

Revenue

Revenue from sale of goods for resale and finished goods is recognised in the income statement when the sale has taken place. A sale is deemed to have taken place when:

- delivery has been made within the end of the financial year
- a binding sales agreement is present
- the sales price has been determined, and
- payment has been received or when it is probable that payment will be received.

Revenue is recognised excluding VAT and taxes charged less any discounts granted in connection with the sale.

Cost of sales

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

Sales and distribution costs

Sales and distribution costs comprise costs concerning distribution, depreciation and adjustment of debtors due to loss or prevention of loss.

Administrative expenses

Administrative expenses comprise expenses for services rendered by the Company's affiliate DCC Energi Center A/S.

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.

Tax on profit/loss for the year

Tax for the year comprises current tax on the expected taxable income for the year and the year's deferred tax adjustments. The tax expense relating to the profit/loss 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.

The Company is included in the joint taxation with the parent company DCC Holding A/S, which is the taxable administrative company for the jointly taxed companies.

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

Intangible assets

Software

Software are measured at cost less accumulated amortisation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Software are amortised on a straight-line basis over the expected useful lives of the assets.

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:

Software 3-5 years

Impairment of intangible assets

The carrying amount of intangible assets is subject to an annual test to determine indications of impairment other than the decrease in value reflected by amortisation.

If there are indications of impairment, an impairment test is conducted to determine if the recoverable amount is lower than the carrying amount. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount of the asset is determined as the higher value of an asset's net selling price and its value in use. If it is not possible to determine a recoverable amount of the individual asset, the assets are assessed collectively in the smallest group of assets and an overall assessment of the recoverable amount may be reliably measured.

Assets where it is not possible to determine a separate value in use as the asset does not generate future cash flows is assessed for indication for impairment together with the group of assets to which they relate.

Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated impairment losses and depreciation.

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

The basis of depreciation, which is calculated as cost less any projected residual value, is provided on a straight-line basis over the estimated useful life. The residual value is determined at the time of the acquisition. The depreciation period, expected useful life and the residual value are reassessed every year.

The estimated useful lives are as follows:

Buildings 50 years

Fixtures and fittings, tools and equipment 5 years

Land is not depreciated.

Depreciation is recognised in the income statement and classified under the function to which the asset can relate.

Impairment of fixed assets

The carrying amount of fixed assets is subject to an annual test to determine indications of impairment other than the decrease in value reflected by write-down.

If there are indications of impairment, an impairment test is conducted to determine if the recoverable amount is lower than the carrying amount. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount of the asset is determined as the higher value of an asset's net selling price and its value in use. If it is not possible to determine a recoverable amount of the individual asset, the assets are assessed collectively in the smallest group of assets and an overall assessment of the recoverable amount may be reliably measured.

For assets where it is not possible to determine a separate value in use as the asset does not generate future cash flows, the indication of impairment is assessed together with the group of assets to which the assets relate.

Equity investments in joint ventures

Equity investments in joint ventures are measured at cost. If the cost exceeds the recoverable amount, write-down is made to this lower value.

Dividend is recognised in the income statement at the date of declaration.

Inventories

Inventories are measured at cost in accordance with the FIFO method or at net realisable value if this is lower.

The net realisable value of inventories is calculated at the amount expected earned at sale during ordinary course of business less costs of completion and costs necessary to make the sale. The net realisable value is determined taking into account marketability, obsolescence and development in expected selling price.

Cost comprises purchase price plus delivery costs.

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 expected credit 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 and economic outlook for customer segments.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash comprises cash at bank and in hand.

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.

Current income tax and deferred tax

Current tax receivable and payable is recognised in the balance sheet at the amount calculated on the basis of the year's expected taxable income adjusted for tax on taxable income from previous years. Tax receivable and payable are presented as offset to the extent set-off is allowed under relevant legislation and the items are expected to be settled as net amounts or at the same time.

Deferred tax is recognised of all temporary differences between carrying value and tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes as well as other items if these, except for acquisitions of entities, arose at the date of acquisition without affecting either profit/loss or taxable income.

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.

Liabilities

Other liabilities are measured at net realizable value.

Note		1 November 2018 - 31 March 2019
2	**Revenue**	USD'000
	Sale and transport of crude oil and oil products in Denmark	49,933
		49,933

3 Fee to auditor appointed by the annual 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.

2 Staff

Average number of full-time employees	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 2018/19 the company have bought management and employee assistance for USD 0.7 million, corresponding to an average of 10 full time employees.

3 Financial income

Other financial income	386
	386

4 Financial expenses

Other financial expenses	343
	343

5 Tax on profit for the year

Current tax for the year	212
Deferred tax for the year	-282
Tax for the year	-70

Note		Software USD'000
6	**Intangible assets**	
	Cost at 1 November	0
	Contribution by capital increase	80
	Additions during the year	3
	Cost at 31 March	84
	Amortisation and impairment losses at 1 November	0
	Contribution by capital increase	4
	Amortisation during the year	17
	Amortisation and impairment losses at 31 March	21
	Carrying amount at 31 March	63
	Amortised over	3-5 years
	Expensed as specified:	
	Sales and distribution costs	17
		17

Note		Land and buildings USD'000	Fixtures and fittings, tools and equipment USD'000	Property, plant and equipment under construction USD'000
7	**Property, plant and equipment**			
	Cost at 1 November	0	0	0
	Contribution by capital increase	43	3,466	3
	Additions during the year	0	249	0
	Foreign exchange adjustments	0	-22	0
	Cost at 31 March	43	3,693	0
	Depreciation at 1 November	0	0	0
	Contribution by capital increase	15	838	0
	Depreciation during the year	-2	141	0
	Depreciation at 31 March	13	978	0
	Carrying amount at 31 March	30	2,714	0
	Amortised over	50 years	5 years	
	Expensed as specified:			
	Sales and distribution costs	15	838	
		15	838	

Note		1 November 2018 - 31 March 2019 USD'000
8	**Equity investments in joint ventures**	
	Cost at 1 November	0
	Contribution by capital increase	1,921
	Foreign exchange adjustments	-15
	Cost at 31 March	1,906
	Carrying amount at 31 March	1,906

Equity investments in joint ventures can be specified as follows:

Name	Registered office	Voting share and ownership	Equity	Profit/loss for the year
Shell-Statoil-Total I/S	Tårnby	33%	991	0
Brændstoflageret Københavns Lufthavn I/S	Tårnby	21%	2,239	0
Billund Refuelling I/S	Billund	50%	590	0
			3,820	0

Note		
9	**Deferred tax asset**	
	Deferred tax at 1 November	0
	Contribution by capital increase	587
	Adjustment of deferred tax for the year	-282
	Deferred tax assets at 31 March	305
10	**Payables joint taxation contribution**	
	Payables joint taxation contribution at 1 November	0
	Reclassification	-343
	Adjustment of deferred tax for the year	212
	Payables joint taxation contribution at 31 March	-131

Note

11 Contingencies and rental and lease commitments not recognised

Other 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 oay witholding taxes on interest, royalties and for dividends for the jointly taxed companies. At the balance sheet date, there are no lawsuits against the Company.

Joint ventures	**1 November 2018 - 31 March 2019** USD'000
Unrecognised commitments in joint ventures with joint liability	898
Unrecognised contingencies and rental and lease commitments in joint ventures with joint liability	1,855
	2,753

12 Related parties and ownership

Control	**Basis**
DCC Holding Denmark A/S Nærum Hovedgade 8, 2850 Nærum	Controlling shareholder
Shell Overseas Investments B.V. Carel van Bylandtlaan 30, Haag, Holland	Minority shareholder (from 1 July 2019)

Other related parties

DCC Center A/S Nærum Hovedgade 8, 2850 Nærum	Group entity
DCC Energi Danmark A/S Nærum Hovedgade 8, 2850 Nærum	Group entity
Dansk Fuels A/S Nærum Hovedgade 8, 2850 Nærum	Group entity
DLG Service A/S Vesterbrogade 4A, 1620 København V	Minority shareholder
DCC Holding A/S Nærum Hovedgade 8, 2850 Nærum	Parent company
DCC plc and subsidiaries and associated thereto Brewery Road, Dublin, Ireland	Ultimate parent company

Members of the Board of Directors and the Executive Board are mentioned under company details on page 5.

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

Note

12 **Related parties and ownership - continued**
Transactions with related parties

The table below shows all transactions entered into related parties referred to above.

	1 November 2018 - 31 March 2019 USD'000
Profit and Loss	
Sales and distribution costs	1,232
Administrative expenses	376
Total	1,608

13 **Group structure**

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
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

14 **Significant events after the balance sheet date**

On 1st July 2019 the shareholders of Dansk Fuels A/S has approved the de-merger of the Company's Aviation Business to DCC & Shell Aviation Denmark A/S. The demerger is retroactive as from 1st November 2018. Further the parent company, DCC Holding Denmark A/S sold 49% of the shares in DCC & Shell Aviation Denmark A/S to Shell Overseas Investments B.V.

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