INVEST IN WHAT THE WORLD NEEDS

Annual Report and Accounts 2023

WE KNOW WHAT THE WORLD NEEDS TO GROW AND PROGRESS

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THE WORLD NEEDS SOLUTIONS

for cleaner energy, lifelong health, and the technology to make progress happen.

WE INVEST AND REINVEST IN WHAT THE WORLD NEEDS

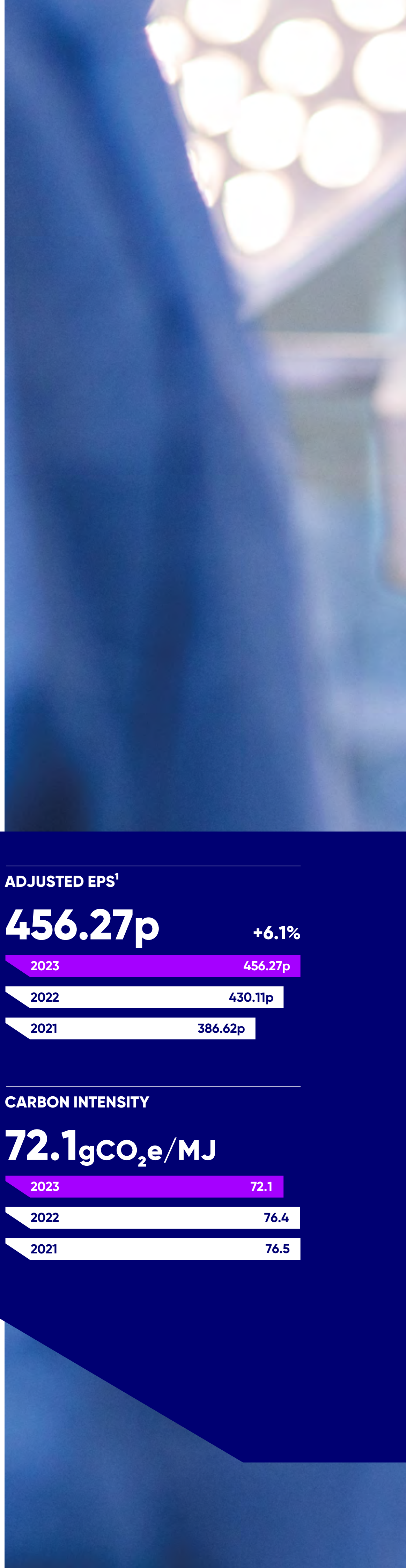
Future-focused businesses and people with the enterprise and innovation to make progress happen.

WE RETURN WHAT THE WORLD NEEDS

Progress and shared value that grows and grows – for our shareholders and customers, our people, society and our planet.

WE ENABLE PEOPLE AND BUSINESSES TO GROW AND PROGRESS

The world needs shared value that grows and grows. Our purpose and strategy generate value for our investors – and for our colleagues, our customers, the societies we serve and the planet.



HIGHLIGHTS

ADJUSTED OPERATING PROFIT[1]

£655.7m +11.3%

2023	£655.7m
2022	£589.2m
2021	£530.2m

ADJUSTED EPS[1]

456.27p +6.1%

2023	456.27p
2022	430.11p
2021	386.62p

CARBON INTENSITY

72.1gCO_2e/MJ

2023	72.1
2022	76.4
2021	76.5

"DCC delivered strong growth in a volatile macro environment, demonstrating the resilience of our diverse business and the commitment of our teams throughout the Group."

DONAL MURPHY
Chief Executive

DIVIDEND PER SHARE

187.21p +6.5%

2023	187.21p
2022	175.78p
2021	159.80p

OPERATING PROFIT

£512.0m +11.7%

2023	£512.0m
2022	£458.4m
2021	£422.9m

EPS

338.40p +6.8%

2023	338.40p
2022	316.78p
2021	297.04p

FREE CASH FLOW

£570.4m

2023	£570.4m
2022	£382.6m
2021	£687.8m

RETURN ON CAPITAL EMPLOYED[2]

15.1%

2023	15.1%
2022	16.5%
2021	17.1%

1. All references to 'adjusted operating profit' and 'adjusted earnings per share' included in the Strategic Report are stated excluding net exceptionals and amortisation of intangible assets. Other 'Alternative Performance Measures' ('APMs') are detailed on pages 241 to 245.
2. Return on capital employed excludes the impact of IFRS 16 Leases. See APMs on page 244 for further information.

OUR OPERATIONS

We are focused on growth and enabling progress.

We acquire, improve and grow diverse businesses that provide solutions for what the world needs.

We do this in 22 countries across four continents creating long-term value for our investors, our people and customers, society and the planet.

Employees
16,100

Countries
22

Over the past decade, DCC generated total returns of more than
160%
COMPARED TO 74% FOR THE FTSE 100 INDEX

Continents
4

SUSTAINABILITY

We want to add value for everyone we deal with and we are clear on where we can do this.

Climate Change and Energy Transition

Our goal is net zero. We are committed to leading our customers in their energy transition by providing innovative and cleaner energy solutions, reducing carbon emissions.

Safety and Environmental Protection

Our goal is no accidents. Safety must be grounded in a culture that encourages every DCC employee and contractor to identify and raise concerns.

People and Social

Our goal is to provide a vibrant, diverse and innovative place to work and be a positive member of the communities we serve. DCC is a people business, and developing and investing in our people is a key strategic objective.

Governance and Compliance

Our goal is to operate in accordance with the highest standards of ethics, compliance and corporate governance.

WHAT WE DO

We invest in growth and progress in three transformative sectors

DCC ENERGY

The trusted partner for commercial and industrial energy customers, reducing the complexity of the energy transition and delivering energy solutions across processes, heating and fleets.

DCC Energy is leading the transition for off-grid homes, making decarbonisation simple and affordable.

– **READ MORE** PAGES 16 TO 23

Volumes (litres)
15.5bn -2.1%

Adjusted operating profit
£457.8m +12.4%

Employees
7,816

DCC HEALTHCARE

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

– **READ MORE** PAGES 24 TO 31

Revenue
£821.5m +7.4%

Adjusted operating profit
£91.8m -8.6%

Employees
3,438

DCC TECHNOLOGY

A leading specialist distribution partner for global technology and appliance brands and customers, providing reach, simplicity and scale.

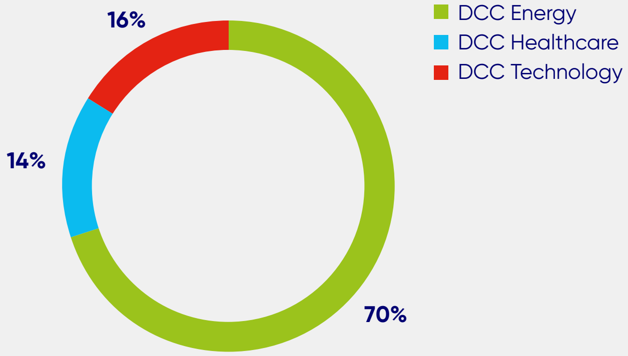
– **READ MORE** PAGES 32 TO 39

Revenue
£5.3bn +13.3%

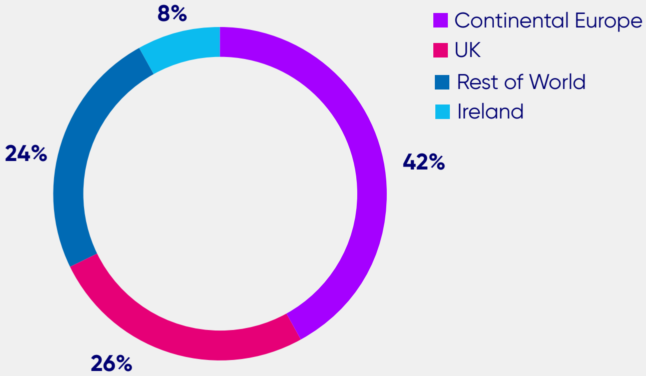
Adjusted operating profit
£106.1m +29.9%

Employees
4,847

Profit by division



Profit by geography



WE INVEST IN MORE THAN BUSINESS

DEAR SHAREHOLDERS

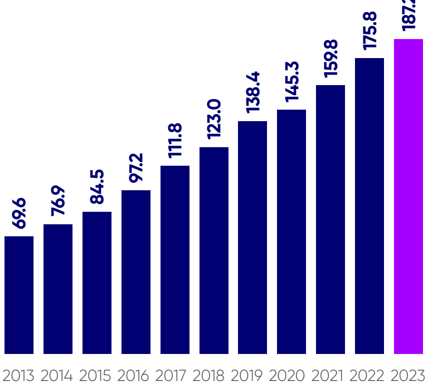
I am pleased to report on your company's performance during the year to 31 March 2023.

Performance

The Group delivered another strong set of financial results, with adjusted operating profit growing to £655.7 million, an increase of 11.3% over the prior year. Return on capital employed remained over 15%.

This performance allowed the Board to recommend a final dividend to shareholders of 127.17 pence per share which, when added to the interim dividend paid in December, provides a total dividend of 187.21 pence per share, representing an annual increase of 6.5%. This extends the Group's unbroken track record of increasing its dividend to shareholders to 29 years.

Dividend (pence)
Years ended 31 March



The Group delivered against other key performance indicators as well. We reduced our Scope 1, 2 and 3 carbon emissions. We increased the proportion of renewable energy provided to our customers. We maintained our strong safety performance, in line with the prior year. We increased our workforce engagement scores. And our divisions made good progress against their own market strategies.

Strategy

DCC's clear strategy and business model are the foundation of the Group's performance. Creating sustainable long-term value for our shareholders and other stakeholders remains the primary objective of the Board and management.

1. We buy, invest in, integrate and improve businesses in sectors – energy, technology and healthcare – that provide attractive long-term growth opportunities.
2. We empower and support entrepreneurial management teams to grow and develop those businesses.
3. We invest in our people, enabling them to grow and develop. And we bring in new talent to build diverse teams to support our future success.
4. We have integrated our growth and sustainability strategies in recent years and our efforts are focused on areas where we can make a real contribution like decarbonisation, safety and supply chain integrity.
5. This approach results in a growing, sustainable and cash-generative business that consistently provides returns on capital employed significantly ahead of our cost of capital – our core strategic objective.

In all cases, we invest to generate returns. This means financial returns for our investors, with the objective of delivering sustainable returns on capital employed of over 15%. It also means wider returns in the form of reduced carbon emissions, safe operations and attractive careers for diverse groups of people.

Optimising the performance of the businesses in the Group – financially and in relation to areas like safety, carbon efficiency, people and governance – is a key strength of DCC. We reinvest a proportion of the returns generated by Group businesses in organic growth and in acquisitions; and we return approximately 40% of adjusted earnings to shareholders each year.

The M&A capability of the Group, honed over 400 acquisitions, remains a key strength. We use this expertise to divest components of the Group when they no longer fit with strategy.

> Our integrated approach to growth and sustainability helps us fulfil our purpose of enabling people and businesses to grow and progress.

MARK BREUER
Chairman

This approach to sharing the returns that DCC generates in improving and building the Group and in supporting a progressive approach to dividends, provides a solid foundation for long-term success. We have clear capital allocation priorities, but we remain agile in our approach. If we have excess capital, then we can increase returns to shareholders, but we remain enthusiastic about the scale of organic and M&A investment opportunities available to us and the future growth trends that support them.

Our integrated approach to growth and sustainability helps us fulfil our purpose of enabling people and businesses to grow and progress.

Business Performance

Each of the Group's three divisions made good progress against their strategic objectives during the year under review.

The formation of DCC Energy added considerable momentum to the Group's decarbonisation activities, while also generating very strong financial returns and opportunities for sustainable growth in the future.

The evolution of DCC Energy's activities was enhanced by several acquisitions over the course of the year, including PVO in the Netherlands. PVO is a leading European distributor of solar panels and related equipment. A number of other smaller acquisitions in the solar industry in France further enhanced our still modest but growing presence in this important sector.

DCC Healthcare also made some important strategic investments during the year. These included the acquisition of Medi-Globe which considerably enhances DCC Healthcare's presence in the medical devices sector in Europe and provides the Group with attractive new opportunities for organic growth and acquisitions. Recent investments by DCC Healthcare in manufacturing capabilities for gummy-format nutritional products are also coming into operation and will deliver strong returns, accelerating its growth having given back this year some of the gains made during the pandemic

DCC Technology continued to focus on growing in carefully selected market segments where it can profitably add value to the suppliers and customers it serves. Its performance in the year was affected by a decline in consumer demand for some products. But its increased presence and capability in North America provides the Group with a significant platform for growth.

People

The Group's strong operational performance and strategic development was achieved thanks to the continued dedication, innovation and focus of the Group's 16,100 employees, led by Donal Murphy, his Group Management Team and leadership teams in businesses across the Group. The depth of leadership and management skill across DCC – a product of our devolved operating model – is a key asset. I would like to express the appreciation of the Board to everyone who works in DCC for their contribution throughout the year.

The Board continues to develop to reflect the current and future needs of the Group. We were very pleased to welcome Katrina Cliffe as a Director and as a member of the Remuneration Committee with effect from 1 May 2023. She brings expertise in the design and marketing of consumer services from her time in the financial services sector as well as broad boardroom experience. Pamela Kirby and Tufan Erginbilgic retired from the Board during the year. They took with them the thanks of the Board for their service to DCC and our best wishes for the future.

Securing directors with the diverse skills and experience needed to support the development of the Group will remain a priority for me and a key element of the work of the Governance and Sustainability Committee.

Looking Ahead

As we announced on 9 May, Donal is currently taking a few weeks off to address a health matter. He has the very best wishes of all of us on the Board and everyone across DCC and we expect to see him back for the AGM in July.

DCC's purpose-driven strategy, strong culture and agile business model allow us to respond effectively as our stakeholders' needs change, including through difficult periods. This was reflected in the Group's excellent performance during the year covered by this report. It is also reflected in our confidence about the future development of the Group.

I conclude my report by thanking all of our investors for your continued support for DCC.

MARK BREUER
Chairman
15 May 2023

WE'RE FOCUSED ON THE FUTURE

The decisions we make today will have long-term social, environmental and financial effects.

We want those effects to be positive: returns for our investors, cleaner energy for everyone, lifelong health and progressive technology.

We invest and reinvest in businesses that deliver sustainable positive outcomes for all our stakeholders. As we grow, we generate more and more opportunities for further investment, development and growth.

This enables progress for all of our stakeholders, in line with our purpose.

Q. DCC delivered another robust performance during the year. How was this achieved?

DCC performed very strongly, despite turbulence in many of the markets where we operate. We demonstrated once again the resilience of our diversified business model and the commitment and excellence of our teams.

We increased operating profits by 11.3% to £655.7 million and delivered a return on total capital employed of 15.1%. This was driven by strong organic growth in DCC Energy and by a number of successful recent acquisitions.

We continued to invest in what the world needs for the future. We deployed c. £360 million on value-creating acquisitions over the year in line with our capital allocation priorities. We developed innovative new product formats and manufacturing lines in DCC Health & Beauty Solutions and new infrastructure for decarbonisation in DCC Energy. We significantly expanded our growth platform in global medical devices by acquiring Medi-Globe.

We continued to invest in our people. We saw an improvement in engagement scores in our Employee Engagement Survey. We continued to build the Group Management Team. Fabian Ziegler joined as CEO of DCC Energy on 1 November. Clive Fitzharris, who led the development of our Pro Tech and Life Tech businesses, stepped up to become CEO of DCC Technology. And Eddie O'Brien was appointed to the newly-created role of Chief Strategy & Sustainability Officer.

> We invest and reinvest in businesses that have the opportunities and capabilities to deliver sustainable growth and value for all our stakeholders.
>
> Our core strategic objective is a growing, sustainable and cash-generative Group which consistently provides returns significantly ahead of our cost of capital and which enables our people and businesses to grow and progress.

DONAL MURPHY
Chief Executive

We continued to invest in sustainability. We took further significant steps in reducing our Scope 1 and 2 carbon emissions. The renewable content of the energy we sold increased from 4% to 6.3%. And we maintained our strong overall safety performance, maintaining the frequency of lost-time incidents below a rate of 1 day lost for every 200,000 hours worked.

Q. You announced a new energy strategy during the year. What progress are you making against it?

The world needs to decarbonise and DCC Energy is playing its part. As we stated last year when launching our strategy for the energy sector, DCC Energy will provide access to sustainable and affordable solutions for people and business to decarbonise. We are bringing a low-carbon future closer through our domestic and commercial energy solutions and multi-fuel mobility networks.

During the year our profits from services, renewables and other non-fossil activities increased from 22% to 28% of our energy profits. The growth in renewables was helped by a significant increase in our sales of Hydrotreated Vegetable Oil ('HVO'), which is a renewable substitute for diesel. We are now a leading HVO supplier in many of our key markets, including Ireland, UK, Austria and Sweden. HVO is being embraced by many customers, particularly B2B climate leaders. For example, Amazon recently announced it would switch backup generators in its Irish data centre to sustainable biofuel supplied by Certa Ireland, a DCC business.

Energy transition requires a wide range of solutions including new electricity supply models. Our French solar business has built a national position in just three years. This is generating real impact with our customers in France and provides us with experience relevant for other markets. The acquisition of PVO, a leading European distributor of solar panels and related technologies, bolsters our unique position in the growing European solar market.

We have also developed leading consultative capabilities for our customers in new heating technologies through the acquisitions of Protech Group, a provider of renewable and energy efficient heating solutions to commercial customers in the UK, and Freedom Heat Pumps, one of the UK's largest distributors of air source heat pumps.

LPG remains an important transition fuel, given its lower carbon emissions relative to other fossil fuels. But we are also committed to decarbonising LPG. To that end, we have partnered with Oberon Fuels, to create a platform for renewable dimethyl ether ('rDME') production plants in Europe. We are currently working together to assess the availability of sustainable and scalable supply chains of renewable feedstocks and to identify possible locations for production plants. We will supply the rDME produced in these plants to our customers across Europe.

We will further scale our renewable products and services in the year ahead, as we look to double the size of DCC Energy by 2030, while also making substantial cuts in our carbon emissions.

Q. What is DCC's wider purpose in society and what are you doing to fulfil it?

DCC's purpose is to enable businesses and people to grow and progress.

We fulfil our purpose by making sure that everyone we deal with – our colleagues, our investors, our suppliers and customers, the societies we serve and the planet – benefits from what DCC does.

Delivering returns for our shareholders is essential and we remain as focused as ever on that. But we are just as clear on the need to operate safely, to support a healthy workforce whose diversity is valued, to provide innovative and efficient services to our suppliers and customers and to reduce our impact on the planet, most notably through decarbonisation. Our growth and sustainability strategies are fully aligned on these objectives and will deliver long-term measurable growth and progress – for our people, shareholders, customers, suppliers, society and the planet – in line with our purpose. We are investing in what the world needs and are excited by the opportunities and broad range of returns this generates.

Our three divisions are very clear on what the world needs to grow and progress: cleaner energy for everyone, lifelong health and technology that enables progress. We are leading the energy transition, working with customers towards a cleaner energy world. We are building a healthy world, improving patient health and customer health at home and in clinical settings. We are creating a progressive world through the delivery of innovative technology solutions.

Q. The year was a tough one for many people and businesses, with lots of disruption and cost of living increases. What is DCC doing to help?

I never fail to be impressed and enthused by the energy, expertise and commitment of my colleagues across DCC. This year, despite the volatile environment and pressures they were under, our people delivered for our suppliers, customers and each other. The success of the DCC Group and every business within it is very largely down to them. And I am deeply grateful for everything they do.

We saw the pressure that many people and businesses were under during the year because of the cost of energy and inflation crisis they faced. So, we always think about affordability when considering price changes and, more generally, where we can help. We take a long-term view of these relationships.

Our UK energy business Certas identified customers who were struggling financially because of the inflation shock and economic downturn in the UK. We offered easier ways to pay, discount vouchers and provided information so that customers could fully access the energy subsidies provided by the UK Government. Also in the UK, Flogas Britain unveiled similar initiatives as part of its Live Life Connected offer, focusing on its rural customer base off the gas grid. Butagaz put similar supports in place for customers in France.

Last year also highlighted the importance of maintaining reliable supplies of energy while reducing carbon emissions. We are playing our part as the world navigates the energy trilemma of energy security, affordability and sustainability.

For our own people, we continue to ensure our salary increases are competitive and in line with the respective markets we operate in.

Our businesses are embedded in their local communities and champion local initiatives. At Group level, we are proud to mark the 13th year of our support for Social Entrepreneurs Ireland ('SEI') and ongoing support of the LauraLynn Foundation in Ireland. Highlights of our wider stakeholder engagement are regularly shared through our social media channels.

Q. Buying and integrating new businesses is an important part of the DCC business model. What were the highlights this year?

Acquisitions are a key pillar of DCC's growth strategy. The year ended March 2023 was another successful year from a development perspective. Since our results in May 2022, we committed approximately £360 million to acquisitions, with good progress made in delivering our priorities to build a material position in the European healthcare sector and to ensure we are leading the decarbonisation of our energy customers.

Highlights during the year include the acquisition of Medi-Globe, an international medical devices business focused on minimally invasive procedures. Medi-Globe is DCC Healthcare's largest acquisition to date. It significantly expands and enhances DCC Vital's position in the medical devices sector, creating an international platform of scale in single-use devices with strong development capability. Medi-Globe has been successfully integrated into the Group and we are executing a clear value creation plan which will provide meaningful synergy opportunities, in particular through leveraging DCC Vital and Medi-Globe's respective product portfolios, commercial infrastructures and complementary regional coverage.

During the year, DCC Energy expanded its services and renewables offering and capability by acquiring PVO, a leading distributor of solar PV and associated products, such as energy storage and EV chargers, across continental Europe. The acquisition leverages PVO's established market position in the fast-growing solar PV market and DCC Energy's knowledge and experience in transitioning customers to cleaner energy. DCC Energy can also leverage the extensive experience and capability of the Technology division in technology product distribution and supply chain management. The business has been successfully integrated into the Group and provides an excellent platform to build a pan-European business in the distribution of solar PV and related products and services helping us transition our customers to net zero.

In addition to PVO, DCC Energy completed a number of bolt-on acquisitions providing renewable energy solutions and services to customers, including Protech Group which provides energy efficient heating solutions to commercial and industrial customers across the UK and Freedom Heat Pumps, one of the UK's largest distributors of air source heat pumps. These acquisitions support DCC Energy's strategy to provide multi-energy and multi-service offerings to its customers.

The key priority for DCC Technology in the past year was the integration of Almo into the Group, which encompassed completing the successful integration of DCC Technology's existing platform in the United States to create the leading specialist AV business in North America. The acquisition of Almo provides DCC Technology with a scale platform ideally positioned for growth in large and attractive North American markets.

Over the past three years, DCC has spent £1.3 billion on acquisitions. We have successfully integrated these acquisitions into the Group and our management teams are executing upon clearly defined value creation plans to drive long-term sustainable growth and returns.

Q. What are the key strategic priorities for DCC over the next few years?

DCC's strategy has been consistent and successful for a very long period. We invest and reinvest in businesses that have the opportunities and capabilities to deliver sustainable growth and value for all our stakeholders.

At the centre, we support our diverse businesses with what they need to innovate and grow, including expertise in a range of relevant areas and a focus on strategic development. Within our businesses, we build talented, entrepreneurial and purpose-focused leadership teams who can deliver growth in their markets.

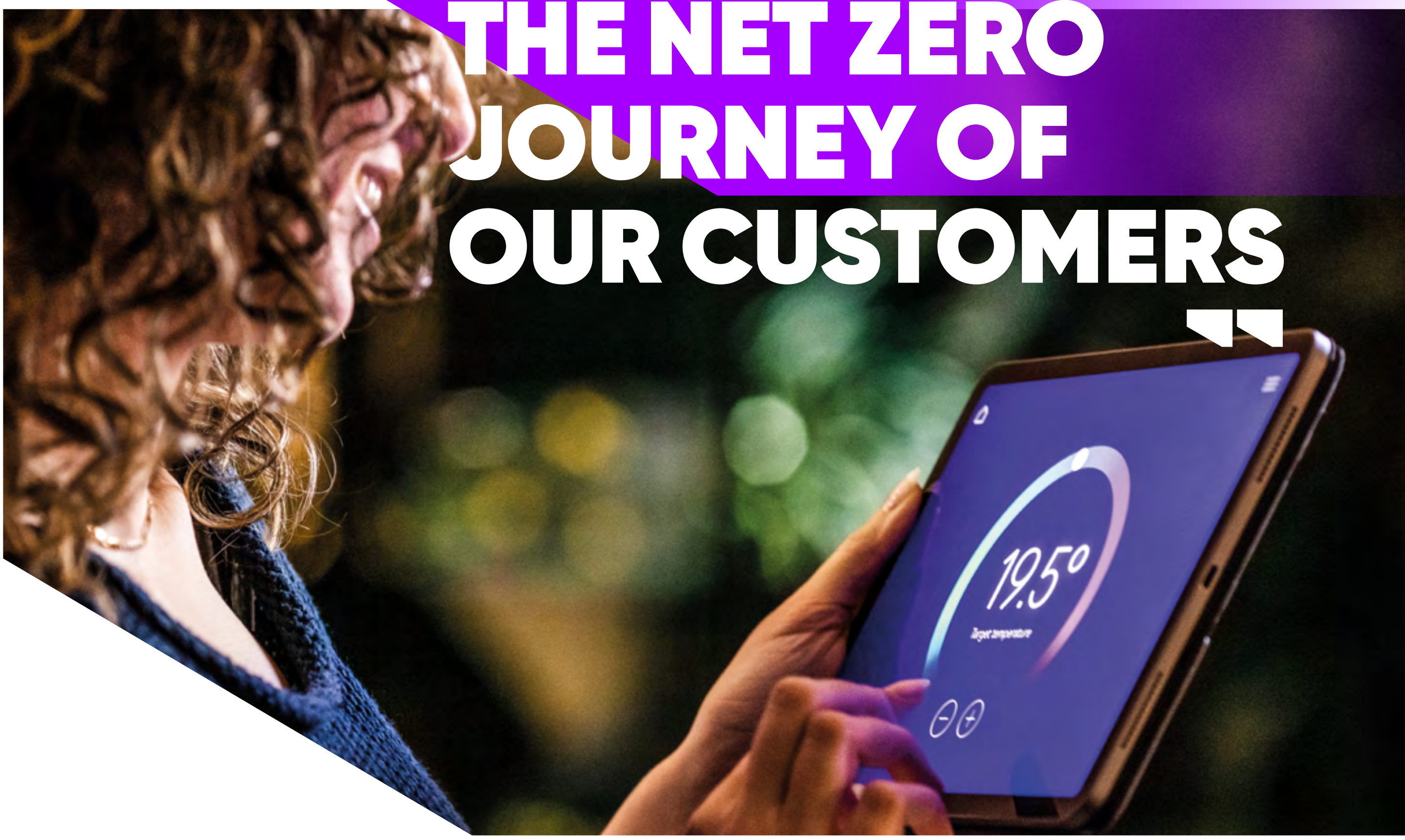
By doing this, we achieve our overall strategic objective to continue building a growing, sustainable and cash-generative business which consistently provides returns on capital employed significantly ahead of our cost of capital. We also fulfil our purpose to enable people and businesses to grow and progress.

The shape of the Group has evolved in recent years and it will continue to evolve. We have now deployed around 30% of our capital in North America, having entered that market only five years ago. Today, profits are split roughly evenly between, on one side, traditional and lower carbon energy products, and, on the other side, income from Technology, Healthcare, and renewable energy products and services. Our 2030 vision for the Group is to both double profits and have up to 75% of profits generated by Technology, Healthcare, and zero-carbon services and renewables in DCC Energy.

I am more enthusiastic than ever about the future growth prospects of DCC. The strong alignment of our growth and sustainability strategies, the deep financial and management capabilities of the Group, and the wide range of opportunities available in the markets where we operate provide us with a wider range of development options than ever before.

DONAL MURPHY
Chief Executive
15 May 2023

"OUR ENERGY STRATEGY IS TO ACCELERATE THE NET ZERO JOURNEY OF OUR CUSTOMERS"



A STRATEGY FIT FOR THE FUTURE

We invest in businesses with solutions that the world needs and with future growth potential.

We reinvest and optimise the performance of those businesses, providing the support they need to enable their future success.

WE LOOK AHEAD TO INVEST AND REINVEST IN FUTURE-FOCUSED BUSINESSES THAT CAN MAKE PROGRESS HAPPEN.

WE MAKE FUTURE-FOCUSED DECISIONS

WE LOOK FOR

GROWTH TRENDS

- Businesses that provide what the world needs today and in the future.

GROWTH POTENTIAL

- Talented, entrepreneurial, values-driven management teams.
- Opportunities for organic and inorganic development.

SUSTAINABLE GROWTH

- People, products and services that can deliver progress for investors, the societies we serve and the planet.

KEY ENABLERS

- Market leading positions
- Operational excellence
- Extend our geographic footprint

We invest and reinvest to deliver returns that are well in excess of our cost of capital and that add value for all of our stakeholders.

This future-focused strategy delivers long-term, sustainable value in line with our purpose.

WE GROW FUTURE- FOCUSED BUSINESSES

WE FOCUS ON

CAPITAL ALLOCATION

- Invest to generate returns well in excess of our cost of capital.
- Convert profits to cash.
- Reinvest cashflows to enable further sustainable growth.
- Remain an attractive buyer of new businesses.

OPTIMISING PERFORMANCE

- Proven processes for financial management and strategic development.
- Central support in key areas such as strategy, M&A, HR, sustainability and risk management.

Innovation

Development of our people

Financial discipline

WE CREATE SUSTAINABLE VALUE

WE ENABLE PEOPLE AND BUSINESSES TO GROW AND PROGRESS.

ENERGY

CLEANER ENERGY WORLD

Our Ambition: to give all customers the power to choose a clean energy future today with inclusive and independent energy solutions.

– READ MORE ON PAGES 16 TO 23

HEALTHCARE

HEALTHIER WORLD

Our Ambition: to enable people to lead healthier lives, throughout their lives.

– READ MORE ON PAGES 24 TO 31

TECHNOLOGY

PROGRESSIVE WORLD

Our Ambition: to make progress happen in every industry we enter with enhanced technology solutions.

– READ MORE ON PAGES 32 TO 39

A DIVERSIFIED AND DEVOLVED BUSINESS

We operate in diverse sectors and geographies through agile and expert management teams. This creates resilience, drives a culture of excellence and leads to more opportunities for growth.

WE INVEST IN WHAT THE WORLD NEEDS TO GROW AND PROGRESS

OUR RESOURCES AND CAPABILITIES

People
A multinational and multicultural skilled workforce of 16,100 colleagues with shared values and a common purpose.

Partnerships
We are a trusted partner to millions of customers and the world's leading energy, healthcare and technology companies.

Financial
The Group has a strong and liquid balance sheet which enables us to react quickly to commercial opportunities.

Infrastructure
We have robust operating platforms and a diverse geographic footprint.

Intellectual
The combined expertise within the Group, together with the strength of our own brands, third-party brands, licences and business processes provides competitive advantage.

WE ALLOCATE CAPITAL

The sectoral and geographic diversity of our businesses gives us optionality in capital allocation. Our compounding business model combines organic growth with leading M&A capability.

SECTORS
We invest in three diverse, resilient and sustainable sectors where demand for products and services continues to grow.

– READ MORE BUSINESS REVIEWS ON PAGES 16 TO 39

BUSINESSES
We invest and reinvest in a diversified range of businesses which provide solutions that the world needs.

This facilitates continued investment through economic cycles and access to multiple new growth trends.

GEOGRAPHIES
We have a diverse geographic footprint across 22 countries in 4 continents.

This facilitates access to new markets and growth trends and provides resilience to economic shocks.

WE SUPPORT BUSINESSES WITH EVERYTHING THEY NEED TO GROW

WE ENABLE GROWTH & PROGRESS

WE REINVEST TO GROW

EMPOWER DIVERSE TEAMS

Our devolved structure supports our local management teams with central expertise.

This gives entrepreneurs and innovators the resources they need to excel.

It inspires a growth mindset and a culture of excellence, creativity and innovation and allows local teams to be more agile.

OPTIMISE PERFORMANCE

We promote a culture of best practice and high performance through:

- Our financial discipline which creates efficiencies, stability and resilience to drive organic growth.
- Our expertise in strategy, M&A, risk, tax, treasury, compliance and sustainability.
- Our proven ability to operate and grow customer-focused sales, marketing and support services businesses.

CONNECT SUPPLIERS AND CUSTOMERS

By operating globally, locally:

- We ensure deep local knowledge and focus.
- Our suppliers stay closer to our customers.
- We better understand our customers' current and future needs.

THE SHARED VALUE WE CREATE

Suppliers
£20.7bn
GOODS AND SERVICES SUPPLIED

Employees
83%
EMPLOYEE ENGAGEMENT

Investors
15.1%
RETURN ON CAPITAL EMPLOYED

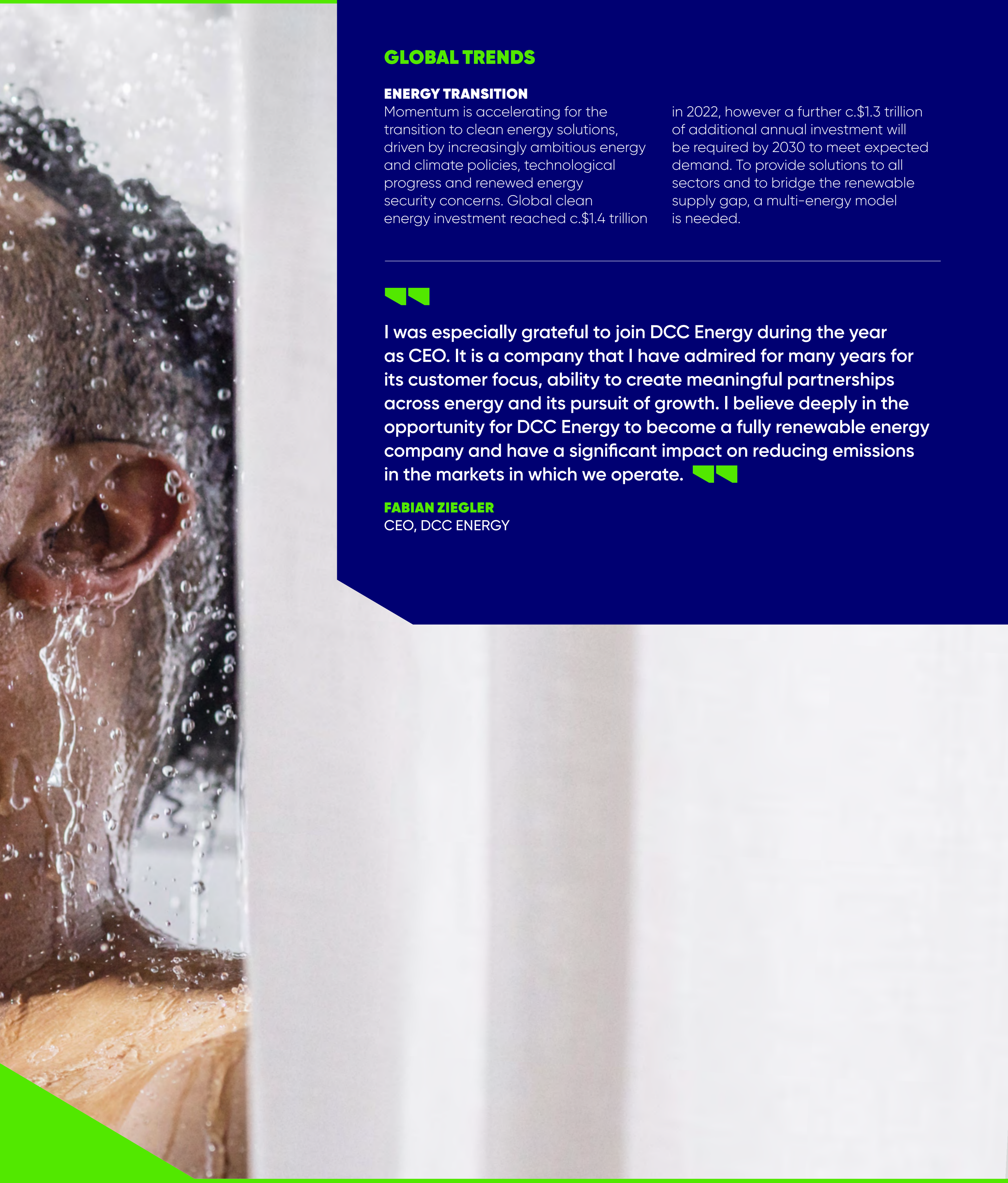
Communities and the Environment
5.1%
REDUCTION IN SCOPE 3 EMISSIONS

Governments and Regulators
£88m
CORPORATE TAXES

– READ MORE ON
FINANCIAL REVIEW PAGE 44
STAKEHOLDER ENGAGEMENT PAGE 52
SUSTAINABILITY REVIEW PAGE 58

Our ambition is to double profits through strong carbon leadership. We are already on our way with over a quarter of profits coming from non-fossil sources. We bring decarbonisation closer through domestic, commercial and mobility solutions.

THE WORLD NEEDS CLEANER ENERGY FOR EVERYONE



GLOBAL TRENDS

ENERGY TRANSITION

Momentum is accelerating for the transition to clean energy solutions, driven by increasingly ambitious energy and climate policies, technological progress and renewed energy security concerns. Global clean energy investment reached c.$1.4 trillion in 2022, however a further c.$1.3 trillion of additional annual investment will be required by 2030 to meet expected demand. To provide solutions to all sectors and to bridge the renewable supply gap, a multi-energy model is needed.

I was especially grateful to join DCC Energy during the year as CEO. It is a company that I have admired for many years for its customer focus, ability to create meaningful partnerships across energy and its pursuit of growth. I believe deeply in the opportunity for DCC Energy to become a fully renewable energy company and have a significant impact on reducing emissions in the markets in which we operate.

FABIAN ZIEGLER
CEO, DCC ENERGY

DCC ENERGY BUSINESSES

AMBITION

TO GIVE ALL CUSTOMERS THE POWER TO CHOOSE A CLEAN ENERGY FUTURE, TODAY

We will deliver this through our two businesses:

ENERGY SOLUTIONS

COMMERCIAL AND INDUSTRIAL We are the trusted partner of commercial customers, reducing the complexity of transition and delivering energy solutions across processes, heating and fleets.

DOMESTIC We will lead the transition for off-grid homes, making decarbonisation simple and affordable.

KEY BRANDS Benegas*, Brogan*, Bronberger & Kessler*, Butagaz*, Butler Fuels*, Campus*, Carlton Fuels*, Certas*, DCC Energi*, Emo Oil*, Energie Direct*, Flogas*, Gaz de Paris*, Gulf, Jones*, Hicksgas*, Northeast Oil*, Pacer Propane*, Pacific Coast Energy, Propane Central*, QStar*, Saveway Petroleum*, Scottish Fuels*, Shell, Swea*, TEGA*, Texaco, Top Oil* (in Austria) and United Propane Gas*

* DCC-owned brands.

ENERGY MOBILITY

We are the leading multi-fuels network focused on:

RETAIL NETWORK We operate a network of retail forecourts on motorways and in urban areas providing fuel and EV charging.

FLEET SERVICES Multi-fuel bunkering and value add services for small/mid-sized fleets.

KEY BRANDS

Retail brands
Certa*, Emo*, Esso, Great Gas*, Gulf, QStar*, Shell, Spritkonig

Fuel Card brands
Allstar, BP, Certas*, Diesel Direct, Esso, Fastfuels, Gulf, QStar*, Shell, TruXtop*, UK Fuels

* DCC-owned brands.

PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

Volume (litres)

15.5bn -2.1%

2023	15.5bn
2022	15.9bn
2021	13.9bn

Adjusted operating profit

£457.8m +12.4%

2023	£457.8m
2022	£407.1m
2021	£376.1m

Adjusted operating profit per litre

2.95ppl

2023	2.95ppl
2022	2.57ppl
2021	2.71ppl

Return on capital employed

19.0%

2023	19.0%
2022	18.6%
2021	18.1%

Operating cash flow

£573.9m

2023	£573.9m
2022	£518.4m
2021	£674.9m

10-year adj. operating profit CAGR

15.7%

2023	15.7%
2022	18.8%
2021	12.4%

DCC Energy recorded an excellent trading performance, with operating profit increasing by 12.4% (10.0% constant currency). Both our Solutions and Mobility businesses recorded strong growth. Organic operating profit grew 8.3% and ROCE increased to 19.0%.

DCC Energy Solutions performed very well during the year and grew operating profit by 9.7% (6.7% constant currency). Half of the operating profit growth was organic, despite the pervasive inflationary cost pressures and the milder than average winter conditions, which impacted demand. There are four operating regions within DCC Energy Solutions: continental Europe, UK & Ireland, North America and the Nordic region. All regions performed strongly during the year.

In continental Europe, we recorded good profit growth and experienced robust demand from customers, despite high and volatile wholesale energy prices and the headwind of milder weather. Government efforts across the region to lower energy consumption, given energy security concerns, also influenced demand. In France, our business performed strongly, albeit it saw lower demand for lower carbon LPG, natural gas and power given the headwinds mentioned above. The business saw strong demand for solar solutions and completed further bolt-on acquisitions which have broadened regional coverage. The wholesale cost of natural gas and power was very volatile and made for a challenging trading environment in this segment, but the business managed this challenge very well. The Austrian business had an excellent year, where it benefited from good demand and our strong supply position.

We also delivered strong growth in the UK & Ireland. With weaker demand for traditional fuel products, the profit growth in the year was driven by good demand for our energy services and renewables (particularly in Ireland), as well as good demand for lower carbon products, such as LPG. We rolled out Hydrotreated Vegetable Oil (HVO) biofuel across our UK & Ireland fuel network and we are using the fuel to power our own truck fleet. This creates strong visibility with our own customers. Demand increased for HVO from customers across the UK & Ireland, including from large commercial customers such as data centres.

In North America we achieved strong profit growth during the year, despite the weather being warmer than average.

We continued to invest in the operating and management infrastructure in the region. This will provide the capacity to further develop our presence in the region in the future.

In the Nordics, our business recorded good growth, driven by the provision of solutions to commercial and industrial customers. We delivered renewable Dimetyl Ether (rDME, a drop-in renewable replacement for LPG) to our first customers in the region during the year and our aviation business recovered as travel resumed. We continue to lead in the region in sustainable aviation fuel initiatives.

DCC Energy Mobility grew operating profit by 20.6% (20.1% constant currency), almost all of which was organic. There was significant volatility in the wholesale price of fuels in all markets during the year. We experienced supply disruption due to the energy crisis and industrial action at various refineries in France. Against this backdrop we continued to make good progress in adding further capability to the business, increasing our offerings in renewable fuels and fleet solutions and investing in locations where we see an EV charging opportunity.

In France, our business recorded strong profit growth. Volumes were rowbust, despite the market experiencing supply disruption through the year due to industrial unrest. We also fully integrated the adjacent Luxembourg network which has brought a strong convenience capability. Our business also had a very strong year in the UK market. We saw strong growth in demand for our range of HGV services, where we continue to expand our truck-stop network and grew our tech-enabled parking and services offering for customers. The company-owned and operated retail network in the UK also performed strongly and saw good growth in non-fuel income. In Scandinavia, we delivered a robust performance. Operating profit declined in Sweden, following a very strong performance in the prior year, but we saw good growth in Norway and a robust performance in Denmark.

We continued our focus on organic development during the year to improve our offering to our retail and fleet customers. Our locations offering EV charging increased from 55 to 98. We continued to roll out biofuel at the pump for HGVs in the Nordics and we opened our first purpose-built mobility hub at Mandal in southern Norway.

STRATEGY

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

ENERGY SOLUTIONS

Energy transition is creating a range of opportunities for DCC Energy to continue to win with customers through their transition journey, while also bringing our capabilities and experience to new customers in fragmented renewable energy sectors. We are excited about further expansion in biofuels, solar, and energy services, as well as further developing our leadership positions in LPG.

Our commercial and industrial customers are small, medium and large business that typically use traditional fuel to run industrial processes and heat buildings. Growing engagement amongst these customers in the Net Zero agenda is driving the demand for cleaner fuel options. We are responding to this need through growth in our LPG offers – an important lower carbon transition fuel – and leading the way in renewable molecular energy through biofuels including leading positions in HVO distribution. We combine this with growing expertise in decentralised power offerings such as solar in France and broader energy consultancy in the UK.

Our domestic clients are mainly rural customers using traditional fuels to heat their homes. The transition of their homes to a low and zero carbon future requires a multi-pronged approach. We believe biofuels have a significant role to play for customers that cannot afford a full energy system change in the short-term. For those looking to transition their heating from liquid energy sources to hybrid or electrification we have been building our heat pump capabilities. Affordability, reliability and the cost of retro fits are key barriers to change which we are well positioned to help overcome.

ENERGY MOBILITY

Our mobility business is focused on building networks of multi-energy transport hubs for customers using cars, vans and trucks. We are creating distinctive multi-energy networks by using our deep knowledge of mobility networks, existing partnerships and our growing suite of value-added services. On our Retail networks we have been investing in EV charging capability and new site formats focused on multi-fuel solutions. Our Mobility services business is building more capabilities to advise customers on the transition of their fleets.

Strategy in Action

CREATING LEADERSHIP POSITIONS IN BIOFUELS

From modest positions in 2022, we grew our position significantly in biofuels in 2023. Our businesses in the UK, Ireland, Austria and Sweden have developed leadership positions in the marketing and supply of HVO products, with more to come. Customers in the haulage, transport and construction sectors have been first-movers on these fuels, to decarbonise heavy equipment and fleets. Other high profile opportunities have included a successful partnership with Amazon on their backup generation for data centres.

During the year, we also announced our partnership with Oberon Fuels as we look to lead a similar journey in the decarbonisation of LPG. Oberon has real world experience in the development of rDME, a drop-in renewable molecule to decarbonise LPG, in North America and we are excited to partner with them for development of the molecules in Europe.

MARKETS AND MARKET POSITION

ENERGY SOLUTIONS

Our Energy Solutions business provides a wide range of energy solutions to domestic and commercial customers across 12 countries.

ENERGY SOLUTIONS CONTINENTAL EUROPE

Energy Solutions Continental Europe operates in France, The Netherlands, Belgium, Austria, Germany and Hong Kong & Macau.

France

Butagaz is the second largest LPG distribution business in France. Butagaz operates from 50 depots nationally, distributing to 140,000 bulk customers, 16,000 points of sale (cylinder resellers) and 8,500 B2B cylinder customers. We estimate that Butagaz cylinders are used by approximately 4.4 million end-user customers annually. Butagaz has a strong supply base and sources LPG from several supply points across France and from Belgium, Spain and Germany.

Butagaz is building a strong position in the photo-voltaic solar installation market in France. In the last two years, four business have been acquired, giving Butagaz significant coverage across the country and positioning Butagaz as a multi-energy and multi-services energy solutions provider.

Gaz Européen is a specialist retailer of natural gas and electricity, focused on supplying energy management solutions to companies, apartment blocks (with collective heating systems), public authorities and the service sector in France. Gaz Européen supplies approximately 7.2 TwH of natural gas and power to c.25,000 B2B sites across France. A key aim of the company is to improve energy efficiency for its customers by providing a range of innovative services.

The Netherlands & Belgium

In the Netherlands, where DCC LPG's business trades under the Benegas brand operating from five depots and several third-party locations, the business delivers to commercial, industrial, agricultural and domestic customers in The Netherlands and Belgium, and is also a significant player in the sale of LPG for aerosol and autogas use.

In November 2022, DCC completed the acquisition of PVO International BV ('PVO'), a leading distributor of solar panels, invertors, batteries and accessories used in the commercial, industrial and domestic energy sectors across continental Europe. PVO was established in 2014 and has grown rapidly to become one of the leading solar solutions suppliers in Europe, with a market-leading position in the Benelux region, and growing positions in eight other European countries including Germany, Poland and Finland. The company has approximately 400 active customers including installers, EPCs, corporates, solar developers and wholesalers. The business is headquartered in Rosmalen, the Netherlands, and employs approximately 50 people.

Austria & Germany

The Austrian and German activities managed by Energi Direct are in bulk liquid fuel distribution and retail, with its own company-owned and operated portfolio with a strong convenience offer on a modest number of sites under the Spritkonig brand. Energie Direct is number two in this market.

Energie Direct also includes Bronberger & Kessler, a liquid fuel distribution business in Bavaria, Germany.

TEGA is an LPG and refrigerant gas distribution business with four operating sites based largely in southern Germany, delivering c.50,000 tonnes of LPG and c.3,000 tonnes of refrigerants annually. The refrigerants business supplies OEMs, wholesalers and service contractors related to air-conditioning, commercial cooling systems and refrigerators, whereas the LPG business services c.25,000 domestic and commercial customers.

Hong Kong and Macau

DSG Energy is the market leader in Hong Kong, supplying piped LPG under long-term supply agreements and continues to expand its operations and service offering. The business has a customer footprint of over 107,000 households based in very large residential complexes. DSG Energy has a number one position in the cylinder market and supplies autogas through Shell's retail network. It also has a market leading position in the smaller Macau market.

The business is supplied via the Shell terminal on Tsing Yi Island located next to DSG's filling and storage facility and distributes c.45,000 tonnes of Shell-branded LPG annually under a long-term Shell brand licence agreement.

ENERGY SOLUTIONS BRITAIN & IRELAND

Britain

Energy Solutions Britain provides energy to domestic and commercial customers across the country from a nationwide infrastructure of 170 operating locations. The business is the leading liquid fuels (both liquids and LPG) distributor in Britain.

Flogas Britain is the clear number two LPG distributor in Britain operating through a nationwide infrastructure of 60 operating locations. Flogas Britain has successfully grown the LPG market by switching oil consumers in several industrial sectors to LPG, and by supplying LPG to support the generation of biomethane, which is injected into the gas grid. In addition to LPG, the business has continued to develop its position as the leading distributor of liquefied natural gas ('LNG') as an energy solution primarily to large industrial businesses. The business significantly increased its solution and services offering in the current year with its acquisition of Protech Group, which provides a wide range of renewable and energy efficiency solutions to commercial and industrial customers.

In Britain, Certas Energy has been a consolidator of the fragmented oil distribution market since 2001 and has grown to become, by far, the largest oil distributor in this market. Our customers are mainly in mobility and heating energy in the commercial, industrial, domestic, agricultural, retail and fuel card sectors. The business is a leading supplier of HVO to the British market and expanded its renewable offering through the acquisition of Freedom Heat Pumps, a distributor of air source heat pumps during the year. In addition to fuels, the business has a significant market presence in lubricants manufacturing, marketing and distribution for a number of leading brands and in AdBlue.

Ireland

Energy Solutions Ireland provides energy to domestic and commercial customers across the country through our two businesses, Flogas Ireland and Certa.

Flogas Ireland is the number two LPG supplier on the island of Ireland. It supplies bulk and cylinder LPG to a wide range of industrial, commercial, and domestic customers, serviced by a developed network of authorised distributors and six depots. The LPG business has experienced strong growth in customer numbers in recent years, as new off-grid customers switch from oil to LPG to avail of the increased energy efficiencies and reduced carbon emissions offered by LPG.

Flogas Ireland has built a natural gas and electricity business for both domestic and commercial customers. This business was initially built organically, with the growth being accelerated in recent years through selective acquisitions. Through Flogas Enterprise Solutions, the business is a market leading supplier of renewable electricity, natural gas, biogas and energy services to large energy users in Ireland and Northern Ireland. Today, Flogas Ireland has a platform for a carbon neutral dual fuel offering to residential, SME and large commercial customer segments throughout Ireland. In the year to 31 March 2023, the business supplied 4.4 TWh of natural gas and electricity to approximately 160,000 customers across Ireland.

Certa is one of the leading oil distributors in Ireland. Certa has developed a market leading HVO supply position in the Irish market, supplying to commercial customers and developing a home heating offering. The business acquired Jones Oil and Campus Oil in recent years and, following the successful integration of these businesses, it fully rebranded under the Certa brand in 2023.

ENERGY SOLUTIONS NORDICS

Energy Solutions Nordics operates across three countries: Denmark, Sweden and Norway.

DCC Energi Denmark is the number two liquid fuels distributor, with a growing business in energy services. DCC Energi Denmark, in partnership with Shell, is also the second largest operator in the Danish aviation market, operating in seven of the eight largest Danish airports. The business is deploying capital into a significant roll-out of electric vehicle chargers in partnership with Shell, and can offer e-mobility solutions from home, office, forecourt and public spaces.

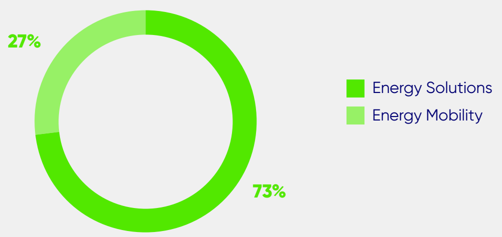
In Sweden and Norway, Flogas operates from five locations, which include two key importation facilities. Flogas is the market leader in both of these markets, distributing LPG predominantly to large steel and industrial customers.

ENERGY SOLUTIONS NORTH AMERICA

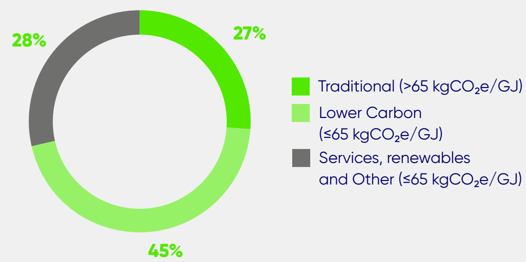
DCC Propane is headquartered in Illinois, operates in 22 states and services 280,000 customers. The business is now the number seven LPG business in the US by volume following the successful integration of the UPG business acquired in December 2020 and is actively looking to extend its footprint further in what is still a relatively unconsolidated market.

The business trades under seven key regional brands – Hicksgas, Pacer Propane, Propane Central, Pacific Coast Energy, Saveway Petroleum, Northeast Oil and United Propane Gas.

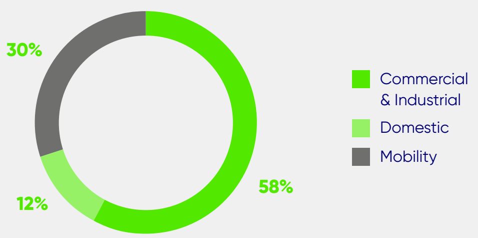
DCC Energy adjusted operating profit



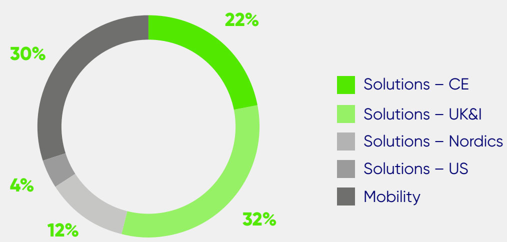
DCC Energy adjusted operating profit by product type



DCC Energy volumes by customer segment



DCC Energy volumes by geography



ENERGY MOBILITY

DCC Energy's Mobility businesses operate across six countries developing networks that provide a wide range of energies and related services for road users.

France & Luxembourg

The Esso Retail France business comprises an extensive network of 276 Esso-branded, unmanned retail petrol stations (63 of which include car washes), 46 Esso motorway stations and a further 124 Esso-branded dealer-owned stations. At the end of FY23, the business had 114 chargers at 27 Motorway sites.

During the year, the business established a partnership with ENGIE to roll out electrical chargers on 16 strategically located motorway sites in France, continuing our commitment to invest in lower emission energy. Our Mobility business in Luxembourg consists of 11 company-owned, company-operated ('COCO') sites, three company-owned, dealer-operated ('CODO') sites and five dealer-owned, dealer-operated ('DODO') sites, primarily operating under the Gulf brand. The COCO shops all operate Shoppi branded convenience stores. Shoppi is part of the Cactus Group, the largest grocery retailer in Europe. The sites are mainly in urban locations with a number being identified as suitable for an EV charging offering, leveraging our experience in Norway and France.

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

Sweden

The QStar retail network is the fifth largest retail network in Sweden, with a nationwide footprint of 345 sites. In addition QStar is a leading HVO supplier in Sweden.

Norway

Activities in Norway include a well located Esso branded retail network and an Esso branded bulk distribution business. The Esso retail network in Norway comprises 118 company-operated stations with convenience stores operated in partnership with Norgesgruppen, the largest grocery retailer and wholesaler in Norway, a growing unmanned network of 54 stations and 76 Esso-branded dealer-owned stations. In addition, the business has been successfully deploying electric vehicle charging stations, with 229 chargers currently operating across 35 sites with a strong pipeline of additional locations. The business operates from its office in Sandvika in Norway, with pricing, supply and back office support provided by the retail hub based in Drogheda, north of Dublin, Ireland.

Denmark

DCC Energy's Mobility business in Denmark is the fifth largest player in the Danish retail petrol station market. The business is deploying capital into a significant roll-out of electric vehicle chargers in partnership with Shell, and can offer e-mobility solutions from home, office, forecourt and public spaces.

UK

DCC Energy's Mobility business in the UK operates our retail network along with supply to a significant portion of the retail dealer market. The business also has an extensive fuel card business for commercial customers, along with an innovative digitally based SNAP business providing solutions to truck fleet managers in the UK and Europe.

Strategy in Action

BUILDING FOR AN eMOBILITY FUTURE IN NORWAY

We are excited for the opportunities presented by an eMobility future as drivers adopt electric vehicles. We have been following the market trends in Norway for some time, where EV adoption leads the way. We have been adding charging capacity rapidly across our network in recent years.

This year, we have been innovating ahead of the trends and have developed formats focused around alternative fuels, with traditional fuels now a smaller footprint on the site. In March, we opened a new Mobility Hub in Mandal, with under-canopy EV charging, biofuel pumps and premium convenience offerings.

People are living longer. But whatever stage of life they're at, we want them to be healthy too. So we support everyday health and wellness, as well as providing products that enable practitioners to diagnose and treat illness.

THE WORLD NEEDS LIFELONG HEALTH

GLOBAL TRENDS

AGEING POPULATIONS
Life expectancy has increased, yet healthy life expectancy has stayed proportionally the same. This means that we are spending more years in poor health, creating a greater need for healthcare services.

SELF-CARE
To stay healthy for longer, more people are taking personal control of their wellbeing. Making positive lifestyle changes could enable us to enjoy an extended period of good health.

Long-term global trends underpin the growth opportunity for DCC's Healthcare division. In consumer health, global health and beauty, brand owners are increasingly partnering with outsourced manufacturers, and value the full range of services and variety of formats DCC Health & Beauty Solutions provides through eight industry-leading, well-invested facilities in the UK and US. Following the acquisition of Medi-Globe in October 2022, DCC Vital is now a leading partner to health systems across the UK, Ireland, Europe and beyond. This expanded geographic coverage, together with our comprehensive product portfolio and sales channels across hospitals, community care, primary care and other fragmented healthcare settings, are excellent platforms for the growth of DCC Healthcare.

CONOR COSTIGAN
CEO, DCC Healthcare

DCC HEALTHCARE BUSINESSES

AMBITION

TO ENABLE PEOPLE TO LEAD HEALTHIER LIVES, THROUGHOUT THEIR LIVES

We will deliver this through our two businesses:

DCC VITAL

PATIENT HEALTH

WHAT WE DO We help to improve patient outcomes by providing products and services that enable healthcare providers to diagnose and treat illness.

HOW WE DO IT We supply healthcare providers with high-quality medical and diagnostic products for use in hospital and primary care settings.

KEY BRANDS BioRad, Carefusion, CSL Behring, Comfi*, Diagnostica Stago, Espiner Medical*, Endo-Flex*, Fannin*, ICU Medical, Fannin LIP*, Martindale Pharma, Medi-Globe*, Medisource*, Mölnlycke, Neo*, Nova Biomedical, Rosemont Pharma, Siemens, Skintact*, Smiths Medical, Smith & Nephew, SP Services*, Williams Medical*, Wörner Medical*, Urotech*, Urovision*, VacSax*.

* DCC-owned brands.

DCC HEALTH & BEAUTY SOLUTIONS

CONSUMER HEALTH

WHAT WE DO We help people to maintain and improve their health and wellbeing, enabling them to live well every day with self-care products.

HOW WE DO IT We develop and manufacture nutritional supplements and beauty products for brand owners in a growing health and beauty market.

KEY BRANDS Alliance Pharma, Apoteket, DSM (i-Health), Elemis, Estée Lauder, Force Factor, Golden Hippo, GOLO, Glanbia, Groupe Rocher, Haleon, Healthspan, Holland & Barrett, Iovate Health Sciences, Lintbells, Nature's Way (Schwabe Group), Nestlé Health Science, Omega Pharma, Oriflame, P&G Health, Quincy Bioscience, Ren, Unilever, Space NK, Target, Vitabiotics.

PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

Revenue

£821.5m +7.4%

2023	£821.5m
2022	£765.2m
2021	£655.4m

Adjusted operating profit

£91.8m -8.6%

2023	£91.8m
2022	£100.4m
2021	£81.7m

Operating margin

11.2%

2023	11.2%
2022	13.1%
2021	12.5%

Return on capital employed

13.0%

2023	13.0%
2022	20.5%
2021	18.7%

Operating cash flow

£102.4m

2023	£102.4m
2022	£106.8m
2021	£110.2m

10-year adj. operating profit CAGR

15.9%

2023	15.9%
2022	18.5%
2021	16.7%

DCC Healthcare recorded revenues of £821.5 million, up 7.4% (4.3% constant currency). The constant currency growth was driven by the acquisition of Medi-Globe which completed in October 2022. Revenues declined by 2.2% organically, principally due to lower demand in DCC Health & Beauty Solutions.

DCC Vital

DCC Vital performed robustly and in line with expectations during the year. The anticipated reduction in Covid-related sales was offset by a good trading performance across the business, particularly in our British medical devices and primary care operations. We ensured that rising product costs were recovered in the market.

Primary care recorded strong revenue and profit growth in both Britain and Germany. While patient visits to surgeries remain below pre-pandemic levels, activity continues to improve. In medical devices, underlying trading in recurring product sales was strong despite activity levels in the UK and Irish healthcare systems being constrained by staffing challenges. As expected, in medical devices we experienced less demand for Covid-related products and PPE. Following the expansion of our primary care business into continental Europe in 2020 through the acquisition of Wörner, our medical devices platform completed the material acquisition of Medi-Globe. Medi-Globe, headquartered in Germany, has a strong position in minimally invasive devices for gastroenterology and urology. It has performed in line with expectations since acquisition and the integration of the business is progressing well.

DCC Health & Beauty Solutions

DCC Health & Beauty Solutions experienced a very challenging year, following record organic growth in recent years. We entered the year with strong demand from customers, while managing labour and supply chain challenges. As the year progressed, demand from customers weakened substantially and our order books declined in the US and particularly in Europe. This was driven by destocking throughout the supply chain, with retailers and our customers seeking to reduce inventory levels, as experienced by the broader market. Despite this we recorded good sales growth in effervescent products for leading US nutritional brands. In recent months we have seen order books stabilise and expect that order books will grow as destocking unwinds during the year.

The nutrition market has been a long-term growth market and is projected to grow strongly in the future, benefiting from the secular trend of increasing consumer interest in improving health and wellbeing. We continue to invest in growing our capacity and capability and will have our gummy production commercialised in the US and Europe in the coming year. We are also expanding capacity in our effervescent facility, to ensure we can meet increasing customer demand for this product format.

STRATEGY

DCC Healthcare's growth strategy is to build a substantial international healthcare business leveraging its key growth platforms in contract manufacturing of nutritional supplements, medical devices and primary care supplies.

DCC VITAL

DCC Vital helps improve patient outcomes by providing high-quality medical and diagnostic products and services for use in hospital and primary care settings.

The business has a strong track record of growth, operating margin improvement and increasing returns on capital employed. This has been achieved through improving the sales mix (increasing the proportion of higher value-added products and company owned brands), consolidating support function activities and relentlessly driving efficiency in its operations.

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

- An international own-brand medical device business focused on mid-tech single use medical devices for minimally invasive surgeries and related procedures;
- A leading position in the supply of medical consumables, equipment and services to GPs and other primary care providers in Britain, Germany and Switzerland; and
- An unrivalled position in the supply of healthcare products in Ireland.

DCC Vital aims to continue this track record of sales growth through:

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

Strategy in Action

WIDER RANGE OF MEDICAL PRODUCTS FOR LONGER, HEALTHIER LIVES

DCC Vital's range of medical products is expanding rapidly to meet the growing demands of a healthcare sector coping with ageing populations. Having started more than 30 years ago with Fannin Healthcare, a leading distributor in Ireland, we have extended our operations into the UK and Europe through acquisitions and organic growth.

Previous acquisitions include Leonhard Lang UK (2013), Espiner (2015) and VacSax (2019). We have also expanded through new product development, selling own-brand medical devices through our growing distributor network. Most recently, the acquisition in October 2022 of Medi-Globe, a German based medical devices supplier, has supported our international strategy, especially in the clinical areas of gastroenterology and urology.

DCC HEALTH & BEAUTY SOLUTIONS

DCC Health & Beauty Solutions partners with brands to develop and manufacture nutritional supplements and beauty products for greater health and wellbeing and has a long-term record of strong growth.

The scale of the business has increased significantly over the last five years through a combination of market growth driven by increased consumer demand, new product development for existing customers, new customer acquisitions and a focus on higher value, more complex products, in addition to highly complementary acquisitions.

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

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

Strategy in Action

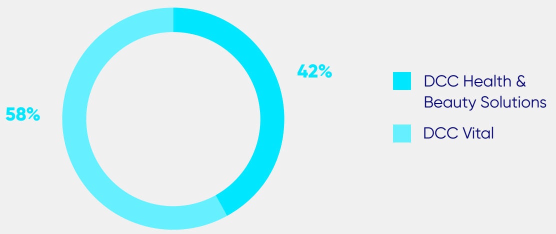
AMERILAB DELIVERS EFFICIENCY IMPROVEMENTS

Supplements play an important role for people in maintaining their health. Amerilab Technologies ('Amerilab') is the leading US contract manufacturer of effervescent nutritional supplements, one of the fastest growing segments in the US supplements market over recent years. Following DCC's acquisition of Amerilab in March 2020, we have supported and helped to accelerate efficiency and process improvements in the company.

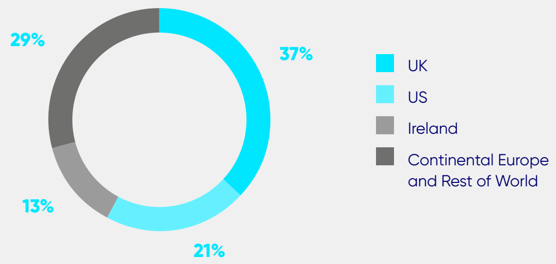
Amerilab recently completed a capital investment to reconfigure its effervescent tablet manufacturing and packaging process, streamlining a highly manual process which required three phases (tabletting, packing into tubes, and labelling of tubes) into a single, fully integrated and semi-autonomous process. As a result, Amerilab was able to significantly increase efficiency, capacity and enhance its product quality and customer service standards.

MARKETS AND MARKET POSITION

DCC Healthcare pro-forma sales split*



DCC Healthcare pro-forma sales by destination*



DCC VITAL

Suppliers of medical products to healthcare providers

DCC Vital has a broad range of high quality own and third-party products and comprehensive market coverage in Ireland, Britain, Germany and France across a range of healthcare settings including hospitals, primary care, community and other fragmented healthcare settings. DCC Vital's own-brand medical device portfolio encompasses products across the areas of urology, gastroenterology, laparoscopic surgery, theatre consumables, cardiac monitoring and wound care. In primary care, DCC Vital is a major supplier of medical products to GPs, laboratories and other fragmented healthcare settings in Britain, Germany and Switzerland. In addition, DCC Vital has long-standing agency distribution relationships with a range of leading international medical device companies.

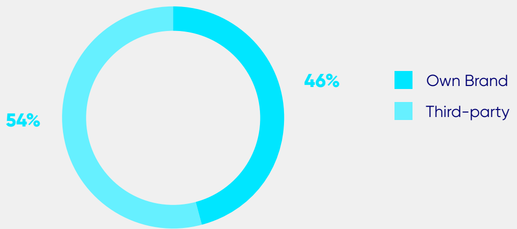
The primary and secondary care markets in which DCC Vital operates are large, growing and typically government funded. The Covid-19 pandemic and the significant re-purposing of healthcare systems to urgently respond to Covid-19 resulted in the curtailment of normal healthcare activity including medical consultations and elective surgery. As countries move on from managing healthcare in a pandemic and seek to return to more normal activity, health systems are experiencing capacity pressures from a backlog of procedures and pent-up demand for treatment. Additionally, public healthcare policy has been moving towards shifting the point of care to the most cost-effective location, usually away from expensive hospital settings and into primary and community care settings. Healthcare systems are focusing more on earlier identification and diagnosis of acute and critical illness, to allow greater focus on prevention and illness management as opposed to urgent and acute intervention.

The adoption of technology to support this across DCC Vital's customer and supplier base has accelerated over the past few years. DCC Vital is very well placed to benefit from these trends given its scale, its investments in technology and people, the strength of its relationships with international suppliers and manufacturers and its deep understanding of the supply chain.

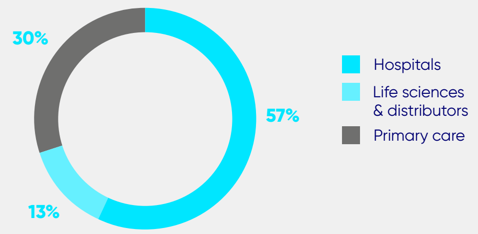
DCC Vital is a leader in the sales, marketing and distribution of medical products in Germany, France, Britain, Ireland and a number of other countries; it also has a growing presence in other international markets through a combination of its own on-the-ground sales forces and a strong distributor network. DCC Vital significantly enhanced both its product offering and geographic footprint with the acquisition of Medi-Globe in October 2022. Medi-Globe is an international single use medical devices business involved in the development, manufacture and distribution of gastroenterology and urology products for use in acute care settings. Medi-Globe is one of the largest manufacturers of single use endoscopy and urology devices and has a state-of-the-art clean room manufacturing facility in Hranice, Czechia along with significant R&D capability. The Business sells in over 120 countries with a direct sales presence in six countries.

DCC Vital is the market leader in the supply of medical consumables, equipment and services to the primary care sector in Britain, Germany and Switzerland and has a growing presence in other fragmented healthcare settings. DCC Vital provides its customer base of c.9,000 British GP surgeries with excellent service, increasingly leveraging its digital capabilities. In recent years, DCC Vital has strengthened its leading position in Britain through complementary bolt-on acquisitions. In April 2021, DCC Vital established a European growth platform with

DCC Vital pro-forma gross profit by product*



DCC Vital pro-forma gross profit by channel*



* Medi-Globe is included on an annualised basis.

the acquisition of Wörner, a leading supplier of medical and laboratory products to the primary care sector in Germany, Europe's largest healthcare market, and Switzerland.

Wörner sells a broad product range to approximately 20,000 customers annually, including GPs, primary care centres, specialist medical centres and laboratories. Wörner provides an excellent platform for organic and acquisitive growth across the DACH region.

DCC Vital is focused on expanding its portfolio of own brand medical products, through investing in new product development and complementary acquisitions. DCC Vital's gastroenterology and urology product range includes leading brands such as Endo-Flex and UroTech; while its operating theatre product range includes Espiner (tissue retrieval bags for minimally invasive surgery), Skintact (electrodes and electro surgical equipment), VacSax (disposable suction devices used in operating theatres and hospital wards), Fannin IV sets and a range of equipment used to support anaesthetics. These products are marketed by DCC Vital's sales teams and a range of international distributors. DCC Vital also continually expands its portfolio of third-party agency products.

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

DCC HEALTH & BEAUTY SOLUTIONS

Our services for health and beauty brand owners

DCC Health & Beauty Solutions provides outsourced product development, manufacturing, packing and related services to Health and Beauty brand owners, specialist retailers and direct sales organisations in Europe and the US, principally in the areas of nutrition (health supplements) and beauty products. It operates eight high-quality contract manufacturing facilities. Our manufacturing capability encompasses soft gels, tablets, capsules, effervescents, gummies, creams, liquids, powders and sprays across a range of packaging formats.

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

The business has strong market shares in Britain, Scandinavia and Benelux, and is building market share in the US and in other Continental European markets.

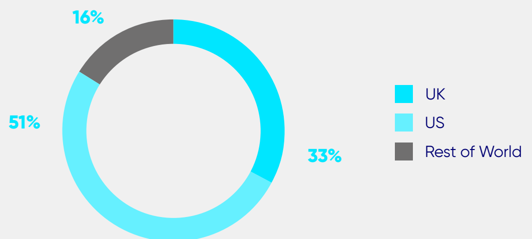
The development of our presence in the US nutritional contract manufacturing market has been a key strategic focus in recent years. The US, the world's largest nutritional supplements market, is dynamic and growing and the contract manufacturing base is highly fragmented. These features provide significant opportunities to a growth orientated, acquisitive business like DCC Health & Beauty Solutions for organic growth (supported by capital investment) and further acquisitions.

With its three well-invested facilities in the US and additional management capability to support our growth, DCC Health & Beauty Solutions is leveraging its broad and complementary nutritional product strengths to pursue cross-selling and other synergy opportunities.

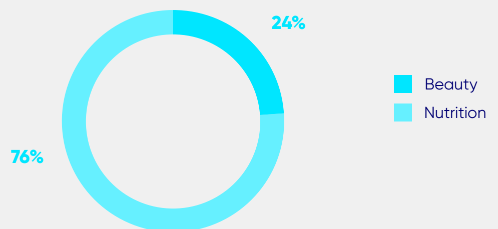
DCC continually invests in its manufacturing facilities to expand capacity, add flexibility and enhance its service offering to customers. Gummy nutritional products represent a high growth category within the nutritional market and DCC Health & Beauty Solutions is investing in gummy manufacturing and production capability in the US and Britain. These investments will enable the business to meet growing demand for gummies and support our customers to develop innovative and complex products. DCC Health & Beauty Solutions also made multiple other investments to support organic growth during the year, including increasing tableting and coating capacity to support higher customer demand in both the US and Europe. The business has a strong programme of continuous capital investment to enhance capability and improve operational efficiencies across all our facilities.

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

DCC Health & Beauty Solutions sales by country



DCC Health & Beauty Solutions sales by category



We are progress makers.
Whatever the industry.
Whatever the challenge.
We make technology
provide the solution.

Acting as an enabler between global technology brands and the people and businesses who use their products, we create solutions that enhance experiences, save time, and improve lifestyles.

THE WORLD NEEDS PROGRESS MAKERS

GLOBAL TRENDS

SMARTER TECH FUTURES
The digital transformation of our lives is set to accelerate. Virtual reality, artificial intelligence, smart homes and smart energy will dramatically improve the way we live and work.

DEMAND FOR BETTER LIVING
People are spending more time in their homes, and so are focusing more attention on them – from living spaces to office spaces to outdoor spaces. In every space, energy-efficient smart technology is increasingly important.

SUPPLY CHAIN INSECURITY
Climate change and political instability are negatively affecting businesses in industries across the world, with major implications for the security of global supply chains.

Progressive technology improves our lives and the world we live in. Across DCC Technology, in partnership with our suppliers, our people are enhancing outcomes for our customers with leading technology products and solutions. I am excited about the growth opportunities this fast-paced world offers us.

CLIVE FITZHARRIS
CEO, DCC Technology

DCC TECHNOLOGY BUSINESSES

AMBITION

MAKE PROGRESS HAPPEN IN EVERY INDUSTRY WE ENTER WITH ENHANCED TECH SOLUTIONS

We will deliver this through our three businesses:

PRO TECH

WE MAKE ENHANCED EXPERIENCES HAPPEN

KEY BRANDS Allen & Heath, Barco, Chauvet, Dell, Focusrite, HP, LG, Poly, Samsung, Sharp NEC, Sonos

WHAT WE DO We bring technology elements together to create elevated experiences.

HOW WE DO IT Whether it's stadium concerts, trading floors, wind farms or restaurants, the world needs more and more ways to store and display information. Pro Tech takes care of the design and installation of big screens, touchscreens, servers and professional AV – and makes them work as part of a user-friendly experience.

INFO TECH

WE MAKE FASTER CONNECTIONS HAPPEN

KEY BRANDS Acer, Apple, Asus, Dell, Epson, HP, Huawei, Lenovo, LG, Logitech, Microsoft, Netgear, Meta, Samsung, Toshiba

WHAT WE DO We put the latest technology in people's hands, quickly.

HOW WE DO IT From laptops to mobile phones, tablets to trackpads. When the world decides it needs the latest piece of tech kit, it needs it immediately. We serve B2C and B2B markets with consumer technology, swiftly and efficiently.

LIFE TECH

WE MAKE HIGH-QUALITY LIFESTYLES HAPPEN

KEY BRANDS Electrolux (Frigidaire), LG, Marshall, Midea, On Stage, Samsung, Washburn, Zephyr

WHAT WE DO We provide technology solutions that enrich people's lives.

HOW WE DO IT Applied intelligently, technology has the power to improve lifestyles in many ways – from the pleasure of using smart kitchen appliances to the excitement of playing advanced musical instruments. Life Tech offers products and services designed to enhance our quality of life.

PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

Revenue

£5.3bn +13.3%

2023	£5.3bn
2022	£4.6bn
2021	£4.5bn

Adjusted operating profit

£106.1m +29.9%

2023	£106.1m
2022	£81.7m
2021	£72.4m

Operating margin

2.0%

2023	2.0%
2022	1.8%
2021	1.6%

Return on capital employed

8.7%

2023	8.7%
2022	9.1%
2021	12.3%

Operating cash flow

£184.4m

2023	£184.4m
2022	£3.2m
2021	£118.6m

10-year adj. operating profit CAGR

9.8%

2023	9.8%
2022	7.0%
2021	7.2%

DCC Technology recorded revenues of £5.264 billion, up 13.3% (8.5% constant currency), with the growth driven by the acquisition of Almo.

North America

In North America, we have a leading market position across the sales, marketing and distribution of Pro Tech and Life Tech technology products.

Our North American Pro Tech (Pro Audio and AV) operations grew strongly during the year. Business investment and demand for these products held up well, despite the inflationary environment and higher interest rates. We saw strong performances from the hospitality and entertainment sectors in particular. We integrated Almo's AV business with our existing business in the first quarter of FY23 without disruption, during the year to create the region's largest specialist distributor of AV equipment.

Performance of our Life Tech (lifestyle and home comfort technology) operations in the region was mixed. Premium appliance categories performed well, with good underlying demand. Consumers in this segment are less impacted by cost of living pressures. Demand for appliances, music and consumer products weakened as the year progressed, with softer consumer confidence impacting demand and dealers cautious with regards to their inventory holding. As previously reported, our online fulfilment segment within Almo, which provides Life Tech products to e-tailers and online services for traditional retailers, experienced reduced demand for air conditioning and other home comfort equipment during the first half of the financial year. We are focused on delivering increased contribution from this segment going forward.

Europe

As in North America, performance in Europe was mixed. Our consumer-focused businesses in continental Europe experienced very weak demand during the year. The rise in the cost of living impacted consumer demand for technology products. As a result, we recorded revenue and operating profit declines. Conversely, our Pro Tech businesses in Europe performed well. There was good post-Covid recovery in our continental European AV business, with good growth in Germany and Italy and general B2B demand was robust.

Our business in Ireland performed well and recorded another year of good profit growth. In the UK we delivered an improved performance this year. Although the technology market in the UK was difficult, driven by a weak economic outlook and our UK revenues declined, the operational and cost performance of the business was much improved year on year following a very difficult prior year. Our UK business, which operates predominantly in the high volume, lower margin Info Tech market, is well placed to continue to improve and is a key focus to drive an improvement in divisional return on capital employed (ROCE).

STRATEGY

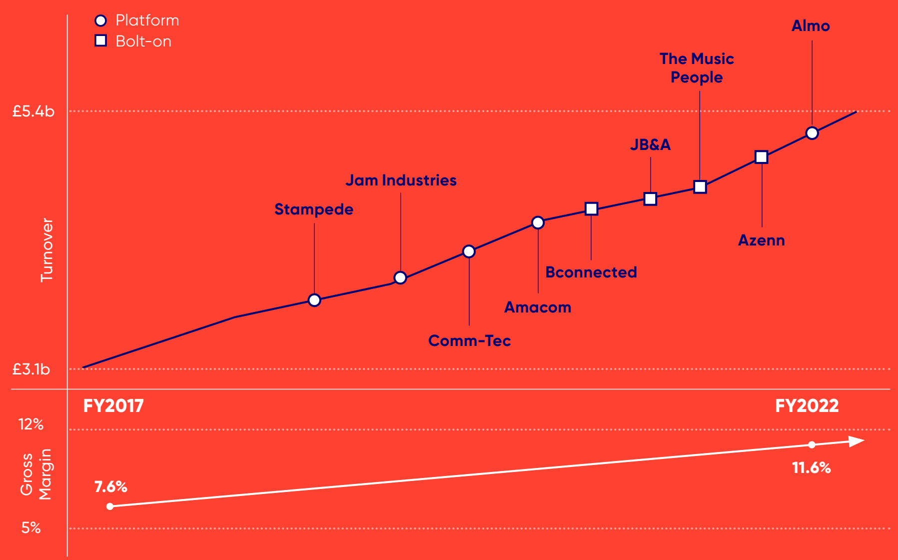
DCC Technology's strategy is to provide progressive technology the world needs. We do this by making progress happen across three sectors: Pro Tech, Info Tech and Life Tech.

TO ACHIEVE THIS WE FOCUS ON:

- Creating an integrated, multi-country operating model, with best-in-class people, operating processes and infrastructure, giving our partners the benefits of our scale, while retaining our local market knowledge and agility.
- Reinforcing our position in attractive market segments such as Pro Tech in North America and Europe and Life Tech in North America both organically and through acquisition.
- Expanding our capabilities in key areas like digital through investment in people and systems.

Strategy in Action

GROWING OUR MARGINS, SCALING OUR PLATFORMS



PRO TECH

We serve people and businesses who use technology as part of their work, installing complex, high-profile and critical solutions. Our partners rely on us to provide sophisticated product and technical knowledge and first class service.

INFO TECH

We serve consumers and businesses who need reliable access to technology products and services and the manufacturers of those products who need efficient routes to market.

LIFE TECH

We provide efficient routes to market for a wide variety of products that enhance our everyday lives, from kitchen appliances to musical instruments.

Strategy in Action

EXERTIS JAM SUPPORTING CHAUVET

The provision of complex high-tech lighting systems is a key part of DCC Technology's Pro Tech business. Exertis Jam works with installers and integrators providing solutions to projects around the world.

During the year, Exertis Jam worked with Chauvet, a leading Canadian provider of pro-audio, lighting and production equipment, and a Spanish production company to provide a lighting package for live, interactive experiences based on internationally-successful TV and film franchises such as Bridgerton and Harry Potter. These productions were staged in various cities around the world with great success.

Exertis Jam, in partnership with Chauvet, delivered thousands of light fixtures, in multiple countries in the summer of 2022. Chauvet relied on the Exertis Jam team to work as a trusted extension of their own team, providing expertise and support, combined with excellent customer service.

This level of value-add and expertise is critical to achieving the higher returns which are a key feature of our Pro Tech business.

MARKETS AND MARKET POSITION

DCC Technology partners with many of the world's leading technology brands to market and sell a range of Pro Tech, Info Tech and Life Tech products to a broad customer base. Our scale and strong relationships with suppliers and customers allow us to win business on both a national and international basis. Our customers include retailers, e-tailers, resellers and integrators.

We are the leading distributor of Pro Tech products in North America with a strong presence in Europe.

We are the fourth largest distributor of Info Tech in Europe with leading positions in the UK and Ireland.

We are the leading distributor of Life Tech in North America with a strong portfolio of market leading brands, many with channel exclusivity, supplemented by a growing range of own brand products.

Strategy in Action

STREAMLINING OUR AV OFFERING IN NORTH AMERICA

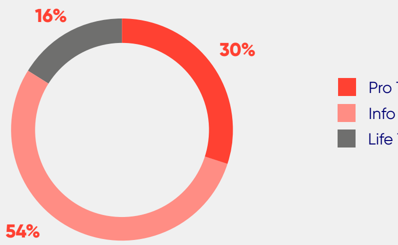
DCC Technology has a leading position in Pro Tech in North America. Consolidating and streamlining the business's AV offering through the integration of Exertis North America and Almo has cemented this position and provides a consistent market-leading offering to suppliers and customers.

The AV divisions of Exertis North America and Almo were merged during the year to form Exertis Almo AV. Harnessing the collective sales, service, marketing and technical expertise of both companies, Exertis Almo AV is now the largest specialised AV distributor in North America with annual revenue of $1 billion. Its 250 team members include 100 sales and 70 business development and services specialists.

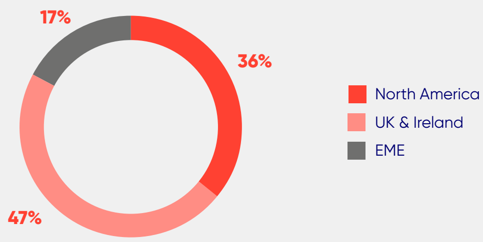
The integration project was jointly undertaken by the management teams within the two companies and completed on schedule in April 2022. Throughout this period the combined business continued to trade strongly and all key customer and vendor relationships were maintained. The integration included the successful migration of the Exertis warehouses and support staff on to the Almo enterprise resource planning and warehouse management systems. The integrated sales teams are now led by a combination of former Exertis and Almo managers with a common sales incentive structure.

Exertis Almo AV now provides unrivaled expertise and service to its customers, vendors and channel partners. The integration of the two companies provides 13 warehouses across the United States with specialised logistics, inventory staging and just-in-time shipping for commercial and residential projects.

DCC Technology total sales by specialism



DCC Technology total sales by geography



The last year saw an easing in global supply chains following the pandemic, resulting in oversupply of products in certain markets with consequent negative impact on demand. Market demand was also adversely affected by inflationary pressures exacerbated by the war in Ukraine. This had a particular impact on consumer demand in Europe. Pro Tech markets were generally more resilient and we experienced good growth in AV and Pro Audio in North America and in our Pro Tech businesses in Europe.

DCC Technology focused on limiting the impact of cost inflation. We continued to make progress on the digitisation of our operations and this helped provide vital operational efficiencies while enhancing customer experience.

DCC Technology provides technology brand owners and manufacturers with an exceptionally broad customer reach and proactively markets their products through product and customer focused sales teams. The business provides a range of value-added services to its customers and suppliers, including end-user fulfilment, digital distribution, product lifecycle solutions, category management and merchandising. DCC Technology also provides product customisation and cross supplier bundling, third-party logistics and website/web-shop development and management. Key to the provision of these services is access to, and interpretation of, relevant data from across the technology supply chain.

DCC Technology has become the leading specialist distributor of Pro Tech in North America with a strong presence in major European markets. The business is also the leading distributor of premium appliances in North America with a growing portfolio of lifestyle products many of which are own brand and attract higher margins. We are the leading distributor of Pro Audio and musical instruments in North America with a strong portfolio of vendor relationships, many with channel exclusivity, supplemented by a growing range of own brand products. We believe that there is scope to build on these strong positions through action on working capital, ecommerce capability and leadership and bringing on board bolt-on and platform acquisitions.

Strategy in Action

DRIVING BACK-OFFICE AUTOMATION

Operational efficiency is key to the success of DCC Technology's Info Tech business which is characterised by high volume, low margin activity. We have been investing in process improvements and back-office automation which improve processing speed and accuracy while also freeing up scarce resources for more value adding tasks.

Exertis UK has successfully introduced robotic process automation (RPA), nicknamed 'Betty', to automate some high-volume processes in its accounts receivable and pricing teams. Areas addressed to date include customer statements, reporting, credit note matching and processing of supplier discounts. This has enabled the provision of greater consistency, accuracy and more timely information to our customers and suppliers while saving more than 6,000 hours of manual processing and reducing investment in working capital.

FINANCIAL

The Group employs financial key performance indicators ('KPIs') to measure progress against strategy. Each division has its own KPIs which are in direct alignment with those of the Group and are included in the divisional Business Reviews on pages 16 to 39.

RETURN ON CAPITAL EMPLOYED (EXCL. IFRS 16)

15.1%

2023	15.1%
2022	16.5%
2021	17.1%

Description and basis of calculation
Return on capital employed ('ROCE') is defined as adjusted operating profit expressed as a percentage of the average capital employed. The Group calculates ROCE both including and excluding the impact of IFRS 16 Leases as detailed in the Group's 'Alternative Performance Measures' on page 244.

Strategic linkage
ROCE is the key financial benchmark we use when evaluating both the performance of existing businesses and potential investments and is a key component of our executive bonus plans and Long-Term Incentive Plan.

FY23 comment
The Group continued to generate strong returns on capital employed, notwithstanding the substantial increase in the scale of the Group in recent years. The decrease in ROCE versus the prior year primarily reflected the substantial acquisition spend during the prior year and the year under review of £1.1 billion, primarily in DCC Healthcare and DCC Technology, which had a dilutive impact on Group returns. In the year under review ROCE was also affected by the organic decline in operating profit in DCC Healthcare and DCC Technology which we expect to recover in the coming years.

FY24 outlook and aims
The achievement of returns on capital employed well in excess of the Group's cost of capital will continue to be a key focus in order to ensure the efficient generation of cash to fund organic growth, acquisitions and dividend growth.

– READ MORE
FINANCIAL REVIEW ON PAGE 50

GROWTH IN ADJUSTED OPERATING PROFIT

£655.7m

+11.3% (+7.8% constant currency)

2023	£655.7m
2022	£589.2m
2021	530.2m

Description and basis of calculation
The change in adjusted operating profit achieved in the current year compared to the prior year.

Strategic linkage
Adjusted operating profit measures the underlying operating performance of the Group's businesses and is an indicator of our revenue generation, margin management, cost control and performance efficiency.

FY23 comment
DCC Energy and DCC Healthcare recorded profit growth versus the prior year. The growth was mainly driven by acquisitions completed in the prior year (most materially Almo) and in the year under review (principally Medi-Globe and PVO).

Organic operating profit growth was modest and was driven by the strong organic performance of DCC Energy.

DCC Energy had an excellent trading performance, with operating profit increasing by 12.4% (10.0% constant currency). Both our Solutions and Mobility businesses recorded strong growth.

DCC Healthcare had a more challenging year following excellent performance in recent years. Operating profit declined by 8.6% (11.1% constant currency).

DCC Technology delivered very strong operating profit growth of 29.9% (19.7% constant currency), driven by the prior year acquisition of Almo.

FY24 outlook and aims
Notwithstanding the uncertain economic environment, the Group expects that the year ending 31 March 2024 will be another year of profit growth and continued development activity.

– READ MORE
FINANCIAL REVIEW ON PAGES 45 TO 46
BUSINESS REVIEWS ON PAGES 16 TO 39

GROWTH IN ADJUSTED EARNINGS PER SHARE

456.3p

+6.1% (+3.0% constant currency)

2023	456.3p
2022	430.1p
2021	386.6p

Description and basis of calculation
The change in adjusted EPS achieved in the current year compared to the prior year.

Strategic linkage
Adjusted EPS is a widely accepted metric used in determining corporate profitability. It also represents an important metric in determining the generation of superior shareholder returns and is a key component of our Long-Term Incentive Plan.

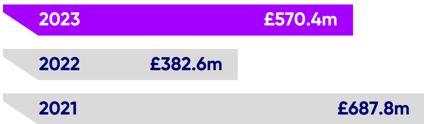
FY23 comment
The increase in adjusted EPS of 6.1% (3.0% constant currency) reflects the factors mentioned under the adjusted operating profit KPI and also the increase in profit before exceptional items and goodwill amortisation.

FY24 outlook and aims
The main driver of growth in EPS is the Group's operating profit performance which, as noted above, is expected to continue to grow.

– READ MORE
FINANCIAL REVIEW ON PAGES 46 TO 47

FREE CASH FLOW

£570.4m



Description and basis of calculation
Cash generated from operations before exceptional items and after net capital expenditure.

Strategic linkage
Free cash flow represents the funds available for reinvestment, acquisitions and dividends, so maintaining a high level of free cash flow is key to maintaining a strong, liquid balance sheet.

FY23 comment
The Group's free cash flow amounted to £570.4 million versus £382.6 million in the prior year. The Group's cumulative conversion of operating profit into free cash flow was strong at 87%.

There was a modest increase in working capital during the year of £14.0 million, a strong performance given the continued volatile supply chain environment. Working capital decreased in DCC Technology, driven by a focus on reducing inventory levels through the year. This was achieved despite a decrease in the utilisation of supply chain financing. There was a net investment in working capital in both DCC Energy and DCC Healthcare.

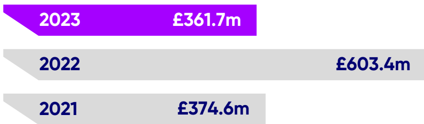
Net capital expenditure amounted to £206.6 million for the year. This reflects continued investment in organic initiatives across the Group.

FY24 outlook and aims
Cash generation and working capital management will remain a key focus of the Group.

– **READ MORE**
FINANCIAL REVIEW ON PAGES 47 TO 48

COMMITTED ACQUISITION EXPENDITURE

£361.7m



Description and basis of calculation
Cash spent and acquisition-related consideration committed during the year.

Strategic linkage
The Group constantly seeks to add value-enhancing acquisitions in order to provide shareholders with returns on capital well in excess of our cost of capital.

FY23 comment
The Group committed £361.7 million to acquisition expenditure during the year which principally comprised the acquisitions of Medi-Globe in DCC Healthcare and PVO in DCC Energy.

FY24 outlook and aims
The Group will continue to pursue attractive opportunities in our traditional markets as well as looking to extend our business into selected new geographic markets. We continue to pursue a strong pipeline of opportunities, but acquisition targets must meet our demanding criteria and we will remain disciplined in our approach to acquisition spend.

– **READ MORE**
FINANCIAL REVIEW ON PAGES 49 TO 50

STRATEGIC LINKAGES

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

NON-FINANCIAL

The Group employs non-financial KPIs to assess activities that are important in conducting our operations responsibly and achieving our strategic objective of building a sustainable business which delivers long-term value to stakeholders.

CARBON INTENSITY[Δ] (SCOPE 3)

72.1 gCO_2e/MJ

2023	72.1
2022	76.4
2021	76.5

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

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

FY23 comment
The reduction in the carbon intensity of the energy we sell was driven by increased biogenic content in liquid fuels, a rise in the sale of low and zero carbon fuels such as HVO, and an increase in renewable energy as part of the overall mix of energy sales.

FY24 outlook and aims
The Group has set a target to reach net zero across Scopes 1, 2 and 3 by 2050 or sooner. The reduction in carbon intensity will be a key indicator of progress in this area.

– **READ MORE**
SUSTAINABILITY REVIEW ON PAGES 62 TO 63

CARBON EMISSIONS[Δ] (SCOPE 1 AND 2)

96kts

2023	96kts
2022	104kts
2021	96kts

Description and basis of calculation
Total Scope 1 and 2 (location basis) carbon emissions expressed in kilotonnes (kts) of CO_2e.

Strategic linkage
The Group has put in place Scope 1 and 2 carbon reduction targets to achieve net zero by 2050 or sooner.

FY23 comment
Overall, there was a 9.3% decrease in absolute carbon emissions. This decrease was driven primarily through an increase in the use of HVO in our HGV fleet and energy efficiency measures across the Group.

FY24 outlook and aims
The Group will continue to focus on energy efficiency initiatives to reduce energy consumption and carbon emissions. In addition, increased use of renewable fuels for transport will further reduce Scope 1 emissions.

– **READ MORE**
SUSTAINABILITY REVIEW ON PAGES 62 TO 63

GENDER DIVERSITY

63%/37%

	Male	Female
2023	63	37
2022	63	37
2021	65	35

Description and basis of calculation
The percentage split of the overall workforce between female and male employees.

Strategic linkage
The Group benefits from attracting and developing a workforce with diverse skills, qualities and experiences.

FY23 comment
At 31 March 2023, female employees accounted for 37% of the overall workforce, 20% of senior management and 33% of Board members. The gender diversity metric for senior management improved in FY23.

FY24 outlook and aims
The Group is committed to better gender balance at all levels and actively supports the development of high potential female talent. We continue to focus on supporting the progress of our female talent through our annual talent review process which creates visibility of talent across the Group.

– **READ MORE**
SUSTAINABILITY REVIEW ON PAGE 72

Δ Refer to Independent Assurance Statement on page 239

HEALTH AND SAFETY LTIFR

0.97

2023	0.97
2022	0.96
2021	1.04

Description and basis of calculation
Lost Time Injury Frequency Rate ('LTIFR') measures the number of days lost due to injury per 200,000 hours worked.

Strategic linkage
The safety of our employees and the wider community is one of our core values and central to everything we do. A continually improving occupational and process safety culture is a key element in delivering on our strategic objectives.

FY23 comment
The maintenance of an LTIFR of less than 1.0 maintains a long-term downward trend in frequency rate across the Group over the past number of years. Whilst the majority of our businesses achieved a reduction in LTIFR, or maintained a rate of zero, some experienced an increase. Our commitment to performance improvement through robust risk controls, a proactive safety culture and learning from events remains strong, both for established operations and those that are in the process of developing their safety culture and processes.

FY24 outlook and aims
The Group will continue to strengthen risk control measures through cross-business collaboration, sharing of good practice and Group standards. Our promotion of a strong safety culture will also continue, with the development of a cultural framework and programme supported by our Safety F1rst toolkit. We will aim to reduce the LTIFR level further and to remain below 1.0, and to further mitigate the impact of accidents when they do happen.

– **READ MORE**
SUSTAINABILITY REVIEW ON PAGES 68 TO 69

HEALTH AND SAFETY LTISR

32 days

2023	32 days
2022	25 days
2021	25 days

Description and basis of calculation
Lost Time Injury Severity Rate ('LTISR') measures the number of days lost due to injury per 200,000 hours worked.

Strategic linkage
The safety of our employees and the wider community is one of our core values and central to everything we do. A continually improving occupational and process safety culture is a key element in delivering on our strategic objectives.

FY23 comment
The LTISR increased with respect to the prior year. This was influenced by a small number of incidents in our Energy and Technology divisions, which resulted in prolonged periods of absence. These cases alone contributed 4 days/200,000 hours to the overall Group LTISR. Slip, trip, fall and musculoskeletal injuries represent the majority of cases. Most continue to be relatively minor and involve short recovery times.

FY24 outlook and aims
The Group will continue to strengthen risk control measures, focusing on leading indicators and identifying further improvement opportunities. We have undertaken to better understand our accident profile through our Safety Working Groups and have a renewed focus on employee education and awareness. Our promotion of employee empowerment and accident prevention through robust risk assessment and controls will continue. We will aim to further mitigate the impact of accidents when they do happen.

– **READ MORE**
SUSTAINABILITY REVIEW ON PAGES 68 TO 69

STRATEGIC LINKAGES

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

STRONG GROWTH, CONTINUED DEVELOPMENT & PROGRESS IN SUSTAINABILITY

DCC delivered another year of strong growth in the year ended 31 March 2023. And it was a year of significant strategic progress and continued development for the Group. In what was a volatile economic environment, exacerbated by an energy crisis in Europe, our teams right around the Group again delivered for all our stakeholders. Amongst the financial highlights for the year were:

- Strong growth in adjusted operating profit, up 11.3% (7.8% on a constant currency basis), driven by an excellent performance in DCC Energy and acquisitions completed in the current and prior year
- Free cash flow conversion of 87%, another year of very strong cash generation
- Proposed increase in the total dividend for the year of 6.5%, DCC's 29th consecutive year of dividend growth

These results were achieved despite what was a difficult operating environment for all businesses, not just DCC. Inflationary pressures were pervasive during the year, from the cost of energy, to labour, to transport and freight. We talk frequently about the agility of our devolved business model and how our teams feel real ownership to deliver results. The resilience of this model was again demonstrated as our businesses managed these challenges well, combating these inflationary pressures to deliver the growth mentioned above.

We announced our revised strategy for the Energy division in May 2022. Central to the strategy is our belief that we have a vital role to play in bringing cleaner energy to everyone. In particular, the off-grid gas sector, where we predominantly operate, has a challenge to decarbonise. But we have solutions which customers can deploy with our help. We have chosen a cleaner energy future today by using these solutions in our own business to decarbonise our own operations. We reduced our Scope 1 and 2 carbon emissions by 9.3%, which is a 32.8% reduction against our 2019 baseline.

During the year, Fabian Ziegler joined the Group as CEO of DCC Energy. He and his team are working diligently and ambitiously through the next phase of development for our energy business. And the team are making real progress in delivering cleaner energy for everyone. During the year our Energy division reduced its customer Scope 3 carbon emissions by 5.1%. Also, 28% of our profits in energy now come from services, renewables and other non-fossil activities up from 22% in the prior year. We progressed through a mix of organic initiatives and capital deployment in M&A, again a hallmark of the DCC business model.

From a development perspective we committed £362 million on M&A during the period. In typical DCC fashion this was spread across a large number of transactions during the year. The material developments for us were the acquisition of Medi-Globe in October 2022, which expands our medical devices operations in DCC Vital into Europe, and the acquisition of PVO by DCC Energy. PVO brings with it real in-depth supply chain capability in the solar energy market, further strengthening our capability in this important and developing energy solutions product. DCC Energy also completed multiple bolt-on transactions during the year, the majority of which add cleaner energy capability to our businesses.

The economic environment remains volatile, and, at time of writing, central banks continue to tighten policy, to stem inflationary pressures. We expect that inflationary pressures and economic policy will remain headwinds for businesses in the year ahead. However, DCC is very well positioned to continue its track record of growth and development. We invest in what the world needs, we generate strong cash flow through our operational capability, and we have a strong balance sheet. These will be real competitive advantages for DCC in the year ahead.

Year ended 31 March	2023 £'m	2022 £'m	% change
Revenue	**22,205**	17,732	+25.2%
Adjusted operating profit[1]			
DCC Energy	**457.8**	407.1	+12.4%
DCC Healthcare	**91.8**	100.4	-8.6%
DCC Technology	**106.1**	81.7	+29.9%
Group adjusted operating profit[1]	**655.7**	589.2	+11.3%
Finance costs (net) and other	**(81.4)**	(53.8)	
Profit before net exceptionals, amortisation of intangible assets and tax	**574.3**	535.4	+7.3%
Net exceptional charge before tax and non-controlling interests	**(31.6)**	(45.3)	
Amortisation of intangible assets	**(111.1)**	(84.4)	
Profit before tax	**431.6**	405.7	+6.4%
Taxation	**(84.8)**	(79.7)	
Profit after tax	**346.8**	326.0	
Non-controlling interests	**(12.8)**	(13.6)	
Attributable profit	**334.0**	312.4	
Adjusted earnings per share[1]	**456.3p**	430.1p	+6.1%

1. Excluding net exceptionals and amortisation of intangible assets

INCOME STATEMENT REVIEW

Group revenue

Group revenue increased by 25.2% (23.2% on a constant currency basis) to £22.2 billion, driven by the higher energy commodity prices that prevailed during the year and the impact that this had on DCC Energy's revenues.

Revenue in DCC Energy was £16.1 billion, an increase of 30.8% (29.8% on a constant currency basis). With like-for-like volumes modestly behind the prior year, the significant increase in revenue was as a result of the higher wholesale cost of energy commodities during the year.

DCC Healthcare recorded revenues of £821.5m, an increase of 7.4% (4.3% on a constant currency basis). The constant currency growth was driven by the acquisition of Medi-Globe during the second half of the year and organically revenues declined by 2.2%.

Revenue in DCC Technology was £5.3 billion, an increase of 13.3% (8.5% on a constant currency basis). The increase was driven by the acquisition of Almo which completed in December 2021. Organically revenue declined by 5.1%, reflecting weaker demand for consumer products in Europe.

Group adjusted operating profit

Group adjusted operating profit increased by 11.3% to £655.7 million. The impact on reported Group adjusted operating profit of foreign exchange (FX) translation, M&A growth and organic was as follows:

Period	FX translation	M&A	Organic	Reported growth
2023	+3.5%	+7.6%	+0.2%	11.3%
2022	-4.0%	+9.0%	+6.1%	11.1%
5-year average	-0.2%	+8.5%	+3.4%	11.8%

Average sterling exchange rates weakened against most relevant currencies during the year, including the US dollar and euro, a reversal of what was experienced in the prior year. The net impact of currency translation in the current year was a benefit of 3.5%, or £20.7 million, in the reported growth in adjusted operating profit

Acquisitions completed in the prior year (most materially Almo) and in the current year (principally Medi-Globe and PVO) contributed 7.6% of the reported operating profit growth.

Set against very strong prior year comparatives, organic operating profit growth was modest, and was driven by the strong organic performance of DCC Energy. As reported during the year, DCC Healthcare and DCC Technology experienced more difficult market conditions and declined organically. The inflationary environment was a significant feature of the year across each division, with the overall organic profit growth achieved despite the 8.7% (or £130.4 million) increase in the Group's like for like cost base. Further commentary on the trading performances of each of the three divisions is included in the Business Reviews on pages 16 to 39.

Adjusted Operating Profit and Earnings per Share

	FY23			FY22			% change		
Adjusted operating profit[1]	H1 £'m	H2 £'m	FY £'m	H1 £'m	H2 £'m	FY £'m	H1 %	H2 %	FY %
DCC Energy	**132.5**	**325.3**	**457.8**	118.4	288.7	407.1	+11.9%	+12.7%	+12.4%
DCC Healthcare	**43.2**	**48.6**	**91.8**	50.2	50.2	100.4	-13.9%	-3.4%	-8.6%
DCC Technology	**45.5**	**60.6**	**106.1**	27.2	54.5	81.7	+67.4%	+11.2%	+29.9%
Group	**221.2**	**434.5**	**655.7**	195.8	393.4	589.2	+13.0%	+10.4%	+11.3%
Adjusted EPS[1] (pence)	**146.4**	**309.9**	**456.3**	134.2	295.9	430.1	+9.1%	+4.7%	+6.1%

1. Excluding net exceptionals and amortisation of intangible assets

Finance costs (net) and other
Net finance costs and other, which includes the Group's net financing costs, lease interest and the share of profit/loss of associated businesses, increased to £81.4 million (2022: £53.8 million). The increase in the year primarily reflects increased net financing costs due to higher average gross debt and the increasing interest rate environment.

The Group's average gross debt (including private placement notes and the Group's revolving credit facility), increased versus the prior year, reflecting the substantial acquisition activity of the Group in the current and prior year and the weakening of sterling against the euro and US dollar. This accounted for approximately £11 million of the cost increase in the year.

The substantial change in the global interest rate environment from summer 2022 onwards impacted the cost of the floating rate element of the Group's gross debt, offset somewhat by an increased return on the Group's gross cash. During the year approximately 64% of the Group's gross debt was at floating rates. The net impact of the increased interest rate environment accounted for approximately £15 million. Presently, approximately 45% of the Group's gross debt is at floating rates.

Average net debt, excluding lease creditors, was £1.0 billion, compared to an average net debt of £428 million in the prior year, and reflects the very substantial acquisition activity during the prior and current years. Interest was covered 11.2 times (using the definitions contained in the Group's lending arrangements) by Group adjusted operating profit before depreciation and amortisation of intangible assets (2022: 16.1 times).

Profit before net exceptional items, amortisation of intangible assets and tax
Profit before net exceptional items, amortisation of intangible assets and tax increased by 7.3% to £574.3 million.

Net exceptional charge and amortisation of intangible assets
The Group incurred a net exceptional charge after tax and non-controlling interests of £28.7 million (2022: net exceptional charge of £43.8 million) as follows:

	£'m
Adjustments to contingent acquisition consideration	(8.5)
Restructuring and integration costs and other	(13.4)
Acquisition and related costs	(10.6)
IAS 39 mark-to-market gain	0.9
	(31.6)
Tax attaching to exceptional items and non-controlling interest	2.9
Net exceptional charge	(28.7)

There was a net cash outflow of £23.8 million relating to exceptional items.

Adjustments to contingent acquisition consideration of £8.5 million reflects movements in provisions associated with the expected earn-out or other deferred arrangements that arise through the Group's corporate development activity. The charge in the year primarily reflects an increase in contingent consideration payable in respect of an acquisition in DCC Energy where the trading performance has been very strong and ahead of expectations.

Restructuring and integration costs and other of £13.4 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. The significant items during the year were primarily within DCC Energy and include costs related to a realignment of the organisation structures in the UK and France to reflect acquisitions and the changing operational environment.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £10.6 million.

The level of ineffectiveness calculated under IAS 39 on the hedging instruments related to the Group's US private placement debt is charged or credited as an exceptional item. In the year ended 31 March 2023, this amounted to an exceptional non-cash gain of £0.9 million. The cumulative net exceptional credit taken in respect IAS 39 ineffectiveness is £1.4 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

The charge for the amortisation of acquisition-related intangible assets increased to £111.1 million from £84.4 million in the prior year reflecting acquisitions completed during the second half of the prior year and in the current year.

Profit before tax
Profit before tax increased by 6.4% to £431.6 million.

Taxation
The effective tax rate for the Group increased to 19.3% (2022: 18.3%). The Group's effective tax rate is influenced by the geographical mix of profits arising in any year and the tax rates attributable to the individual territories. The increase in the year was driven by the expansion of the Group in recent years into certain higher tax geographies and the increasing corporate tax rate environment generally.

Performance Metrics

	2023	2022
Growth		
DCC Energy adjusted operating profit growth (%)	+12.4%	+8.3%
DCC Healthcare adjusted operating profit growth (%)	-8.6%	+22.9%
DCC Technology adjusted operating profit growth (%)	+29.9%	+12.8%
Group adjusted operating profit growth (%)	+11.3%	+11.1%
Group adjusted operating profit growth (constant currency) (%)	+7.8%	+15.1%
Adjusted earnings per share growth (%)	+6.1%	+11.2%
Adjusted earnings per share growth (constant currency) (%)	+3.0%	+15.2%
Return:		
Return on capital employed - excluding IFRS 16 (%)	15.1%	16.5%
Return on capital employed - including IFRS 16 (%)	14.2%	15.3%
Operating cash flow (before add-back for depreciation on right-of-use leased assets) (£'m)	785.5	560.6
Free cash flow (after IFRS 16) (£'m)	570.4	382.6
Conversion of adjusted operating profit to free cash flow (%)	87%	65%
Working capital days (days)	4.1	2.8
Debtor days (days)	34.6	34.3
Financial Strength/Liquidity/Financial Capacity for Development:		
EBITDA: net interest (times)	11.2x	16.1x
Cash balances (net of overdrafts and short-term debt) (£'m)	1,371.2	1,326.6
Net debt - excluding lease creditors (£'m)	(767.3)	(419.9)
Net debt - including lease creditors (£'m)	(1,113.9)	(756.6)
Net debt (excluding lease creditors) as a % of total equity (%)	25.1%	14.1%
Net debt: EBITDA (times)	1.0x	0.6x

Adjusted earnings per share

Adjusted earnings per share increased by 6.1% (3.0% on a constant currency basis) to 456.3 pence, reflecting the increase in profit before exceptional items and goodwill amortisation.

Dividend

The Board is proposing a 6.5% increase in the final dividend to 127.17 pence per share, which, when added to the interim dividend of 60.04 pence per share, gives a total dividend for the year of 187.21 pence per share. This represents a 6.5% increase over the total prior year dividend of 175.78 pence per share. The dividend is covered 2.4 times by adjusted earnings per share (2022: 2.4 times). It is proposed to pay the final dividend on 20 July 2023 to shareholders on the register at the close of business on 26 May 2023.

Over its 29 years as a listed company, DCC has an unbroken record of dividend growth at a compound annual rate of 13.5%.

CASH FLOW AND CAPITAL DEPLOYMENT

Free cash flow generation and conversion

The Group's free cash flow amounted to £570.4 million versus £382.6 million in the prior year. The conversion of adjusted operating profit into free cash flow was strong at 87%.

The material components of the conversion of adjusted operating profit to free cash flow are set out below.

Working capital

There was a modest increase in working capital during the year of £14.0 million (2022: £168.7 million), a strong performance given the continued volatile supply chain environment. Working capital decreased in DCC Technology driven by a focus on reducing inventory levels through the year. This strong working capital performance in DCC Technology was achieved despite a decrease in the utilisation of supply chain financing as set out below. There was a net investment in working capital across both DCC Healthcare and DCC Energy.

The prior year-end saw energy prices at an elevated position following the beginning of the conflict in Ukraine and so the fall in energy prices towards the end of this financial year led to an increase in working capital in DCC Energy as the division has a negative working capital profile.

DCC Technology selectively uses supply chain financing solutions to sell, on a non-recourse basis, a portion of its receivables relating to certain higher volume supply chain/sales and marketing activities. The level of supply chain financing at 31 March 2023 decreased by £16.9 million to £151.1 million (2022: £168.0 million). Supply chain financing had a positive impact on Group working capital days of 2.3 days (31 March 2022: 2.3 days).

The absolute value of working capital in the Group at 31 March 2023 was £274.4 million. Overall working capital days were 4.1 days sales, compared to 2.8 days sales in the prior year, reflecting the mix impact of acquisition activity during the year in DCC Energy and DCC Healthcare.

Cash flow

The Group generated very strong operating and free cash flow during the year as set out below:

Year ended 31 March	2023 £'m	2022 £'m
Group adjusted operating profit	655.7	589.2
Increase in working capital	(14.0)	(168.7)
Depreciation (excluding ROU leased assets) and other	143.8	140.1
Operating cash flow (pre add-back for depreciation on ROU leased assets)	785.5	560.6
Capital expenditure (net)	(206.6)	(170.8)
	578.9	389.8
Depreciation on ROU leased assets	75.2	67.8
Repayment of lease creditors	(83.7)	(75.0)
Free cash flow	570.4	382.6
Interest and tax paid, net of dividend from equity accounted investments	(155.0)	(114.2)
Free cash flow (after interest and tax)	415.4	268.4
Acquisitions	(340.5)	(720.1)
Dividends	(178.0)	(167.5)
Exceptional items/disposals	(23.8)	(29.5)
Share issues	0.3	0.4
Net outflow	(126.6)	(648.3)
Opening net debt	(756.6)	(150.2)
Translation and other	(230.7)	41.9
Closing net debt (including lease creditors)	(1,113.9)	(756.6)

Net capital expenditure

As illustrated in the table below, net capital expenditure amounted to £206.6 million for the year (2022: £170.9 million) and was net of disposal proceeds of £22.6 million (2022: £23.5 million). The level of net capital expenditure reflects continued investment in organic initiatives across the Group, supporting the Group's continued growth and development. Net capital expenditure for the Group exceeded the depreciation charge of £144.4 million (excluding right-of-use leased assets) in the period by £62.1 million.

Capital expenditure in DCC Energy primarily comprised expenditure on tanks, cylinders, depot infrastructure and installations and the continued rollout of 'Click and Collect' services, supporting new and existing customers in Energy Solutions. There was also continued development spend in relation to the Avonmouth LPG storage facility in the UK which is now substantially complete and will be operational in the coming months. In Mobility, there was investment in retail sites and upgrades across the business, including adding further lower emission product capability such as EV fast charging and related services in the Nordics.

In DCC Healthcare, the capital expenditure primarily related to increased manufacturing capability and capacity across DCC Health & Beauty Solutions. The business has been investing in adding gummy capability in Europe and the US and will have commercial production in both regions in the coming financial year. In addition, the business has also been investing to increase capacity at its effervescent facility in Minnesota.

Net capital expenditure	2023 £'m	2022 £'m
DCC Energy	173.1	135.8
DCC Healthcare	24.6	24.3
DCC Technology	8.9	10.8
Total	206.6	170.9

Capital expenditure in DCC Technology included a new fleet of electric forklift trucks in North America along with warehouse and IT developments across the division as part of the programme of continuous system improvement.

Impact of climate-related issues on investments

The Group has a clear process and set of priorities for the deployment of capital, both for organic growth and acquisitions, which takes account of the impact of climate-related risks and opportunities. As a Group, our key priorities when making capital deployment decisions are:

- Continuing to scale DCC Health & Beauty Solutions and building DCC Vital into an international healthcare solutions leader.
- Growing in high value-add sectors, such as Pro Tech and Life Tech, in DCC Technology.
- Accelerating decarbonisation for customers by investment in renewable energy products and services in DCC Energy.

The Group continues to enhance its processes for the assessment of climate-related risks in individual investment proposals to take account of, for instance, the risk of more frequent extreme weather events over the medium to long term.

Total cash spend on acquisitions for the year ended 31 March 2023

The total cash spend on acquisitions in the year was £318.5 million. The spend primarily reflects acquisitions committed to and completed during the current year, but also includes DCC Energy's investment in Frijsenborg Biogas in Denmark and a small DCC Healthcare bolt-on in Germany which were announced in the prior year Results Announcement in May 2022. Payment of deferred and contingent acquisition consideration previously provided amounted to £22.0 million.

Committed acquisitions

DCC has committed £361.7 million to new acquisitions since the prior year Results Announcement. An analysis of these commitments by division is set out below:

Committed acquisitions	2023 £'m	2022 £'m
DCC Energy	**137.3**	93.0
DCC Healthcare	**224.4**	10.1
DCC Technology	**–**	500.3
Total	**361.7**	603.4

As can be seen from the table above, DCC continues to be very active from a development perspective, committing approximately £360 million to 19 new acquisitions during the period. Recent acquisition activity of the Group includes:

DCC Healthcare

Medi-Globe

In October 2022, DCC Healthcare completed the acquisition of Medi-Globe Technologies GmbH ('Medi-Globe'), an international medical devices business focused on minimally invasive procedures. The acquisition was based on an enterprise value of approximately €245 million (£213 million) on a cash-free, debt-free basis.

Medi-Globe, founded in 1990, is involved in the development, manufacture and distribution of single-use devices for endoscopy in diagnostic and therapeutic procedures. The business has grown organically and through bolt-on acquisitions to become a leading global player in its focus areas of gastroenterology and urology. These are large and growing therapeutic areas, benefiting from strong demographic and treatment trends. Medi-Globe has revenues of approximately €120 million (£104 million) and employs approximately 600 people. Its products are sold to hospitals and procurement organisations in over 120 countries through direct sales operations in Germany, France, Austria, Netherlands, Czechia and Brazil, and an international network of distributors.

DCC Energy

Accelerating cleaner energy offerings

As set out in its 'Leading with Energy' strategy, DCC Energy has been adding complementary capabilities to accelerate the decarbonisation offering it has for customers. During the period DCC Energy completed ten transactions in services and renewables which have contributed to this enhanced service offering and contribute to the increasing share of the division's profits which come from non-fossil energy products and services. The largest of these transactions was the acquisition of PVO, which is set out in further detail below. In addition, the division completed the following acquisitions:

- In May 2023, DCC Energy completed the acquisitions of AEI, a leading solar installation and services business in Ireland, and Hafod Renewables, a supplier and installer of renewable energy sources in the UK and O'sitoit, a solar installer in central and eastern France.
- In February 2023, DCC Energy completed the acquisition of Søberg Energi in Denmark, a nationwide energy services business.
- DCC Energy acquired solar installer Sys EnR in France in January 2023. Sys EnR provides design, construction and maintenance services for solar panel and solar thermal installations.
- In October 2022, DCC Energy completed the acquisition of Freedom Heat Pumps, a distributor of air source heat pumps and accessories in the UK.
- In June 2022, DCC Energy acquired Protech Group, which provides a range of renewable and energy efficient heating solutions to commercial and industrial customers across the UK.

PVO

In November 2022, DCC completed the acquisition of PVO International BV ('PVO'), a leading distributor of solar panels, invertors, batteries and accessories used in the commercial, industrial and domestic energy sectors across continental Europe. PVO was established in 2014 and has grown rapidly to become one of the leading solar solutions suppliers in Europe, with a market-leading position in the Benelux region, and growing positions in eight other European countries including Germany, Poland and Finland. The business is headquartered in Rosmalen, the Netherlands, and employs approximately 50 people. PVO is an excellent strategic fit for DCC. It will leverage PVO's established market position in the fast-growing solar PV market and DCC Energy's knowledge and experience in transitioning customers to cleaner energy products and services including solar solutions. The majority of the consideration for PVO was payable in cash on completion, followed by earn out payments over three years based on PVO's future trading.

DCC Energy bolt-ons

DCC Energy also completed a number of small complementary bolt-on acquisitions in the period in Norway, Denmark, Germany and Sweden as well as a lubricants business in Ireland.

RETURN ON CAPITAL EMPLOYED

The creation of shareholder value through the delivery of consistent, sustainable long-term returns well in excess of its cost of capital is one of DCC's core strategic aims. The return on capital employed by division was as follows:

	2023 excl. IFRS 16	2022 excl. IFRS 16	2023 incl. IFRS 16	2022 incl. IFRS 16
DCC Energy	19.0%	18.6%	17.6%	17.1%
DCC Healthcare	13.0%	20.5%	12.5%	19.2%
DCC Technology	8.7%	9.1%	8.3%	8.5%
Group	15.1%	16.5%	14.2%	15.3%

The Group continued to generate strong returns on capital employed, notwithstanding the substantial increase in the scale of the Group in recent years. The decrease in return on capital employed versus the prior year primarily reflects the substantial acquisition spend during the prior and current years of a cumulative £1.1 billion, primarily in DCC Healthcare and DCC Technology, which had a dilutive impact on Group returns. In the current year it also reflects the organic decline in operating profit in DCC Healthcare and DCC Technology, which we expect will recover in the coming years.

FINANCIAL STRENGTH

DCC has always maintained a strong balance sheet and it remains an important enabler of the Group's strategy. A strong balance sheet provides many strategic and commercial benefits, including enabling DCC to take advantage of acquisitive or organic development opportunities as they arise. At 31 March 2023, the Group had net debt (including lease creditors) of £1.1 billion, net debt (excluding lease creditors) of £767.3 million, cash resources (net of overdrafts) of £1.4 billion and total equity of £3.1 billion. Substantially all of the Group's term debt has been raised in the US private placement market and has an average maturity of 5.0 years. Post the year-end, in April 2023, DCC repaid £223.3 million of maturing US private placement notes.

Key financial ratios	2023 Actual	Lender covenants	2022 Actual
Net debt: EBITDA (times)	1.0x	3.5x	0.6x
EBITDA: net interest (times)	11.2x	3.0x	16.1x
Total equity (£'m)	3,058.3	425.0	2,970.6

Carbon and emissions	2023	2022	% change	% change vs. 2019 baseline
Scope 1 & 2 carbon emissions* Group	0.078	0.086	-9.3%	-32.8%
Customer Scope 3 carbon emissions* DCC Energy	39.1	41.2	-5.1%	-5.9%
Renewable share of energy sold (GJ)	6.3%	4.0%		

* $mtCO_2e$

SUSTAINABILITY

DCC's ambition is to make progress across the four pillars of our sustainability framework: Climate Change and Energy Transition, Safety and Environmental Protection, People and Social, and Governance and Compliance.

Last year, the Group set an increased target to reduce Scope 1 and 2 carbon emissions by 50% by 2030, having achieved the previous interim target ahead of expectations. During the current year DCC lowered its Scope 1 and 2 emissions by 9.3%.

The vast majority of the Group's Scope 3 carbon emissions derive from DCC Energy's sales of products to customers. In the year, DCC Energy reduced these emissions by 5.1%. DCC's progress towards net zero has been recognised by CDP with an improved B rating for the Group.

Related to Scope 3, the Group increased the renewable content of energy supplied to customers (in GigaJoules (GJ)) to 6.3%, up from 4.0% in 2022 and 3.2% in 2019. This figure is a subset of the very low or zero carbon sales of the Group.

DCC Energy's operating profit share of services and renewables (with less than 10kg of CO_2e per GJ sold) increased by six percentage points to 28% from 22% in 2022. This broader category adds operating profit from services such as solar installations and other very low or zero carbon services to DCC Energy's profit from sales of renewable energy (namely, the 6.3% GJ share above). Due to strong growth in operating profit and the 5.1% decline in Scope 3 carbon emissions DCC Energy's operating profit to carbon ratio increased by 18%.

Looking at sustainability beyond climate change and energy transition, DCC retained an AAA rating from MSCI, remaining among the top 10% of peer companies.

KEVIN LUCEY
Chief Financial Officer
15 May 2023

Financial Risk Management
Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors, most recently in April 2023. These policies and guidelines primarily cover credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost. The Group does not trade in financial instruments, nor does it enter into any leveraged derivative transactions. DCC's Group Treasury function centrally manages the Group's funding and liquidity requirements. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign exchange, and, in conjunction with Group Commodity Risk Management, manage commodity price exposures, within approved policies and guidelines. Compliance with the policies and guidelines is subject to review by the Group Internal Audit function.

Further detail in relation to the Group's financial risk management and its derivative financial instrument position is provided in note 5.7 to the financial statements.

Foreign Exchange Risk Management
DCC's presentation currency is sterling. Exposures to other currencies, principally euro and US dollar, arise in the course of ordinary trading.

A significant proportion of the Group's profits is denominated in currencies other than sterling. Approximately 73% of the Group's adjusted operating profit for the year ended 31 March 2023 was denominated in currencies other than sterling, primarily euro, US dollar and Scandinavian currencies. DCC does not hedge the translation exposure on the profits of non-sterling subsidiaries. The weakening of the average translation rate of sterling against most currencies, in particular the euro and the US dollar, resulted in a positive impact of approximately £24.2 million on the Group's adjusted operating profit in the year ended 31 March 2023.

The Group has investments in non-sterling, primarily euro and US dollar denominated, operations which are cash-generative, and a significant proportion of the cash generated from these operations is reinvested in development activities rather than being repatriated into sterling. The Group seeks to manage the resultant foreign currency translation risk through borrowings denominated in (or swapped utilising cross currency interest rate swaps into) the relevant currency or through currency swaps related to intercompany funding, although these hedges are offset by the strong ongoing cash flow generated from the Group's non-sterling operations, leaving DCC with a net investment in non-sterling assets. The gain of £43.3 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2023 as set out in the Group Statement of Comprehensive Income mainly reflects the weakening in the value of sterling against the US dollar, with the impact of movements against other currencies largely offsetting against each other.

Where sales or purchases are invoiced in currencies other than the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months.

Credit Risk Management
DCC transacts with a variety of high credit-rated financial institutions for the purpose of placing deposits and entering into derivative contracts. The Group actively monitors its credit exposure to each counterparty to ensure compliance with limits approved by the Board.

Interest Rate Risk and Debt/ Liquidity Management
DCC maintains a strong balance sheet with long-term debt funding and cash balances with deposit maturities up to three months. In addition, the Group maintains both committed and uncommitted credit lines with our relationship banks and borrows at both fixed and floating rates of interest. At 31 March 2023, 49% of the Group's term debt, including drawn committed credit lines, was at or swapped to floating interest rates, using interest rate and cross currency interest rate swaps which qualify for fair value hedge accounting under IAS 39. The Group mitigates interest rate risk on its borrowings by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings.

Commodity Price Risk Management
DCC, through its activities in the energy sector, procures, markets and sells LPG, natural gas, electricity and oil products and, as such, is exposed to changes in commodity cost prices.

In general, market dynamics are such that commodity cost price movements are promptly reflected in sales prices. In certain markets, short-term or seasonal price stability is preferred by certain customer segments which requires hedging a proportion of forecasted transactions, with such transactions qualifying as 'highly probable' for IAS 39 hedge accounting purposes. DCC uses both forward purchase contracts and derivative commodity instruments to support its pricing strategy for a portion of expected future sales, typically for periods of less than 12 months.

Fixed price supply contracts may be provided to certain customers for periods typically less than 12 months in duration. DCC fixes its cost of sales on contracted future volumes where the customer contract contains a take-or-pay arrangement that permits the customer to purchase a fixed amount of product for a fixed price during a specified period and requires payment even if the customer does not take delivery of the product.

Where a take-or-pay clause is not included in the customer contract, DCC hedges a portion of forecasted sales volume recognising that certain sales, such as natural gas and electricity in particular, are exposed to volumetric risk in the form of an uncertain consumption profile arising from a range of factors, including supply dynamics and the weather.

DCC does not hold significant amounts of commodity inventory relative to purchases and sales; however, for certain inventory, such as fuel oil and natural gas, DCC may enter hedge contracts to manage price exposures.

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

The net debt balance at 31 March 2023 includes a mark-to-market liability relating to the fair value of the derivative financial instruments used by the Group to hedge commodity price risk exposures.

Certain activities of individual businesses are centralised under the supervision of the DCC Group Commodity Risk Management function. Divisional and subsidiary management, in conjunction with the Group's Commodity Risk Management function, manage commodity price exposures within approved policies and guidelines.

All commodity hedging counterparties are approved by the Chief Executive and the Chief Financial Officer and are reviewed by the Board.

WE ENABLE STAKEHOLDERS TO GROW AND PROGRESS

We work closely with our stakeholders to generate sustainable growth. We listen, discuss and collaborate to ensure we progress together.

We know that the sustainability of our business is enhanced by stakeholders' views. So listening to our stakeholders is essential. We want stakeholders to feel heard and, ultimately, to benefit from their dealings with Group businesses.

CUSTOMERS

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

What matters to our customers?
Our customers are interested in supply chain reliability, the identification of opportunities that offer sustainable growth for their businesses, technical expertise and excellent customer service.

Customers of DCC Energy also want us to support their energy transition and achieve net zero carbon emissions. We are moving our customers' homes and businesses to low-carbon energy to achieve this. At the same time, we ensure their existing energy supplies are safe, reliable and efficient.

The environmental and social impacts of our goods and services matter increasingly to our customers.

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

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

How we respond
We provide reliable supplies of essential products and services to millions of businesses and consumers. Our supply chain expertise ensured minimal disruption during the pandemic and more recent supply chain disruption.

HELPING OUR CUSTOMERS IN THE ENERGY CRISIS

Significant increases in wholesale energy prices during the year had a big impact on many of our domestic energy customers.

Businesses in DCC Energy responded with a series of additional customer supports, moderating price increases where they could, advising customers about government supports, changing payment terms and generally looking out for vulnerable customers.

These measures helped a lot of people in a small way at a difficult time.

SUPPLIERS

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

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

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

How our Board engages
The Board receives frequent updates on trading performance across the Group, including on any material changes in supplier relationships. We also monitor sustainability in our supply chains and the results are reported to the Audit Committee and the Board. The Board considers and approves our Modern Slavery Act Statement annually.

How we respond
The year under review saw continued disruption to supply chains. Businesses across the Group worked closely with suppliers over the year to maintain supplies of key products in the markets they serve.

OUR PEOPLE

Our greatest asset is our experienced, diverse and dedicated workforce. Our relationship with our people is open and honest. We invest in and develop our people within a culture that values diversity, innovation and community. And we support and reward employee success so they feel valued in all that they do.

What matters to our people?

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

How our businesses engage

At business, divisional and Group level, we communicate with our employees through various channels, including team meetings, town halls, regular surveys and employee recognition programmes.

How our Board engages

Our non-executive Workforce Engagement Director Mark Ryan holds regular discussions with management on matters related to the Group's workforce. His report is set out on page 102. Our Employee Engagement Survey provides a valuable perspective on our culture and 'lived experience' of our colleagues. The Board considers Employee Engagement Survey results and discusses responses with management. Progress against our overall people strategy is discussed at Board meetings during the year.

How we respond

During the year we undertook a second Group-wide Employee Engagement Survey and our businesses and management teams are responding to the feedback obtained from this with relevant action plans. We further developed our talent and performance management structures and provided extensive learning and development opportunities, both in person and online. Embedding our Inclusion and Diversity Policy, 'You Belong Here,' remained a key part of our employee engagement during the year.

EMPLOYEE ENGAGEMENT SURVEY

This year, we carried out our second Group-wide Employee Engagement Survey. It provided detailed insights into the experience of working at DCC and a solid basis for further improvements.

INVESTORS

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

What matters to our investors?

Our investors rely on DCC to operate a sustainable business that delivers returns on capital employed significantly ahead of the Group's cost of capital, converts profits from those operations to cash, shares some of those returns through a progressive dividend policy, and retains a further proportion of them to improve existing operations and generate further growth, including through acquisitions. They also demand high standards of corporate governance, led and overseen by our Board.

How our businesses engage

Management team members meet regularly with equity investors and analysts, including as part of the presentation of our annual and interim results, our AGM, at investor roadshows and capital market conferences.

We also engage regularly with debt investors, notably in the private placement market. We had detailed engagement with these investors during the year as we renewed some our of existing debt.

How our Board engages

Our Chief Executive, Chief Financial Officer and Head of Group Investor Relations regularly update the Board on investor relations issues.

In addition, our Chairman invites our principal shareholders to engage with him over the course of the year. This year, he held ten calls with shareholders.

More detail on our engagement with investors is set out on page 103.

How we respond

During the year we again increased our dividend, representing our 29th year of unbroken dividend growth. We also held separate capital market events on our Energy and Healthcare businesses. This year, management team members presented at 14 conferences and conducted 477 investor meetings.

GOVERNMENTS AND REGULATORS

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

What matters to governments and regulators?

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

How our businesses engage

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

How our Board engages

The Board discusses changes in regulation and corporate governance reforms where they are material to the Group. The Board also reviews a detailed report twice a year on notable dealings with regulators and governments. During the year, the Board considered reports on relevant regulatory developments, including new sustainability reporting obligations and proposals for a new UK Corporate Governance Code.

How we respond

We provide thousands of jobs directly, and support many more indirectly. In the year under review, we contributed £88 million in corporate taxes in the countries where we operate. We also continued to operate to high standards of safety, quality and compliance, with no notable safety, product quality or compliance breaches recorded during the year. We engaged constructively with regulators on several relevant policy proposals.

WORKING WITH GOVERNMENT TO DECARBONISE OFF-GRID INDUSTRY

Today, many large off-grid industrial sites like food manufacturing or distillery sites use oil to power their activities. They need to move to new, low carbon sources of energy.

Flogas Britain is leading a partnership of businesses participating in a UK Government scheme to support the development of innovative solutions for off-grid industrial customers.

With some initial government support, Flogas Britain and its partners are developing clean ammonia-fed steam boilers which can be used off-grid.

Following successful initial testing last year, Flogas Britain will now seek support for further development work.

Partnerships like this will form an important part of the journey to net zero. Because of its expertise in engineering, safety and supporting business customers, Flogas Britain will make a strong contribution to this process.

COMMUNITIES AND THE ENVIRONMENT

We aim to be a force for good in the communities we serve. The transition to lower carbon forms of energy and achieving net zero emissions is an issue of critical importance for every community we serve. We are actively working on reducing our Scope 1 and 2 emissions to achieve our 50% reduction target by 2030. We are also working on reducing the carbon emissions from the energy we sell. We are committed to achieving net zero by 2050 or sooner. In addition, we help a range of community groups through financial support and our employee giving programmes.

What matters to our communities and the environment?

Climate adaptation and moving to net zero emissions by 2050 or sooner is a primary concern for our communities and is critical for the environment. Protection of the environment in other ways, for instance by eliminating oil spills, is also essential. Our communities expect us to provide reliable, safe jobs and support community organisations where we can.

How our businesses engage

We continue to reduce our carbon emissions and support our customers in moving to lower carbon energies. Our total Scope 1 and 2 emissions were 9.3% lower in the year under review compared to the previous year. More detail on our transition to low-carbon energy is contained in the DCC Energy Business Review on page 16 and in the Sustainability Review on page 58.

Our businesses also support a range of community organisations, such as Social Entrepreneurs Ireland and the Laura Lynn Foundation in Ireland.

How our Board engages

The Board has been centrally involved in the development of DCC Energy's strategy to deliver continued growth while also moving to lower carbon forms of energy. The Board receives regular updates on progress in the implementation of that strategy.

The Board receives a quarterly report from the Head of Group Sustainability on progress in reducing Scope 1 and 2 carbon emissions across the Group.

The Board is also briefed on DCC's support for selected community organisations.

OUR COLLEAGUES SUPPORTING THEIR COMMUNITIES

With the support of the Group businesses where they work, many of our colleagues actively support charitable organisations in the communities we serve.

Examples this year included colleagues in DCC Propane volunteering with a children's charity in Chicago, a team from Exertis UK fitting out a sensory area for a school near London and employees in Exertis Almo providing support for a variety of local charities in Philadelphia.

These are a small sample of the ways our colleagues support the good work of local organisations. We are proud of their efforts!

TRADE ASSOCIATIONS

We recognise the impact that regulatory and legislative bodies have on our activities and on the communities we serve. When proposals for new public policies in relevant areas are formulated, we contribute to the debate through membership of trade associations. We take this approach because regulatory changes tend to affect whole industries rather than individual businesses.

At country and regional levels, we support leading trade associations in the industries where we operate. Trade associations add value through discussion and debate, which leads to better policy positions.

Examples of the trade associations to which we belong are given below by division.

Energy

- At European level we are members of UPEI, the trade association for independent fuel operators. A DCC employee has previously held the role of UPEI President.
- At country level our energy businesses are members of trade associations, such as the United Kingdom and Ireland Fuel Distributors Association ('UKIFDA'). A member of the Certas Energy management team currently sits on the UKIFDA Management Committee.
- In addition to our membership of UPEI and UKIFDA, we are members of other trade associations such as the Tank Storage Association ('TSA'). A Certas Energy representative is the incoming President of the TSA.

Healthcare

Businesses in DCC Healthcare actively participate in relevant industry bodies. Listed below are the main trade associations to which our Healthcare businesses belong. On those marked with an asterisk, a DCC employee is a board or membership committee representative:

- The Cosmetic, Toiletry and Perfumery Association ('CTPA').
- Health Food Manufacturers Association ('HFMA')*.
- Pet Food Manufacturers Association ('PFMA').
- The European Specialist Sports Nutrition Alliance ('ESSNA').
- Association of British HealthTech Industries ('ABHI')*.
- Medicines for Ireland.
- HealthTech Ireland.

Technology

Our Technology business follows a similar pattern of regional and in-country membership.

The Global Technology Distribution Council ('GTDC') is the primary trade association of which DCC Technology is a member. DCC has two members on the Board of GTDC.

INTRODUCTION

THE WORLD NEEDS PROGRESS FOR ALL

We want to enable the growth and progress of all our stakeholders. We are clear on the best ways in which we can achieve this and how we measure the progress we make.

Our purpose, strategy and business model aim to generate returns. Not just financial returns for our investors, but also returns to our stakeholders in the form of reduced carbon emissions, safe operations, diverse and vibrant workplaces and high standards of governance and compliance.

The four pillars of our sustainability framework are directly aligned to our purpose and strategy. They are based on a clear view of the sustainability questions that are most material to DCC, which we updated this year. They give focus to our sustainability activities and allow us to measure the progress that we make across our Group and at divisional and individual business level.

MATERIALITY ASSESSMENT

We updated our materiality assessment during the year on a double-materiality basis. This involved looking outwards to assess the sustainability impact of our actions in the wider world and inwards to assess how sustainability-related issues might affect our performance. The assessment also considered how these factors should influence our future strategic direction.

Double materiality considers two parameters:

- Financial materiality: the assessment of sustainability matters that create or erode enterprise value.
- Impact materiality: the assessment of our impact on the economy, environment and people.

Through extensive engagement with employees and key stakeholders, complemented by research and expert interviews, we identified 20 subjects that are important to DCC's sustainability and ranked these according to their financial and impact materiality.

HIGHLIGHTS OF THE YEAR

External Ratings

AAA rated
Maintained our AAA rating with MSCI

B rated
Maintained our B rating with CDP

Energy Transition and Climate Change

▼ 9.3%
Reduced our Scope 1 and 2 carbon emissions by 9.3%

▼ 5.6%
Reduced the proportion of carbon in the energy sold by DCC Energy by 5.6%

Safety and Environmental Protection

Strong performance
on process safety

Maintained
our lost time injury frequency rate ('LTIFR') below 1 day lost for every 200,000 hours worked

Developed
a Group-wide talent planning and development process for HSE professionals

People and Social

Increased
employee engagement scores

Undertook
a Group-wide diversity and inclusion survey

Governance and Compliance

Maintained
very high standards of corporate governance with full compliance with the UK Corporate Governance Code

Maintained
colleagues' awareness of key supply chain, human rights, corruption and privacy risks

FINANCIAL MATERIALITY \ IMPACT MATERIALITY	LOW PRIORITY	MEDIUM PRIORITY	HIGH PRIORITY
HIGH PRIORITY		– Data Security & Privacy – Circular Product Design & Materials – Human Capital	– Climate Change – Energy Transition – Supply Chain Sustainability – Health & Safety
MEDIUM PRIORITY	– Technological Innovation – Just Transition to Low-Carbon Economy – Waste Management – Competitive Behaviour	– Product Quality & Safety – Workforce Human Rights & Labour Practices – Corporate Governance & Ethics	– Diversity, Equity & Inclusion
LOW PRIORITY	– Equitable Healthcare – Responsible Marketing Practices	– Local Community & Economy Support – Water & Wastewater Management – Nature & Biodiversity	

PROCESS

We took the following approach to our recent materiality assessment:

Step 1: Universe of topics review

– Compiling standards and frameworks, sector context, business activities, business risks, relationships with stakeholders and our previous materiality assessment to inform the identification of relevant topics.

Step 2: Research and engagement

– Online survey on impact materiality completed by a range of DCC employees, investors and other stakeholders. Desk research and more detailed interviews with stakeholders to further discuss DCC's impact and areas of financial materiality.

Step 3: Significance assessment

– Scoring of impact and financial significance through research, engaging with our employees, impact and finance experts, investors and other external stakeholders.

Step 4: Topic analysis and prioritisation

– Analysis of impact and financial materiality to inform topic prioritisation from a double materiality perspective.

Step 5: Results and recommendations

– Collating and summarising results and recommendations of the review; further consultation to test conclusions.

MATERIAL TOPICS

The diagram above summarises the results of our materiality assessment. The most material topics identified from this materiality assessment align very closely with our existing sustainability priorities, as set out in the four pillars of our Sustainability Framework. This reinforces our view that we are working on the right areas. But this most recent assessment will also guide the future development of our sustainability programme and confirms that areas such as the development of more renewable technology products will become more important as our Technology division continues to grow.

OUR SUSTAINABILITY FRAMEWORK

Our Sustainability Framework summarises the sustainability topics that are most material to our activities today and how we measure progress against them. They are directly related to our purpose and strategic objectives.

CLIMATE CHANGE AND ENERGY TRANSITION

The world needs to transition to lower carbon forms of energy. We are working to achieve net zero across our Group. In particular, DCC Energy is reducing the carbon in the energy it sells to its customers.

Why this is important to DCC and our stakeholders

We are actively helping our customers move their homes and businesses to low and zero-carbon energy. While this happens, we ensure their existing energy supplies are safe, reliable and efficient.

Material topics

- Climate Change
- Energy Transition

– READ MORE
DCC ENERGY BUSINESS REVIEW ON PAGE 16

Our objectives	Key metrics	Our progress
We will reduce our Scope 3 emissions to net zero by 2050 or sooner.	Carbon intensity of energy sold (gCO_2e/MJ). Biogenic content of energy sold (%). Scope 3 emissions ($mtCO_2e$).	Reduced the carbon intensity of the energy sold by DCC Energy by 5.6%. Increased the biogenic content of energy sold by DCC Energy from 4% to 6.3%. Reduced our absolute Scope 3 emissions from DCC Energy by 5.1% compared to 2022.
We will decarbonise our operations to net zero by 2050 or sooner and by 50%, against an FY19 baseline, by 2030.	Scope 1 and 2 carbon emissions, adjusted to reflect acquisitions.	Reduced our absolute Scope 1 and 2 emissions by 35% against an FY19 baseline.

PEOPLE AND SOCIAL

We support the development of our people and society.

Why this is important to DCC and our stakeholders

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

Material topics

- Diversity, Equity & Inclusion
- Human Capital

– READ MORE
SUSTAINABILITY REVIEW ON PAGE 70

Our objectives	Key metrics	Our progress
We actively support the development of our people.	Employee turnover. Performance reviews completed.	Our employee turnover rate during the year was 25%, in line with expectations.
We actively support inclusion and diversity.	Senior management gender diversity. Incidents of discrimination.	Progress made in supporting gender diversity across the Group. Since 1 May 2023, Board of Directors at 40% gender diversity. No material incidents of discrimination.

Our framework consists of four pillars. These pillars help to shape our decision making and drive sustainable business development. They demonstrate our alignment with the relevant UN Sustainable Development Goals ('SDGs') and help us meet reporting standards such as GRI, SASB and TCFD.

This framework is consistent with the results of our recent materiality assessment, reflecting the environmental, social and governance ('ESG') issues that are most material to our stakeholders and the long-term success of the Group.

The Group's overall governance, including how the Board oversees our sustainability activities, is described in the Corporate Governance Statement on page 92.

SAFETY AND ENVIRONMENTAL PROTECTION

We keep our people, communities and environment safe.

8 DECENT WORK AND ECONOMIC GROWTH · 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why this is important to DCC and our stakeholders

Our people drive trucks and operate machinery. They work in energy facilities and warehouses. Some of our products can be dangerous if not stored and transported carefully. We are focused on keeping our people and the communities where we operate safe at all times.

Material topics

- Circular Product Design & Materials
- Health & Safety

– READ MORE
SUSTAINABILITY REVIEW ON PAGE 68

Our objectives	Key metrics	Our progress
We keep our people safe.	Lost Time Injuries ('LTIs'). Serious Safety Events.	Maintained an LTI Frequency Rate below 1 lost days for every 200,000 hours worked and continued good performance on process safety.
We protect the environment in communities we serve.	Spills requiring remediation.	One material hydrocarbon spill that reached a water body. Remediation not required.

GOVERNANCE AND COMPLIANCE

We embed and uphold high standards of governance and compliance across all our operations

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why this is important to DCC and our stakeholders

Good governance and compliance with the laws and ethical standards that apply to our activities are fundamental to how we do business. We also recognise the positive contribution to society that can be made by working with suppliers and customers who share our values.

Material topics:

- Corporate Governance & Ethics
- Data Security & Privacy
- Product Quality & Safety
- Supply Chain Sustainability
- Workforce Human Rights & Labour Practices

– READ MORE
GOVERNANCE REPORT ON PAGE 86
SUSTAINABILITY REVIEW ON PAGE 75

Our objectives	Key metrics	Our progress
We protect human rights.	Human rights issues in our operations or our supply chain.	No breaches of human rights identified within the Group's operations or supply chains. Modern Slavery Act Statement published containing more detail on our activities in this area. Available at www.dcc.ie.
We sell safe products.	Product safety failures.	No material product safety failures across the Group.
We prevent corruption.	Incidents of bribery and corruption in our operations or our supply chain.	No incidents of bribery and corruption identified.

PILLAR ONE

CLIMATE CHANGE & ENERGY TRANSITION

The world needs to transition to lower carbon forms of energy. We are working to achieve net zero across our Group. In particular, DCC Energy is reducing the carbon in the energy it sells to its customers.

OUR GOALS

- Achieve net zero carbon emissions across Scopes 1, 2 and 3 by 2050 or sooner
- Decarbonise our operations by 50% by 2030 (against an FY19 baseline)

ENERGY AND CARBON EMISSIONS

OUR APPROACH

Energy Strategy

We recognise that reaching net zero carbon is essential for a sustainable future. This means that we decarbonise our own operations and help our stakeholders to do the same where we can. In particular, in DCC Energy, we are moving our customers' homes and businesses to low-carbon energy while ensuring their existing supplies are safe, reliable and efficient.

This aligns our energy operations with our long-term energy strategy of achieving net zero, while maintaining supplies of energy for our customers and returns for investors. Further details on the progress being made by DCC Energy in implementing its strategy are available in its Business Review on page 16.

OUR PROGRESS AND KEY INITIATIVES

Energy Use and Scope 1 and 2 Emissions

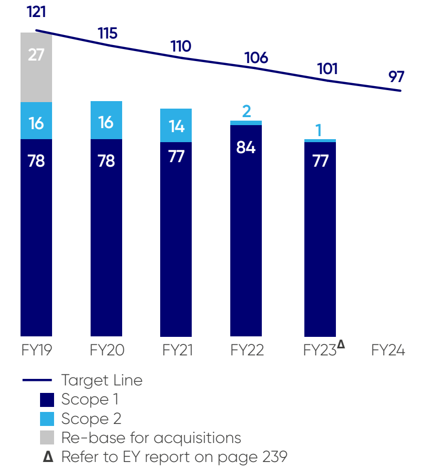
Decreasing our energy use is an essential element in reducing our Scope 1 and 2 greenhouse gas ('GHG') emissions. We used 1.591 million gigajoules of energy during the year, which was a 3.3% decrease over the prior year. This decrease reflects a mix of energy efficiency initiatives and changes in the level of business activity across our businesses.

We have also made significant progress in the procurement of renewable electricity in our European operations and Renewable Energy Certificates ('RECs') in the United States.

We have committed to achieving net zero carbon emissions across Scopes 1, 2 and 3 by 2050 or sooner and decarbonising our operations by 50% by 2030 (against an FY19 baseline).

The chart below shows DCC's absolute Scope 1 and 2 GHG emissions ('000s tonnes) against our yearly targets.

Scope 1 and 2 emissions ('000 tonnes)



In FY23, our total Scope 1 and 2 emissions reduced by 9.3%Δ against the prior year and we achieved a 35%Δ reduction against the FY19 baseline, making good progress towards our target of a 50% reduction by FY30.

Scope 3 Emissions

To meet our net zero target, we are working towards removing Scope 3 emissions and only using offsets for residual emissions.

For most organisations, Scope 3 emissions account for the majority of total value chain emissions, and DCC is no exception. While it is important to continue to reduce Scope 1 and 2 emissions, we are also focused on working in partnership with our suppliers and customers to identify opportunities to reduce emissions in the wider value chain.

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

- Category 3: fuel and energy-related activities not included in Scope 1 and 2. These are the upstream (often called well-to-tank) emissions associated with the energy sold by DCC Energy.
- Category 11: Use of sold products. These are the emissions generated when customers use the energy products sold by DCC Energy.

SUCCESSFUL CERTAS ENERGY UK HVO FLEET TRIAL SCALES UP

A trial of Hydrotreated Vegetable Oil ('HVO') in Certas Energy UK's vehicles proved so successful in contributing to the company's 20% carbon reduction target ('CO_2e') by 2025 that HVO is being rolled out to more depots.

Like many companies reliant on fleet logistics, fuel is the most significant contributor to Certas's carbon emissions. HVO is a drop-in fuel made from 100% renewable and sustainable waste vegetable fats and oils that can reduce GHG emissions by up to 90% compared to conventional diesel.

Emma Wordsworth, Operations Director, says, "We're viewing HVO as a transitional fuel, an immediate way to reduce CO_2e emissions from our operations whilst we explore longer-term clean energy alternatives for our fleet and operations. It's one of many decarbonisation initiatives we are implementing."

Simply changing to HVO has delivered impressive and immediate carbon savings. After a year on the trial, tanker diesel fuel usage has been reduced by 16%, saving 6,032 tonnes of CO_2e emissions.

Reducing these emissions while continuing to meet our customers' need for reliable and efficient forms of energy, is a core component of our energy strategy.

Even though the sale of energy generates most of our Scope 3 emissions, these are also important in our Healthcare and Technology divisions. During the year, we undertook projects in each division to produce a profile of Scope 3 emissions across the 15 sub-categories of Scope 3 emissions. This work enabled a better understanding of the relative importance of Scope 3 categories so that reduction efforts can be focused on the most material categories.

CDP Reporting

In the year under review, DCC's B rating by CDP was maintained. This compares to a sector-level and global average CDP score of C. Our higher rating reflects recent improvements in our reporting on carbon emissions. These improvements include setting targets and making progress against them, the Group's overall focus on climate change, and TCFD reporting.

Three key metrics measure our Scope 3 emissions performance:

- Absolute Scope 3 emissions (Category 3 and 11 emissions from DCC Energy).
- Carbon intensity of the energy we sell.
- Biogenic content of the energy we sell.

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

Metric	Unit	FY19	FY20	FY21	FY22	FY23Δ
Absolute DCC Energy Scope 3 Emissions	$mtCO_2e$	41.5	39.8	35.9	41.2	39.1
Carbon intensity	gCO_2e/MJ	81.2	79.3	76.5	76.4	72.1
Biogenic content	% biogenic energy content of energy sold	3.2%	3.2%	4.0%	4.0%	6.3%

Our absolute Scope 3 emissions decreased by 5.1% in the year under review, reflecting an increase in sales of renewable fuels as a percentage of overall sales volumes.

Δ Refer to EY report on page 239

CLIMATE CHANGE

OUR APPROACH

Climate risks and opportunities are assessed and managed as a fundamental part of our governance and business management processes. Our updated materiality assessment, outlined on pages 58 and 59, confirms climate change as a key risk and opportunity for the DCC Group.

Central to our response to this has been the definition of an updated growth and net zero strategy for our energy activities and setting Scope 1, 2 and 3 carbon emission reduction targets.

Governance and Management of Climate-Related Risks and Opportunities

In the Corporate Governance Statement on page 92, we describe the Board's oversight of climate-related issues and the role of management in assessing and managing climate-related issues. In the Risk Report on page 77, we explain how climate-related risk is integrated into the risk processes that operate throughout the Group. In the table on pages 66 and 67, we describe our assessment of the physical and transitional impacts of climate change on the Group's operations in terms of both risks and opportunities.

Assessment of Climate-Related Risks and Opportunities

We assess the impact of climate change on our activities principally by considering both transitional and physical effects over short-term (within three years), medium-term (between three and ten years) and long-term (more than ten years) periods. Within this framework, we consider scenarios, using reasonable assumptions as to how certain factors, such as regulation, product availability and customer demand, are likely to develop to estimate the impact of climate change on our activities. This analysis informs the strategic choices we make regarding the future development of the Group and our three divisions.

Our assessment of climate risks is primarily based on our climate scenario analysis ('CSA'). We began this work in 2022 by conducting a qualitative study to identify our most material climate risks and opportunities. We then undertook further quantitative analysis to develop our understanding of a carefully selected group of those risks and opportunities. The CSA process looked at climate-related effects on our business under two scenarios, both consistent with the scenario assumptions used by the IPCC (Intergovernmental Panel on Climate Change). The first was a scenario where decarbonisation is achieved in line with a 1.5°C temperature rise. The second scenario assumed a temperature rise of 4°C to help illustrate physical climate-related risks.

These scenarios align with the two key frameworks used by the climate science community: Shared Socioeconomic Pathways ('SSP'), which describe different socioeconomic futures, and Representative Concentration Pathways ('RCP'), which model different emission pathways and the associated impact on climate. The first scenario we used is based on SSP1 and RCP1.9. Our second scenario is based on SSP5 and RCP8.5. We also undertook a detailed assessment of the likely evolution of the principal energy markets we work in. We identified a significant opportunity to support existing and new customers as they reduce their use of fossil fuels over the coming decades. We also identified several material climate risks, such as the impact of an extreme 4°C warming scenario on the operation of two of our energy facilities, an LPG import terminal and an oil import terminal located in coastal regions.

The risks identified covered both the transitional risk associated with energy transition and our response to it, as well as physical risks from assets that could be affected by changing weather conditions.

The CSA process also assessed the opportunity available to our Technology division as the market for recycled technology products develops.

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

TCFD also recommends the development of relevant metrics and targets. The targets and metrics we have selected form a prominent part of the Sustainability Framework covered on pages 60 and 61. Further detail on our approach to reporting on Scope 1, 2 and 3 carbon emissions is set out on pages 62 and 63.

TCFD Reference Table

Core elements		Recommended Disclosures	Principal Section of Annual Report
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	Corporate Governance Statement pages 92 to 107 Governance and Sustainability Committee Report pages 108 to 111
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	Corporate Governance Statement pages 92 to 107 Risk Report pages 77 to 84 DCC Energy Business Review pages 16 to 23
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Chief Executive's Review pages 8 to 11 Sustainability Review pages 58 to 76
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Financial Review pages 44 to 51 DCC Energy Business Review pages 16 to 23 Audit Committee Report pages 112 to 117 Financial Statements pages 160, 161, 177 and 180 Remuneration Report page 131
		c) Describe the resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario.	Sustainability Review pages 66 and 67
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Risk Report pages 77 to 84
		b) Describe the organisation's processes for managing climate-related risks.	Risk Report pages 77 to 84
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Risk Report pages 77 to 84
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sustainability Review pages 58 to 76
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks.	Sustainability Review pages 58 to 76
		c) Describe the organisation's targets to manage climate-related risks, opportunities, and performance against targets.	Sustainability Review pages 58 to 76

Analysis of Key Climate Scenarios
We analysed the resilience of our Group and divisional strategies against various climate-related scenarios. This process involved an initial qualitative assessment of climate-related risks and opportunities, which informed our revised energy strategy. More detailed qualitative assessments were then undertaken on four relevant scenarios. In each case, our analysis was supported by suitable external expert advice. The results of this are summarised in the following table.

Risk/Opportunity	Principal Scenario	Impact Assessment	Actions
Transitional impacts of climate change on our energy activities.	We undertook a detailed assessment of the likely evolution of each of the principal energy markets where we operate (geographic and customer markets), including a transition compatible with 1.5°C warming. This scenario was based on SSP1/RCP 1.9. This work included an assessment of the evolution of our policy and legal environment (such as the level of carbon pricing), the development of technology (such as improvements in EV technology) and the introduction of new forms of energy (such as biofuels and hydrogen). We also considered how these and other relevant factors would influence the markets where we operate over the short, medium and long term.	We concluded that there is a significant opportunity available to the Group to support existing and new customers as they reduce their use of fossil fuels over the next few decades. We can achieve this by adding to the range of products and services we offer while continuing to use our current assets to serve existing markets. The transition to lower carbon forms of energy will, over the medium to long term, see a reduction in demand for fossil fuels. A failure to adapt to this change would create a material risk to our existing energy operations in the long term.	Businesses in our Energy division are decarbonising their operations and helping their customers move to lower-carbon forms of energy. We continued to refine our energy strategy over the course of the year under review to support and accelerate this.
Physical impacts of climate change on our energy activities.	We assessed the impact of an extreme 4°C warming scenario on the operation of two of our energy facilities, an LPG import terminal and an oil import terminal, both located in coastal regions. This scenario was based on SSP5/RCP8.5. This work focused on assessing the risk of physical damage to those assets. We also considered the disruption to our wider operations that could be caused if they were inoperable for a certain period.	In the medium to long term, these facilities are slightly more likely to experience acute physical impacts because of adverse weather and sea level rise. If no mitigation measures were taken and no insurance was in place, the financial implications of one of these sites being rendered wholly inoperable will likely be less than £10 million in current value. This is not a material amount in the context of the Group. Assuming mitigation measures are taken, and insurance is in place, the financial impact of these events will be substantially less. DCC Energy's wider strategic resilience to climate change is addressed above and in the DCC Energy Business Review on page 16.	Within the timeframes considered, these impacts can be fully mitigated through increased physical mitigation measures and business continuity planning. In particular, alternative means of obtaining product are likely to be available. In addition, the Group maintains insurance against physical damage and business interruption.

Risk/Opportunity	Principal Scenario	Impact Assessment	Actions
Physical impacts of climate change on our healthcare activities.	We assessed the impact that an extreme 4°C warming scenario would have on the operation of one of our healthcare businesses in the USA which operates from two sites. This scenario was based on SSP5/RCP8.5. This work focused on assessing the risk of physical damage to the business due to wind or flooding. We also considered the disruption to our operations that could be caused if either site was inoperable for a certain period.	This facility is more likely to experience acute physical impacts from adverse weather and sea level rises in the medium to long term. If no mitigation measures were taken and no insurance was in place, the financial impact of one of these sites being rendered wholly inoperable is likely to be less than £10 million in current value. This is not a material amount in the context of the Group. Assuming mitigation measures are taken, and insurance is in place, the financial impact of these events will be substantially less. DCC Healthcare's strategy is considered highly resilient to climate-related risks and opportunities.	Within the timeframes considered, these impacts can be fully mitigated through increased physical mitigation measures and business continuity planning. In addition, the Group maintains insurance against physical damage and business interruption.
Transitional impacts of a move to a circular use of technology products.	As steps are taken to increase the reuse of the materials used in manufacturing technology products, we assessed the possible timing and scale of a change in the global technology market from purchasing products to their supply as a service. This scenario was based on SSP1/RCP 1.9. This work included an assessment of the evolution of the relevant policy and legal environment (such as more compulsory recycling of technology products) and the development of technology (including manufacturers designing products to support increased reuse of materials). We also considered how these and other relevant factors, such as demand from retailers and end users, would influence the technology markets where we operate over the short, medium and long term.	We consider that a significant market for recycled technology products and related services will likely develop over the medium to long term. The evolution of this market represents an opportunity for our Technology division because technology suppliers and customers are likely to need support in moving products back up the supply chain for reuse. However, the scale and timing of this change, particularly within individual geographic markets, are subject to very high levels of uncertainty. DCC Technology's strategy is considered highly resilient to climate-related risks and opportunities.	We will continue to closely monitor developments in the markets where we operate, including through discussions with our suppliers, customers and relevant policymakers.

PILLAR TWO

SAFETY & ENVIRONMENTAL PROTECTION

We keep our people, communities and environment safe.

OUR GOALS

- Keep our people safe
- Protect the environment in the communities we serve

HEALTH AND SAFETY

OUR APPROACH

Safety Governance

Safety is a core value of DCC. We believe that a successful approach to safety must be grounded in a culture that encourages every DCC employee and contractor to identify and raise concerns, whether it is about safety or any other aspect of operating responsibly. We have governance structures and management processes in place to ensure a safe working environment for all our colleagues and partners and the management and mitigation of potentially negative environmental impacts from our operations.

HSE Three-Year Plan

Our three-year plan for HSE outlines our priorities and objectives in specific areas such as leadership, culture and governance, operational execution, competence and training, knowledge sharing and management reporting. This year, good progress was made in line with the plan.

Process Safety

Process safety management is a framework for managing the integrity of hazardous operating systems and processes by applying sound design principles, engineering controls and operating practices. It deals with the prevention and control of incidents involving the release of hazardous materials or energy, such as fire or explosion during the movement of fuel, fire within fuel vapour recovery systems, loss of containment leading to the formation of a vapour cloud or a hydrocarbon spill.

Culture of Safety

For DCC, a strong safety culture is key to everything we do. It starts with the declaration from our Chief Executive that "nothing is so important that it cannot be done safely". Our Employee Engagement surveys provide feedback on safety leadership within each business. Training in risk assessment and incident investigation includes considering human, organisational and cultural factors, both in terms of how the process is conducted and, in the case of incident investigation, considering causal factors.

Employees are expected to play an active role in maintaining a safe workplace, including the proactive reporting of near misses, unsafe acts and unsafe conditions, which they do through our HSE IT reporting platform. They are empowered to stop work when they consider it unsafe to continue. We use technology to support our processes where we can. For instance, our HGV fleet operations in the Energy division employ in-vehicle technology to monitor driver actions and performance, to record vital information in the event of an incident, and provide opportunities for driver coaching.

OUR PROGRESS AND KEY INITIATIVES

Occupational Safety

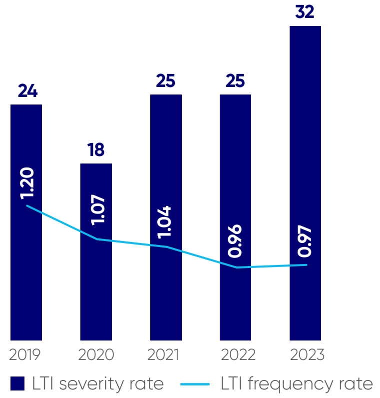
DCC is committed to striving for zero harm to our people. This means a sustained reduction in Lost Time Injury ('LTI') and recordable injury rates, no Tier 1 or Tier 2 process safety incidents (as defined in API-754), and no employee or contractor fatalities. In this regard, DCC has performed well, with no adverse incidents described above in the year under review.

LTIs, defined as an accident resulting in at least one day lost after the date of the accident, remain an essential indicator of occupational safety performance. Most LTIs recorded across the Group are relatively minor, including slips, trips, and manual handling injuries such as sprains and strains. Our LTI frequency rate remains below 1 per 200,000 hours worked at 0.97, a level that is comparable to the prior year. Our total recordable injury rate this year was 1.46, compared to 1.43 in the prior year. A recordable injury for this purpose is one that results in a fatality, days away from work, restricted work or job transfer, medical treatment beyond first aid, loss of consciousness, or a diagnosed significant injury/illness. The LTI severity rate increased versus the prior year from 25 to 32 per 200,000 hours worked, reflecting the influence of a small number of incidents resulting in lengthy absences. We had 44 occupational illness cases this year, which included musculoskeletal conditions, employee mental health and workplace exposures. The Near Miss Frequency Rate per 200,000 hours worked was 27.12.

In the year under review, there were no work-related employee or contractor fatalities.

All incidents, including personal injuries, road traffic accidents and near misses, are recorded to evaluate potential consequences, identify underlying causes, control weaknesses and learnings. The figures reported above include DCC employees, temporary workers and agency-supplied staff, but do not include third-party contractors. There were 14 accidents at our facilities resulting in personal injury to third-party contractors during the reporting period.

Lost Time Injury ('LTI') Rates



Environmental Protection

DCC strives for zero harm to the environment and communities in which we operate. The most material risk to the environment in the communities where Group businesses operate is the occurrence of a material spill of liquid fuel, such as home heating oil, petrol or diesel.

Asset management and employee training and competence are critical to spill prevention, as is our ability to respond quickly and appropriately to such incidents should they occur. We have actions in place to assess, maintain and upgrade our fixed and mobile assets, including storage facilities and delivery infrastructure.

In contrast to liquid fuels, the loss of LPG can present a significant safety risk, but does not typically damage the local environment.

Similarly, operations in our Healthcare and Technology divisions do not generate material risks of local environmental damage.

FLOGAS BRITAIN AVONMOUTH STORAGE FACILITY

Flogas Britain is running a unique project in Avonmouth to convert an old liquefied natural gas ('LNG') storage facility into a modern terminal for storing liquefied petroleum gas ('LPG'), a cleaner energy source. The project aligns with DCC's energy strategy as LPG produces fewer CO_2 emissions overall, and its impact on air pollution is lower than LNG.

The conversion has presented some unique safety and regulatory challenges, and the approach taken by DCC exemplifies how seriously the company takes HSE. The latest safety measures and technology have been used in the facility's conversion. For example, 3D modelling walk-throughs were used to identify potential safety issues, such as poor access to plant areas and valves and equipment at appropriate heights. Greater use of automation will become integral across the new facility, with automated fire and gas detection systems in place throughout. Once the Avonmouth facility is open and running, we will approach HSE with the same attention to detail that has gone into its design and construction.

– **READ MORE IN OUR SUSTAINABILITY REVIEW ON PAGE 58.**

PILLAR THREE

PEOPLE & SOCIAL

We support the development of our people and society.

OUR GOALS

- Support the development of our people
- Support inclusion and diversity

OUR PEOPLE

ENABLING AN ENGAGED AND DIVERSE TEAM

DCC is a people business, and our success relies on our 16,100 people across 22 countries. We strive to create a workforce that is as diverse as our customers and communities and build inclusive work environments where everyone has the same opportunity to develop and progress.

The development of our people is a strategic objective for the Group. We focus on growing our talent, finding better ways of working, building partnerships and supporting innovation. All of our divisions and businesses have highly experienced and ambitious management teams with deep knowledge of the markets in which they operate. As the Group continues to grow, the depth and quality of our talent is a key contributor to our future success.

At 31 March 2023, we employed 16,100 people, which is a 4% increase on the prior year. Our employee turnover rate during the year was 25% and new joiners amounted to 24% of all employees. These turnover numbers are in line with expectations and are a reflection of the wider employee environment, albeit lower than last year.

16,100
EMPLOYEES

22
COUNTRIES

Both of these figures include our seasonal workforce, who support our businesses in peak periods of trading, many of whom return year after year to work with us.

Employee engagement

We strive to provide an employee experience where everyone can feel safe, valued and included, and where every colleague can make their unique contribution.

Our Employee Engagement Survey provides a valuable perspective on the culture and 'lived experience' of our colleagues. In 2022, all of our colleagues across 22 countries in 71 businesses were given the opportunity to have their voices heard by participating in the survey.

OUR VALUES

Safety

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

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

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

Integrity

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

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

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

Partnership

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

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

Excellence

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

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

We achieved an excellent participation rate of 83%, which is reflective of how much our colleagues value the chance to share their insights and feedback. We are delighted to report that we have seen a year-on-year improvement in our overall engagement score across the Group with material progress in the engagement levels for some of our larger colleague populations.

Colleagues gave us feedback on a number of areas which allows us to identify common themes across the Group, as well as compare progress year-on-year and gain insights where our action planning is making a difference and where we need to continue to improve. In line with our devolved operating model, our process enables our businesses to seek feedback on additional areas that are of particular importance to that business, division or country.

Every people manager across our business with five or more team members receives the feedback and results for their team. In 2022, managers had the insights to lead these important conversations with their teams, actively listening to what matters most. To support our managers share results with their teams, lead conversations and agree actions, training and materials were rolled out across the Group. The ability to monitor the impact of the actions we take through the improved engagement scores is a great step forward and builds confidence with our colleagues that action will be taken as a result of their feedback.

This annual initiative continues to reinforce the strengths of our devolved business model. The results highlighted that our colleagues have a strong sense of purpose and understand why their work matters. Our people are also invested in the future of the Company and feel fairness and respect are at the heart of our working relationships. Encouragingly, our people also feel real accountability for our safety culture, a core value for DCC. While the results were very positive overall, we also identified a number of areas that need improvement. Our businesses and managers have implemented action plans at a local and team level to ensure that DCC businesses continue to be great places to work.

CREATING A FUTURE OF EQUITY AND BELONGING IN THE WORKPLACE

Diversity and inclusion have an immense impact at a professional and personal level in the workplace. When truly built into our culture, they help all our colleagues feel welcomed, represented, and empowered.

Since the beginning of 2022, DCC Technology has implemented numerous new measures to create a sense of empowerment and connectedness among every member of the workforce.

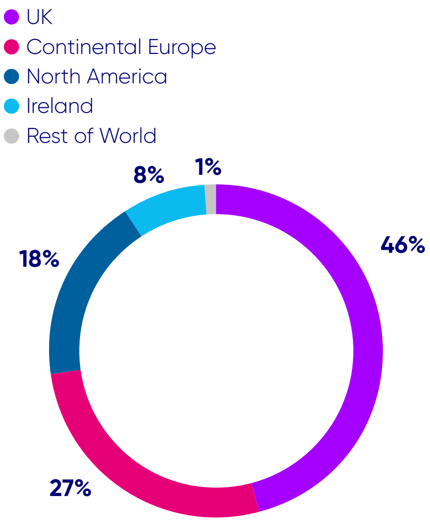
Through mental health initiatives, company-wide surveys, education and training, and new Diversity, Equity and Inclusion ('DE&I') policies, DCC Technology is reinforcing a culture of fairness and inclusivity, where diversity is not just respected but celebrated. In updated company guidelines for inclusive leadership and coaching, DCC Technology has detailed the harmful effects of unconscious biases, micro-iniquities and micro-affirmations – and how to recognise and eliminate these from the workplace. By providing colleagues in leadership roles with education on facilitating diverse teams – including gender, race, ethnicity, religious beliefs, age, mental health and physical abilities – DCC Technology is laying the foundation for an equitable experience for every member of the workforce.

As part of these activities, in October 2022 DCC Technology celebrated World Mental Health Day, creating a safe space for open conversations about attaining and maintaining good mental health. By providing colleagues with support, positive activities and key resources, these sessions helped break down the stigma of mental health discussions and improve the well-being of team members across DCC Technology businesses – not only on World Mental Health Day, but every day.

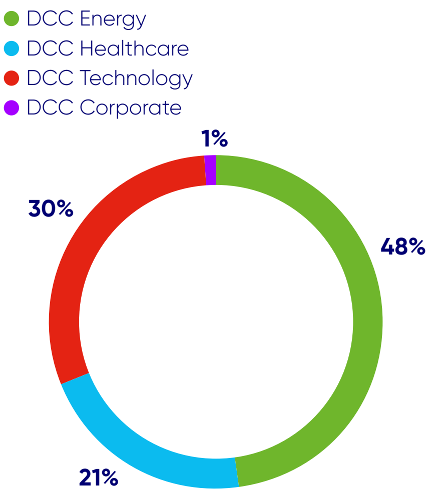
Additionally, DCC Technology developed a 'Spotlight on Diversity' series of communications, which provides colleagues with monthly sessions on topics like neurodiversity, religion, allyship, identity and culture. This programme creates a further safe space for these important discussions.

After a successful year of implementing DE&I practices, we are inspired by the important conversations with team members, and we look forward to more of these meaningful initiatives in the future.

Employees by geography



Employees by division



Building an inclusive and diverse culture

We aim to create an environment where every individual feels a sense of belonging and can thrive and contribute to their fullest in our businesses. That means embracing diversity in the broadest possible sense, including gender, ethnicity, ability, age, sexual orientation, education, and ways of thinking. We believe that to reap the benefits of our diverse and talented workforce we need inclusive work environments where all of our colleagues have the freedom to achieve their ambitions and a culture that cultivates the energy and passion our colleagues bring to work.

Our focus has been on targeting greater gender diversity, with a particular focus on developing a diverse pipeline of talented future leaders for the Group. Our Inclusion and Diversity Policy, 'You Belong Here', lays firm foundations to bring our inclusion and diversity strategy to life in a meaningful way. We remain committed to increasing diversity and inclusion within our workforce at all levels. 37% of the people we employ across our global business are women.

We continued to make progress on inclusive initiatives throughout the year. In 2022, we launched our Inclusive Recruitment Practices Guide and rolled out a female mentoring programme to create visibility and sponsorship of diverse talent. DCC Technology piloted Inclusive Leadership training and workshops and there are plans to roll this out across the entire Group.

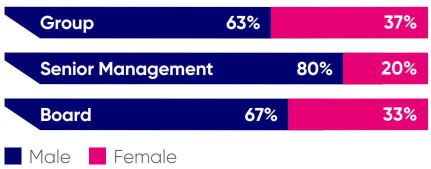
As a Group, we recognise the importance of workforce turnover as a sustainability metric and, like most companies, we are experiencing strong competition for talent. Our employee turnover rate during this financial year was 25%. We continue to place great emphasis on our ability to attract, develop and retain talent and identify this as a key risk, as highlighted in the Risk Report on page 77. We will continue to further enhance our diversity-led activities including the requirement for diverse candidate lists for senior open roles, providing unconscious bias training for thousands of our colleagues across the Group, taking opportunities to celebrate diversity and most importantly listening to the views of our people.

Celebrating diverse cultures and traditions

DCC is committed to having a workplace culture where everyone feels welcomed, respected and valued and has the freedom to achieve their ambitions.

With over 16,100 colleagues across 22 countries, DCC is a multinational and multicultural organisation. We recognise the opportunity that global cultural events provide, to raise awareness and understanding of our differences, as well as our common interests. These global awareness days create visibility and instill a sense of pride to ensure all our colleagues feel respected and valued. Over the course of the year, we held activities to mark celebrations such as World Mental Health Day, International Women's Day, International Men's Day and Black History Month.

Gender diversity as at 31 March 2023



We recognise the benefits of diversity at Board level as well. Our Board is fully compliant with the requirements of the UK Listing Rules in regard to gender diversity and more detail on this is contained in the Governance Report.

GLOBAL INCLUSION AND DIVERSITY SURVEY

In February 2023, we launched our first global Inclusion and Diversity pulse survey to establish how people from all backgrounds feel about their work and their experience working for our businesses. The survey was open to all employees, and over 9,000 of our colleagues completed the survey.

We are pleased that 85% feel they can be themselves at work, and over 80% of the respondents think their managers strongly support inclusion and diversity. While we still have to work to ensure our workforce is more diverse, our colleagues gave us invaluable insight into how each business can be a better place to work for everyone.

DEVELOPING OUR DIVERSE WORKFORCE

DCC Graduate Programme

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

Talent planning and career pathing

DCC has a strong record of developing its talent; most of our senior leadership have progressed their careers through a succession of exciting roles in diverse businesses across the Group. Throughout the year, we continued to identify and develop talent to meet the future needs of our businesses through our annual talent planning process. All our businesses actively engage in the annual talent process and use a consistent approach to focus on succession planning for high impact roles and identify talent for development purposes. Through this annual process we ensure a continued focus on the visibility and development of our diverse talent on an ongoing basis. This will lead to greater diversity and balance in our management teams over time. The number of roles in scope for succession planning has grown considerably over the past number of years in line with our growth over the same period. We strive to make talent visible and identify career paths for people within their own business as well as across the Group. About 82% of our management team positions currently have internally identified successors from within our Group. Of those, all identified critical positions have succession coverage and we have worked hard to create visibility of our internal talent options.

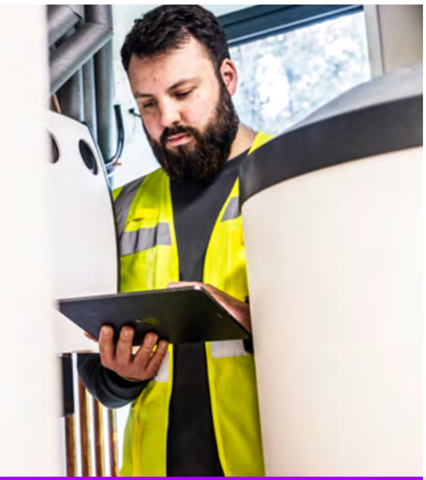
Talent management system
We continue to invest in our Group-wide talent platform to help us identify internal talent and ensure talent management processes are embedded consistently across the Group. The platform currently supports the automation of succession planning, reward and performance management processes and in 2022 we agreed Group-wide alignment of Personal Development Plans. As more of our businesses have recognised the value of the system, we have had an 8% increase in the number of users over the last year.

High-performance culture
Our people are driven to achieve and have an unwavering focus on results. We are open and transparent on performance and constantly measure our progress. Every member of our business management teams actively engages in our annual performance review process. To support and drive our high-performance culture, we offer regular coaching skills training to our business management teams at key points during the performance cycle.

Developing leaders
We strive to foster a culture of continuous development for our people, ensuring we have the talent and capabilities we need, now and in the future. With the phasing out of Covid-19 restrictions over the last year, we have been able to return to in-person training combined with virtual sessions.

In 2022, we added to our suite of development programmes by rolling out a coaching programme to help shift the dial on creating a coaching and feedback culture across our businesses. This programme complements the existing Group-wide training including DCC Management Essentials programme, the DCC Finance for Non-Finance Managers programme and our flagship DCC Business Leadership Development programme.

Mentoring diverse talent
We have mentoring programmes in place to support the development of diverse talent. Mentees are supported with their personal development through seasoned advice and guidance provided by their mentors to progress their careers. The programme also increases awareness in our mentors of the challenges facing diverse talents in our businesses so that they can influence change from a leadership perspective in their own businesses. We will continue to bring diverse talent through this programme over the coming year.



PILLAR FOUR

GOVERNANCE & COMPLIANCE

We embed and uphold high standards of governance and compliance across all our operations

OUR GOALS

- Protect Human Rights
- Prevent Bribery and Corruption
- Sell Safe Products

Our Approach

DCC is committed to operating to the highest standards of corporate governance. For more detail on our governance structure, please see the Corporate Governance Statement on page 92.

We seek to operate to the highest legal and ethical standards. And we want to benefit society by working with suppliers and customers who share our values.

Code of Conduct

Our current Group Code of Conduct, which is available on our website, sets out the standards that are expected of our employees in a range of areas, including anti-bribery and corruption, supply chain integrity, the protection of personal information and competition law. The Code also explains how employees can ask questions about compliance issues and raise concerns if they believe that something wrong is happening. A copy of the Code is provided to every employee when they join.

Whistleblowing

Employees across the Group are required to raise a concern if any of our activities are being undertaken in a manner that may not be legal or ethical and are supported if they do so. Concerns can be raised with a member of management in the business where the employee works, with the General Counsel & Company Secretary or externally with SafeCall, a third-party facility which is independent of DCC and available in multiple languages on a 24-hour basis. Employees may raise concerns anonymously if they wish. The Audit Committee has oversight responsibility for our whistleblowing facilities and how they operate. This is covered in more detail in the Audit Committee Report on page 112.

Bribery and Corruption Prevention

DCC has a detailed Anti-Bribery and Corruption Policy in place, which states that no employee or representative of any Group business is to offer or accept any bribe, including small facilitation payments, or engage in any other form of corrupt practice. During the year, over 3,000 employees completed training on the prevention of bribery and corruption. No Group business was involved in any public legal case regarding corruption during the year under review.

Inclusion and Diversity

The Group actively supports the development of a diverse and inclusive workplace. Details on our Inclusion and Diversity Policy, 'You Belong Here', and the other measures we take in this area are set out in the People and Social section of the Sustainability Review on page 70. Where allegations of discrimination are made, they are investigated, and suitable action is taken in response. In the year under review, there were no findings by any court or similar body that any DCC Group businesses had engaged in discrimination.

> We provided training covering the importance of protecting human rights to almost 4,000 employees across the Group over the course of the year.

Data Security & Privacy

DCC's privacy statement outlines the Group's policy on managing the personal data of individuals we deal with. In the year under review, we identified and monitored several cyber-attacks on Group businesses, but no leaks, thefts, or losses of customer data were identified as a result of these. In the same period, no substantiated complaints were received concerning breaches of customer privacy.

Workforce Human Rights & Labour Practices

We have clear internal policies and procedures for protecting human rights within our operations and supply chains. These include measures to identify and prevent slavery, forced and compulsory labour, child labour and human trafficking. During the year no breaches of human rights were identified in our operations or supply chains. The Board approved DCC's Modern Slavery Act statement for the year and it is available on our website.

Product Quality and Safety

Group businesses have suitable processes and procedures in place that are designed to ensure that the products that they sell are safe and meet applicable regulatory requirements. There was no monetary loss from legal proceedings associated with product safety during the year.

Compliance Monitoring

All businesses in the Group report in detail twice a year on their compliance controls. A report on these controls is provided to the Executive Risk Committee and the Audit Committee. In addition to these self-assessment reports, the Group Internal Audit team and the Group Legal & Compliance team consider a range of compliance risks as part of their audit programmes. More information on how compliance risks are addressed within the Group is set out in the Corporate Governance Statement on page 92.

ETHICS WEEK IN BUTAGAZ AND CERTAS

Butagaz and Certas, which serve customers across France and the UK respectively, are two of the largest businesses in the Group. Recognising the fundamental importance of ethical business practices to their culture, commercial success and long-term term sustainability, both Butagaz and Certas held very successful Ethics Weeks during the year. Each every involved hundreds of colleagues and provided an opportunity to openly discuss and reinforce the importance of good business practices across their operations.

MANAGING RISK THROUGH STRATEGY, CULTURE AND EFFECTIVE INTERNAL CONTROLS

RISK MANAGEMENT STRATEGY

DCC's strategy, diversified business activities and devolved operating model support the effective management of risks and make the Group resilient to a wide range of adverse events.

- We are a broadly-diversified Group, with operations in three growing industries across 22 countries. This protects the Group against many local market cycles and adverse events.
- We operate a devolved management structure, with talented, experienced and highly-motivated teams leading businesses across the Group. This means we remain close to our customers and trends in individual markets and can respond rapidly to changes.
- We have a strong culture focused on our core values of Safety, Integrity, Partnership and Excellence – and work hard to maintain and monitor this culture in every area of our operations.
- Our financial strength, built on the profitable and cash-generative nature of the businesses in the Group, our focus on returns from all capital invested, and our strong and liquid balance sheet, create additional resilience.
- We focus on maintaining robust internal controls that are aligned to the principal risks facing the Group and each of the businesses within it.

This Risk Report concentrates on the final of these elements of our risk management strategy – formal risk management processes and related internal controls. Our Group and divisional strategies and business models are addressed in more detail in the Strategy section on page 12, the summary of our Business Model on page 14 and the Business Reviews on pages 16 to 39. Our culture is covered in the People and Social part of the Sustainability Review on page 58 and in the Governance Report on page 92. Our financial position is addressed in the Financial Review on page 44.

CLIMATE RISK

We assess the impact of climate change on our activities principally by considering both transitional and physical effects over short-term (within three years), medium-term (between three and ten years) and long-term (more than ten years) periods.

Within this framework, we consider scenarios, using reasonable assumptions as to how certain factors, such as regulation, product availability and customer demand, are likely to develop, to estimate the impact of climate change on our activities. This analysis informs the strategic choices we make regarding the future development of the Group and its divisions.

Directly informed by our assessment of climate-related risks and opportunities, we announced an updated strategy for our energy activities – Leading with Energy – in May 2022 at a dedicated capital markets day.

There are three principal elements to our process for identifying, assessing, and managing climate-related risks:

- Each business in the Group considers climate risks (including physical risks and transitional risks such as changes in regulation) as part of our general risk management processes;
- Businesses in the Group then reflect their assessment of climate (and other risks) in their strategic planning; and
- The impact of climate risks, including their potential scale and scope and their significance relative to other risks, are also considered when risk and strategy are considered at divisional and Group levels.

We have put in place common risk definitions as part of our overall risk process (covering both the likelihood and impact/materiality of particular risks), which are applied to climate-related risks.

Responses to climate-related risks (including their mitigation, transfer, acceptance, or control) are considered as part of our strategic planning processes, which involve an annual review of strategy at business, divisional and Group level. Progress against strategy and the implementation of specific actions are monitored as an integrated part of our wider management processes.

The Board maintains oversight of the Company's response to climate change. The overall role of the Board in this respect is summarised on the following page in the section of this report dealing with Risk Management Governance and in the Governance Report on page 92.

Progress being made in the implementation of our Leading with Energy strategy is included in the DCC Energy Business Review on page 16.

Climate risk is also considered as part of our capital expenditure approval process. More information on that subject is contained in the Financial Review on page 44. The need to respond to climate change – most notably by reducing our carbon emissions – is a fundamental component of our Sustainability Strategy. The Sustainability Review on page 62 summarises the progress we are making in that area.

RISK MANAGEMENT GOVERNANCE

DCC plc Board

The Board is ultimately responsible for ensuring that appropriate risk management and internal control structures are in place across the Group. The Board has approved a Risk Management Policy and Risk Appetite Statement which respectively set out the Group's approach to the overall assessment and management of risk and appetite for specific forms of risk. The Board receives regular reports from management on the Group's principal current and emerging risks, on mitigation actions and internal controls, on the effectiveness of existing controls and opportunities for their development. Strategic risks and opportunities and HSE risks are overseen by the Board directly. Other risks are considered by the Audit Committee before also being considered by the Board.

Audit Committee

The Audit Committee assists the Board in assessing relevant risks and by reviewing the Group's risk management and internal control systems in detail. The Committee considers for this purpose reports from management on relevant areas of risk, including from the Group Internal Audit, Group Risk and Group Legal & Compliance functions. Strategic risks and opportunities and HSE risks are considered by the Board.

Group Management Team

The Group Management Team oversees the operations of the Group. This includes ensuring that existing and emerging risks are assessed, managed and reported on effectively in line with the Risk Management Policy and Risk Appetite Statement approved by the Board.

Executive Risk Committee

Chaired by the Chief Executive and comprised of senior members of Group management, this Committee oversees the Group's risk management processes in detail, including through the review of detailed reports from relevant Group functions such as Group HSE, Group Legal & Compliance, Group Risk and Group Internal Audit.

First Line of Defence

Management teams in divisions and Group businesses are responsible for day-to-day risk management activity including maintaining risk registers, identifying emerging risks and designing, implementing and maintaining effective internal controls. Divisional management regularly review and consider the status of risks with subsidiary management.

Second Line of Defence

Group functional teams ensure the first line of defence is operating as designed. They advise on Group policies, provide oversight of operations, and give technical support and advice to colleagues in Group businesses. These Group functions include Finance, HSE, Legal & Compliance, IT and Risk.

Third Line of Defence

The Group Internal Audit function (including IT Assurance) provides independent assurance over the Group's control environment. The team reviews risk management and control processes in businesses across the Group, in accordance with a risk-based audit plan approved by the Audit Committee. The team then reports on those audits to the Executive Risk Committee and the Audit Committee.

RISK MANAGEMENT PROCESSES

Risk management processes are in place across the Group to enable risk-informed decision making. The principal elements of these processes are summarised below.

Risk Identification and Analysis

Risk identification and analysis is built into the Group's core management processes. This facilitates the frequent review and updating of subsidiary and divisional risk registers and, in turn, the Group Risk Register.

The risk process involves an assessment and evaluation of the impact and likelihood of occurrence of each risk. New or emerging risks are added to risk registers when they are considered to have become material.

The principal risks and uncertainties relating to the Group's strategic priorities, based on this risk identification and analysis process, are set out on pages 80 to 83.

Determination of Risk Appetite

The assessment of risk appetite involves setting tolerance levels for each principal area of risk and then agreeing and monitoring relevant key risk indicators in those areas.

Risk appetite and key risk indicators are reviewed and updated periodically to reflect changes in the Group's risk environment.

Risk Management

Individual risks are managed as part of the Group's core management processes, including the strategy review process and the oversight of operations within Group businesses.

Internal controls are designed to ensure that risks are managed within the risk appetite defined for each area of risk.

Compliance with internal controls is reviewed by the functions that operate in the second and third lines of defence as outlined on the previous page. The Group has a process in place to track the completion of actions agreed as part of internal audits.

The Group's culture, based on our Values, is an important part of our risk management framework. It supports good decision making by management teams across the Group, within the context of the Group's internal control framework. Further details on how culture is monitored are set out on page 101 of the Corporate Governance Statement.

Risk Monitoring and Reporting

Risk reporting includes reports from first, second and third-line functions, using the key risk indicators defined for each key risk area.

The Executive Risk Committee considers detailed reports on risks and related internal controls, in particular reports from the Group HSE, Group Legal & Compliance, Group Risk, and Group Internal Audit teams. It meets five times annually.

In addition, the Group Management Team considers the development of the Group's overall risk environment and related mitigating actions, including internal controls, on a regular basis. This process is supported by reports from and discussions with the Group's key second and third line functions and discussions on the Group Risk Register.

The work of the Executive Risk Committee and the Group Management Team on risks and internal controls is then presented to the Audit Committee and the Board, as part of the Risk Management Governance structures outlined on the previous page. Relevant risks are considered further as part of the Group's strategy processes.

Communications to support risk management include guidance on risk management frameworks and processes for Group businesses, alerts issued by first, second and third line functions, the publication of learnings from events and discussions at management meetings and conferences on relevant areas of risk.

Emerging Risks

The Group recognises that it faces certain emerging risks that have the potential to become principal risks in the future. In some cases, there may be insufficient information to understand or quantify the impact, scale or likelihood of a risk. This uncertainty may limit management's ability to define a response to the risk. Emerging risks are regularly reviewed and reported on as part of our overall risk process.

Examples of emerging risks are the impact that artificial intelligence will have on the activities of the Group, the development of regulation in some markets where Group businesses operate, and how geopolitical tensions may evolve over the next few years.

ASSESSMENT OF THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROLS

The risk management governance framework and processes summarised above support the Directors and senior management in assessing the Group's risks and ensuring that suitable mitigating measures and controls are in place in respect of them.

As well as receiving reports on specific areas of risk and internal control, the Group Management Team and Audit Committee receive reports from the Group Risk function on the Group's overall risk environment, mitigation measures and internal controls. As part of this process, the Group Management Team, Audit Committee and Board review the effectiveness of the Group's risk management and internal control systems annually.

Opportunities to enhance our risk management processes are considered regularly. In the year under review, this included the formation of a separate Group Risk function, separate from our Group Internal Audit team. We also made some updates to our key risk indicators at divisional level and to the processes followed for reporting on how we learn from events. In addition, we took steps during the year to further integrate our strategic planning and risk management processes.

The review of the Group's risk management and internal control processes that was undertaken during the year concluded that our risk management and internal control framework continues to operate effectively. As usual, it identified some opportunities for enhancement, notably in the area of project and change management controls. Those enhancements will be actioned over the course of the year, and reported to the Group Management Team, Audit Committee and Board in due course.

PRINCIPAL RISKS AND UNCERTAINTIES

The following table summarises the principal risks and uncertainties to the successful achievement of the Group's strategic objectives.

Risk and Link to Strategy	Trend	Principal Mitigation Measures	Developments and Areas of Focus
STRATEGIC RISKS			
Changing Markets and Supply Chains External factors outside the direct influence of the Group, such as economic cycles and technological changes, can significantly impact on performance. Specifically, the impact of inflation, rising energy prices, and geopolitical developments can result in changes in customer demand and to supply chains.	⌃	The impact of changing market forces is mitigated through the Group's diversified activities and devolved operating model, a focus on financial management, strong culture and careful geographic expansion.	Increasing geopolitical tensions, economic pressures and climate change effects somewhat increase the risk of market and supply chain disruption over the next few years. Artificial intelligence will impact some markets where Group businesses operate, but presents opportunities as well as risks. The Group's diversity of sectoral focus, customer and supplier breadth and geographic mix contribute to our resilience as these market dynamics evolve.
Climate Change Transitional climate change risks and opportunities, including changes in policy, regulation, technologies and societal views, may impact demand for some of the Group's products. Physical climate change risks, such as extreme weather events and the related loss of biodiversity could affect the activities of a large proportion of Group businesses.	=	DCC Energy is putting relationships and structures in place to enable our customers' energy transition, including introducing lower carbon forms of energy. This will help reduce Scope 3 carbon emissions. Progress in the implementation of our strategy for the energy sector is set out in the DCC Energy Business Review on page 16. The Group is also making progress in reducing our Scope 1 and 2 carbon emissions. The Sustainability Review on page 62 covers this in more detail. The Board, the Governance and Sustainability Committee and the Group Management Team oversee key sustainability initiatives. The Group's businesses have appropriate business continuity and crisis management plans in place.	DCC has undertaken a Climate Scenario Analysis ('CSA') to assess the transitional and physical implications of climate change on the Group's operations. More detail on this is contained on page 64. Management will continue to monitor transitional and physical climate change risks to consider their impact on the Group and ensure appropriate mitigation measures are maintained.

Risk and Link to Strategy	Trend	Principal Mitigation Measures	Developments and Areas of Focus
Recruitment and Retention of Talented People The Group's devolved management structure has been fundamental to the Group's success. A failure to attract, retain and develop talent, particularly in new markets and in recent acquisitions, could impact the attainment of strategic objectives.	=	The Group maintains a constant focus on this area in line with our purpose and strategy, supporting the development of our people and ensuring that our workplaces are inclusive and diverse. Key mitigation measures include our: – Annual succession planning cycle which focuses on business continuity risk; – Talent review process which identifies high-performing and high-potential talent for the future; – International mobility practices which support the transfer of talent across our Group for professional development purposes as well as business need, particularly supporting the integration of new acquisitions; – Core leadership development programmes which support development at key career stages; – Annual remuneration cycle, which ensures incentives are competitive from a retention perspective and aligned with the Group's culture of long-term performance. These programmes form part of the overall Group Talent and People Strategy, which is reviewed regularly by the Chief People Officer, divisional management, the Chief Executive and the Board.	The Group will continue to focus on developing and embedding its HR programmes in the current financial year, particularly in recently-acquired businesses, and on adapting to new ways of working. The Group focuses on ensuring that DCC continues to be a great place to work for all of our colleagues. HR initiatives support key areas of culture and engagement, inclusion and diversity, and employee experience. The talent requirements resulting from recent acquisitions have been assessed and addressed. The development of our people is described in more detail in the Sustainability Review on page 70.
Acquisitions and Disposals A failure to identify and execute suitable acquisitions and disposals could impact profit targets, returns targets and impede the strategic development of the Group.	=	Group and divisional management teams engage in a continuous and active review of potential acquisitions and disposals. Potential acquisitions are subject to an assessment of their ability to generate a return on capital employed well in excess of the Group's cost of capital and of their strategic fit within the Group. The Group conducts a stringent internal evaluation process and due diligence before completing any acquisition or disposal. Performance against original acquisition proposals is reported to the Board annually and account is taken of lessons learned from this.	The Group continues to be active from a development perspective, including the acquisitions of Medi-Globe and PVO. Acquisition and disposal activity in the current financial year will continue to be subject to robust internal evaluation processes and due diligence. M&A execution remains a core competency of the Group. The Group has published clear priorities for capital allocation, including as part of the implementation of DCC Energy's Leading with Energy strategy.

Risk and Link to Strategy	Trend	Principal Mitigation Measures	Developments and Areas of Focus
OPERATIONAL RISKS			
Project and Change Management A failure to effectively complete change management programmes or other significant projects, including the integration of acquisitions could impact profit targets, returns targets and impede the strategic development of the Group.	=	Projects and change management programmes including the integration of acquisitions are resourced by dedicated and appropriately qualified internal personnel and supported by external expertise. Significant projects or programmes are subject to oversight by steering groups as well as by divisional and Group management and the Board.	A number of important change management initiatives and other projects will be underway across the Group at any stage. The implementation of DCC Energy's strategy will continue to be a priority in the current year. More detail on that subject is contained in the DCC Energy Business Review on page 16.
Major Safety or Environmental Incident The Group is subject to safety and environmental laws, regulations and standards across multiple jurisdictions. Principal HSE risks relate to fire, explosion or multiple vehicle accidents, an incident resulting in significant environmental damage and an HSE or security event requiring the activation of our crisis management plan. Such risks may give rise to injuries or fatalities, legal liability, significant costs and damage to the Group's reputation.	=	HSE management systems are maintained in proportion to the nature and scale of applicable risks. Inspection and auditing processes concerning HSE management systems are conducted by subsidiary management, by the Group HSE team, and by external assurance providers, as appropriate. There is a strong focus on process safety and ongoing communication with the relevant safety authorities, particularly within the Energy Division. Emergency response and business continuity plans are in place and tested to minimise the impact of any significant incidents. Insurance cover is maintained at the Group level for significant insurable risks.	While there have been no significant changes to the assessment of these risks, management continued to evolve HSE practices during the year. For more detail, see the Sustainability Review on page 68. Further development of HSE controls and management systems will continue in the current year in line with our Three Year HSE Plan, including completing the implementation of a new HSE reporting system across all Group businesses.
Major IT Failure, Cybercrime Incident or Data Loss Our IT systems and infrastructure may be affected by the loss of service or system availability, significant system changes or upgrades or cybercrime, which could result in financial or reputational damage. The personal data we hold may be affected by accidental exposure or deliberate theft of sensitive or personal information, which could result in a regulatory breach or financial or reputational damage.	⇑	Dedicated IT personnel in Group subsidiaries implement IT standards, oversee IT security and are provided with technical expertise and support from Group IT. Cybersecurity reviews are performed by a dedicated internal IT Assurance team and external technical experts to provide independent assurance over the Group's controls in this area. Group businesses maintain appropriate business continuity, IT disaster recovery and crisis management plans. DCC maintains a level of cyber insurance. Our Group Data Protection Policy, supported by detailed guidelines, requires Group businesses to ensure appropriate controls over personal data.	The devolved structure of the Group limits the potential impact of IT system failure or cybercrime. As global cybercrime trends continue to evolve, the Group strengthens its mitigation measures and resources in this area. Group IT and Group IT Assurance will continue to focus on raising awareness of cyber threats in the current financial year. We will ensure that the Group's IT standards and policies are consistently applied.
Geopolitical and Naturally-Occurring Events Geopolitical confrontation, military conflict, systemic financial crises, major adverse public policy change, or the emergence of a new public health emergency such as a further pandemic could have a significant impact on the Group's operations.	⇑	The Group's crisis management and business continuity plans would be implemented in response to sudden adverse events, taking lessons learned during the Covid-19 crisis into account. Key elements of the Group's business model including our diversified operations and financial strength add to our resilience to manage these events should they occur.	Management monitor emerging risks in this area on a continuous basis. Changes to the Group's risk environment will continue to be reflected in changes to the Group's operations as they arise. The Group has and will continue to adapt to new ways of working and doing business while protecting the safety of our employees, customers, suppliers, and other stakeholders.

FINANCIAL AND COMPLIANCE RISKS

Risk and Link to Strategy	Trend	Principal Mitigation Measures	Developments and Areas of Focus
Corporate Reporting and Financial Management Failure to accurately report financial or non-financial performance through error or fraud could result in regulatory sanctions and damage the Group's reputation. Failure to manage exposure to financial risks resulting from the Group's transactions, such as tax or foreign exchange risks, could negatively impact on financial performance.	⇑	Group financial risks are managed by experienced Group finance teams and governed by policies reviewed and approved annually by the Board. Standard reporting packs are prepared, including weekly forecasts and monthly submissions, and are subject to review by local, divisional and Group management as well as Group Internal Audit.	We will continue to develop our internal processes and reporting systems so that the Group can efficiently meet additional corporate reporting and assurance requirements, including the EU Corporate Sustainability Reporting Directive.
Compliance with Legal and Ethical Standards A material failure to comply with applicable legal and ethical standards could result in penalties, costs, reputational harm and damage to relationships with suppliers or customers.	=	The Group promotes a culture of compliance and 'Doing the Right Thing' in all activities, consistent with our value of Integrity. Staff surveys include an assessment of the Group's compliance culture. A Code of Conduct is in place and is supported by more detailed policies where needed, including a Supply Chain Integrity Policy, a Human Rights Policy, an Anti-Bribery and Corruption Policy and a Data Protection Policy. Training programmes are provided for employees on key compliance risks. All employees can raise concerns using the Group's whistleblowing facilities. The Group Legal & Compliance function performs compliance audits, and Group Internal Audit reviews a range of compliance controls as part of their audits.	Group businesses actively manage compliance with relevant requirements within the framework of our existing compliance procedures.

GOING CONCERN AND VIABILITY STATEMENT

In accordance with the relevant provisions set out in the UK Corporate Governance Code, the Board has taken account of the principal risks and uncertainties, as set out in the table on pages 80 to 83, in considering the statements to be made in regard to the going concern basis of accounting and the viability statement. These statements are set out below:

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report.

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on page 44. In addition, note 5.7 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The Company has very considerable financial resources and a broad spread of businesses with a large number of customers and suppliers across different geographic areas and industries. Having assessed the relevant business risks, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements, notwithstanding the turbulent economic and political environment.

Viability Statement

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years to 31 March 2026. The Directors' assessment has been made with reference to the resilience of the Group and its strong financial position, the Group's current strategy, the Board's risk appetite and the Group's principal risks and how these are managed and, again, with regard to ongoing economic and political uncertainty globally.

Period of Viability Statement

In accordance with Provision 31 of the UK Corporate Governance Code, the Directors have considered the length of time to be reviewed in the context of the Viability Statement.

The Directors believe that the three-year period to 31 March 2026 represents an appropriate period. The length of this period aligns with the Group's annual strategic review period, which is a bottom-up review prepared business by business, which considers the risks, opportunities and development plans for each business and is ultimately approved by the Board. The period also aligns with the period used for a number of other Group matters, including the performance period for the Group's Long-Term Incentive Plan. Finally, inherent uncertainty increases with regard to longer-term financial forecasting as time horizons extend. A three-year period is deemed to provide an appropriate balance between near-term and medium- to long-term influences.

Approach to Assessing Viability

In making a viability statement, the Directors are required to consider DCC's ability to meet its liabilities as they fall due, taking into account the Group's current position and principal risks.

The Group operates a devolved operational structure and has sales, marketing and support services operations across a diverse mix of industry sectors. The Group has an extensive spread of customers and suppliers across 22 countries, four continents and distinct market sectors. Importantly, the Group is supported by a very well-funded, liquid balance sheet and strong operational cash flows.

A robust financial model of the Group is built on a business-by-business basis. This model is subjected to sensitivity analysis, and those sensitivities are reviewed periodically to ensure they remain appropriate given changing circumstances in the business, markets and economies. This sensitivity review focuses on the Group's liquidity, solvency and gearing metrics, with particular consideration given to the Group's principal debt covenants, including its Net Debt:EBITDA and Interest Cover covenants.

Given the diverse nature of the Group's activities, the principal sensitivities considered in the review are those where negative economic and other impacts could be experienced across the entire range of the Group's activities. These sensitivities consider situations from depressed activity levels globally to material and persistent rebasing of the Group's profitability due to a range of factors. The Group also reviewed a sensitivity to consider the potential impact of a very material 'shock' which would have a significant and immediate impact on profitability and cash flows and where recovery would take a number of years. Finally, the review considered a 'reverse' stress test to determine what level of disruption would need to be experienced before a breach of the Group's debt covenants was unavoidable.

This review and analysis also considers the principal risks facing the Group, as described on pages 80 to 83, and the potential impacts these risks would have on the Group's business model, future performance, solvency or liquidity over the assessment period.

The Board considers that the diverse nature of the sectors and geographies in which the Group operates acts significantly to mitigate the impact any of these risks might have on the Group.

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VALUE CREATION AND ROBUST RISK MANAGEMENT

Dear Shareholder,
On behalf of the Board, I am pleased to present our Governance Report for the year ended 31 March 2023.

This Report summarises our corporate governance framework, including how we apply the principles and provisions of the UK Corporate Governance Code ('the Code'). We complied fully with the Code during the year under review.

Priorities and Progress
Our governance framework is focused on generating long-term value for the Group's investors and other stakeholders through clear strategic development, robust risk management and operational excellence.

We made further progress in all of these areas during the year. Highlights included:

- A strong focus on the strategic development of the Group and its three divisions. The Board devoted considerable time to the strategies of our three divisions and of the Group generally during the year.
- The continued integration of sustainability into Group and divisional strategies, supported by the appointment of a member of the Group Management Team as the Group's Chief Strategy & Sustainability Officer.
- Monitoring the Group's culture was also a priority subject. The Board invested time in reviewing various aspects of the Group's culture over the course of of the year.
- Increased engagement with stakeholders was a key feature of the year. We had more contact with our shareholders. We also had more opportunities to meet members of the Group's workforce after the removal of restrictions imposed during the pandemic.

Strategy and Sustainability
We have made considerable progress in the strategic development of the Group in recent years.

We set out a revised strategy for the energy sector – *Leading with Energy* – in May 2022, following detailed analysis and discussions at management and Board level. The implementation of that strategy is now being overseen by the Board. More detail on the progress being made in this important area is set out in the DCC Energy Business Review on page 16.

The Board also spent considerable time during the year looking at the strategic development of our Healthcare and Technology divisions and the Group as a whole. Again, more detail is provided in the Business Reviews on pages 24 to 32 respectively.

The appointment of a Chief Strategy & Sustainability Officer during the year will support the continued evolution and implementation of strategy and is a recognition of the intrinsic relationship between strategy and sustainability in DCC.

The Board and myself as Chairman have ultimate responsibility for the long-term sustainability of DCC. We have clear governance structures in place to support our work in this rapidly-developing area. These are set out in detail in the report of the Governance and Sustainability Committee on page 108. More information on DCC's sustainability generally, including its relationship to our strategy, is provided in the Sustainability Review on page 58.

Stakeholder Engagement
DCC's purpose – *enabling people and businesses to grow and progress* – applies to our stakeholders as much as it does to the people and businesses that make up the DCC Group. At the heart of our approach to sustainability is the importance of adding value to all of our stakeholders, whether they are shareholders, employees, suppliers or customers. And our commitment to the health of the planet – including by decarbonising over time the energy we sell – is clear. More detail on our stakeholders and how we add value for them is set out in the Stakeholder Engagement section on page 52 and in the Sustainability Review on page 58.

Culture and Values
Our clear purpose and strong culture and values are the foundation for the Group's activities. Our commitment to our values of Safety, Integrity, Partnership and Excellence are an essential part of the success of the Group to date and its future development. The Board spent a good deal of time during the year reviewing aspects of the Group's culture. More detail on this is provided on page 101.

Our governance framework is focused on generating long-term value for the Group's investors and other stakeholders through clear strategic development, robust risk management, and operational excellence.

MARK BREUER
Chairman

Risk Management
The effective but efficient management of risks remains a core component of our governance framework. Health, Safety and Environment ('HSE') matters are overseen directly by the Board. The management of other risks is considered by the Audit Committee and then by the Board.

More detail on the Group's processes in this area, and how they are developing, is contained in the Audit Committee's Report on page 112 and in the Risk Report on page 77.

Board Composition and Diversity
At our AGM in 2022, Pamela Kirby retired as a non-executive Director and member of the Remuneration Committee and Governance and Sustainability Committee. Tufan Erginbilgic retired from the Board, Remuneration Committee and Governance and Sustainability Committee on 31 December 2022.

On 1 May 2023, we welcomed Katrina Cliffe as a non-executive Director and as a member of the Remuneration Committee.

On behalf of the Board, I wish to extend my sincere appreciation to Pamela and Tufan for their contribution to the Board during their time as Directors and I wish them all the best for the future. Katrina's board experience, as outlined on page 89, complements and expands the skills of the Board in important areas.

The Board recognises the benefits that diversity of thought and perspective bring to our discussions and decision making. We updated our Board Diversity Policy during the year to underline this and it is available on the Company's website. Specifically, I am very pleased that from 1 May 2023, 40% of the Board are women. The Board meets the requirements of the UK Listing Rules on diversity.

Board and Committee Meetings
In the year under review, the majority of Board and Committee meetings were held in person.

All of our Board Committees continued to perform very effectively during the year. The reports from each Committee contained in this Report provide details on their activities over this period and their priorities for the current year.

Board Visits to Group Businesses
After a number of years where physical visits were curtailed because of pandemic restrictions, the Board undertook a number of visits to Group businesses during the year. These visits typically included a tour of facilities at the business in question as well as a discussion with colleagues on strategy, development areas, risks and opportunities, safety, compliance and people. Members of the Board found this additional engagement with the workforce, after a number of years where visits took place virtually, extremely useful.

Board Evaluation
The Board and its Committees review their performance each year and consider where improvements can be made. The process this year was, as always, very useful and provided some further areas for development in our governance processes. A summary of the process, the areas for improvement identified and the steps we are taking in relation to them are set out on page 98.

Review of Board Meeting Structures
We undertook a detailed review of the structure of Board and Committee meetings over the course of the year. That review took account of previous Board evaluations and wider good practice in corporate governance. The objectives of the review were to maximise the quality of the Group's governance, including Board and Committee meetings, while also allowing Directors to spend more time in Group businesses. As a result of this review, from the financial year commencing 1 April 2023 we will hold six scheduled Board meetings annually, a reduction of two. More time will be allocated to these six meetings and the Board will continue to cover all the subjects it considers at present. The additional time will be used by the Board to visit more Group businesses, spending time with members of management and the wider workforce. These changes will enhance the governance of the Group and the work of the Board at an important time in DCC's growth and development.

Priorities for the Year Ahead
As a Board, we have a busy year ahead. Key objectives include overseeing the continued implementation of DCC Energy's strategy, continued progress on sustainability and maintaining robust internal controls. The evolution of our Board and wider governance processes are designed to support this.

MARK BREUER
Chairman
15 May 2023

BOARD OF DIRECTORS

The Board continues to evolve and develop to reflect the current and future needs of the Group.

Committee Membership Key:

Ⓐ Audit Committee member

Ⓖ Governance and Sustainability Committee member

Ⓡ Remuneration Committee member

Ⓒ Committee Chair

MARK BREUER ⒸⒼ

Non-executive Chairman

Date of appointment: Mark joined the Board in November 2018 and was appointed non-executive Chairman in July 2021.

Expertise: Mark is a highly experienced corporate financier and has operated at senior levels in the UK and abroad. He worked in investment banking for 30 years, the last 20 of which were for J. P. Morgan, where he served in numerous client facing and management roles, delivering mergers and acquisitions and broader corporate finance advice to both domestic and international clients. Mark's wide-ranging corporate finance experience is particularly relevant given DCC's acquisition focus.

Key external appointments: Chairman and non-executive director of Derwent London plc.

DONAL MURPHY

Chief Executive

Date of appointment: December 2008

Expertise: Donal joined DCC in 1998 and has a detailed knowledge of the operations of the Group, having held a number of senior leadership roles, including Managing Director of DCC Technology from 2004 to 2006 and Managing Director of DCC Energy from 2006 to 2017. He led the very significant growth of the Energy division and its transition from a small UK and Irish business to a substantial international business operating in 12 countries.

Donal was appointed Chief Executive in July 2017.

Key external appointments: None.

KEVIN LUCEY

Chief Financial Officer

Date of appointment: July 2020

Expertise: Kevin joined DCC in 2010 as Finance & Development Director of the Technology division and since then has held a number of senior Group finance roles, including, most recently, Head of Capital Markets. Kevin is a Chartered Accountant and has extensive international M&A, capital markets and operational finance experience. Prior to joining DCC, Kevin was CFO and a principal of a leading Irish private equity firm.

Kevin was appointed Chief Financial Officer in July 2020.

Key external appointments: None.

LAURA ANGELINI ⒼⓇ

Non-executive Director

Date of appointment: July 2021

Expertise: Laura has extensive knowledge of the healthcare sector in Europe and the US. She has more than 30 years of experience in medical devices across multiple therapies and business models, including hospital products, consumer MedTech and home therapies. In 2021, Laura retired as General Manager of Baxter International's global Renal Care business, having joined Baxter in 2016 in this role. She previously held senior roles in Johnson & Johnson from 1991 to 2016.

Laura's leadership experience, healthcare expertise and knowledge of the North American markets enhances the Board's knowledge in key areas.

Key external appointments: Non-executive director of Identiv, Inc. and member of the Board of Trustees of Jacksonville University.

KATRINA CLIFFE Ⓡ

Non-executive Director

Date of appointment: May 2023

Expertise: Katrina is an experienced business leader and non-executive director and has held senior executive roles in a number of financial institutions, including American Express and Lloyds TSB, where she had a particular focus on product development, sales and operations. She was previously Senior Independent Director and Chair of the Remuneration Committee at HomeServe plc. She was also previously a non-executive director of Naked Wines plc.

Katrina's business leadership and board experience, together with her expertise in the development and marketing of consumer services enhances the Board's knowledge in key areas.

Key external appointments: Non-executive director of International Personal Finance plc and Vue International.

CAROLINE DOWLING Ⓐ Ⓡ

Non-executive Director,
Senior Independent Director

Date of appointment: May 2019

Expertise: Caroline is a highly experienced business leader with extensive global knowledge in the technology sector, specifically electronic, technical and logistic services. Caroline was, until her retirement in February 2018, the Business Group President of Flex, an industry-leading, Fortune Global 500 company with operations in 30 countries. In this role, she led the Telecommunications, Enterprise Compute, Networking and Cloud Data Centre and was also responsible for managing the Global Services Division, supporting complex supply chains. Caroline was previously a non-executive director of the Irish Industrial Development Agency.

Caroline's leadership experience and areas of expertise are particularly relevant to key sectors in which DCC operates.

Key external appointments: Non-executive director of CRH plc and IMI plc.

DAVID JUKES Ⓒ Ⓡ

Non-executive Director

Date of appointment: March 2015

Expertise: David has over 40 years of international chemical distribution experience. In May 2018, he was appointed President and CEO and a director of Univar Solutions Inc. Prior to this appointment, he held a number of senior positions with Univar across global locations including President and Chief Operating Officer. Other previous roles include Senior Vice President of Global Sales, Marketing and Industry Relations for Omnexus and VP Business Development for Ellis & Everard Plc.

David's distribution experience brings valuable perspective to the Board.

Key external appointments: President and Chief Executive Officer of Univar Solutions Inc.

LILY LIU Ⓐ

Non-executive Director

Date of appointment: July 2021

Expertise: Lily has more than 20 years' experience in finance roles and is the current Chief Financial Officer of Synthomer plc, a leading global provider of chemical solutions and a member of the FTSE 250. Lily joined Synthomer plc in 2022 as Chief Financial Officer, having previously been Chief Financial Officer of Essentra plc, Xaar plc and Smiths Detection.

Lily's current role as CFO in a global business brings international financial experience to the Board and Audit Committee.

Key external appointments: Chief Financial Officer of Synthomer plc.

ALAN RALPH Ⓒ Ⓐ

Non-executive Director

Date of appointment: November 2021

Expertise: Alan is a very experienced business and finance leader having spent almost 20 years with UDG Healthcare plc (formerly United Drug plc). Alan spent 10 years leading UDG's largest business unit before supporting its strategic transformation as Chief Financial Officer for five years.

Alan's financial expertise, business leadership experience and knowledge of the healthcare sector complements the Board's knowledge.

Key external appointments: Non-executive director of Origin Enterprises plc and J & E Davy.

MARK RYAN Ⓐ Ⓖ

Non-executive Director

Date of appointment: November 2017

Expertise: Mark is a highly experienced board director and business leader who has successfully operated at senior management levels in Ireland and internationally. Mark was Country Managing Director of Accenture in Ireland between 2005 and 2014. During his career with Accenture, he spent extended periods working in the US and UK. Mark served in numerous management and executive roles in delivering major strategy, IT and business change programmes both locally and internationally. Mark was previously a non-executive director of Immedis, Econiq and Wells Fargo Bank International.

Mark brings a strong understanding of commercial leadership and business perspective to the Board.

Key external appointments: Chairman of Publicis and Kefron Group and non-executive director of St. Vincent's Healthcare Group.

GROUP MANAGEMENT TEAM

DONAL MURPHY
Chief Executive

See Donal's biography on page 88.

KEVIN LUCEY
Chief Financial Officer

See Kevin's biography on page 88.

FABIAN ZIEGLER
Chief Executive Officer, DCC Energy

Fabian joined DCC in November 2022 as Chief Executive Officer of DCC Energy. Fabian has extensive senior leadership experience in the energy sector having held various senior management roles in Shell plc during his 26-year career. Prior to joining DCC, Fabian was Country Chair of Shell Germany and Chair of the Management Board with responsibility for Shell's businesses (upstream, downstream, power and renewables) in the DACH region. Fabian is at the forefront of energy transition having developed and driven Shell's net zero emissions plans for the region.

CONOR COSTIGAN
Chief Executive Officer, DCC Healthcare

Conor has been the Chief Executive Officer of DCC Healthcare since 2006. Conor joined DCC in 1997 and has held a number of senior leadership roles within the Group, including in the Food & Beverage division and Investor Relations. Conor moved into the Healthcare division in 2003, initially as Finance & Development Director before being appointed Managing Director in 2006.

CLIVE FITZHARRIS
Chief Executive Officer, DCC Technology

Clive was appointed as Chief Executive Officer of DCC Technology in September 2022 having previously been the Managing Director of Exertis operations in North America and Continental Europe since May 2020. Clive joined DCC in 2009 and has held a number of senior leadership roles within the Group, including in the Energy division as Development Director and Managing Director of Oil Europe. Clive was the Head of Group Strategy & Development for the DCC Group from 2017 to 2020. Prior to joining DCC, Clive held a variety of banking and investment roles at AIB and in private equity.

HENRY CUBBON
President LPG, DCC Energy*

Henry was appointed President LPG of DCC Energy in June 2022 and retired on 31 March 2023. Henry had been Managing Director of DCC's LPG division since 2018, having joined DCC in 2008 as Managing Director of Flogas Britain. Prior to joining DCC, he was Managing Director of Antalis from 2000 to 2008, overseeing its paper distribution business in the UK, Ireland and South Africa. Previously, he held a strategic planning role at paper manufacturer Arjo Wiggins Appleton and was a senior manager at Barclays Bank, Paris, having started his career on their graduate programme.

DARRAGH BYRNE
General Counsel & Company Secretary

Darragh has been the Group's General Counsel and Company Secretary since October 2020, having previously been Head of Group Legal & Compliance. Darragh joined DCC in 2012. Before that, he held a number of senior in-house legal positions in other organisations and worked in private practice.

Darragh is qualified as a solicitor in Ireland and in England and Wales.

NICOLA MCCRACKEN
Chief People Officer

Nicola has been the Chief People Officer since she joined DCC in May 2016. Prior to joining DCC, Nicola was the HR Director responsible for Talent and Reward at CRH plc from 2007 to 2016. Prior to that, she enjoyed a consulting career with PricewaterhouseCoopers in Europe and North America, where she helped global organisations from multiple industry sectors adapt their human capital strategies to improve business performance.

EDDIE O'BRIEN
Chief Strategy & Sustainability Officer

Eddie was appointed Chief Strategy & Sustainability Officer in November 2022. Eddie had been the Managing Director of DCC Retail & Oil since 2018. Eddie joined DCC in 2012 as the Managing Director of Oil and was subsequently Managing Director of Retail & Fuel Cards. Prior to joining DCC, Eddie was CEO at Topaz Energy, Ireland's largest fuel and convenience brand. Before this, he spent 13 years at Statoil across a number of finance, pricing, commercial and leadership roles, including Vice President Finance and Vice President Retail Operations at Statoil Fuel and Retail in Oslo.

PETER QUINN
Chief Information Officer

Peter has been Chief Information Officer since he joined DCC in 2004. He also spent three years as Chief Operating Officer of DCC's largest oil distribution business, Certas Energy UK. Prior to joining DCC, Peter worked as an IT consultant with an international firm where he specialised in the delivery of complex IT solutions across a range of business sectors. He had previously worked in the food and transport industries in a variety of IT leadership roles.

* Henry retired as President LPG, DCC Energy on 31 March 2023

CORPORATE GOVERNANCE STATEMENT

DCC is subject to the UK Corporate Governance Code. This statement details how DCC applied the principles and met the provisions of the Code during the year under review.

GOVERNANCE AT A GLANCE

Highlights

Full compliance
with the UK Corporate Governance Code.

Continued focus
on refining Group and divisional strategy and implementation of key initiatives, including the Group's strategy for the energy sector – *Leading with Energy* – announced in May 2022.

Deeper integration
of sustainability with strategy and progress made on several key sustainability metrics.

Key Activities

- Continued Board renewal, with the appointment of Katrina Cliffe as a non-executive Director from 1 May 2023.
- Review of Board processes, including number of meetings, to both maximise the use of Board meetings and allow more time for Directors to visit Group businesses and engage with the workforce.
- Site visits to three US businesses and two UK businesses.
- Internally-led Board evaluation process, informing governance activities in the current year.

Board Site Visits

During the year ended 31 March 2023, the Board re-commenced physical site visits to Group businesses after several years where site visits were conducted virtually because of pandemic-related restrictions.

In October 2022, the Board visited Almo Corporation in Philadelphia, Amerilab Technologies in Minnesota and DCC Propane in Chicago.

In February 2023, the Directors visited Williams Medical Supplies and EuroCaps in Wales.

In addition, individual Directors also spent time in several other Group businesses, learning more about their operations and future development plans.

These site visits provided an opportunity for the Directors to meet with management teams and other colleagues in the businesses in question, to visit their operations and learn more about their current activities, risks and opportunities, future plans and culture. These visits also provide an important opportunity for Directors to engage with members of the Company's workforce.

Climate Change

Ensuring that DCC's strategy and operations constructively address climate change is a priority for the Board and an important element of our corporate governance.

The development of the Group's updated strategy for the energy sector – *Leading with Energy* – which was announced at a dedicated capital markets event in May 2022, following approval by the Board, was based on a detailed assessment of how DCC's energy customers will transition to low carbon forms of energy over time.

That strategy provided the foundation for DCC's commitment that the Group would reach net zero – across Scopes 1, 2 and 3 – by 2050 or sooner. That commitment was also announced in May 2022, again following approval by the Board.

Details of the progress we are making in reducing our carbon emissions are set out in the Sustainability Review on page 58.

The Board continues to invest time in overseeing the implementation of DCC Energy's strategy and the wider reduction in the Group's carbon emissions as part of our sustainability activities. Climate issues are considered when making investment decisions and as part of the strategic planning process. In addition, the Board receives updates on sustainability and climate-related developments more generally to ensure Board awareness of such issues is kept up to date.

UK Corporate Governance Code – Statement of Compliance

The Board continues to assess its approach to corporate governance by reference to the UK Corporate Governance Code ('the Code').

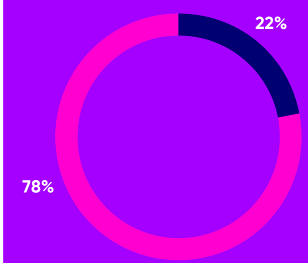
This Corporate Governance Statement has been structured to allow shareholders to consider how the Code's Principles have been applied.

The Board believes that the spirit of the Code continues to be upheld throughout its work and that of its Committees and can confirm full compliance for the year under review.

Experience and Skills of the Non-executive Directors

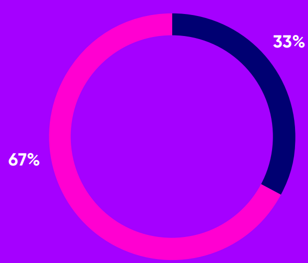
Executive and Non-executive Directors

Executive
Non-executive



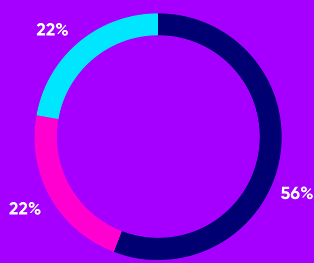
Gender diversity

Female
Male



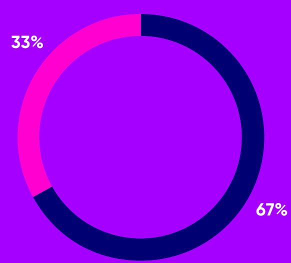
Geographic location of Directors

Ireland
UK
US



Board independence

Independent
Non-independent (Chairman and Executive Directors)



All of the above charts are as at 31 March 2023.

CORPORATE GOVERNANCE FRAMEWORK

Board of Directors

The Board is collectively responsible for the long-term success of the Group. Its role is to provide leadership, to establish purpose, values and strategy, to oversee management and to ensure that the Company provides its stakeholders with a balanced and understandable assessment of the Group's current position and prospects.

It is also responsible for establishing a framework to assess and manage risk, including climate risk.

The Board receives reports at its meetings from the Chairmen of each of the Committees and from the Workforce Engagement Director on their current activities.

Governance and Sustainability Committee

- Considers the composition and structure of the Board and succession planning
- Reviews leadership needs of the organisation, both executive and non-executive
- Monitors the Company's compliance with legal and regulatory requirements in relation to corporate governance
- Supports the Board's oversight of the Group's sustainability activities

READ MORE
Further details of the activities of the Governance and Sustainability Committee are set out in its Report on pages 108 to 111.

Audit Committee

- Assists the Board in assessing the principal and emerging risks facing the Company and monitoring the effectiveness of risk management and internal control systems
- Monitors the integrity of the Group's financial statements, including reviewing significant financial reporting judgements contained in them
- Reviews the operation of the Group Internal Audit function
- Oversees the relationship with the external auditor

READ MORE
Further details of the activities of the Audit Committee are set out in its Report on pages 112 to 117.

Remuneration Committee

- Monitors the Company's Remuneration Policy
- Determines the remuneration packages of the Chairman, executive Directors and senior management
- Oversees the remuneration of other Group and subsidiary remuneration structures
- Oversees the operation of the Company's long-term incentive schemes

READ MORE
Further details of the activities of the Remuneration Committee are set out in the Remuneration Report on pages 118 to 141.

Chief Executive

The responsibilities of the Chief Executive are set out on page 95.

Executive Risk Committee

The responsibilities of the Executive Risk Committee are set out in the Risk Report on pages 77 to 84.

Group Management Team

Supports the Chief Executive in executing his responsibilities. Reports to the Chief Executive at weekly management meetings.

Executive Sustainability Committee

Supervises and makes operational decisions in relation to the Group's sustainability activities.

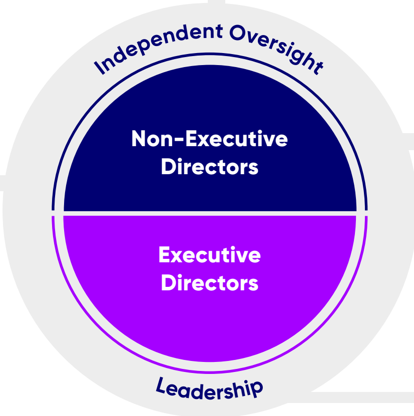
ROLES AND RESPONSIBILITIES

Chairman
A clear division of responsibility exists between the Chairman, who is non-executive, and the Chief Executive.

The Chairman's primary responsibility is to lead the Board, to ensure that it has a common purpose, is effective as a group and at individual Director level, and that it upholds and promotes high standards of integrity, probity and corporate governance.

Senior Independent Director
The Senior Independent Director acts as an intermediary for other Directors, if necessary, and is available to shareholders who may have concerns that cannot be addressed through the Chairman or Chief Executive.

The Senior Independent Director had an active role in the annual Board evaluation process, as detailed under 'Board Performance Evaluation' on page 98.



Non-Executive Directors
The Board consists of an appropriate combination of a non-executive Chairman, two executive Directors and seven independent non-executive Directors, such that no one individual or small group of individuals dominates the Board's decision making.

There is a clear division of responsibilities between the leadership of the Board and the executive leadership of the business.

Non-executive Directors scrutinise and hold to account the performance of management and individual executive Directors against agreed performance objectives. The Chairman holds meetings with the non-executive Directors without the executive Directors present.

Chief Executive and Chief Financial Officer
The Chief Executive is responsible for day-to-day management of the Group's operations, for the implementation of Group and divisional strategy, and instilling the Company's purpose, values and culture standards throughout the Group.

Company Secretary
The Directors have access to the advice and services of the Company Secretary, whose responsibilities include, assisting the Chairman in relation to corporate governance matters and ensuring compliance by the Company with applicable legal and regulatory requirements.

BOARD OF DIRECTORS

Composition
The Board of DCC currently comprises the non-executive Chairman, seven other non-executive Directors and two executive Directors, including the Chief Executive.

Independence
The Board carried out an evaluation of the independence of each of its non-executive Directors, taking account of the relevant provisions of the Code, namely whether the Directors are independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

The Board is satisfied that each of the current non-executive Directors fulfils the independence requirements of the Code.

Mark Breuer was appointed Chairman of the Company on 16 July 2021. On his appointment as a non-executive Director in 2019, the Board was satisfied he was independent. While Mr Breuer holds another directorship outside of the DCC Group, the Board is satisfied that it has not interfered with the performance of his duties to DCC.

Leadership
The Board's leadership responsibilities involve working with management to monitor the Group's purpose and values, and to develop strategy, including deciding which risks it is prepared to take in pursuing its strategic objectives.

Oversight
The Board's oversight responsibilities involve it constructively challenging the management team in relation to operational aspects of the business, including the approval of budgets, and probing whether risk management and internal controls are sound. It is also responsible for ensuring that accurate, timely and understandable information is provided about the Group to investors, regulators and the Group's other stakeholders.

Strategy
DCC's Group strategy is set out on pages 12 and 13, with detail on divisional strategies provided on pages 16 to 39. The Board's responsibilities in regard to strategy are summarised on page 96.

Board meetings
The table of Board attendance is set out on page 97. All of the Board meetings held during the year were in person.

Site visits
Board members visit Group businesses each year in order to meet local management teams, members of the wider workforce, see operations and experience the culture of the business in question.

These visits include a tour of the business as well as a presentation from local management teams, allowing time for questions and answers.

In advance of a visit, the Directors are provided with information on the business covering financial performance, development areas, risks and opportunities, safety and compliance and employee engagement.

Details of the principal site visits undertaken by the Board during the year are set out on page 92.

Schedule of Matters Reserved for Board Decision

The Schedule of Matters Reserved for Board Decision is regularly reviewed to ensure it meets the needs of the Group and current best practice.

The table below summarises the key matters that are required to be considered by the Board:

Group strategy and investment	– The Group's strategic objectives – Annual operating and capital expenditure budgets – Material acquisitions
Structure and capital	– Changes to the Group's capital structure including reduction of capital, share issues and share buybacks – Changes to the Company's listing arrangements
Corporate reporting	– Final and interim results announcements – Annual Report and Accounts – Dividends – Significant changes in accounting policies or practices – Oversight of internal control and risk management frameworks, including to reflect climate-related risks
Sustainability, including climate change	– Oversight of the Group Sustainability Programme, including considering recommendations from the Governance and Sustainability Committee in respect of the sustainability issues and related objectives that are material to the Group as a whole, including climate change and energy transition – Considering climate-related issues when reviewing and guiding Group and divisional strategy, investment proposals, budgets, and management objectives
Leadership and people	– Composition of the Board, including the CEO and CFO – Succession planning for the Board and senior management – Board Committee constitution – Appointment of the Company Secretary
Shareholders and stakeholders	– Oversight of engagement with shareholders and other stakeholders – Reviewing mechanisms for engagement with other stakeholders – Designating a non-executive Director for engagement with the workforce

Appointment of Directors

The Governance and Sustainability Committee agrees criteria for new non-executive Director appointments, including experience of the industry sectors and geographies in which the Group operates, and professional background, and has regard to the need for a balance in relation to diversity. More detail on the appointment process is set out in the Governance and Sustainability Committee Report on page 108.

Following appointment by the Board, all Directors are, in accordance with the Articles of Association, subject to election at the following AGM.

In accordance with the provisions of the Code, all Directors submit to re-election at each AGM. Pamela Kirby did not submit to re-election at the 2022 AGM as she was due to retire at the AGM.

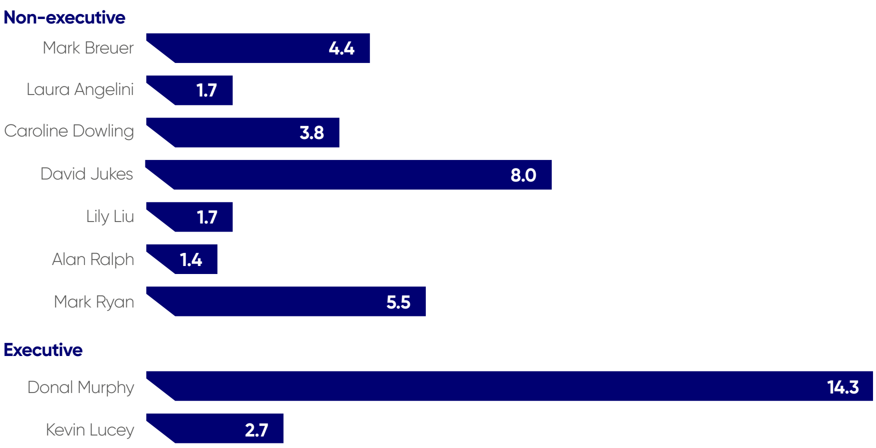
The expectation is that non-executive Directors serve for a term of six years and may also be invited to serve an additional period after that, generally not extending beyond nine years in total.

After three years' service, and again after six years' service, each non-executive Director's performance is reviewed by the Governance and Sustainability Committee, with a view to recommending to the Board whether a further period of service is appropriate, subject to the usual annual approval by shareholders at the AGM.

The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

Details of the length of tenure of each Director on the Board as at 31 March 2023 are set out in the chart on page 97.

Length of Tenure on Board (Years) as at 31 March 2023



Induction and Development

New non-executive Directors undertake a structured induction process which includes a series of meetings with Group and divisional management, detailed divisional presentations, visits to key subsidiary locations and a briefing with the external auditor.

The Board encourages visits to Group businesses, including meetings with local management and meetings with members of the wider workforce, as these are instrumental in gaining a better understanding of the Group's diverse businesses, their culture and the environments in which they operate.

External experts are invited to attend certain Board meetings to address the Directors on relevant matters, including developments in relevant product or geographic markets, corporate governance, investor relations, risk management and executive remuneration.

The Chairman and Company Secretary review Directors' training needs, in conjunction with individual Directors, at least annually, and match those needs with appropriate external seminars and speakers. The Chairman also discusses individual training and development requirements for each Director as part of the annual evaluation process, and

Directors are encouraged to undertake appropriate training on relevant matters. In addition, all Directors have access to online resources, which are regularly updated to include relevant publications.

All Directors are encouraged to avail of opportunities to hear the views of and meet with the Group's shareholders and analysts.

There is an established procedure for Directors to take independent professional advice in the furtherance of their duties, if they consider this to be necessary.

Board of Directors: Attendance at meetings during the year ended 31 March 2023

	Board	Audit Committee	Remuneration Committee	Governance and Sustainability Committee
Meetings held during the year ended 31 March 2023	**8**	**5**	**4**	**5**
Mark Breuer	8	–	–	5
Laura Angelini[1]	8	–	1	5
Caroline Dowling	8	5	4	–
Tufan Erginbilgic[2]	7	–	4	4
David Jukes[3]	7	–	4	–
Pamela Kirby[4]	3	–	2	2
Lily Liu	8	5	–	–
Kevin Lucey	8	–	–	–
Donal Murphy	8	–	–	–
Alan Ralph	8	5	–	–
Mark Ryan	8	5	–	5

1. Laura Angelini was appointed as a member of the Remuneration Committee on 6 September 2022.
2. Tufan Erginbilgic retired as non-executive Director and as a member of the Remuneration Committee and the Governance and Sustainability Committee on 31 December 2022.
3. David Jukes was unable to attend one Board meeting during the year.
4. Pamela Kirby retired as non-executive Director and as a member of the Remuneration Committee and the Governance and Sustainability Committee on 15 July 2022.

There was full attendance at all Board and Committee meetings during the year, other than as stated.

BOARD PERFORMANCE EVALUATION

The Board conducts an annual evaluation of its own performance, that of each of its principal Committees, the Audit, Remuneration and Governance and Sustainability Committees, and that of the Chairman, Committee Chairmen and individual Directors.

In 2021, the evaluation was conducted by Heidrick & Struggles, in accordance with the requirement under the Code to have it externally facilitated every three years.

In 2022 and 2023, the performance evaluation process was conducted internally.

2023 Board Evaluation

Progress against 2022

Topic	Area identified for action	Action/progress
Board Diversity	Continue to improve diversity at Board and senior management levels.	The Board has continued to develop to reflect the current and emerging needs of the Group. Since 1 May 2023, 40% of the Directors are female. A new Board Diversity Policy was approved during the year and is available on our website. The Board, advised by the Governance and Sustainability Committee will continue to look for additional Directors whose skills, experience and background can enhance the governance of the Group.
Agenda Items	Ensure that Board discussions are focused on issues of strategic importance to the Group, supported by external inputs where beneficial.	The Board invested a considerable proportion of its time, not limited to the Strategy Board meeting in December, to Group and divisional strategies and performance against them. These discussions were based on suitably detailed papers and on discussions with management. External perspectives on a range of relevant subjects were provided to enhance the Board's work in this area. All of the items covered by the Board Agenda Planner for the year ended 31 March 2022 were addressed at Board meetings. A detailed plan is also in place for the year commencing 1 April 2023.
Board Papers	Continue the practice of providing detailed pre-read materials in advance of Board meetings, with shorter papers being presented at meetings.	This practice was continued during the year under review. This has allowed the Directors more opportunities for engagement with management and discussion of key questions.
Senior Management Succession	Place a particular focus on succession planning for senior Group executives.	The Group has a well-developed process for senior management development and succession, based on an annual review of succession options for all key roles and a structured approach to developing future leaders. The Chief People Officer provides a detailed report on the subject and discusses its contents with the Board annually.

2023 Evaluation

Topic	Area identified for action
Focus on Strategy	Continue to allow suitable Board time for the review and discussion of Group and divisional strategy and performance against existing strategic objectives.
Board Composition and Renewal	Continue to identify Directors with the skills, experience and background to enhance the Board's assessment of current emerging risks and opportunities facing the Group, in line with the updated Board Diversity Policy.
Senior Management Succession Planning	Ensure clear long-term succession plans are in place for every member of senior management, including all members of the Group Management Team.
Board Papers and Discussions	Continue to enhance the format of Board papers and their presentation to the Board, based on a clear calendar for discussions at Board meetings. Identify additional external speakers on relevant subjects.

The various phases of the internal performance evaluation process, which commenced in early January 2023 and concluded in April 2023, were:

A questionnaire covering key aspects of Board effectiveness, including the composition of the Board, the content and conduct of Board and Committee meetings, and the Directors' continuing education process, was circulated to all Directors.

Completed questionnaires, including views on performance and recommendations for improvement, were returned to both Mark Breuer, Chairman and Caroline Dowling, Senior Independent Director.

Further discussions were held with each of the Directors individually.

The Chairman then prepared separate summary reports on the Board and its Committees. The Senior Independent Director prepared a report on the Chairman's appraisal.

The Chairman, on behalf of the Board, conducted evaluations of performance individually with each of the non-executive and executive Directors.

The Senior Independent Director conducted an evaluation of the performance of the Chairman.

The non-executive Directors also evaluated the performance of each executive Director.

Each of the Audit Committee, the Remuneration Committee and the Governance and Sustainability Committee considered the summary report as part of the review of its own performance and terms of reference and recommended any changes it considered necessary to the Board for approval.

Arising from the evaluation process, a number of actions were agreed by the Board which are set out on the previous page and will be implemented during the current year.

Board activities during the year

A detailed calendar of subjects for discussion at Board meetings is in place to ensure that the Directors discuss a suitable range of topics throughout the year, linked to the key opportunities and risks facing the Group. This is reviewed by the Governance and Sustainability Committee and by the Board in advance of the commencement of the financial year. Board papers are circulated one week in advance of meetings.

The Board met eight times during the year. Additional meetings are arranged if necessary for the Board to properly discharge its duties.

Areas of focus	Activities
Strategy and financing	– Reviewed the strategy of each of the Group's divisions during the year, with a particular focus on the implementation of DCC Energy's Leading with Energy strategy. – Group strategy was considered in detail during the year, including during a two-day Board meeting in December. – Reviewed the Group's financing structure and considered options for its future development. – Approved the renewal of a portion of the Group's debt financing in the private placement market. – Approved the formation of a sustainability-linked Revolving Credit Facility ('RCF'). – Considered key risks to the Group's operations and strategic development and related internal controls.
Acquisitions and development	– Approved the Group's largest healthcare acquisition to date – Medi-Globe. – Approved the acquisition of PVO International. – Received a detailed presentation from the Corporate Finance team on the Group's development priorities. – Received regular updates on the Group's pipeline of corporate development opportunities. – Reviewed the post-acquisition performance of acquisitions.
Risk management and internal control	– Received reports from the Chairman of the Audit Committee on its risk management activities. – Considered reports on the Group's principal and emerging risks, including climate-related risks, including a review of the Group Risk Register and Integrated Assurance Report. – Received a quarterly report from the Head of Group Sustainability covering sustainability and HSE matters. – Received regular reports from the General Counsel & Company Secretary on relevant legal and regulatory matters, including the operation of the Group Compliance Programme. – Considered and approved the Statement of Principal Risks and Uncertainties to be set out in the Annual Report.
Leadership and succession planning	– Approved the appointment of Katrina Cliffe as a non-executive Director. – Reviewed the Board's composition, diversity and succession plans. – Received reports from the Chairman of the Governance and Sustainability Committee on its activities. – Considered detailed presentations from the Chief Executive and Chief People Officer on management development and succession planning. – Supported the professional development of Board members.
Stakeholder engagement	– Held an in-person Annual General Meeting on 15 July 2022. – The Chairman held discussions with a number of the Company's largest shareholders during the year. – Received regular reports from the Group Investor Relations function. – Reviewed regular reports from the Company's brokers and from analysts. – Reviewed the results of a Group-wide Employee Engagement Survey. – Met with members of management and the workforce as part of Board and Committee meetings and site visits.
Governance	– Received reports on and discussed relevant regulatory developments, such as changes to non-financial reporting requirements and proposals for the introduction of a new UK Corporate Governance Code. – Oversaw an internally-facilitated Board evaluation process and the implementation of actions from previous evaluation processes. – Received a report at each meeting from the Chairman of each Board Committee on the activities of that Committee. – Received reports from the Workforce Engagement Director on his activities. – Reviewed the structure of Board and Board Committees against good corporate governance practices and the current and future needs of the Group. Approved related changes to apply in the year commencing 1 April 2023, including holding six Board meetings to allow additional time for Directors to visit Group businesses, while continuing to cover all the existing work of the Board.

PURPOSE, VALUES AND CULTURE

DCC's purpose is to enable people and businesses to grow and progress.

Reports on the following matters are provided to the Board to provide insights on the Group's culture:

- Employee Engagement Surveys
- Compliance surveys
- Reports from and discussions with management, both in Board meetings and on site visits
- Reports from the Workforce Engagement Director
- Audits conducted by Group Internal Audit, Group Sustainability (on HSE) and Group Compliance teams
- Whistleblowing reports
- Training completion rates, including training on the Code of Conduct
- Succession and talent development, with a focus on diversity
- Safety incidents and performance
- Disputes and regulatory investigations

Purpose and Values

The Board promotes the Group's purpose and values through its interactions with management, including discussions as part of Board and Committee meetings, and site visits to Group companies throughout the year.

The Board supports and operates in accordance with the Group's purpose and values at all times. Specifically, discussions and decisions made by the Board and its Committees are based on the fulfilment of the Group's purpose and compatibility with our culture and values.

Monitoring Culture

The Board monitors the Group's culture to ensure it is aligned with DCC's purpose, values and strategy.

During the year, the Board considered detailed reports on the results of the second Group-wide Employee Engagement Survey. These included a detailed presentation from the Group's Chief People Officer and discussions with divisional management teams on the steps being taken within their divisions on foot of the survey. Visits by the Board and individual Directors to Group companies also allowed the Directors to engage with local management teams and members of the workforce. The additional work of Mark Ryan, as Workforce Engagement Director, provides a further insight for the Board on the Group's culture.

Strengthening engagement with our employees

Mark Ryan, Workforce Engagement Director

During the year, the Board visited Williams Medical Supplies and EuroCaps in Wales and met with management and employees.

The last 12 months have seen a number of developments with our employee engagement efforts. For the first time all current employees in the Group had the opportunity to complete the Global Employee Survey. This is a detailed survey which is structured around several key themes, including: Purpose, Enablement, Autonomy, Reward and Leadership. The employees are asked a range of questions under these key themes, which enables us to get real feedback and information about their business, jobs, roles, career paths, training, development and how their leadership supports them.

The survey is 'score' based which enables us to identify the areas where the Group is doing well, and more importantly, areas where there is room for improvement. The survey process also provides us with external benchmarks around key engagement scores against which we can measure ourselves. The survey provides a huge amount of employee engagement data across the Group which can be broken down across geographies, divisions, businesses, career levels, genders etc. This has provided us with real insight into how employees are feeling about the Company and their jobs and what are the key actions we need to focus on in the year ahead to better support them. The participation rate for the survey is over 83% which is very significant and I think underlines the importance which management right across the Group have placed on ensuring the survey is completed.

For some businesses in the Group, we have now completed the survey for a second time which has enabled us to compare the survey scores from last year. I am happy to report that we have seen an improvement in scores in the areas where we focused on, based on the survey feedback from last year. This is a very important step forward for the Group in employee engagement, as not only does the survey provide us with a better overall understanding of how employees are feeling, but we can also see that when we take action to deliver improvements, we can monitor the impact through the improved survey engagement scores.

The data provided by the survey has been a 'game changer' for our businesses and Human Resources teams, as for the first time they now have comprehensive feedback and data from employees right across the Group. In addition, they now have a basis for measuring the success and effectiveness of HR and People initiatives. This survey information has also enabled Nicola McCracken, Chief People Officer, and I as Workforce Engagement Director to provide the Board with a much greater level of information and insight into employee engagement across the Group. We report not only on the details of the survey's results, but also on the actions which are being taken to address the areas identified for improvement. This is the first time that the Board has ever had such broad and comprehensive employee feedback across all of the businesses on our employee engagement.

The last 12 months have also seen the Board being able, for the first time since the pandemic, to meet directly with employees from across the Group. The Board travelled to the US in October and met with employees in three of our main businesses. As part of these visits, I met with the local HR management to talk about their survey results, their local people initiatives, and any HR and people challenges they faced. In addition to the US visit, the Board visited companies in the UK in February. A number of other Board members have also made separate visits to a range of other companies in the Group over the past 12 months.

I meet with Nicola McCracken on an ongoing basis throughout the year and focus on our overall employee engagement plans and initiatives. I also discuss any other employee issues or challenges which I believe are for Board attention.

I formally update the Board at every meeting on the status of employee engagement matters.

REFLECTING STAKEHOLDER VIEWS IN OUR BOARD DECISION MAKING

Stakeholder Engagement

The Board recognises the importance of clear communication and engagement with all of DCC's stakeholders. Details on how both the Company and Board engaged with stakeholders and outcomes as a result of that engagement during the year are outlined on pages 52 to 57 of the Strategic Report. We give a more detailed account of how stakeholder interests were reflected in Board decision making during the year on page 104.

How the Board engaged with investors during the year

The Board actively seeks and encourages engagement with investors, including the Company's major institutional shareholders and shareholder representative bodies. The Group engaged with investors in a very active manner during the year. The charts opposite set out the number of meetings held with investors by the Chairman and General Counsel, Group Management and our Investor Relations team. These meetings include one-to-one meetings, group and conference meetings.

The Group also held two separate capital markets events over the last year. The first, held in May 2022 focused on our Energy division, which outlined our progress in the energy transition, including an updated strategy for our energy activities. The second event was for our Healthcare division in September 2022, following its largest acquisition to date, Medi-Globe. These events were well attended and offered an important opportunity for investors to fully understand DCC's approach in the sectors where we operate.

In addition to these meetings with management, the Chairman wrote to the Company's top 13 shareholders following the Company's AGM in July 2022 and offered a meeting. Ten meetings were held on foot of those invitations. The Chairman briefed the Board on the key points of those discussions.

ENGAGEMENT DURING THE YEAR

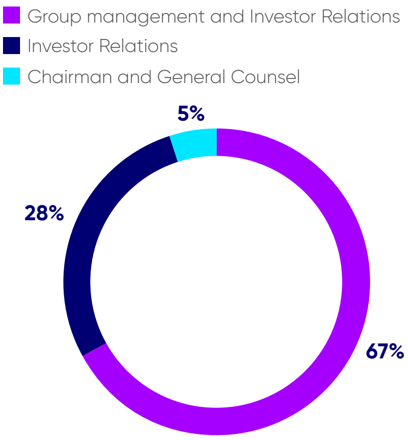
The Chairman wrote to the Company's top 13 shareholders following the Company's AGM in July 2022 and offered a meeting. Ten meetings were held. The Chairman briefed the Board on the key points of those discussions.

The Board was kept informed of the views of shareholders through the executive Directors' attendance at the investor relations events held during the year. Relevant feedback from investor meetings, investor relations reports, and brokers notes were provided to the Board.

The Board received briefings from the Company's brokers and the Investor Relations team on topics such as fundraising, market perception and shareholder activism.

The Company Secretary engaged with proxy advisors in advance of the Company's AGM which provides shareholders with the opportunity to question the Chairman, the Committee Chairmen and the Board. All of the resolutions put to shareholders at the 2022 AGM were strongly supported.

Number of meetings held during the year



Engagements with institutional investors

- Meetings **477**
- Capital market conferences **14**
- Sales desk briefings **12**

HOW THE BOARD CONSIDERED STAKEHOLDERS DURING THE DECISION-MAKING PROCESS AND HOW THE STAKEHOLDER ENGAGEMENT INFORMED THIS PROCESS

The Board had regard to the Company's stakeholders when overseeing and making decisions on the Group's strategic development, risk management, operations and reporting.

SUPPLY CHAIN
PROTECTING HUMAN RIGHTS IN THE SUPPLY CHAIN

Workers in the Group's supply chains can be directly affected by the decisions of the Group to source products from certain suppliers and the standards that are expected of those suppliers.

The Group has clear policies and related internal controls on supply chain integrity and the protection of human rights. A related Supplier Code of Practice is also in place.

As part of these controls, due diligence is carried out on new and existing suppliers to ensure that the risk of human rights abuses, including modern slavery and human trafficking, in the Group's supply chains is considered and abuses prevented.

The Audit Committee and the Board considered a number of reports on these questions during the year. The Board also approved DCC plc's annual statement under the UK Modern Slavery Act.

In addition, the Board considered supply chain and human rights risks in the context of acquisition opportunities. Detailed reports from external advisors were provided to the Board to support those discussions.

For more information on the Group's approach to the protection of human rights in our supply chains see page 75.

EMPLOYEES
TREATMENT OF EMPLOYEES IN THE CREATION OF DCC ENERGY

A key element of the updated strategy for the Group's energy activities that was announced in May 2022 was the integration of two former divisions of the Group – DCC LPG and DCC Retail & Oil – into DCC Energy.

The Board discussed with management the impact that this change would have on the Group's employees within DCC LPG and DCC Retail & Oil. These discussions covered the design of DCC Energy's management structure, its communication to affected employees, and steps to ensure that there was no loss of talent from the Group because of the change.

The integration of the two divisions is now well underway. The level of engagement with employees across the division has been extremely strong throughout this process. The formation of DCC Energy has also created numerous opportunities for employees to be promoted into new roles.

For more information on the progress that DCC Energy is making in implementing its Leading with Energy strategy see page 16.

EMPLOYEES
UNDERSTANDING OUR EMPLOYEES' VIEWS

The second Group-wide employee engagement survey was carried out during the year. This provided further very valuable insights into the views of the Group's employees on a wide range of questions.

The results of the survey and the key actions being taken as a result were discussed with the Board by the Chief People Officer during the year. The Workforce Engagement Director received a more detailed briefing from the Chief People Officer on the same subject.

The results of the survey and these discussions then inform wider discussions at Board level on the Group's HR priorities and initiatives, including management development and supporting inclusion and diversity.

For more information on employee engagement and the steps being taken in response to this year's Engagement Survey see page 70.

INVESTORS
GROWING OUR DIVIDEND FOR 29 YEARS

DCC's record of unbroken dividend growth has few peers and reflects the Group's operational excellence and disciplined approach to capital allocation.

Reflecting both our strong financial performance in the year ended 31 March 2023 and the importance of our progressive dividend policy to shareholders, the Board recommended a final dividend of 127.17 pence per share, which when added to the interim dividend of 60.04 pence per share, resulted in a total dividend for the year of 187.21 pence per share.

Our record of 29 years of uninterrupted dividend growth illustrates the Group's longstanding and continuing commitment to delivering for shareholders.

The Group's dividend policy, which is set by the Board, is based on regular engagement with investors at Board and management level.

For more information on our dividend see page 47.

For detail on our interaction with investors see page 103.

COMPLIANCE

Compliance Programme

The key message of the Group compliance programme is that directors, managers and employees across the Group should be 'Doing the Right Thing' at all times. This means not merely following the laws and policies that apply to their work, but also ensuring that their actions are fair and ethical.

Code of Conduct

Our current Group Code of Conduct, which is available on our website, was introduced in 2017. The Code sets out the standards that are expected in a range of areas, including anti-bribery and corruption, supply chain integrity, the protection of personal information and competition law. The Code also explains how employees can ask questions about compliance issues and raise concerns if they believe that something wrong is happening, including through a confidential and independent service available 24 hours a day, every day of the year. A copy of the Code is provided to every employee when they join.

Compliance Policies and Training

The Group also maintains more detailed policies on a range of relevant areas, complementing the general requirements set out in the Code of Conduct. The areas covered by more detailed policies include health and safety, anti-bribery and corruption, supply chain integrity, human rights, competition law, data protection, information security, diversity and inclusion and share dealing. Depending on the nature of their role, employees of the Group may receive more detailed training on those policies.

Whistleblowing

Employees across the Group are required to raise a concern if any of our activities are being undertaken in a manner that may not be legal or ethical and are supported if they do so.

Concerns can be raised with a member of management in the business where the employee works, with the General Counsel & Company Secretary or externally with SafeCall, a third-party facility which is independent of DCC and available in multiple languages on a 24-hour basis. Employees may raise concerns anonymously if they wish. Our internal policies make clear that retaliation against any employee who raises a concern is prohibited.

Our Human Rights Policy also sets out the ways in which non-employees can raise concerns in relation to any breach of human rights that may have occurred within our operations or our supply chains. Where concerns are raised, they are investigated in an appropriate and independent manner.

The Audit Committee has oversight responsibility for our whistleblowing facilities and how they operate. This is referred to on page 114, as part of the Audit Committee Report.

Share Ownership and Dealing

Details of the Directors' interests in DCC shares are set out in the Remuneration Report on page 136.

The DCC Share Dealing Code ('the Dealing Code') applies to dealings in DCC shares by the Directors and Company Secretary of DCC and certain employees. Under the Dealing Code, Directors and relevant executives are required to obtain clearance from the Chairman or Chief Executive before dealing in DCC shares and are prohibited from dealing in the shares during prohibited periods, as defined by the Dealing Code.

In addition, the Dealing Code specifies preferred periods for share dealing by Directors and relevant executives, being the four 21-day periods following the updating of the market on the Group's trading position through the preliminary results announcement in May, the Interim Management Statement in July (at the AGM), the interim results announcement in November and the Interim Management Statement in February.

Risk Management and Internal Control

The Board is responsible for the Group's system of risk management and internal control. It is designed to manage rather than eliminate the risk of failure to achieve business objectives and provides reasonable but not absolute assurance against material misstatement or loss. Details on the Group's risk management structures are set out in the Risk Report on page 77.

The Board has delegated responsibility for the detailed monitoring of the effectiveness of this system to the Audit Committee. Details on the Audit Committee's work in this regard are set out in the Audit Committee Report on page 112.

There is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, including climate-related risks, which was in place for the year under review and up to the date of approval of the financial statements. This process is regularly reviewed by the Board.

The Board has considered a report from the Audit Committee on the conduct of and the findings and agreed actions from the annual assessment of risk management and internal control. Further details on this annual assessment are set out in the Risk Report on page 77 and in the Audit Committee Report on page 112.

The consolidated financial statements are prepared subject to the oversight and control of the Chief Financial Officer, ensuring correct data is captured from Group locations and all required information for disclosure in the consolidated financial statements is provided. A control framework has been put in place around the recording of appropriate eliminations and other adjustments. The consolidated financial statements are reviewed by the Audit Committee and approved by the Board.

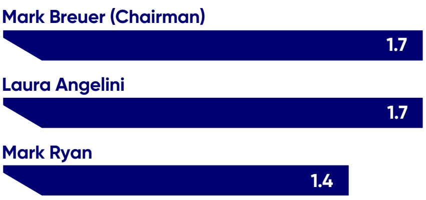
Compliance Statement

DCC has complied, throughout the year ended 31 March 2023, with the provisions set out in the Code.

Mark Breuer, Donal Murphy
Directors
15 May 2023

GOVERNANCE AND SUSTAINABILITY COMMITTEE REPORT

Length of Tenure on the Governance and Sustainability Committee
as at 31 March 2023 (years)



The Governance and Sustainability Committee is responsible for monitoring the composition and development of the Board, reviewing the leadership needs of the Group, supporting the Group's sustainability activities and monitoring the Company's compliance with corporate governance requirements. This report summarises the Committee's activities during the year ended 31 March 2023 and sets out the Committee's priorities for the current year ending 31 March 2024.

Board Composition

In the year under review, there were a number of important changes to the Board. Pamela Kirby retired following the conclusion of the AGM on 15 July 2022 and Tufan Erginbilgic retired with effect from 31 December 2022.

The Board oversaw processes for the appointment of one new non-executive Director to the Board. Following a detailed search process and interviews with a number of candidates, the Committee were pleased to recommend the appointment of Katrina Cliffe to the Board. Katrina joined the Board and the Remuneration Committee on 1 May 2023.

Board Diversity

The Board supports and values the benefits of diversity and the evolution of the Board during the year reinforced our commitment in this area. Since 1 May 2023, DCC meets the requirements of the UK Listing Rules with 40% female directors on the Board and one director from an ethnic minority background.

Board Evaluation

Following an externally-facilitated evaluation in 2021, the Committee oversaw an internal evaluation of the effectiveness of the Board and its Committees in 2023. More information on the Board evaluation, including an update on actions identified last year and further improvements to be implemented this year, is set out on page 98 as part of the Corporate Governance Statement.

A strong Board, a talented management team and a commitment to sustainability remain key to the future success of the Group.

MARK BREUER
Chairman

Sustainability
There are four pillars to DCC's sustainability framework. These address the sustainability questions that are most important to the Group and our stakeholders:

- Climate Change and Energy Transition;
- Health and Safety;
- People and Social; and
- Governance and Compliance.

During the year under review, the Committee considered reports on work undertaken in each of these areas. Detailed reports were also provided to the Board on activities within each pillar. This reflects the materiality of each of the subjects to the Group and the overall responsibility of the Board for sustainability matters.

The Board also reviewed the results of the updated sustainability materiality assessment conducted during the year. This assessment will reform our sustainability activities and reporting over the next few years.

More details on the governance of sustainability, including climate change, are set out on page 111. The Sustainability Review on page 58 addresses our progress in those key areas in more detail.

We measure our overall sustainability by the value we generate for our stakeholders and the Corporate Governance Statement on pages 104 to 105 sets out how the Board considered stakeholder interests during the year.

Corporate Governance
In addition to considering emerging regulatory developments in relation to sustainability reporting, the Committee and the Board also considered developments in relation to corporate governance more generally. These included the proposed changes to the UK Corporate Governance Code expected to commence in 2024.

Priorities
The priorities for the Committee in the financial year ending 31 March 2024 will be:

- Implementing the recommendations of this year's Board evaluation process;
- Supporting the development of the Group's sustainability reporting, with oversight by the Board;
- Monitoring the continued evolution of the Board and its Committees; and
- Monitoring developments in the Group's corporate governance environment, notably any changes introduced following UK Code proposals.

On behalf of the Governance and Sustainability Committee.

MARK BREUER
Chairman
Governance and Sustainability Committee
15 May 2023

ROLE OF THE COMMITTEE

Responsibilities

The responsibilities of the Committee are set out in full in its Terms of Reference which are available on the Company's website.

Committee Composition, Attendance and Tenure

The members of the Governance and Sustainability Committee are Mark Breuer (Chairman) and two independent non-executive Directors: Laura Angelini and Mark Ryan.

Biographical details for the members of the Committee are set out on pages 88 to 89.

The General Counsel and Company Secretary is the Secretary to the Governance and Sustainability Committee.

Meetings

The Governance and Sustainability Committee met five times during the year ended 31 March 2023. Attendance details are set out in the table on page 97 of the Corporate Governance Statement.

The Chief Executive is invited to attend all meetings of the Committee. Other Directors, executives and external advisors are invited to attend as necessary.

The Committee may also meet separately, as required, to discuss matters in the absence of any invitees. No such meetings took place during the year under review.

Annual Evaluation of Performance

The Board conducts an annual evaluation of its own performance and that of its Committees, Committee Chairmen and individual Directors in accordance with the UK Corporate Governance Code. In 2022, this evaluation was internally-facilitated. The last external evaluation was conducted by Heidrick & Struggles in 2021.

A report on the implementation of recommendations of the evaluation undertaken in 2022 and the principal findings of the 2023 evaluation is contained on page 98, as part of the Corporate Governance Statement.

The Committee as part of the Board evaluation process reviewed its own performance and Terms of Reference during the year. The Committee's Terms of Reference were updated with a number of changes, following this review.

Reporting

The Chairman of the Governance and Sustainability Committee reports to the Board at each meeting on the activities of the Committee.

Consultation with Shareholders

The Chairman of the Committee is available at the Annual General Meeting to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

PRINCIPAL ACTIVITIES

Board Composition and Renewal

The Governance and Sustainability Committee reviews the composition of the Board and its Committees to ensure that they have an appropriate balance of skills, knowledge, experience, gender, and ethnicity, taking account of the nature, scale, and location of the Group's operations and the tenure of existing Directors.

On 4 February 2023, Katrina Cliffe was appointed to the Board with effect from 1 May 2023. This followed an extensive search led by the Committee, with advice from MWM Consulting. Members of the Committee reviewed a list of potential candidates and conducted interviews with a number of them before making a recommendation to the Board. Ms Cliffe brings financial services expertise and experience as non-executive director to her role.

Extensive and tailored induction programmes for each new Director are put in place at the time of their appointment. These inductions include reviewing information on the Company, meetings with fellow Directors, members of the Group Management Team and the senior management in significant Group businesses.

MWM Consulting do not have any connection with the Directors or the Company.

External Commitments

Directors can bring valuable perspectives to the Board as a result of other appointments, such as directorships of other companies. In accordance with the UK Corporate Governance Code, Directors must seek the prior approval of the Board in advance of accepting any additional external appointments. This requirement has been included in all letters of appointment and in the list of Matters Reserved for Board Decision. Before the Board approves any additional external appointment, the Committee considers the impact on the Company, including the time required for the role and any conflicts of interest that might arise from it.

The Committee is satisfied that the existing external commitments of the Directors do not conflict in any way with their duties and commitments to the Company and that all Directors dedicate appropriate time to their responsibilities to the Company and are also available at short notice for any unscheduled Board meetings.

Diversity

In reviewing the composition of the Board and giving consideration to the appointment of new non-executive Directors, the Committee takes into account the benefits that diverse skills, experience and backgrounds, including gender and ethnic diversity, bring to the Board.

Since 1 May 2023, the Board is comprised of 40% female Directors and has one Director from an ethnic minority background. This meets the current requirements of the UK Listing Rules. A table detailing the diversity of the Board and senior management is set out on page 111.

The Board Diversity Policy was reviewed and updated during the year and is available on our website.

Succession Planning

In addition to its work on the development of the Board, the Governance and Sustainability Committee considers succession planning for executive Director positions. This is done within the context of the Group's overall talent development and succession planning structures. Those structures have been developed over the last few years to reflect the Group's greater scale. The Directors receive a detailed update annually from the Chief People Officer on Group talent development and succession planning process. This covers succession planning for senior management roles in detail.

Tenure of Directors

A number of recommendations in respect of renewed Board and Committee membership were made to the Board by the Committee during the year.

Gender representation as at 31 March 2023

The following tables set out the information required to be included in the Annual Report under the UK Listing Rule 9.8.6R(10), as set out in Annex 2 to UKLR 9, as at 31 March 2023.

For the purposes of these tables, executive management is as defined in the UK Listing Rules, being the executive committee or most senior executive or managerial management body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff. For DCC, this is the Group Management Team.

As at 31 March 2023, there were 33% female directors on the Board. On 1 May 2023, Katrina Cliffe was appointed to the Board which meets the target of having 40% female directors on the Board. Caroline Dowling has held the position of Senior Independent Director with effect from 16 July 2021. The Company has also met the requirement to have one Board member from an ethnic minority background since 16 July 2021.

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	6	67%	3	9	90%
Women	3	33%	1	1	10%
Other	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	8	89%	4	10	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	11%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	-

The tenure of the Directors on the Board is set out on page 97. The tenure of members of Committees is dealt with in the relevant Committee reports.

Sustainability, including Climate Change

The Board oversees sustainability matters, including climate-related issues. The Governance and Sustainability Committee supports the work of the Board by reviewing the development of the Group's sustainability activities, including steps taken to meet regulatory requirements. The Governance and Sustainability Committee is updated at every meeting on sustainability-related work within the Group, including the work of the Executive Sustainability Committee. The Chairman of the Governance and Sustainability Committee briefs the Board on the work of the Committee after each meeting.

The Board receives a report every quarter from the Head of Group Sustainability on key developments in the Group Sustainability Programme. The Board also receives separate updates on People matters from the Chief People Officer and from the General Counsel.

In addition the Board devoted considerable time during the year to climate change and energy transition matters, including the implementation of DCC Energy's strategy.

Our 2023 Annual Report includes disclosures that meet all recommended disclosures of the TCFD reporting framework.

Corporate Governance

The Committee advises the Board on significant developments in corporate governance and monitors the Company's compliance with corporate governance best practice.

During the year, the Committee considered a number of corporate governance developments, including proposals for a new UK Corporate Governance Code and more detailed sustainability reporting requirements.

The Committee oversaw a detailed review of the structure of Board and Committee meetings over the course of the year. That review took account of previous Board evaluations and wider good practice in corporate governance. The objectives of the review were to maximise the quality of the Group's governance, including Board and Committee meetings, while also allowing the Directors more time in Group businesses.

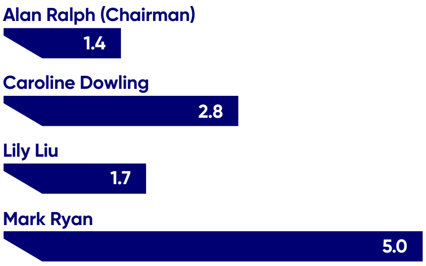
As a result of this review, from the financial year commencing 1 April 2023 the Board will hold six scheduled meetings annually, a reduction of two. More time will be allocated to these six meetings and the Board will continue to cover all the subjects it considers at present. The additional time will be used by the Board to visit Group businesses, spending time with members of management and the wider workforce. These changes will enhance the governance of the Group and the work of the Board at an important time in DCC's growth and development.

The Company operated in full compliance with the Code during the year ended 31 March 2023.

AUDIT COMMITTEE REPORT

Strong internal controls provide a foundation for the Group's continued growth and development.

Length of Tenure on the Audit Committee
as at 31 March 2023 (years)



I am pleased to present the report of the Audit Committee for the year ended 31 March 2023. The report summarises the work of the Committee during the year and sets out our priorities for the year ahead.

Role of the Committee
The Committee supports the Board in meeting a number of its principal corporate governance responsibilities, including reviewing the Group's risk management and internal control processes, overseeing the activities of the Group Internal Audit ('GIA') team and the external auditor KPMG, and monitoring the Company's external reporting.

Risk Management and Internal Control
The Committee supports the Board in considering the principal risks and uncertainties, including emerging risks, facing the Group. These include the impact of climate change, IT and cyber risks and changes in the Group's legal and regulatory environment. Safety matters are addressed directly by the Board.

As part of this, the Committee considered during the year regular and detailed reports on key aspects of the Group's internal control framework, including financial reporting and control, compliance and IT security. The Committee and the Board considered specifically in this regard the Group's readiness to meet more extensive sustainability reporting obligations which will come into effect in the coming years.

In addition, the Committee reviewed a report on the effectiveness of the Group's overall internal controls in the year under review.

More details on the Group's risk management processes are set out in the Risk Report on page 77.

Reporting
Monitoring the integrity of the Company's reporting processes and its external reporting is a core component of the Committee's work. During the year, the Committee considered these subjects in detail with members of management and KPMG.

> The Committee's primary focus for the year ahead will remain the Group's risk management and internal control processes.

ALAN RALPH
Chairman

This included a detailed assessment by the Committee of the work done to support the Company's Going Concern and Viability Statements, including the impacts of increased economic uncertainty, the war in Ukraine and climate change.

The Committee also reviewed the principal accounting judgements and estimates reflected in the Company's consolidated financial statements. More detail on the principal matters considered as part of this process are set out on page 117.

As a result of this work, the Committee is satisfied, and has advised the Board accordingly, that the Annual Report and Financial Statements, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

External Audit

The Committee oversees the relationship with and work of the Company's external auditor on behalf of the Board. This includes the approval of their remuneration and audit plan and an ongoing assessment of their performance and independence. A detailed review of the audit process is undertaken in July each year by management and considered by the Committee with the auditors and management.

The Committee approved KPMG's audit plan in November 2022. This discussion focused on the key audit risks identified by KPMG, materiality thresholds, and the oversight and review by the Irish firm of audits undertaken in Group businesses. We then discussed progress against that plan with KPMG at Committee meetings in January and April 2023. At our meeting in May we received a detailed report from KPMG on their audit findings. Further details on the audit process, including the principal areas considered, are set out on page 114 and 115.

Internal Audit

The Committee received detailed reports from the Group Internal Audit team at each of its meetings over the course of the year. These included a summary of key themes emerging from the team's audit work, progress in completing audit actions and the results of recent audits, including steps agreed with management to improve controls where needed. The Group Internal Audit plan for the year under review was implemented in full and a suitable plan for the year commencing 1 April 2023 has been approved by the Committee.

The Head of Group Internal Audit meets with the Committee in private session several times over the course of the year and has a direct reporting line to me as Committee Chairman.

Priorities for the Year Ahead

The priorities of the Committee for the year ahead will remain consistent with those for the year under review: maintaining robust systems of risk management and internal control, monitoring the Group's external reporting, preparations for increased sustainability reporting, and supporting the work of the Group's internal and external auditors.

To support the work of the Committee, we have invited the management teams of each of the Group's three divisions to report to the Committee on the principal risks and quality of internal controls within their areas of responsibility. These reports will complement the reports we also receive from relevant functions such as Finance, Risk & Compliance and Group Internal Audit.

I trust this report is helpful for shareholders in understanding the activities of the Committee and welcome comments on it.

On behalf of the Audit Committee.

ALAN RALPH
Chairman
Audit Committee
15 May 2023

ROLE OF THE COMMITTEE

Responsibilities

The responsibilities of the Committee are set out in its Terms of Reference, which are available on the Company website.

Composition, Attendance and Tenure

The Audit Committee comprises four independent non-executive Directors: Alan Ralph (Chairman), Caroline Dowling, Lily Liu, and Mark Ryan. Biographical details for the members of the Committee are set out on pages 88 and 89. The tenure of the members of the Committee is set out the start of this report.

The Board is satisfied that the members of the Committee bring a suitably diverse range of skills, expertise and experience in commercial, financial and audit matters arising from the senior positions they hold or held in other organisations and that the Committee as a whole has competence relevant to the sectors in which DCC operates. The Board is also satisfied that Alan Ralph and Lily Liu meet the specific requirements of the UK Corporate Governance Code for recent and relevant financial experience.

The General Counsel and Company Secretary is the Secretary to the Audit Committee.

Meetings

The Committee met five times during the year ended 31 March 2023 and there was full attendance by all members of the Committee.

The Chief Executive, Chief Financial Officer, General Counsel and Company Secretary, Group Financial Controller, Head of Group Internal Audit, Head of Group IT Assurance, Head of Group Risk and Compliance, and representatives of the external auditor are typically invited to attend all meetings of the Committee. The Chairman of the Board also attends a number of the Committee's meetings every year. Other Directors and executives are invited to attend as necessary.

Stephen Johnston was appointed Group Financial Controller with effect from 1 July 2022. He replaced Conor Murphy, formerly Director of Group Finance, on Conor's appointment as CFO of DCC Energy.

The Committee meets a number of times each year with the Company's external auditor and with the Head of Group Internal Audit without other members of management being present. The Committee also holds discussions after most of its meetings in the absence of any invitees.

Evaluation of Performance

The 2023 Board evaluation process, which was internally facilitated, concluded that the Audit Committee and the Chairman of the Committee are operating effectively.

The Committee as part of the Board evaluation process reviewed its Terms of Reference during the year. The Committee's Terms of Reference were updated with a number of changes, following this review.

All actions from the 2022 Board evaluation process in relation to the Committee were fully implemented during the year.

Reporting to the Board

The Chairman of the Audit Committee reports to the Board at each meeting on the activities of the Committee since the previous Board meeting.

Consultation with Shareholders

The Chairman of the Audit Committee also attends the Annual General Meeting to answer questions from shareholders on the report on the Committee's activities and matters within the Committee's areas of responsibility.

PRINCIPAL ACTIVITIES

Risk Management and Internal Control

The Committee reviews on behalf of the Board the key processes by which risks are managed across the Group. These include the use of risk registers at Group-, divisional- and business-level, regular reports from relevant functions such as Finance, Compliance and GIA, and wider Group Risk Reports from the Head of Group Risk and Compliance. The Committee monitors a range of emerging risks as part of this process.

The Committee's work in this area includes an assessment of whether relevant risks are subject to suitable internal controls and where existing internal controls should be adjusted to reflect new or emerging risks.

An annual review of the Group's risks and related internal controls, including recommendations for development, is prepared by management and reviewed by the Committee each year.

The Chairman of the Committee reports to the Board on risk management and internal controls after each Committee meeting. In addition the Board receives and considers the Group Risk Reports referred to above.

More details on the Group's system of risk management and internal control are set out in the Risk Report on pages 77 to 84. The Board's statement on Risk Management and Internal Control is included in the Corporate Governance Statement on page 92.

Whistleblowing

The Board has delegated responsibility to the Audit Committee for ensuring that the Group maintains suitable whistleblowing arrangements for its workforce. Those arrangements are outlined in the Corporate Governance Statement on page 92 and are also described in our Code of Conduct, which is available on the Company's website.

The Committee reviewed the operation of the Group's whistleblowing facilities, including the matters raised and how they were resolved, during the year. A summary of whistleblowing reports received is provided to the Committee each April and November. A detailed report on concerns raised and the steps taken to address them is also presented to the Committee in May.

External Audit

The Audit Committee oversees the relationship with the Company's external auditor, KPMG, including approval of the audit fee and annual audit plan. Details of the areas considered as part of the approval of the audit plan for the year under review are set out in the Chairman's Introduction on page 112.

The Audit Committee meets with the external auditor without the presence of management during the year.

KPMG were appointed as the Group's external auditor on 17 July 2015. The Audit Committee is required to make a recommendation to the Board on the appointment, reappointment and removal of the external auditor.

Effectiveness

As part of its annual review of the effectiveness of an external audit process, the Committee reviews the results of an external audit effectiveness questionnaire. This process involves the Chief Financial Officer obtaining the views of finance executives at Group level and across Group businesses. Their responses and recommendations for improvements in future audits are summarised in a report to the Audit Committee.

Based on its consideration of this report and its own interactions with KPMG the Audit Committee considers whether the audit process remains effective. Its conclusions are then conveyed to the Board.

The Committee concluded on the basis of this process that the audit process in respect of the year ended 31 March 2022 was effective.

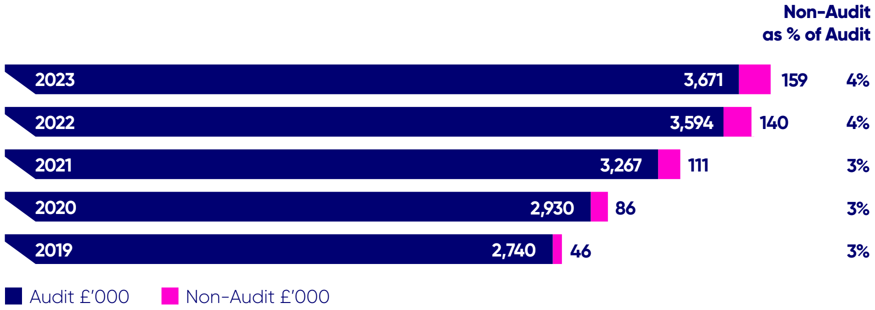
Independence

The Audit Committee has processes in place to ensure that the independence of the audit is not compromised. These include monitoring the nature and extent of services provided by the external auditor through an annual review of fees paid to the external auditor for non-audit work, which is described in more detail below. In addition, the Committee obtains confirmation from the external auditor that they are in compliance with relevant ethical and professional guidance and that, in their professional judgement, they remain independent.

On the basis of these processes, the Committee was satisfied that KPMG remain independent and have communicated this to the Board.

The Audit Committee has also approved a policy on the employment of employees or former employees of the external auditor. This policy provides that the Chief Executive will consult with the Chairman of the Audit Committee prior to appointing to a senior financial reporting position, to a senior management role or to a Company officer role any employee or former employee of the external auditor, where such a person was a member of the external audit team in the previous two years.

Audit vs Non-Audit Fees



One former member of the KPMG audit team was appointed to a role in the Group Internal Audit team over the course of the year under review. However, he was not appointed to a role that falls within the provisions of the policy requiring consultation as to his appointment.

Non-Audit Services

The Audit Committee has approved a policy on the engagement of the external auditor to provide non-audit services. This provides that the external auditor is permitted to provide non-audit services that are not, or are not perceived to be, in conflict with auditor independence, providing they have the competence to carry out the work and are the most appropriate to undertake it. A number of specific types of non-audit services are prohibited under the policy.

The policy also provides that any non-audit services that would result in the aggregate of non-audit fees paid to the external auditor exceeding 50% of annual audit fees must be approved in advance by the Chief Executive and the Chairman of the Audit Committee.

The Committee is kept informed by management of all non-audit assignments being undertaken by the external auditor and the aggregate level of fees to be paid for such assignments is pre-approved by the Chairman of Audit Committee.

Details of the amounts paid to the external auditor during the year for non-audit services are set out in note 2.3 on page 167. The chart above sets out the audit and non-audit fees paid to the external auditor over the five-year period from 2019 to 2023 inclusive.

Internal Audit

Group Internal Audit

The Audit Committee approves the Group Internal Audit annual plan and reviews reports on audits undertaken by the GIA team. The Head of GIA and the Head of IT Assurance, together with other executives from the GIA team as needed, report at each meeting of the Committee on:

- the findings from each audit, IT audit and any special investigations completed;
- reviews undertaken on newly-acquired businesses;
- audits in progress;
- the timely implementation of agreed audit actions; and
- progress on other projects including the implementation of improvements agreed under the most recent External Quality Assessment.

Actions agreed as part of GIA team audits are tracked. The timely completion of audit actions is then tracked as part of the normal management process and is also linked to management bonuses. The Audit Committee reviews progress on the completion of these actions with the Head of GIA and other members of management at each of its meetings.

External Quality Assessments ('EQAs') by independent external consultants are conducted at least every five years to confirm compliance by the GIA team with the International Standards for the Professional Practice of Internal Auditing (IIA Standards). An internal review against the same standards is completed on an annual basis. The most recent EQA was completed in 2021 by EY.

The Audit Committee ensures co-ordination between GIA and the external auditor, with regular meetings held each year between them to maximise the benefits of clear communication and co-ordination of their activities.

The Head of GIA has direct access to the Chairman of the Audit Committee and the Audit Committee meets with the Head of GIA on a regular basis without other members of management.

IT Assurance

The IT Assurance team forms part of the wider GIA team. In addition to IT audit reports, the Head of GIA and Head of IT Assurance report to the Audit Committee on initiatives being undertaken around the Group in relation to cyber security and IT project management. This includes compliance with the Group Information Security Policy.

Reporting

Reporting Processes

An important part of the Committee's role is to ensure that the Company's reporting, including its half-year unaudited accounts and Annual Report and Accounts, are supported by suitably detailed records and analysis. The Committee reports its findings and makes recommendations to the Board on the Company's external reporting accordingly.

KPMG, as the Company's external auditor, supports the Committee in this role. In the course of its annual audit, it considers whether accounts have been prepared in accordance with IFRS and whether adequate accounting records have been kept. The auditor's report to shareholders can be found on pages 147 to 153.

The GIA team also contributes to this assurance process by reviewing compliance with internal financial reporting processes.

In relation to the 2023 Annual Report and Accounts, the Committee assessed whether suitable accounting policies had been adopted and whether management had made appropriate estimates and judgements. The Committee obtained support from the external auditor in making these assessments.

The Committee focused on matters it considered to be important by virtue of their impact on the Group's results and particularly those which involved a relatively higher level of complexity, judgement or estimation by management. The table on page 117 sets out the significant matters considered by the Committee in relation to the financial statements for the year ended 31 March 2023.

Management confirmed to the Committee that they were not aware of any material misstatements in the financial statements for the year ended 31 March 2023 and KPMG confirmed that they had found no material misstatement in the course of their work.

Distributable Reserves

The Committee reviews the position regarding distributable reserves in order to recommend payment of the interim and final dividends.

Going Concern and Viability Statement

The Audit Committee reviews the draft Going Concern and Viability Statements prior to recommending them for approval by the Board. These statements are included in the Risk Report on page 84.

Fair, Balanced and Understandable

As required by the Code, the Board should present a fair, balanced and understandable assessment of the Company's position and prospects, and specifically confirm that it considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

At the request of the Board, the Committee considered whether the 2023 Annual Report and Accounts met these requirements.

The Committee considered and discussed with management the processes followed in the preparation of the 2023 Annual Report and Accounts, in particular planning, co-ordination and review processes. The Committee also noted the formal review of the Annual Report and Accounts undertaken by KPMG. This enabled the Committee and then the Board to conclude that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and that it provides the necessary information for shareholders to assess the Group's performance, business model and strategy.

Significant Matters in relation to the Financial Statements for the Year Ended 31 March 2023

Goodwill and Intangible Assets
As set out in note 3.3 to the financial statements, the Group had goodwill and intangible assets of £2,957.6 million at 31 March 2023. To satisfy itself that this balance was appropriately stated, the Committee considered the impairment reviews carried out by management. The Group's annual impairment review was carried out using the carrying values of subsidiaries at 28 February 2023 and the latest three-year business plans prepared for the subsidiaries in question.

In performing their impairment reviews, management determined the recoverable amount of each cash generating unit ('CGU') and compared this to the carrying value at the date of testing. The recoverable amount of each CGU is the higher of its fair value less costs to sell and its value in use. Management uses the present value of future cash flows to determine the value in use. In calculating the value in use, management judgement is required in forecasting cash flows of CGUs, in determining the long-term growth rate and selecting an appropriate discount rate.

Management reported to the Committee that future cash flows of each CGU had been estimated based on the most up to date three-year plan for the business in question and discounted using discount rates that reflected the risks associated with each CGU. Sensitivity analysis was performed by adjusting the discount rate, cash flows and the long-term growth rate. The Committee considered and discussed with management the key assumptions used in this review to understand their impact on the CGUs' recoverable amounts. The Committee in particular considered and discussed with management the assumptions in relation to one CGU where the sensitivity analysis, under certain scenarios, indicated that the value in use was lower than the carrying value. The Committee was satisfied that the significant assumptions used for determining the recoverable amounts had been appropriately scrutinised, challenged and were sufficiently robust. The Committee agreed with management's conclusion that the cash flow forecasts supported the carrying value of goodwill and intangible assets.

Business Combinations
As set out in note 5.2 to the Group financial statements, the Group completed a number of acquisitions during the year, the most significant of which were the acquisitions of Medi-Globe and PVO. The Group deployed £365.1 million in total consideration to acquisitions completed during the year. This total consideration was satisfied by a net cash outflow of £318.5 million and acquisition related liabilities of £46.6 million.

Business combinations are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition, being the date the Group obtains control of the business being acquired. The application of this method requires certain estimates and assumptions, particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

Management reported to the Committee that in conducting their review of the fair values of the acquired assets and liabilities at the date of acquisition, identifiable net assets of £134.6 million, non-controlling interests of £0.2 million and goodwill of £230.8 million were acquired. Management engaged independent experts to assist with the valuation of intangible assets on the Medi-Globe and PVO acquisitions. In addition, the Committee discussed and agreed with management's recommendations on the estimated useful lives of intangible assets arising on the Group's acquisitions.

The Committee considered and discussed with management the key assumptions used in determining the fair value of assets and liabilities acquired and was satisfied that the process and assumptions used in determining the fair values of assets and liabilities had been appropriately scrutinised and challenged and were sufficiently robust. The Committee agreed with management's assessment of the fair values of assets and liabilities acquired through business combinations and was satisfied that the related disclosures required under IFRS 3 were complete, accurate and understandable.

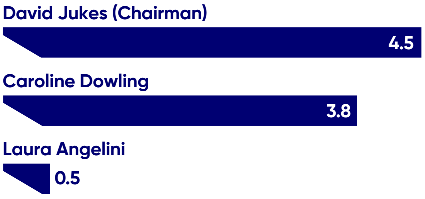
Impact of Climate Change
The Committee considered the Company's approach to the reporting of the impact of climate change on its activities in the financial statements for the year ended 31 March 2023, including compliance with the recommendations of the Taskforce on Climate-related Financial Disclosures ('TCFD'). More detail on compliance with TCFD is contained in the Sustainability Review on page 65.

Other Matters
The Committee considered and is satisfied with a number of other judgements which have been made by management including revenue recognition, exceptional items, lease accounting, provisioning for impairment of trade receivables and inventories, tax provisioning and the carrying amounts of the parent company's investments in subsidiary undertakings and the amounts owed by these subsidiary undertakings.

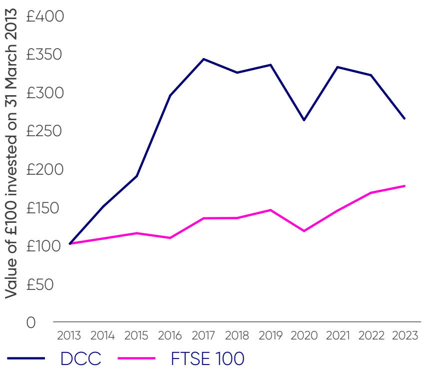
REMUNERATION REPORT

Executive remuneration continues to reward strong company performance and strategic contribution.

Length of Tenure on the Remuneration Committee
as at 31 March 2023 (years)



DCC's 10 year TSR performance versus the FTSE 100



CHAIRMAN'S INTRODUCTION

I am pleased to present the Remuneration Report for the year ended 31 March 2023.

The Report includes the following sections:

- This Chairman's Introduction
- Remuneration at a Glance (page 122)
- Remuneration Policy Report (pages 123 to 129)
- Annual Report on Remuneration (pages 130 to 141)

The purpose of DCC's Remuneration Policy, which was renewed at the 2021 AGM with strong shareholder support, is to incentivise executive Directors and other senior Group executives to create shareholder value on a consistent and sustainable basis. Consequently, their remuneration is weighted towards performance, both in terms of financial and non-financial objectives.

PERFORMANCE FOR THE YEAR

DCC delivered a strong performance in the year ended 31 March 2023:

- Group adjusted operating profit was 11.3% ahead of the prior year.
- Adjusted earnings per share grew by 6.1%, and it is proposed that the total dividend for the year will be increased by 6.5%.
- Return on capital employed, a key metric for DCC, was 15.1% and was again substantially in excess of the Group's cost of capital.

DCC has generated a strong shareholder return over the last ten years, as illustrated in the chart on the left.

The review of our Remuneration Policy will be a priority for the year ahead.

DAVID JUKES
Chairman

The Committee is satisfied that the executive Directors' remuneration reflects the Group's strong performance in the year.

REMUNERATION OF EXECUTIVE DIRECTORS FOR THE YEAR

Salaries

For the year ended 31 March 2023, the Chief Executive's salary increased by 3%. In agreeing this increase, the Committee considered the average salary increase for the general workforce. The CFO's salary increased by 8% in recognition of his demonstrated development in role and full contribution at Board level.

Further details regarding remuneration arrangements for the year ended 31 March 2023 are set out on page 130.

Bonuses

The annual bonuses for the executive Directors in respect of the year ended 31 March 2023 were based on performance against targets for growth in adjusted earnings per share (up to 70% of maximum potential), along with overall contribution and attainment of strategic and sustainability targets (up to 30% of maximum potential).

Group and individual Director performance against these targets has been reflected in a bonus outcome for the Chief Executive of 110.8% of salary (compared to a maximum potential of 200%). For the CFO the bonus outcome is 88.6% of salary (compared to a maximum potential of 160%).

The Committee reviewed the calculated outcomes in the context of the strong performance of the Group and determined that the bonus payouts were appropriate at that level and that no discretion should be exercised when approving the bonus outcome.

Further details of the performance targets and achievement against those targets are set out on pages 130 to 132.

Long-Term Incentives

The extent of vesting of the Long-Term Incentive Plan ('LTIP') awards granted in November 2020 was based on DCC's Return on Capital Employed ('ROCE'), Earnings per Share ('EPS') and Total Shareholder Return ('TSR') performance over the three-year period ended 31 March 2023. The earliest exercise date of these options will be November 2025.

The Committee has considered the outcome of the 2020 LTIP cycle against the original targets. As originally set, vesting of the EPS component was based on outperforming UK RPI, a benchmark that was subsequently removed from EPS targets for LTIP cycles, as it has been also for the majority of other FTSE 100 companies, given the lack of correlation between DCC earnings and UK RPI. The very significant increase in RPI, particularly over the last two years, meant that the inflationary benchmark to our earnings growth was far in excess of that expected when the 2020 LTIP EPS targets were originally set.

The Committee agreed that, whilst the formulaic outcomes against the ROCE and TSR measures were a fair reflection of shareholder experience, the EPS outcome distorts DCC's strong underlying annualised EPS growth of 8.0% p.a. over the three years ended 31 March 2023.

The Committee unanimously agreed that the nil vesting of the EPS component, as suggested by the formulaic outcome against the inflation-linked targets, was not a fair reflection of the strong underlying earnings growth over this period and concluded the most appropriate basis on which to determine vesting of the EPS component, which accounts for 40% of the 2020 LTIP award, is to use the EPS range set for the 2021 LTIP (i.e. 3% to 9% p.a.), which delivers LTIP vesting of 35%, compared to nil vesting had the original targets been used.

The Remuneration Committee is engaging with major shareholders on the approach taken in relation to the vesting of the 2020 LTIP award, as described above.

Regarding the prior year, the Remuneration Committee determined that the LTIP awards granted in November 2019 would vest at 64.5%, based on DCC's ROCE, EPS and TSR performance over the three-year period ended 31 March 2022. This was consistent with the estimated vesting of 64.5% disclosed in last year's Report. The earliest exercise date for the awards granted in November 2019 will be November 2024.

Further details on these vestings are set out on page 132.

Details of LTIP awards granted to the executive Directors in November 2022 are contained in the table on page 133.

REMUNERATION FOR THE YEAR AHEAD

Salaries

For the year ending 31 March 2024, the Committee agreed to increase the Chief Executive's salary by 4% and the CFO's salary by 9%.

In reaching this decision, the Committee was mindful of the current shareholder sentiment that executive director salary increases should be in line with or below those granted to the rest of the workforce. However, we believe that the circumstances surrounding our CFO's salary are exceptional, and warrant a higher increase.

When Kevin was appointed in 2020, his salary was set approximately 15% lower than that of his predecessor to reflect his level of experience at the time, with the Committee agreeing to review the matter regularly as he developed in his role.

Since then Kevin has performed at the highest level and made a significant contribution to the success of the business. In light of his contribution, we believe that a salary increase of 9% is fair, apporpriate and commensurate with the levels of pay seen elsewhere in the market and the need to retain key talent for the benefit of the business and all of its stakeholders.

Bonuses

For the year ending 31 March 2024, the bonuses for the executive Directors will, consistent with the Remuneration Policy, be based 70% on growth in Group adjusted operating profit and 30% on strategic objectives. The maximum award opportunity for the year will remain 200% of the salary for the Chief Executive and 160% for the CFO.

Long-Term Incentives

In the year ending 31 March 2024, the executive Directors will be granted LTIP awards consistent with the Remuneration Policy. The performance conditions will be based on ROCE, EPS and TSR performance over three years. The grant value will be consistent with the year ended 31 March 2023 at up to 200% of salary for the Chief Executive and CFO.

Non-executive Director Fees

As outlined in detail on page 139, the Chairman and Chief Executive undertook a thorough review of the structure and competitiveness of our non-executive Director fees relative to our peers. This revealed two areas of divergence from standard market practice, firstly in relation to the payment of Committee membership fees which we have now consolidated into one base fee, and secondly in relation to our base fees and typical market levels for roles at companies of similar scale. We have also taken the opportunity to introduce an additional fee for the role of Workforce Engagement Director, as is common for companies of our scale, and have increased the additional fee for chairing the Audit Committee and for the role of Senior Independent Director to reflect the growing time required to fulfil these roles.

Taking the loss of Committee membership fees into account, these changes will result in a modest overall uplift to each of our non-executive Directors' actual fees and one which is less than the average increase expected to be awarded to the Group's employees overall. Full details of the new fee structure are included on page 140.

SHAREHOLDER ENGAGEMENT

The Committee engages with major shareholders on remuneration matters, particularly on significant policy changes, and considers the views of shareholder organisations and proxy voting agencies.

Last year, the Committee consulted with major shareholders on the approach taken in relation to the vesting of the 2019 LTIP award, as described in detail in last year's Report. The Committee considered that the application of discretion at the end of the three-year performance period, considering all relevant information, including adjustments guidance provided by major shareholders and their representative bodies, was fair and appropriate. While the Committee was disappointed with the relatively low vote of 89% in favour of the Remuneration Report in 2022, it was pleased that most shareholders saw the change as intended – an adjustment for an exceptional and unforeseen event.

The Committee acknowledges that shareholders have a right to a 'say on pay' by putting the Remuneration Report and the Remuneration Policy, as required, to advisory votes at the AGM.

At the 2023 AGM, an advisory resolution on the Remuneration Report, excluding the Remuneration Policy, will again be put to shareholders. As we are not making any changes to the Remuneration Policy, which shareholders approved at the 2021 AGM, we will not put this to a shareholder vote until 2024.

EMPLOYEE ENGAGEMENT

The Committee is mindful of the provisions in the UK Corporate Governance Code in setting policy for executive Director remuneration. The Remuneration Committee considers broader company pay policies at various meetings throughout the year. The Committee considers these and more general pay practices and trends when making compensation decisions for executive Directors. A copy of the Annual Report is issued to every business in the Group. Internal communication events, such as town halls, then allow employees to raise any questions that they may have on this and other issues. Further details on the Committee's approach to employee engagement are included on page 126.

ENERGY STRATEGY

The Group continues to implement its strategy for the Energy division by leading the sales, marketing and distribution of low-carbon energy solutions for customers. The Group is progressing with its target of getting to net zero at Scope 1, 2 and 3 by 2050 or sooner. The implementation of our energy strategy was reflected in executive Director bonuses for the year under review.

UK COMPANIES (MISCELLANEOUS REPORTING) REGULATIONS 2018 AND SHAREHOLDERS RIGHTS DIRECTIVE II

As an Irish-incorporated company, DCC is not subject to the 2018 Regulations. However, given our listing on the London Stock Exchange, we continue our practice of substantially applying these regulations voluntarily.

Following the implementation of the EU Shareholder Rights Directive II (SRD II) into Irish law in March 2020, Irish company law now requires an advisory shareholder vote on remuneration reports and remuneration policies at AGMs. However, the SRD II requirements only apply to companies whose shares are admitted to trading on an EU-regulated market, which, following Brexit, does not include DCC. Nonetheless, in this year's Report we have substantially reported against SRD II requirements as a matter of good practice.

COMMITTEE MEMBER CHANGES

As noted in last year's report, Pamela Kirby retired from the Committee in July 2022. Tufan Erginbilgic resigned from the Committee in December 2022. The Committee welcomed Laura Angelini as a new member of the Committee in September 2022, having joined the Board in July 2021. The Committee also welcomed Katrina Cliffe as a new member of the Committee, from the date of her appointment to the Board on 1 May 2023.

CONCLUSION

I am satisfied that the Remuneration Committee has implemented the Group's Remuneration Policy in the year ended 31 March 2023 in a manner that properly reflects the performance of the Group in the year. I strongly recommend that shareholders vote in favour of the 2023 Remuneration Report at the 2023 AGM.

We welcome and will consider any shareholder feedback on the implementation of the Remuneration Policy and the 2023 Remuneration Report.

On behalf of the Remuneration Committee

DAVID JUKES
Chairman
Remuneration Committee
15 May 2023

REMUNERATION AT A GLANCE

HOW HAVE WE PERFORMED?

Adjusted operating profit +11.3%

2023	£655.7m
2022	£589.2m
2021	£530.2m

Adjusted EPS +6.1%

2023	456.27p
2022	430.1p
2021	386.6p

Return on capital employed 15.1%

2023	15.1%
2022	16.5%
2021	17.1%

HOW WAS THIS REFLECTED IN EXECUTIVE DIRECTOR PAY?

Annual bonus outcome for year ended 31 March 2023

Donal Murphy
Base Salary €909,510

+

Bonus Potential (200% of salary)

Group EPS 70% of Bonus Potential	Strategic Objectives 15% of Bonus Potential	ESG Objectives 15% of Bonus Potential
Performance in Year 44.3%	Performance in Year 100%	Performance in Year 62.5%

Performance in Year = 55.4%
= 110.8% of salary = €1,007,555

1/3 Deferred and Converted to DCC Shares — 2/3 Paid in Year

Kevin Lucey
Base Salary €510,300

+

Bonus Potential (160% of salary)

Group EPS 70% of Bonus Potential	Strategic Objectives 15% of Bonus Potential	ESG Objectives 15% of Bonus Potential
Performance in Year 44.3%	Performance in Year 100%	Performance in Year 62.5%

Performance in Year = 55.4%
= 88.6% of salary = €452,248

1/3 Deferred and Converted to DCC Shares — 2/3 Paid in Year

Further details on bonus outcomes are set out on page 130.

2020 LTIP award outcome based on results for three-year period ended 31 March 2023

ROCE
MIN 13% — MAX 17%
Actual: 16.2%
Extent of vesting: 34%

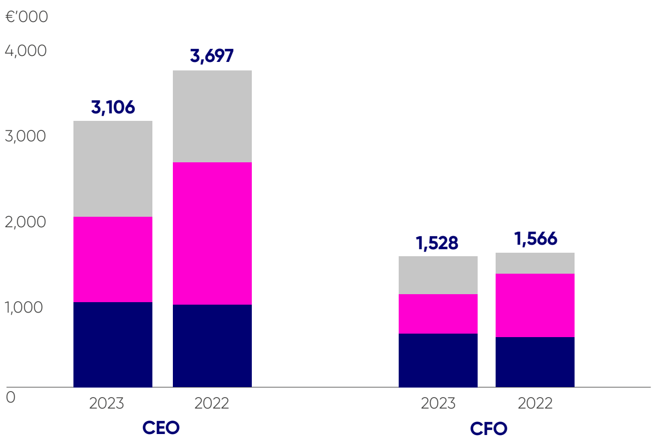
EPS Growth
MIN 3% — MAX 9%
Actual: 8%
Extent of vesting: 35%

TSR Outperformance of FTSE 100
MIN Below index — Index — MAX 8%
Actual: nil
Extent of vesting: 0%

Total amount of 2020 LTIP awards that will vest in November 2025: 69%

Further details on LTIP are set out on page 132.

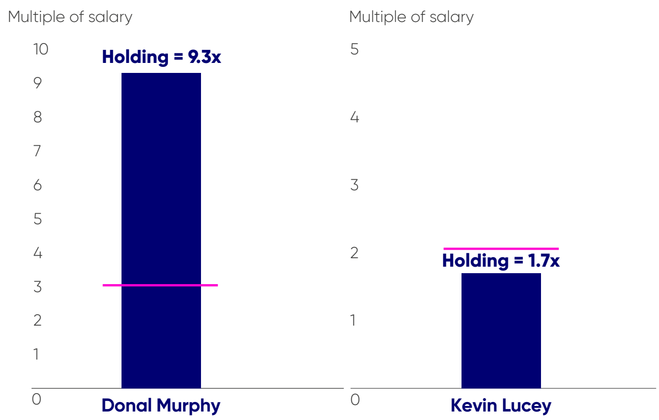
EXECUTIVE DIRECTORS' TOTAL REMUNERATION



Fixed (Salary, Benefits, Retirement Benefit Expense)
Annual Bonus LTIP

Further details on remuneration are set out on page 130.

EXECUTIVE DIRECTORS' SHAREHOLDINGS



Policy requirement

Further details on shareholding are set out on page 138.

REMUNERATION POLICY REPORT

DCC's Remuneration Policy ('the Policy') is set out below. As an Irish-incorporated company, DCC is not required to comply with UK regulations that require UK companies to submit their remuneration policies to a binding shareholder vote. In addition, following Brexit, requirements under Irish company law implemented to give effect to the Shareholders Rights Directive II only apply to companies whose shares are admitted to trading on an EU-regulated market. However, the Board recognises the need for our remuneration policies, practices and reporting to reflect best corporate governance practice and has substantially applied these regulations.

The Remuneration Policy was submitted to an advisory, non-binding vote at the 2021 AGM.

The Policy is designed and managed to support a high-performance and entrepreneurial culture, taking into account competitive market positioning.

The Board seeks to align the interests of executive Directors and other senior executives with those of shareholders within the framework set out in the UK Corporate Governance Code ('the Code'). Central to this Policy is the Group's belief in long-term, performance-based incentivisation and the encouragement of share ownership.

The primary Policy objective is to have overall remuneration reflect performance and contribution, while maintaining salary rates and the short-term element of incentive payments that are broadly in line with arrangements for companies of similar size, scale and complexity.

DCC's strategy of fostering entrepreneurship requires well-designed incentive plans that reward the creation of shareholder value through organic and acquisitive growth while maintaining high returns on capital employed, strong cash generation and a focus on sound risk management.

The typical elements of the remuneration package for executive Directors are base salary, pension and other benefits, annual performance-related bonuses and participation in long-term performance plans, which promote the creation of sustainable shareholder value.

The Remuneration Committee seeks to ensure:

- that the Group will attract, motivate and retain individuals of the highest calibre;
- that executives are rewarded in a fair and balanced way for their individual and team contributions to the Group's performance;
- that executives receive a level of remuneration that is appropriate to their scale of responsibility and individual performance;
- that the overall approach to remuneration aligns with the sectors and geographies within which the Group operates and the markets from which it draws its executives; and
- that risk is properly considered in setting remuneration policy and determining remuneration packages.

The Remuneration Committee takes external advice from remuneration consultants on market practice within similar-sized UK-listed and Irish companies to ensure that remuneration remains competitive and structures continue to support the key remuneration policy objectives. Benchmarking data is used to inform remuneration decisions, but does not drive changes.

The Committee is mindful of managing any conflicts of interest. No individual was involved in determining their own remuneration arrangements.

The design of executive Director remuneration concerning the application of the Code is laid out in the table below:

Clarity	Our Remuneration Policy and the approach to its implementation are clearly communicated to shareholders and well understood by participants.
Simplicity	We operate a simple market-aligned salary and benefits structure, with annual and long-term performance-based incentives with payouts linked to only a small number of performance measures.
Risk	We manage risk by carefully setting performance targets in the context of a wide range of reference points. The Committee retains the discretion to moderate outcomes in the context of underlying performance. The senior executive remuneration structure is heavily weighted to longer-term or deferred elements of pay, helping to ensure our pay structure reinforces a long time horizon.
Predictability	There are defined threshold and maximum pay scenarios described on page 128.
Proportionality	Remuneration is weighted towards financial and non-financial performance, measures for which are selected to align with strategy. We set challenging performance targets that are commensurate with the incentive opportunities awarded.
Alignment to culture	The remuneration design aligns closely with DCC's performance culture and values, which reinforce longer-term decision-making and collective efforts. Our annual bonus plan includes sustainability/ ESG targets.

Element and link to strategy	Operation	Maximum opportunity
BASE SALARY		
Attract and retain skilled and experienced senior executives.	Base salaries are reviewed annually on 1 April. The factors taken into account include: – Role and experience – Company performance – Personal performance – Competitive market practice – Salary increases across the Group – Benchmarking versus companies of similar size and complexity within the UK and Irish markets When setting pay policy, account is taken of movements in pay generally across the Group.	There is no prescribed maximum base salary or maximum annual increase. The general intention is that any increases will align with the increase across the Group's workforce. Increases may be higher in certain circumstances, such as role and responsibility changes or significant market practice changes.
BENEFITS		
To provide market competitive benefits.	Benefits include the use of a company car, life/disability cover, health insurance and club subscriptions.	No maximum level has been set as payments depend on individual circumstances.
ANNUAL BONUS		
To reward the achievement of annual performance targets.	Bonus payments to executive Directors are based upon meeting pre-determined targets for several key measures, including Group adjusted operating profit and overall contribution and attainment of strategic objectives. The strategic targets focus on areas such as delivery of strategy, organisational development, IT, investor relations, financing, risk management, sustainability/ESG and talent development/succession planning. The measures, their weighting and the targets are reviewed annually. The Committee determines bonus levels based on actual performance after the year end. The Committee can apply appropriate discretion in specific circumstances regarding determining the bonuses to be awarded. In particular, the Committee has the discretion to reduce bonuses if a pre-determined target return on capital employed is not achieved. Regarding the executive Directors, 33% of any bonus earned, once the appropriate tax and social security deductions have been made, will be invested in DCC shares and made available to them, with accrued dividends, after three years or earlier if their employment terminates. A formal clawback policy is in place for the executive Directors, under which bonuses are subject to clawback for three years in the event of a material restatement of financial statements or other specified events. Further details on the clawback policy are set out on page 126. The Committee has discretion in relation to bonus payments to joiners and leavers.	The maximum bonus potential for the executive Directors, permitted under the Policy, is 200% of base salary. The Remuneration Committee will set a maximum to apply for each financial year, which will be disclosed in the Annual Report on Remuneration. A defined target level of performance has been set for which 50% of the maximum bonus is payable.

Element and link to strategy	Operation	Maximum opportunity
LONG-TERM INCENTIVE PLAN ('LTIP')		
To align the interests of executives with those of the Group's shareholders and to reflect the Group's culture of long-term performance-based incentivisation.	The LTIP provides for the Remuneration Committee to grant nominal cost (€0.25) options to acquire shares to Group employees, including executive Directors. The vesting period is typically three years from the date of grant, with the extent of vesting being determined over three years, based on the performance conditions set out in the Annual Report on Remuneration. The executive Directors have a two-year hold period as a post-vest sale restriction. In addition to the detailed performance conditions, an award will not vest unless the Remuneration Committee is satisfied that the Company's underlying financial performance has shown a sustained improvement in the three-year period since the award date. Vesting will be determined by the Remuneration Committee, in its absolute discretion, based on the performance conditions set out in the Annual Report on Remuneration each year. No re-testing of the performance conditions is permitted. The performance conditions and their relative weighting may be modified by the Remuneration Committee in accordance with the Rules of the LTIP, provided that they remain no less challenging and are aligned with the interests of the Company's shareholders. A formal clawback policy is in place, under which awards are subject to clawback in the event of a material restatement of financial statements or other specified events. Further details on this clawback policy are set out on page 126.	The market value of the shares subject to the options granted in respect of any accounting period may not normally exceed 200% of base salary. In exceptional circumstances, the market value of the shares subject to the options granted in respect of any accounting period may not exceed 300% of base salary. This higher limit will only be used in exceptional circumstances, for example, in the case of external recruitment.
PENSION		
To reward sustained contribution.	The executive Directors are eligible to participate in a defined contribution pension scheme (or receive cash in lieu of contributions to a defined contribution pension scheme).	Pension contributions (paid into the defined contribution scheme or paid as cash in lieu) for existing executive Directors are capped at 15% of base salary, in line with the broader workforce. Newly appointed executive Directors will receive pension contributions in line with the broader workforce. Pensionable salary is defined as base salary.

Remuneration Committee Discretion

The discretion available to the Committee in respect of the various elements of executive remuneration is summarised below.

Pay element	Discretion available
Bonus	The Committee can apply appropriate discretion regarding the financial and non-financial/strategic targets in specific circumstances. In particular, the Committee has the discretion to reduce bonuses if a pre-determined target return on capital employed is not achieved.
LTIP	Vesting is determined by the Remuneration Committee, at its absolute discretion, based on certain performance conditions.

Payments from Existing Awards

Subject to the achievement of the applicable performance conditions, executive Directors are eligible to receive payment from any award made prior to the approval and implementation of the Remuneration Policy detailed in this Report.

Clawback Policy

Bonus payments may be subject to clawback for three years from payment in certain circumstances, including:

- a material restatement of the Company's audited financial statements;
- a material breach of applicable health and safety regulations; or
- business or reputational damage to the Company or a subsidiary arising from a criminal offence, serious misconduct or gross negligence by the individual executive.

The LTIP allows the Remuneration Committee to reduce or impose further conditions on awards prior to vesting in some circumstances as outlined above.

Remuneration Policy for Recruitment of New Executive Directors

In determining the remuneration package for a new executive Director, the Remuneration Committee would be guided by the principle of offering such remuneration as is required to attract, retain and motivate a candidate with the particular skills and experience required for a role. Provided the remuneration package offered is in the best interests of the Company and the shareholders. The Remuneration Committee will generally set a remuneration package in accordance with the terms of the approved Remuneration Policy in force at the time of the appointment. However, the Committee may make payments outside of the Policy if required in particular circumstances and if in the Company's and the shareholders' best interests. Any such payments related to the buyout of variable pay (bonuses or awards) from a previous employer will be based on matching the estimated fair value of that variable pay and will take account of the performance conditions and the time until vesting of that variable pay.

For an internal appointment, any variable pay element awarded in respect of the prior role and any other ongoing remuneration obligations existing prior to appointment would be honoured.

Remuneration Policy for Other Employees

While the Remuneration Committee's specific oversight of individual executive remuneration packages extends only to the executive Directors and a number of senior Group executives, it aims to create a broad policy framework, to be applied by management to senior executives throughout the Group, through its oversight of remuneration structures for other Group and subsidiary senior management and of any major changes in employee benefits structures throughout the Group.

DCC employs 16,100 people in 22 countries. Remuneration arrangements across the Group differ depending on the specific role being undertaken, the industry in which the business operates, the level of seniority and responsibilities, the location of the role and local market practice.

Consultation with Employees

The Remuneration Committee considers wider company pay policies at various meetings throughout the year. The Committee considers these and broader pay practices and trends into account when making executive Directors' compensation decisions. The Annual Report sets out the relationship between executive Director pay and Group employees average remuneration and how executive Directors' salary increases, and pension contributions align with the broader workforce. A copy of the Annual Report is issued to every business in the Group. Internal communication events, such as town halls, then allow employees to raise any questions that they may have on this and other issues.

Each of our businesses is responsible for engaging with their respective workforces in relation to remuneration. The Committee believes such an approach is suitable in light of DCC's decentralised business model. However, the Committee has oversight of workforce pay and policies at a Group level and at a business unit executive level, which enables it to ensure that the approach taken to executive remuneration is consistent with those workforces.

Given the divergent nature of our businesses, the Committee does not believe that a standardised approach to remuneration is appropriate. However, it does pay particular attention to whether each element of remuneration is consistent with the Company's remuneration philosophy.

Consultation with Shareholders

The Committee engages in dialogue with major shareholders on remuneration matters, particularly in relation to planned significant changes to the Policy. The Committee also takes into account the views of shareholder organisations and proxy voting agencies.

The Committee acknowledges that shareholders have a right to a 'say on pay' by putting the Remuneration Report and the Remuneration Policy, as required, to advisory votes at the AGM.

Exit Payments Policy

The provisions on exit in respect of each of the elements of pay are as follows:

Salary and Benefits

Exit payments are made only in respect of base salary for the relevant notice period. The Committee may, at its discretion, also allow for the payment of benefits (such as payments in lieu of defined contribution pension) for the notice period. The notice period applies to both the Company and the executive in all cases.

Annual Bonus

The Remuneration Committee can apply appropriate discretion in determining the bonuses to be awarded based on actual performance achieved and the period of employment during the financial year.

In relation to deferred bonuses which have been invested in DCC shares, they will be made available on the participant's cessation date, together with accrued dividends.

Long-Term Incentive Plan

To the extent that a share award or option has vested on the participant's cessation date, the participant may exercise the share award or option during a specified period following such a date. In no event may the share award or option be exercised later than the expiry date as defined in the award certificate.

Generally, a share award or option that has not vested on the participant's cessation date immediately lapses.

The Committee would typically exercise its discretion when dealing with a participant who ceases to be an employee because of certain exceptional circumstances e.g. death, injury or disability, redundancy, retirement or any other exceptional circumstances. In such circumstances, any share award or option that has not already vested on the participant's cessation date would be eligible for vesting on a date determined by the Remuneration Committee. The number of shares, if any, in respect of which the share award or option vests would be determined by the Remuneration Committee.

The approach for 'good leavers' is to pro-rate awards based on time served as a proportion of the three-year vesting period. The extent of vesting under the performance conditions will be determined in the usual way at the end of the three-year vesting period.

If a participant ceases to be an employee due to termination of his employment for serious misconduct, each share award and option held by the participant, whether or not vested, will automatically lapse immediately upon the service of notice of such termination, unless the Committee in its sole discretion, determines otherwise.

Pension

The rules of the Company's defined contribution pension scheme contain detailed provisions in respect of the termination of employment.

Service Contracts

Donal Murphy has a service agreement with the Company with a notice period of six months. This service agreement provides that either he or the Company could terminate his employment by giving six months' notice in writing. At its sole discretion, the Company may require that Mr Murphy ceases employment immediately instead of working out the notice period, in which case he would receive compensation in the form of base salary only in respect of the notice period. The service contract also provides for summary termination (i.e. without notice) in a number of circumstances, including material breach or grave misconduct. The service agreement does not include any provisions for compensation due to loss of office, other than the notice period provisions set out above.

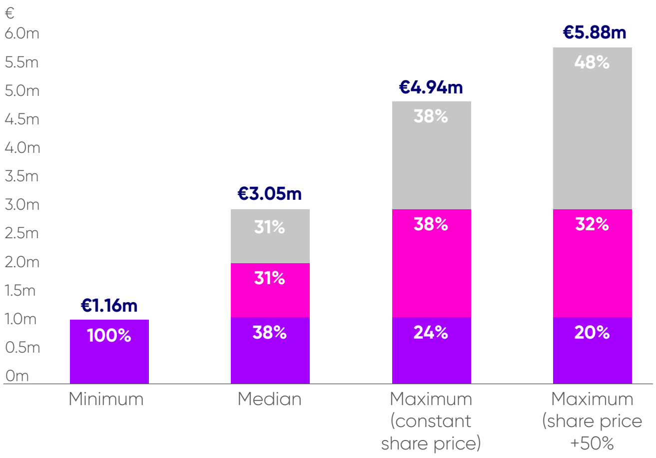
Kevin Lucey has a letter of appointment which provides for a six-month notice period. This letter of appointment provides that either he or the Company could terminate his employment by giving six months' notice in writing. At its sole discretion, the company may require that Mr Lucey ceases employment immediately instead of working out the period of notice, in which case he would receive compensation in the form of base salary only in respect of the notice period. The letter of appointment also provides for summary termination (i.e. without notice) in a number of circumstances, including material breach or grave misconduct. The letter of appointment does not include any provisions for compensation for loss of office, other than the notice period provisions set out above.

Scenario Charts

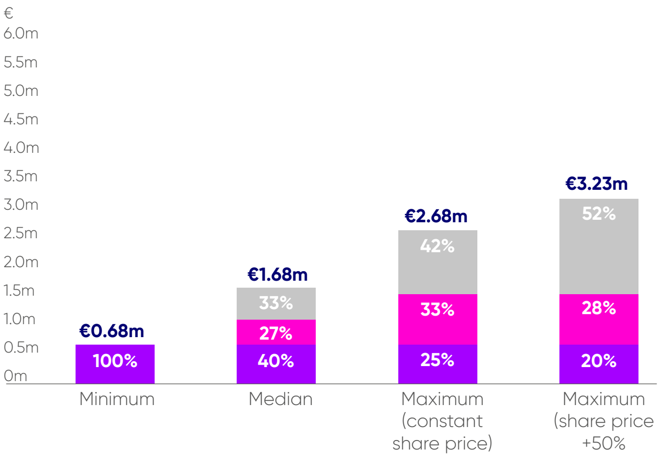
Set out below is an illustration of the potential future remuneration that each executive Director could receive for the year ending 31 March 2024 at minimum, median and maximum performance (assuming (i) a constant share price and (ii) an uplift of 50% in the share price).

As the Directors are paid in euro, the Remuneration Committee considers it appropriate that the figures disclosed in this Report continue to be presented in euro.

Donal Murphy, Chief Executive



Kevin Lucey, Chief Financial Officer



Fixed   Annual Bonus   Long-Term Incentive Plan

Notes:

Minimum Performance comprises:

- Fixed pay – base salary, benefits and retirement benefit expense.
- No annual bonus payout.
- No LTIP vesting.

Median Performance comprises:

- Fixed pay – base salary, benefits and retirement benefit expense.
- 50% annual bonus payout, i.e. 100% of salary for CE and 80% of salary for CFO.
- 50% vesting of LTIP i.e. 100% of salary.

Maximum Performance (constant share price) comprises:

- Fixed pay – base salary, benefits and retirement benefit expense.
- 100% annual bonus payout, i.e. 200% of salary for CE and 160% of salary for CFO.
- 100% vesting of LTIP, i.e. 200% of salary.

Maximum Performance (share price + 50%) comprises:

- Fixed pay – base salary, benefits and retirement benefit expense.
- 100% annual bonus payout, i.e. 200% of salary for CE and 160% of salary for CFO.
- 100% vesting of LTIP and 50% uplift in share price, equating to 300% of salary.

Share Ownership Guidelines

DCC's Remuneration Policy has at its core a recognition that the spirit of ownership and entrepreneurship is essential to creating long-term high performance. DCC also acknowledges that share ownership is important in aligning the interests of executive Directors and other senior Group executives with those of shareholders.

A set of share ownership guidelines is in place under which the Chief Executive, other executive Directors and other senior Group executives are encouraged to build, over a five-year period from appointment, a shareholding in the Company with a valuation relative to base salary as follows:

Executive	Share ownership guideline (multiple of base salary)
Chief Executive	3 x
Other Executive Directors	2 x
Senior Group Executives	1 x

Compliance with the Share Ownership Guidelines is reviewed annually by the Remuneration Committee. The executive Directors' position as at 31 March 2023 is set out in the Annual Report on Remuneration on page 138.

Post-Employment Share Ownership Requirements

In accordance with the requirements of Provision 36 of the UK Corporate Governance Code, the Remuneration Committee has introduced, with effect from 1 April 2019, Post-Employment Share Ownership Requirements under which the Chief Executive and other executive Directors are required, after leaving the Group, including through retirement, to maintain a shareholding in the Company for a two-year period, as below:

Executive	Ratio of Share Ownership to Base Salary
Chief Executive	3 x
Other executive Directors	2 x

Base salary will be the Director's base salary in effect at the date of ceasing employment.

For the purposes of these Requirements, share ownership will include shares, vested share options, unvested options no longer subject to performance conditions, deferred bonus share awards, restricted stock awards and any other vested or unvested share awards made under incentive plans operated by the Company which are not subject to performance conditions.

Shares held by a Director's spouse and/or minor children and shares held in any trust for the benefit of the Director and/or their spouse and minor children will be counted towards the share ownership requirement.

The valuation of the shareholdings in the Company will be reviewed at the end of each year based on the closing market price of the Company's shares. If the required ratio fails to be met due to factors other than a decrease in the market price of the Company's shares, the Director will be allowed an additional period of 12 months or such other period as the Remuneration Committee may determine, to bring the shareholding back to the required level.

Policy on External Board Appointments

Executive Directors may accept external non-executive directorships with the Board's prior approval. The Board recognises the benefits that such appointments can bring to the Company and the Director in terms of broadening their knowledge and experience. The executive Directors may retain the fees received for such roles.

Mr Murphy and Mr Lucey do not currently hold any external board appointments.

Policy for non-executive Directors

Fees	Operation	Maximum Opportunity
The fees paid to non-executive Directors reflect their experience and ability and the time demands of their Board and Board Committee duties. A basic non-executive Director fee is paid for Board membership. Additional fees are paid to the chairs of Board Committees, to the Board Chair, to the Senior Independent Director and to the Workforce Engagement Director. Additional fees may be paid in respect of Company advisory boards.	The remuneration of the Board Chair is determined by the Remuneration Committee for approval by the Board. The Board Chair absents himself from the Committee meeting while this matter is being considered. The remuneration of the other non-executive Directors is determined by the Board Chair and the Chief Executive for approval by the Board. The fees are reviewed annually, taking account of any changes in responsibilities and the level of fees in a range of comparable Irish and UK companies.	No prescribed maximum annual increase. In accordance with the Articles of Association, shareholders set the maximum aggregate ordinary remuneration (basic fees, excluding fees for committee membership and chair fees). The current limit of €850,000 was set at the 2019 AGM. Non-executive Directors do not participate in the Company's LTIP or receive any pension benefits from the Company.

Non-executive Directors' Letters of Appointment

The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment. The letters of appointment are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

ANNUAL REPORT ON REMUNERATION

This section of the Remuneration Report gives details of remuneration outcomes for the year ended 31 March 2023. It also sets out how the Remuneration Policy will operate in the year ending 31 March 2024, and provides additional information on the operation of the Remuneration Committee.

Remuneration Outcomes for the Year Ended 31 March 2023

The table below sets out the total remuneration and breakdown of the elements received by each serving Director in relation to the year ended 31 March 2023, together with prior year comparatives. An explanation of how the figures are calculated follows the table.

Executive Directors' Remuneration Details

	Salary		Benefits		Bonus		Retirement Benefit Expense		LTIP		Audited Total		Sub-Total of Fixed Pay	Sub-Total of Variable Pay	Sub-Total of Fixed Pay	Sub-Total of Variable Pay
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	**2023 €'000**	2022 €'000	2022 €'000
Donal Murphy	**910**	883	**67**	67	**1,008**	1,653	**136**	132	**985**	962	**3,106**	3,697	**1,113**	**1,993**	1,082	2,615
Kevin Lucey	**510**	472	**42**	42	**452**	745	**72**	66	**452**	241	**1,528**	1,566	**624**	**904**	580	986
	1,420	1,355	**109**	109	**1,460**	2,398	**208**	198	**1,437**	1,203	**4,634**	5,263	**1,737**	**2,897**	1,662	3,601

Fixed remuneration comprises Salary, Benefits and Retirement Benefit Expense. Variable remuneration comprises Bonus and LTIP. The proportion of fixed and variable remuneration for the year ended 31 March 2023 for Mr Murphy was 36:64 and for Mr Lucey was 41:59.

Salary

The executive Directors' salaries for the year ended 31 March 2023 were increased from the prior year, as shown in the table below.

In agreeing the increase to the Chief Executive's salary of 3%, the Committee took into account the average salary increase for the general workforce. The increase in the CFO's salary of 8% reflected his demonstrated development in role and full contribution at Board level.

	Salary €	Increase %
Donal Murphy	909,510	3%
Kevin Lucey	510,300	8%

Benefits

Benefits include the use of a company car and related costs, life/disability cover, health insurance and club subscriptions.

Determination of Bonuses for the Year Ended 31 March 2023

For the year ended 31 March 2023, the executive Directors participated in the bonus plan, as per the Remuneration Policy, as set out below:

Executive Director	**Maximum bonus potential**	**Deferral of bonus**
Donal Murphy	200% of salary	33% of any bonus earned will be deferred into DCC shares for three years.
Kevin Lucey	160% of salary	

Bonuses were based 70% on growth in Group adjusted EPS ('Group EPS') and 30% on strategic and ESG objectives.

Financial targets – Group EPS

Growth in Group EPS was measured against a pre-determined range, with zero payment below the threshold up to full payment at the maximum of the range. The table below sets out the performance in the year ended 31 March 2023 in terms of growth in Group EPS compared to the performance target range set for the year.

	Target		
	Minimum (below which nil payout)	Maximum (full payout)	Outcome
Group EPS	3%	10%	6.1%

Based on the Group EPS outcome, the Remuneration Committee determined that 44.3% of the bonuses related to this performance target should be paid.

Non-financial targets – Strategic and ESG

Regarding the achievement of targets set for strategic and ESG objectives, the Remuneration Committee carefully considered the achievement of the objectives outlined in the table below. It concluded that 81% of this element of the bonus should be awarded to both the Chief Executive and CFO.

CHIEF EXECUTIVE – DONAL MURPHY

Category	Objective	Measure of success	Outcome
Strategic Objectives Maximum of 15% bonus payable	Implement the Group's updated strategy for the energy sector, outlined in a Capital Markets Day in May 2022	Financial Performance of DCC Energy Carbon Intensity and Scope 3 Carbon Emissions Development of DCC Energy Management Structures	🟢
	Ensure continued strategic development of DCC Healthcare, DCC Technology and key Group functions to build the capabilities needed to support the Group's development	Implementation of a range of strategic development initiatives in DCC Healthcare and Technology and key Group functions	🟢
ESG Objectives Maximum of 15% bonus payable	Reduce Scope 1 and 2 carbon emissions in line with the Group's updated 50% reduction target	Scope 1 and 2 $mtCO_2e$	🟢
	Continue to improve HSE performance across the Group	Lost time injury frequency rate ('LTIFR') Safety leadership initiatives	🟠
	Continue to improve the Group's culture, including by actively encouraging diversity	Employee engagement Diversity of future talent	🟢

CFO – KEVIN LUCEY

Category	Objective	Measure of success	Outcome
Strategic Objectives Maximum of 15% bonus payable	Implement the Group's updated strategy for the energy sector, outlined in a Capital Markets Day in May 2022	Financial Performance of DCC Energy Carbon Intensity and Scope 3 Carbon Emissions Development of DCC Energy Management Structures	🟢
	Ensure continued strategic development of DCC Healthcare, DCC Technology and key Group functions to build the capabilities needed to support the Group's development	Implementation of a range of strategic development initiatives in DCC Healthcare and Technology and key Group functions, including Group Finance	🟢
ESG Objectives Maximum of 15% bonus payable	Reduce Scope 1 and 2 carbon emissions in line with the Group's updated 50% reduction target	Scope 1 and 2 $mtCO_2e$	🟢
	Continue to improve HSE performance across the Group	Lost time injury frequency rate ('LTIFR') Safety leadership initiatives	🟠
	Continue to improve the Group's culture, including by actively encouraging diversity	Employee engagement Diversity of future talent	🟢

🟢 Fully met 🟠 Partially met 🔴 Not met

The resultant bonus payout levels for the year ended 31 March 2023 were therefore calculated as follows:

	Chief Executive – % of Salary		CFO – % of Salary	
Component	**% of Max**	**% of Salary**	**% of Max**	**% of Salary**
Group EPS	44.3%	62.0%	44.3%	49.6%
Strategic Performance	81.3%	48.8%	81.3%	39.0%
	55.4%	**110.8%**	**55.4%**	**88.6%**

In accordance with the Remuneration Policy, 33% of bonuses for the Chief Executive and CFO, net of tax and social security deductions, will be invested in DCC shares. These shares and accrued dividends will be made available to them after three years or earlier if their employment terminates.

The Remuneration Committee considered the outcomes as set out above and determined that they were appropriate in the circumstances, reflected the Group's strong performance in the year and no discretion was applied.

Retirement Benefit Expense

Retirement Benefit Expense for Donal Murphy comprised 15% of base salary in the form of a cash allowance, in lieu of contribution to a defined contribution pension scheme. Kevin Lucey is part of a defined contribution pension scheme in which a 14% employer contribution is in place.

Vesting under Long-Term Incentive Plan

The value of the LTIP, as shown in the table on page 130 for 2023, is explained in further detail below.

The LTIP award granted in November 2020 was subject to performance over the three-year period ended 31 March 2023. The performance conditions attached to this award and actual performance against these conditions were as follows:

Performance condition	% of total award (potential)	Vesting rule	Threshold target	Maximum target	Actual performance	Vesting level
ROCE[1]	40%	Threshold vesting is 25% of maximum, with vesting determined on a straight-line basis between 25% and 100% for performance between threshold and maximum.	13%	17%	16.2%	34%
EPS	40%		3%	9%	8%	35%
TSR	20%		Median of FTSE 100	Upper quartile of FTSE 100	Below median	0%
	Total vesting					**69%**

1. ROCE targets exclude the impact of IFRS 16 Leases.

As a result, vesting of the 2020 LTIP award is 69%. The earliest exercise date will be November 2025.

As outlined in detail in the Chairman's Introduction on page 119, the Remuneration Committee concluded that the most appropriate basis on which to determine vesting of the EPS component was to use the EPS range set for the 2021 LTIP (i.e. 3% to 9% p.a.), replacing the original inflation-linked targets in light of the significant change in UK RPI, particularly over the final two years of the performance period.

The value of the LTIP as recorded in the table on page 130 for the year ended 31 March 2023 is based on the vesting percentage of 69% and the share price at 31 March 2023 of €53.66 (£47.18) less the amount payable to purchase the shares (i.e. the exercise cost). As the share price at the end of the performance period on 31 March 2023 was lower than the share price at the date of grant, there is no value attributable to a share price uplift to be disclosed.

Grants under Long-Term Incentive Plan

The following awards were granted during the year ended 31 March 2023 under the 2021 LTIP.

Executive Director	Date of grant	% of salary	Market price at date of award	Number of shares	Face value of award £'000	% vesting at threshold performance	Vesting determined by performance period
Chief Executive	10 November 2022	200%	£45.53	35,068	£1,596	25%	Three years to 31 March 2025, with a 2-year post-vest sale restriction
CFO	10 November 2022	200%	£45.53	19,675	£895	25%	

The extent of vesting of these awards will be determined in the table below.

Performance condition	% of total award (potential)	Vesting rule	Threshold target	Maximum target
ROCE[1]	40%	Threshold vesting is 25% of maximum, with vesting determined on a straight-line basis between 25% and 100% for performance between threshold and maximum.	11.5%	15.5%
EPS	40%		3%	9%
TSR	20%		Median of FTSE 100	Upper quartile of FTSE 100

1. ROCE targets include the impact of IFRS 16 Leases.

Further details of previous year's awards are set out on page 137.

Changes in Remuneration of the Directors

Details of the percentage change in the salary, benefits and annual bonus of each individual who served as a Director during the year under review, along with the average total remuneration of Group employees, for each of the last three years, are set out in the table below.

Those Directors who did not serve as a Director at any point during the year under review have not been included. The percentage changes in their remuneration for prior years (and in which they were a Director) are disclosed in the relevant previous Annual Reports.

	% change between FY22 and FY23			% change between FY21 and FY22			% change between FY20 and FY21		
	Salary/Fees	Benefits	Bonus	Salary/Fees	Benefits	Bonus	Salary/Fees	Benefits	Bonus
Executive Directors									
Donal Murphy	+3%	0%	-39%	+3%	+3%	+7%	0%	-1%	+89%
Kevin Lucey	+8%	0%	-39%	+5%	+35%	+11%	n/a	n/a	n/a
Non-executive Directors[1,2]									
Mark Breuer	+30%			+187%			+16%		
Laura Angelini	+6%			n/a			n/a		
Caroline Dowling	+7%			+14%			+19%		
Tufan Erginbilgic	+2%			+2%			n/a		
David Jukes	+2%			+7%			+14%		
Pamela Kirby	+2%			+2%			0%		
Lily Liu	+4%			n/a			n/a		
Alan Ralph	+26%			n/a			n/a		
Mark Ryan	+5%			+4%			0%		
Average remuneration of Group employees[3]	+8%			+4%			+1%		

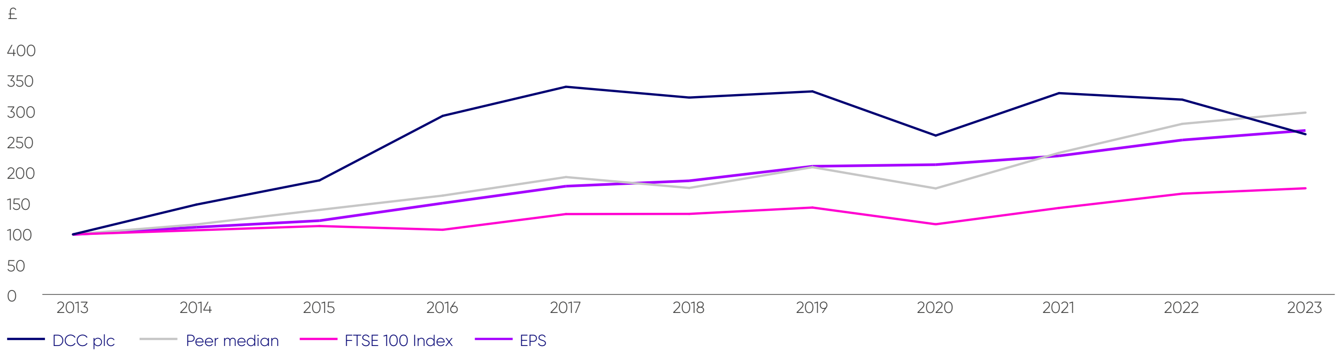
1. The increases for the non-executive Directors primarily reflect Committee membership and role changes and to a lesser extent fee increases.
2. For Directors who served for a part of a year (due to joining or leaving), their remuneration is annualised to allow a like for like comparison.
3. This is the average increase for all Group employees as a whole.

Comparison of Company Performance and Chief Executive Remuneration

The chart below shows the trend in EPS, and DCC's TSR relative to the FTSE 100 Index and the median of DCC's selected peer group, over the last ten years (using a base of 100 for 2013 for comparative purposes).

The table underneath the chart summarises the Chief Executive's single figure of remuneration, annual bonus and LTIP payouts as a percentage of the maximum opportunity for the year ended 31 March 2023 and the previous nine years.

The Committee is satisfied that, over time, there is a reasonable correlation between Chief Executive pay and returns to shareholders.



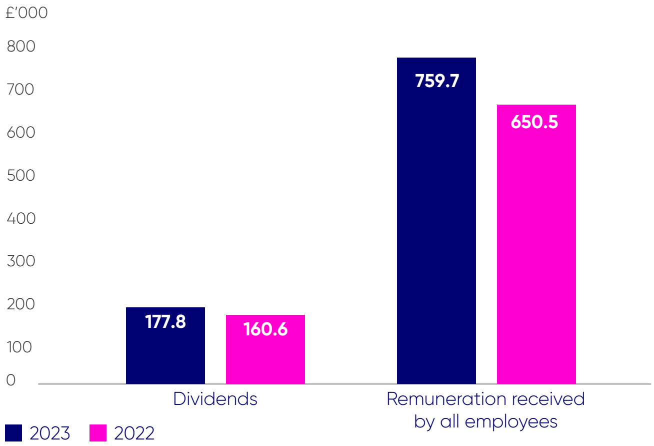
Years Ended 31 March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total remuneration	€3.16m	€4.78m	€4.29m	€5.32m	€2.92m	€3.09m	€2.61m	€3.73m	€3.70m	€3.11m
Bonus payout (% max)	91%	62%	100%	100%	84%	88%	53%	100%	98%	55%
LTIP vesting (% max)	59%	100%	100%	100%	100%	80%	63%	64%	64%	69%

Chief Executive Pay Ratio

Taking account of the UK Companies (Miscellaneous Reporting) Regulations, we are voluntarily disclosing the ratio of the Chief Executive's total pay to the median UK employee's total pay, of 83 times. The median employee for this analysis was selected based on UK gender pay gap data.

Relative Importance of Spend on Pay

The chart below shows the amount paid in remuneration to all Group employees compared to dividends to shareholders for 2023 and 2022.



Non-executive Directors' Remuneration Details

The remuneration paid to the non-executive Directors for the year ended 31 March 2023 is set out below. Non-executive Directors were paid a basic fee, with additional fees paid to the Board Chair, Board Committee Chairs and members, and the Senior Independent Director.

	Basic Fee		Committee Chair and Membership Fees		Chairman/Senior Independent Director Fees		Audited Total	
	2023 €'000	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000	**2023 €'000**	2022 €'000
Mark Breuer[1]	**77**	75	**3**	5	**270**	190	**350**	270
Laura Angelini[2]	**77**	53	**6**	2	**-**	–	**83**	55
Caroline Dowling	**77**	75	**13**	13	**15**	10	**105**	98
Tufan Erginbilgic[3]	**58**	75	**6**	8	**-**	–	**64**	83
David Jukes	**77**	75	**20**	20	**-**	–	**97**	95
Pamela Kirby[4]	**22**	75	**3**	8	**-**	–	**25**	83
Lily Liu[2]	**77**	53	**8**	5	**-**	–	**85**	58
Alan Ralph[5]	**77**	30	**23**	3	**-**	–	**100**	33
Mark Ryan	**77**	75	**11**	9	**-**	–	**88**	84
Total	**619[6]**	586	**93**	73	**285**	200	**997**	859[7]

1. Mark Breuer was appointed Chairman on 16 July 2021.
2. Laura Angelini and Lily Liu were appointed as Directors on 16 July 2021.
3. Tufan Erginbilgic resigned from the Board on 31 December 2022.
4. Pamela Kirby retired from the Board on 15 July 2022.
5. Alan Ralph was appointed as a Director on 8 November 2021.
6. Compares to the current shareholder limit of €850,000.
7. The figure of €859,000 does not include €210,000 in respect of fees paid to Jane Lodge, Cormac McCarthy and John Moloney for 2022.

All the above fees are considered fixed remuneration under the Shareholders Rights Directive II.

Total Directors' Remuneration

	Audited Total	
	2023 €'000	2022 €'000
Executive Directors		
Salary	**1,420**	1,355
Benefits	**109**	109
Bonus	**1,460**	2,398
Retirement Benefit Expense	**208**	198
LTIP	**1,437**	1,203
Total executive Directors' remuneration	**4,634**	5,263
Non-executive Directors		
Fees	**997**	859[1]
Total non-executive Directors' remuneration	**997**	859[1]
Total Directors' remuneration	**5,631**	6,122

1. The figure of €859,000 does not include €210,000 in respect of fees paid to Jane Lodge, Cormac McCarthy and John Moloney for 2022.

Executive and Non-executive Directors' and Company Secretary's Interests

The interests of the Directors and the Company Secretary (including shares held by connected persons) in the share capital of DCC plc at 31 March 2023, or at the date of leaving the Board if earlier, (together with their interests at 31 March 2022) are set out below:

	No. of Ordinary Shares at 31 March 2023	No. of Ordinary Shares at 31 March 2022
Directors		
Mark Breuer	**4,697**	4,697
Donal Murphy[1]	**157,750**	148,711
Laura Angelini	**–**	–
Caroline Dowling	**800**	800
Tufan Erginbilgic[2]	**–**	–
David Jukes	**94**	94
Pamela Kirby[3]	**2,500**	2,500
Lily Liu	**–**	–
Kevin Lucey[4]	**16,554**	13,072
Alan Ralph	**1,500**	1,500
Mark Ryan	**9,696**	9,696
Company Secretary		
Darragh Byrne	**8,661**	6,743

1. Donal Murphy's 2023 and 2022 holdings include 9,011 and 7,768 shares, respectively held under the deferred bonus arrangement as detailed on page 124.
2. Tufan Erginbilgic resigned from the Board on 31 December 2022.
3. Pamela Kirby retired from the Board on 15 July 2022.
4. Kevin Lucey's 2023 and 2022 holdings include 2,789 and 1,035 shares held under the deferred bonus arrangement as detailed on page 124.

All of the above interests were beneficially owned. Apart from the interests disclosed above, the Directors and the Company Secretary had no interests in the Company's share capital or loan stock or any other Group undertaking at 31 March 2023.

There were no changes in the above Directors' and Secretary's interests between 31 March 2023 and 15 May 2023.

Details of the share ownership guidelines that apply to the executive Directors are on page 128 of this Report.

The Company's Register of Directors' Interests (which is open to inspection) contains full details of the Directors' shareholdings and share options.

Executive Directors' and Company Secretary's Long-Term Incentives

DCC plc Long-Term Incentive Plan

Details of the executive Directors' and the Company Secretary's awards, in the form of nominal cost (€0.25) options, under the Company's LTIP are set out below:

	Number of options									
	At 31 March 2022	Granted in year	Exercised in year	Lapsed in year	**At 31 March 2023**	Date of grant	Market price on grant	Three-year performance period end	Normal exercise period	Market price at date of exercise £
Executive Directors										
Donal Murphy	10,830	–	(10,830)	–	**–**	17.11.15	£57.35	31 Mar 2018	17 Nov 2020–16 Nov 2022	**£55.70**
	9,366	–	–	–	**9,366**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	
	13,041	–	–	–	**13,041**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	15,441	–	–	–	**15,441**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023–14 Nov 2025	
	21,373	–	–	(7,587)	**13,786**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024–13 Nov 2026	
	26,715	–		–	**26,715**	12.11.20	£57.08	31 Mar 2023	12 Nov 2025–11 Nov 2027	
	24,598	–	–	–	**24,598**	11.11.21	£61.42	31 Mar 2024	11 Nov 2024–10 Nov 2028[1]	
	–	35,068	–	–	**35,068**	10.11.22	£45.53	31 Mar 2025	10 Nov 2025–9 Nov 2029[1]	
	121,364	35,068	(10,830)	(7,587)	**138,015**					
Kevin Lucey	3,693	–	(3,693)	–	**–**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	**£55.70**
	3,270	–	–	–	**3,270**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	
	3,873	–	–	–	**3,873**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023–14 Nov 2025	
	5,362	–	–	(1,904)	**3,458**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024–13 Nov 2026	
	12,270		–	–	**12,270**	12.11.20	£57.08	31 Mar 2023	12 Nov 2025–11 Nov 2027	
	13,162	–	–	–	**13,162**	11.11.21	£61.42	31 Mar 2024	11 Nov 2024–10 Nov 2028[1]	
	–	19,675	–	–	**19,675**	10.11.22	£45.53	31 Mar 2025	10 Nov 2025–9 Nov 2029[1]	
	41,630	19,675	(3,693)	(1,904)	**55,708**					
Company Secretary										
Darragh Byrne	2,170	–	(2,170)	–	**–**	10.02.17	£67.75	31 Mar 2019	10 Feb 2022–09 Feb 2024	**£55.70**
	1,889	–	(1,889)	–	**–**	16.11.17	£70.95	31 Mar 2020	16 Nov 2022–15 Nov 2024	**£43.50**
	2,236	–	–	–	**2,236**	15.11.18	£60.65	31 Mar 2021	15 Nov 2023–14 Nov 2025	
	3,124	–	–	(1,109)	**2,015**	14.11.19	£68.80	31 Mar 2022	14 Nov 2024–13 Nov 2026	
	4,674	–	–	–	**4,674**	12.11.20	£57.08	31 Mar 2023	12 Nov 2025–11 Nov 2027	
	5,114	–	–	–	**5,114**	11.11.21	£61.42	31 Mar 2024	11 Nov 2024–10 Nov 2028[1]	
	–	7,291	–	–	**7,291**	10.11.22	£45.53	31 Mar 2025	10 Nov 2025–9 Nov 2029[1]	
	19,207	7,291	(4,059)	(1,109)	**21,330**					

1. The LTIP awards made on 10 November 2022 and 11 November 2021 were granted under the DCC plc Long-Term Incentive Plan 2021. Previous years' awards (up to and including awards granted on 12.11.20) were granted under the DCC plc Long-Term Incentive Plan 2009. The primary change with the 2021 LTIP was that awards have a three-year vesting period, with a two-year post-vest sale restriction for the executive Directors.

The extent of vesting of the LTIP awards granted in November 2022 will be based on the three-year performance period from 1 April 2022 to 31 March 2025. The requirements/ranges set by the Remuneration Committee regarding these performance conditions are summarised on page 133.

As at 31 March 2023, the total number of options granted under the LTIP, net of options lapsed, amounted to 1.9% of issued share capital, of which 0.8% is currently outstanding.

Other Information

The market price of DCC shares on 31 March 2023 was £47.18 and the range during the year was £40.30 to £62.68.

Additional information in relation to the DCC plc Long-Term Incentive Plan 2009 and the DCC plc Long-Term Incentive Plan 2021 appears in note 2.5 to the financial statements on pages 168 to 170.

For the purposes of Section 305 of the Companies Act 2014 (Ireland), the aggregate gains by Directors on the exercise of share options during the year ended 31 March 2023 was €0.9 million (2022: €0.3 million).

Share Ownership Guidelines

The executive Directors' shareholdings as of 31 March 2023 are shown below.

Executive	Number of shares held as at 31 March 2023	Shareholding as a multiple of base salary for the year ended 31 March 2023	Share ownership guideline (multiple of salary)
Donal Murphy	157,750	9.3	3
Kevin Lucey	16,554	1.7	2

The shareholdings in the table comprise the shares held by the executive Directors (including those shares held in trust as part of the deferred bonus arrangement), valued based on the share price at 31 March 2023 of £47.18 (€53.66). Unvested and unexercised share options are not included. Under the Guidelines, Mr Lucey has five years from his appointment as CFO in July 2020 to achieve the level set out.

OPERATION OF REMUNERATION POLICY IN THE YEAR ENDING 31 MARCH 2024

Salary

The Committee approved the following increases to the executive Directors' salaries for the year ending 31 March 2024:

Executive Director	**Year ending 31 March 2024 €**	Increase %	Year ended 31 March 2023 €
Donal Murphy	**945,890**	4%	909,510
Kevin Lucey	**556,227**	9%	510,300

In agreeing to increase the Chief Executive's salary by 4%, the Committee took into account the expected workforce salary increase. The Committee was mindful of the current shareholder sentiment that executive director salary increases should be in line with or below those granted to the rest of the workforce. However, we believe that the circumstances surrounding our CFO's salary are exceptional, and warrant a higher increase.

When Kevin was appointed in 2020, his salary was set approximately 15% lower than that of his predecessor to reflect his level of experience at the time, with the Committee agreeing to review the matter regularly as he developed in his role.

Since then Kevin has performed at the highest level and made a significant contribution to the success of the business. In light of his contribution, we believe that a salary increase of 9% is fair, apporpriate and commensurate with the levels of pay seen elsewhere in the market and the need to retain key talent for the benefit of the business and all of its stakeholders.

Benefits

Benefits payable to the executive Directors for the year ending 31 March 2024 include the use of a company car and related costs, life/disability cover, health insurance and club subscriptions.

Bonus

For the year ending 31 March 2024, the bonuses for the executive Directors will, consistent with the Remuneration Policy, be based as follows:

Executive Director	**Maximum bonus potential**	**Deferral of bonus**
Donal Murphy	200% of salary	33% of any bonus earned will be deferred into DCC shares for three years.
Kevin Lucey	160% of salary	

Bonuses will be based 70% on growth in Group adjusted operating profit and 30% on strategic objectives. In addition, the Committee has the discretion to reduce bonuses in the event that a pre-determined target return on capital employed is not achieved. Growth in Group adjusted operating profit will be measured against a pre-determined range, with zero payment below threshold up to full payment at the maximum of the range. The strategic objectives are aligned with DCC's short-term and medium-term strategic objectives that promote long-term performance and include sustainability/ESG targets.

The adjusted operating profit range and details of the strategic objectives are commercially confidential, but, to the extent no longer commercially confidential, will be disclosed on a retrospective basis in next year's Annual Report.

The Committee will keep the performance targets under review in light of acquisition and other development activity during the year ending 31 March 2024.

Retirement Benefits

Donal Murphy's retirement benefits comprise a cash allowance, paid in lieu of contributions to a defined contribution pension plan, at a rate of 15% of base salary. Kevin Lucey is entitled to contributions to a defined contribution pension plan at a rate of 14% of base salary.

Long-Term Incentives

For the year commencing 1 April 2023, LTIP awards of up to 200% of salary will be granted to the executive Directors, with vesting based on performance over the three financial years ending 31 March 2026. Vesting will be based 40% on ROCE, 40% on Adjusted EPS growth, and 20% on TSR vs the FTSE 100. The ranges are set out in the table below. The Committee reviewed the TSR benchmark during the year and concluded that the FTSE 100 remains the most credible and robust set of comparators.

Performance condition	% of total award (potential)	Vesting rule	Threshold target	Maximum target
ROCE[1]	40%	Threshold vesting is 25% of maximum, with vesting determined on a straight-line basis between 25% and 100% for performance between threshold and maximum.	11.5%	15.5%
EPS	40%		3%	9%
TSR	20%		Median of FTSE 100	Upper quartile of FTSE 100

1. ROCE targets include the impact of IFRS 16 Leases.

Non-executive Directors' Remuneration

DCC periodically reviews the fees paid to its non-executive Directors to ensure that these are sufficiently competitive to attract and motivate talented individuals. The Remuneration Committee reviews the fee for the Board Chairman. The Chief Executive and the Board Chairman review the fees for the other non-executive Directors. This means that no Director is involved in reviewing his/her own remuneration.

In keeping with our normal practice, a periodic review of the non-executive Director fee structure and levels was conducted during the year. This revealed two areas of divergence from standard market practice.

The first of these was the payment of Committee membership fees. This is rare among companies of similar size to DCC and introduces complication, with significant potential disparity in the fees paid to each non-executive director according to the number of Committees they sit on. In order to simplify our arrangements, therefore, we are consolidating these fees into the base fee, in line with market practice.

As a result of consolidating Committee membership fees into the base fee, the base fee for the year ending 31 March 2024 has been set at €87,500.

We have also taken the opportunity to introduce an additional fee for the role of Workforce Engagement Director to reflect the time commitment expected of the Director fulfilling this role. We have also increased the additional fee for chairing the Audit Committee and for the role of Senior Independent Director, to reflect market levels and the increasing time and commitment required to fulfil these roles.

These changes result in a modest uplift to each of our non-executive Directors' actual fees but which, excluding the impact of adjustments made to reflect the increasing time commitment of certain roles, are generally less than the average increase expected to be paid to the Group's employees overall.

The following table set out the changes in aggregate fees over the year ended 31 March 2023.

Non-executive Director	Total fee Year ending 31 March 2024	Total fee Year ended 31 March 2023	% increase
Mark Breuer	€363,900	€350,200	3.9%
Laura Angelini	€87,500	€84,890[1]	3.1%
Katrina Cliffe	€87,500	n/a	n/a
Caroline Dowling	€108,500	€104,890	3.4%
David Jukes	€102,500	€96,890	5.8%
Lily Liu	€87,500	€84,890	3.1%
Alan Ralph	€107,500	€99,980	7.6%
Mark Ryan	€100,000	€87,890	13.8%

1. The actual amount paid to Laura Angelini in the year ended 31 March 2023 was €82,750, reflecting only half a year as member of the Remuneration Committee.

We believe that the proposed fees are appropriate and commensurate with the experience and time commitment required of DCC's non-executive Directors and will allow us to recruit and retain the best candidates in an increasingly competitive market.

Finally, the following table compares the new fee structure for the year ending 31 March 2024 with that of the current year.

	Total fee Year ending 31 March 2024	Total fee Year ended 31 March 2023
Chairman	**€363,900**	€350,200
Basic Fee	**€87,500**	€76,890
Committee Membership Fees:		
Audit	**n/a**	€8,000
Governance and Sustainability	**n/a**	€3,000
Remuneration	**n/a**	€5,000
Additional Fees:		
Audit Committee Chairman	**€20,000**	€15,000
Remuneration Committee Chairman	**€15,000**	€15,000
Senior Independent Director Fee	**€21,000**	€15,000
Workforce Engagement Director Fee	**€12,500**	n/a

GOVERNANCE

Committee Composition, Attendance and Tenure

At the date of this Report, the Remuneration Committee comprised four independent non-executive Directors: David Jukes (Chairman), Caroline Dowling, Laura Angelini and Katrina Cliffe.

The members of the Committee have significant financial and business experience, including in executive remuneration. Each member's length of tenure at 31 March 2023 (excluding Katrina Cliffe's who joined after 31 March 2023) is set out in the chart on page 97. Further biographical details regarding the members of the Remuneration Committee are set out on pages 88 and 89.

The Committee met four times during the year ended 31 March 2023 and attendance details are set out in the table on page 97 of the Corporate Governance Statement.

The Company Secretary is the Secretary to the Remuneration Committee.

Meetings

The main activities of the Committee during the year ended 31 March 2023 included (i) reviewing remuneration trends and market practice, (ii) approving salary/fee increases for the executive Directors/Chairman, (iii) approving incentive outcomes for the year ended 31 March 2022, (iv) approving incentive performance ranges for the year ended 31 March 2023, (v) keeping abreast of general developments, (vi) approving awards under the Company's LTIP, (vii) reviewing the Company's gender pay gap reporting and (viii) approval of this Report.

Typically, the Chief Executive, the Chief People Officer and representatives of advisors to the Committee are invited to attend all meetings of the Committee. Other Directors and executives may be invited to attend meetings of the Committee, except when their remuneration is being discussed. No Director is involved in the consideration of their remuneration. Other external advisors are invited to attend meetings when required.

The Committee also meets separately, as required, to discuss matters in the absence of any invitees.

Reporting
The Chairman of the Remuneration Committee reports to the Board at each meeting on the activities of the Committee.

The Chairman of the Remuneration Committee attends the AGM to answer questions on the Report and the Committee's activities and matters within the scope of its responsibilities. The Committee welcomes any feedback from shareholders on this Report, the remuneration structure and Policy, and decisions taken by the Committee.

Role and Responsibilities
The role and responsibilities of the Committee are set out in full in its Terms of Reference, which are available on the Company's website.

Annual Evaluation of Performance
The 2023 Board evaluation process concluded that the performance of the Remuneration Committee and of the Chairman of the Committee was satisfactory. The Committee will focus on a small number of agreed actions arising from the 2023 Board evaluation process.

Gender Pay Gap Reporting
Under the UK Gender Pay Gap Regulations, UK employers with more than 250 employees must publish key metrics on their gender pay gap. The Remuneration Committee reviewed the work carried out in our affected UK businesses, subject to these Regulations. They received a full briefing before publishing their reports on the businesses' websites.

External Advice
During the year under review, Ellason advised the Remuneration Committee in relation to market trends, competitive positioning and developments in remuneration policy and practice. Ellason is a signatory to the Remuneration Consultants Group Code of Conduct and any advice was provided in accordance with this code. In light of this and the nature of the service received, the Committee was satisfied that the advice was objective and independent.

In the year ended 31 March 2023, Ellason received fees of €97,440 in respect of advice provided to the Committee regarding executive Director remuneration. They also provided services to the Group on incentive design.

In the year ended 31 March 2023, Mercer received fees of €1,230 as pension advisors to the Committee. Mercer also provides specific advice on pension practice and developments and act as actuaries and pension advisors to a number of companies in the Group.

AGM Votes on Annual Report on Remuneration (2022) and Remuneration Policy (2021)
This table shows the voting outcome at the 2022 AGM in relation to the Annual Report on Remuneration as well as the voting outcome at the 2021 AGM in relation to the Remuneration Policy

Vote	Total votes cast	Total votes for	Total votes against	Total abstentions
Advisory vote on 2022 Annual Report on Remuneration	74,858,809	66,617,981 (89%)	8,240,828 (11%)	4,873,895
Advisory vote on 2021 Remuneration Policy	54,865,957	54,100,511 (98.6%)	765,446 (1.4%)	2,063

The Directors of DCC plc present their report and the audited financial statements for the year ended 31 March 2023.

Principal Activities

DCC plc is an international sales, marketing and support services group headquartered in Dublin with operations in Europe, North America, South America and Asia. DCC has three divisions – DCC Energy, DCC Healthcare and DCC Technology. DCC employs 16,100 people in 22 countries. DCC plc's shares are listed on the London Stock Exchange and are included in the FTSE 100 Index.

Results and Review of Activities

Revenue for the year amounted to £22,205.0 million (2022: £17,732.0 million). The profit for the year attributable to owners of the Parent Company amounted to £334.0 million (2022: £312.3 million). Adjusted earnings per share amounted to 456.27 pence (2022: 430.11 pence). Further details of the results for the year are set out in the Group Income Statement on page 154.

The Chairman's Statement on pages 6 and 7, the Chief Executive's Review on pages 8 to 11, the Business Reviews on pages 16 to 39 and the Financial Review on pages 44 to 51 contain a review of the development and performance of the Group's business during the year, of the state of affairs of the business at 31 March 2023, of recent events and of likely future developments. Key Performance Indicators are set out on pages 40 to 43. Information in respect of events since the year end is included in these sections and in note 5.8 on page 213.

Dividends

An interim dividend of 60.04 pence per share, amounting to £59.1 million, was paid on 9 December 2022. The Directors recommend the payment of a final dividend for the year ended 31 March 2023 of 127.17 pence per share, amounting to £125.5 million (based on the number of shares in issue at 15 May 2023). Subject to shareholders' approval at the AGM on 13 July 2023, this dividend will be paid on 20 July 2023 to shareholders on the register at the close of business on 26 May 2023. The total dividend for the year ended 31 March 2023 amounts to 187.21 pence per share, a total of £184.6 million. This represents an increase of 6.5% on the prior year's total dividend per share.

The profit attributable to owners of the Parent Company, which has been transferred to reserves, and the dividends paid during the year ended 31 March 2023 are shown in note 4.3 on page 201.

Share Capital and Treasury Shares

DCC's authorised share capital is 152,368,568 ordinary shares of €0.25 each, of which 98,747,206 shares (excluding treasury shares) and 2,586,698 treasury shares were in issue at 31 March 2023. All of these shares are of the same class. With the exception of treasury shares, which have no voting rights and no entitlement to dividends, they all carry equal voting rights and rank for dividends.

The number of shares held as treasury shares at the beginning of the year (and the maximum number held during the year) was 2,688,004 (2.72% of the then issued share capital (excluding treasury shares)) with a nominal value of €0.672 million.

A total of 101,306 shares (0.1% of the issued share capital (excluding treasury shares)) with a nominal value of €0.025 million were re-issued during the year consequent to the exercise of share options under the DCC plc Long Term Incentive Plan 2009 (95,658 shares at a price of €0.25 per share) and the deferred bonus arrangements for executive Directors (5,648 shares at a price of €67.22 per share), leaving a balance held as treasury shares at 31 March 2023 of 2,586,698 shares (2.62% of the issued share capital (excluding treasury shares)) with a nominal value of €0.647 million.

At the Annual General Meeting ('AGM') held on 15 July 2022:

- The Company was granted authority to purchase up to 9,869,185 of its own shares (10% of the issued share capital (excluding treasury shares)) with a nominal value of €2.467 million.
- The Directors were given authority to exercise all the powers of the Company to allot shares up to an aggregate amount of €8.22 million, representing approximately one-third of the issued share capital (excluding treasury shares) of the Company. They were also given authority to allot shares for cash, other than strictly pro-rata to existing shareholdings. This authority was limited to the allotment of shares in specific circumstances relating to rights issues and other issues up to approximately 5% of the issued share capital (excluding treasury shares) of the Company.
- In addition, the Directors were given authority to allot additional shares for cash other than strictly pro-rata to existing shareholdings. This authority was limited to the allotment of shares for cash up to approximately 5% of the issued share capital (excluding treasury shares) and would only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles for the disapplication of pre-emption rights most recently published by the Pre-Emption Group prior to the date of the notice of the 2022 AGM.

These authorities have not been exercised and will expire on 13 July 2023, the date of the next AGM of the Company.

At the 2023 AGM:

- The Directors will seek authority to purchase up to 10% of its own shares (the issued share capital (excluding treasury shares)) with a nominal value of €2.47 million.
- The Directors will seek authority to exercise all the powers of the Company to allot shares up to an aggregate amount of €8.23 million, representing approximately one-third of the issued share capital (excluding treasury shares).
- The Directors will also seek authority to allot shares for cash, other than strictly pro-rata to existing shareholdings. This proposed authority is limited to the allotment of shares in specific circumstances relating to rights issues and other issues up to approximately 5% of the issued share capital (excluding treasury shares).
- In addition, the Directors will seek authority to allot additional shares for cash other than strictly pro-rata to existing shareholdings. This proposed authority is limited to the allotment of shares for cash up to approximately 5% of the issued share capital (excluding treasury shares) and will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles for the disapplication of pre-emption rights most recently published by the Pre-Emption Group prior to the date of that the notice of the 2023 AGM.

The Directors will have due regard to the Pre-Emption Group 2022 Statement of Principles for the dis-application of pre-emption rights in relation to any exercise of this power and in particular:

- As regards the first 5%, the Directors will take account of the requirement for advance consultation and explanation before making any non-pre-emptive cash issue pursuant to this resolution which exceeds 7.5% of the Company's issued share capital in any rolling three-year period; and
- As regards the second 5%, the Directors confirm that they intend to use this power only in connection with an acquisition or specified capital investment of a kind contemplated by the most recent Statement of Principles for the disapplication of pre-emption rights most recently published by the Pre-Emption Group.

Details of the share capital of the Company are set out in note 4.1 on page 199 and are deemed to form part of this Report.

Non-Financial Information

Pursuant to the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the Group is required to report on certain non-financial information to provide an understanding of its development, performance, position and the impact of its activities, relating to, at least, environmental matters, social matters, employee matters, respect for human rights, and bribery and corruption. Information on these matters can be found in the following sections of the Annual Report, which are deemed to form part of this Report: the Sustainability Review on pages 58 to 76, the Business Model on pages 14 and 15, the Risk Report on pages 77 to 84 and the Key Performance Indicators on pages 40 to 43.

The Board has approved a formal Board Policy on Diversity, which applies to the Board of DCC plc. Details of the policy, its objectives and its application in the current financial year are set out in the Governance and Sustainability Committee Report on pages 108 to 111.

Principal Risks and Uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Rule 4.1.8 R of the UK Disclosure Guidance and Transparency Rules, DCC is required to give a description of the principal risks and uncertainties facing the Group. These are addressed in the Risk Report on pages 77 to 84.

Directors

The names of the Directors and a short biographical note on each Director appear on pages 88 and 89. In accordance with the UK Corporate Governance Code, all Directors submit to re-election at each AGM. Donal Murphy has a service agreement with the Company with a notice period of six months. Kevin Lucey has a letter of appointment which provides for a six-month notice period. Details of the Directors' and Company Secretary's interests in the share capital of the Company are set out in the Remuneration Report on pages 118 to 141.

Corporate Governance

The Corporate Governance Statement on pages 92 to 107 sets out the Company's appliance of the principles and compliance with the provisions of the UK Corporate Governance Code and the Group's system of risk management and internal control. The Corporate Governance Statement shall be treated as forming part of this Report.

DCC plc is fully compliant with the 2018 version of the UK Corporate Governance Code, which applied to the Company for the year ended 31 March 2023.

Details concerning the appointment and the re-election of Directors are set out in the Corporate Governance Statement.

General Meetings

The Company's AGM provides shareholders the opportunity to question the Chairman, the Board and the Chairmen of the Audit, Remuneration and Governance and Sustainability Committees. The Chief Executive presents at the AGM on the Group's business and its performance during the prior year and answers questions from shareholders.

Notice of the AGM, the Form of Proxy and the Annual Report are sent to shareholders at least 20 working days before the AGM. At the AGM, resolutions are voted on a poll. The votes of shareholders present and voting at the AGM are added to the proxy votes received in advance of the AGM and the total number of votes for, against and withheld for each resolution are announced.

All other general meetings are called Extraordinary General Meetings ('EGM'). An EGM called for the passing of a special resolution must be called by at least 21 clear days' notice.

A quorum for an AGM or an EGM of the Company is constituted by two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporate member. The passing of resolutions at a general meeting, other than special resolutions, requires a simple majority of the votes cast. To be passed, a special resolution requires a majority of at least 75% of the votes cast.

Shareholders have the right to attend, speak, ask questions and vote at general meetings. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend, speak, ask questions and vote. Record dates are specified in the notes to the Notice convening the meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote on some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notes to the Notice convening the meeting.

A shareholder or a group of shareholders, holding at least 10% of the issued share capital of the Company, has the right to requisition a general meeting.

The AGM will be held at 2.00 pm on 13 July 2023 at The Powerscourt Hotel, Powerscourt Estate, Enniskerry, Co. Wicklow, A98 DR12. Shareholders should monitor the Company's website for further information in this regard.

Memorandum and Articles of Association

The Company's Memorandum of Association sets out the objects and powers of the Company. The Articles of Association detail the rights attaching to shares, the method by which the Company's shares can be purchased or re-issued, the provisions which apply to the holding of and voting at general meetings and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers.

Substantial Holdings

The Company has been notified of the following shareholdings of 3% or more in the issued share capital (excluding treasury shares) of the Company as at 31 March 2023 and 15 May 2023.

	As at 31 March 2023		As at 15 May 2023	
	No. of €0.25 Ordinary Shares	% of Issued Share Capital (excluding treasury shares)	No. of €0.25 Ordinary Shares	% of Issued Share Capital (excluding treasury shares)
BlackRock, Inc.	9,720,405	9.84%	9,711,106	9.83%
FMR LLC and FIL Limited on behalf of its direct and indirect subsidiaries	8,523,067	8.63%	8,922,608	9.04%
Allianz Global Investors GmbH	4,396,414	4.45%	4,313,872	4.37%
Setanta Asset Management	4,235,710	4.29%	4,125,276	4.18%
Ameriprise Financial, Inc.	3,581,114	3.63%	3,850,041	3.90%
T. Rowe Price Associates, Inc.	3,088,432	3.13%	3,071,400	3.11%

These entities have indicated that the shareholdings are not ultimately beneficially owned by them.

The Company's Articles of Association may be amended by a special resolution passed by the shareholders at an AGM or EGM of the Company.

A copy of the Memorandum and Articles of Association can be obtained from the Company's website, www.dcc.ie.

UK Disclosure Guidance and Transparency Rules

The UK Disclosure Guidance and Transparency Rules require certain information to be included within this Annual Report and Accounts. That information can be found in the following sections: the Chairman's Statement on pages 6 to 7, the Chief Executive's Review on pages 8 to 11, the Business Reviews on pages 16 to 39, the Financial Review on pages 44 to 51, the Principal Risks and Uncertainties on pages 80 to 83, the Transparency Report in the Statement of Directors' Responsibilities on page 146, the earnings per ordinary share in note 2.11 on page 174, the Key Performance Indicators on pages 40 to 43 and the derivative financial instruments in note 3.10 on pages 184 and 185.

Principal Subsidiaries

Details of the Company's principal operating subsidiaries are set out on pages 232 to 235.

Research and Development

Certain Group companies are involved in ongoing development work aimed at improving the quality, competitiveness, technology and range of their products.

Political Contributions

There were no political contributions which require to be disclosed under the Electoral Act, 1997.

Accounting Records

The Directors are responsible for ensuring that adequate accounting records, as outlined in Section 281 to 285 of the Companies Act, 2014, are kept by the Company. The Directors believe that they have complied with this requirement by providing adequate resources to maintain proper books and accounting records throughout the Group, including the appointment of personnel with appropriate qualifications, experience and expertise. The books and accounting records of the Company are maintained at the Company's registered office, DCC House, Leopardstown Road, Foxrock, D18 PK00, Ireland.

Takeover Regulations

The Company has certain financing facilities which may require repayment in the event that a change in control occurs with respect to the Company. In addition, the Company's long-term incentive plans contain change-of-control provisions, which can allow for the acceleration of the exercise of share options or awards in the event that a change-of-control occurs with respect to the Company.

Directors' Compliance Statement

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act 2014). The Directors confirm that there is a Compliance Policy Statement in place, as defined in Section 225(3)(a) of the Companies Act 2014.

The Directors confirm that the arrangements and structures that have been put in place are, in the Directors' opinion, designed to secure a material compliance with the Company's relevant obligations and that these arrangements and structures were reviewed by the Company during the financial year.

As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under Section 225, the Directors relied on the advice of persons employed by the Company and of third parties, whom the Directors believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Audit Committee

The Company has an Audit Committee, the members of which are set out on page 112.

Disclosure of Information to the Auditors

Each of the Directors individually confirms that:

- In so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- That they have taken all the steps that they ought to have taken (as defined in Section 330(3) of the Companies Act 2014) as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Auditors

The auditors, KPMG, who were appointed on 17 July 2015, will continue in office in accordance with the provisions of Section 383 of the Companies Act 2014.

As required under Section 381(1) (b) of the Companies Act 2014, a resolution authorising the Directors to determine the remuneration of the auditors will be proposed at the 2023 AGM.

Mark Breuer, Donal Murphy
Directors
15 May 2023

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law including Article 4 of the IAS Regulation. The Directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of Companies Act 2014.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website (www.dcc.ie). Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

On behalf of the Board

Mark Breuer
Non-executive Chairman

Donal Murphy
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DCC PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DCC Plc ('the Company') and its consolidated undertakings ('the Group') for the year ended March 31, 2023 set out on pages 154 to 230, which comprise the Group and Company Balance Sheet, the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statement of Cash Flows, the Group and Company Statements of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 5.9.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial statements' section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Director's assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and assessing management's viability statement, assessing the stress tests included and drawing conclusions from its results.
- Reviewing business performance, the Groups' increase in EBITA and the Group's Cash Flow Statement.
- Obtaining and inspecting Board minutes.
- Recalculating covenants compliance.
- Inquiring about any legal claims with those charged with Governance, Head of Legal, management, as well as local finance teams.
- Inquiring as to any subsequent events from those charged with Governance, management, and local finance teams.
- Reviewing the disclosures set out in the Annual Report for both going concern and viability.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the Directors. In addition, our risk assessment procedures included:

- Inquiring with the Directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating, and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DCC PLC

CONTINUED

- Inquiring of Directors, the audit committee, internal audit and inspection of policy documentation as to the Group's policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of Directors, the Audit Committee, internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and sub-committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors including the earnings per share target for management remuneration.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the Group to component audit teams of relevant laws and regulations and any fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation, taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions;
- Assessing significant accounting estimates for bias; and
- Assessing the disclosures in the financial statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates in and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance and which were unchanged from 2022, were as follows:

Valuation of goodwill and intangible assets £2,958 million (2022: £2,634 million)
Refer to note 5.9 (accounting policy) and note 3.3 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group has significant goodwill and intangible assets arising from acquisitions. There is a risk that the carrying amounts of goodwill and intangible assets will be more that the estimated recoverable amount. The recoverable amount of goodwill and intangible assets is arrived at by forecasting and discounting future cash flows to determine value in use calculations for each Cash Generating Unit ('CGU'). These cash flows are inherently highly judgemental and rely on certain significant assumptions including future trading performance, future long term growth rates and CGU specific discount rates.	We have assessed the significant judgements made by the Directors in the cash flow forecasts used in the determinations of the values in use for each CGU. We also assessed the manner in which CGUs were identified. To assess the Group's cash flow forecast models' calculations we: – performed inquiries of Group management to develop an understanding of the process for goodwill impairment assessment and tested the design and implementation of key controls in this process; – evaluated the mathematical accuracy of the cash flow forecasts; – reviewed the accuracy of management's cash flow estimates in previous years by comparing historical forecasts to actual outturns; – assessed the appropriateness of the CGU specific discount rates applied in determining the value in use of each CGU with the assistance of an in-house valuation specialist; – evaluated and challenged the significant assumptions used to develop the projected financial information regarding future profitability and the long term economic growth rates applied; – assessed and challenged the significant assumptions used by management in relation to the possible impact of longer-term energy trends on the projected financial information of specific CGUs most sensitive to changes in these assumptions; – performed an overall evaluation of the individual CGU discounted cash flow models based on our knowledge of the Group and our reading of the Group's Three Year Plan combined with external data which we considered relevant; – compared the value in use for the Group as a whole to the Group's market capitalisation; – evaluated the sensitivity analysis carried out by management in relation to the significant assumptions used in developing the projections; and – read the description of the impairment testing of goodwill and intangible assets performed by the Directors, set out in note 3.3 to the financial statements to assess the accuracy of the Group's disclosures relating to estimation uncertainty, significant judgements and assumptions made. Our procedures in respect of this risk were performed as planned. We found that the assumptions applied in management's cash flow forecast models used in the determination of value in use were appropriate. We read the disclosures of significant judgements made and found them to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DCC PLC

CONTINUED

Acquisition accounting on business combinations total consideration £365 million (2022: £716 million)

Refer to note 5.9 (accounting policy) and note 5.2 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group made a number of acquisitions in the year ended 31 March 2023 including a number of individually significant transactions. Due to the overall level of acquisitions during the year we have included acquisition accounting as a key audit matter. The total cost of acquisitions completed during the year ended March 2023 totalled £365 million. Significant judgement has been exercised by management in establishing the initial purchase price allocation between intangible assets and goodwill for significant acquisitions. We determined that key assumptions including specific discount rates and projected recurring cashflows give rise to these significant judgements.	For significant acquisitions completed during the year, our audit engagement team supported by valuation specialists performed procedures which included but were not limited to the following: – We made inquiries of Group management to develop an understanding of the process for accounting for business combinations and tested the design and implementation of key controls in this process; – With the assistance of our valuation specialists, we assessed the appropriateness of the valuation methods used by comparing the methods to the methods most commonly used in valuing similar assets; – With the assistance of our valuation specialists, we compared the key discount rates and recurring cashflow projections to independent data when available and challenged management on these assumptions; – We read the underlying legal agreements and other transaction-related documents and assessed the appropriateness of the date of acquisition determined by management and if all potential accounting implications have been considered and appropriately accounted for. Based on the evidence obtained, we found management's judgements relating to the key assumptions used in the purchase price allocation to be appropriate.

Investment in subsidiary undertakings £1,174 million (2022: £1,130 million)

Refer to note 5.9 (accounting policy) and note 6.4 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The carrying amount of the Parent Company's investments in subsidiary undertakings represents 79% (2022: 83%) of the Parent Company's total assets. The investment in subsidiary undertakings is carried in the Balance Sheet of the Company at cost less impairment. At 31 March 2023, the investment carrying value was £1,174 million. There is a significant risk in respect of the carrying value of these investments if the future cash flows and trading performance of these subsidiaries are not sufficient to support the balance sheet value. We focus on this area due to the significance of the balance to the Company Balance Sheet and the inherent uncertainty involved in the key assumptions used including discount rates and forecasting future cash flows for the subsidiary businesses.	– We obtained and documented our understanding of the process surrounding impairment considerations and tested the design and implementation of the relevant control. – We reviewed management's assessment of impairment indicators across the Group; – We compared the carrying value of investments in the Company's Balance Sheet to the net assets of the subsidiary financial statements; – We assessed the audit work performed in respect of the current year results of subsidiaries and the valuation of goodwill and intangible assets which included consideration of the key assumptions used including discount rates and forecast future cashflows; and – We compared the carrying value of subsidiaries to the market capitalisation of the Company at 31 March 2023. Based on evidence obtained, we found management's assessment of the key assumptions used in assessing the carrying value of investments in subsidiary undertakings to be appropriate.

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £21.5 million. This has been calculated based on 5% of the Group profit before taxation of £431.6 million which we consider to be one of the principal considerations for members of the Company in assessing the financial performance of the Group. The materiality for the prior year Group financial statements as a whole was set at £21.4 million. This was calculated based on 5% of the Group profit before taxation. In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors had the most significant impact:

- The Group has a high public profile and operates in a regulated environment.
- The stability of the business environment in which it operates.

Performance materiality for the Group financial statements was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £16.1m (2022: £16.0m). We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors including; the low number and value of misstatements detected and the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of £1 million (2022: £1 million), in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality for the Company financial statements as a whole was set at £12 million (2022: £12 million), determined with reference to a benchmark of Company total assets of which it represents 0.9% (2022: 0.9%). Our approach to audit scoping is consistent with that applied in previous years. In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors had the most significant impact:

- The Company has a high public profile and operates in a regulated environment.
- The stability of the business environment in which its underlying investments operate.

Performance materiality for the Company financial statements was set at 75% (2022: 75%) of materiality for the financial statements, which equates to £9 million (2022: £9 million).

The components subjected to full scope audit contributed 99.8% (2022: 99.9%) of total revenues and 99.5% (2022: 99.2%) of total assets.

We applied materiality to assist us determine what risks were significant risks and the Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the materiality for components, which ranged from £2.2 million to £6.0 million, having regard to the mix of size and risk profile of the Group across the components. The work on fifty-five in scope components was performed by the Group team and component auditors. Four component audits were performed by KPMG Dublin, twenty-four performed by KPMG overseas offices and nine performed by non-KPMG member firms. The remaining eighteen components including the audit of the parent company, was performed by the Group team.

The Group audit team liaised extensively with all significant component auditors in order to assess the audit risk and strategy and work undertaken. Video and telephone conference meetings were held with these component auditors, as well as with auditors of other components across the Group. At these meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor.

Other information

The Directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report and the Strategic Report and Governance sections of the Annual Report and Supplemental Information.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DCC PLC

CONTINUED

Based solely on our work on the other information undertaken during the course of the audit, we report that, in those parts of the Directors' report specified for our consideration:

- we have not identified material misstatements in the Directors' report;
- in our opinion, the information given in the Directors' report is consistent with the financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with the Companies Act 2014.

Corporate governance statement
We have reviewed the Directors' statement in relation to going concern, longer-term viability, that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules of the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 84;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 84;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 84;
- Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 84;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on pages 84;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 80; and;
- Section describing the work of the audit committee set out on page 110-111.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified
We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception
The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.
- the Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 March 2022 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Directors' responsibilities
As explained more fully in their statement set out on page 146, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the -audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for our report, or for the opinions we have formed.

Patricia Carroll
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

15 May 2023

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

		2023			2022		
	Note	Pre-exceptionals £'000	Exceptionals (note 2.6) £'000	Total £'000	Pre-exceptionals £'000	Exceptionals (note 2.6) £'000	Total £'000
Revenue	2.1	22,204,846	–	22,204,846	17,732,020	–	17,732,020
Cost of sales		(19,800,114)	–	(19,800,114)	(15,694,347)	–	(15,694,347)
Gross profit		2,404,732	–	2,404,732	2,037,673	–	2,037,673
Administration expenses		(629,510)	–	(629,510)	(517,128)	–	(517,128)
Selling and distribution expenses		(1,157,642)	–	(1,157,642)	(965,489)	–	(965,489)
Other operating income/(expenses)	2.2	38,082	(32,528)	5,554	34,178	(46,534)	(12,356)
Adjusted operating profit	2.1	655,662	(32,528)	623,134	589,234	(46,534)	542,700
Amortisation of intangible assets	3.3	(111,146)	–	(111,146)	(84,340)	–	(84,340)
Operating profit		544,516	(32,528)	511,988	504,894	(46,534)	458,360
Finance costs	2.7	(96,735)	–	(96,735)	(77,205)	–	(77,205)
Finance income	2.7	16,111	892	17,003	23,075	1,192	24,267
Share of equity accounted investments' (loss)/profit after tax	2.8	(692)	–	(692)	314	–	314
Profit before tax		463,200	(31,636)	431,564	451,078	(45,342)	405,736
Income tax expense	2.9	(87,526)	2,764	(84,762)	(81,235)	1,501	(79,734)
Profit after tax for the financial year		375,674	(28,872)	346,802	369,843	(43,841)	326,002
Profit attributable to:							
Owners of the Parent Company		362,683	(28,661)	334,022	356,214	(43,841)	312,373
Non-controlling interests		12,991	(211)	12,780	13,629	–	13,629
		375,674	(28,872)	346,802	369,843	(43,841)	326,002
Earnings per ordinary share							
Basic earnings per share	2.11			338.40p			316.78p
Diluted earnings per share	2.11			338.04p			316.36p

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Group profit for the financial year		346,802	326,002
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation		43,280	26,549
Movements relating to cash flow hedges		(164,422)	88,776
Movement in deferred tax liability on cash flow hedges	2.9	30,374	(16,138)
		(90,768)	99,187
Items that will not be reclassified to profit or loss			
Group defined benefit pension obligations:			
– remeasurements	3.15	2,811	(748)
– movement in deferred tax asset	2.9	(800)	210
		2,011	(538)
Other comprehensive income for the financial year, net of tax		(88,757)	98,649
Total comprehensive income for the financial year		258,045	424,651
Attributable to:			
Owners of the Parent Company		243,242	411,485
Non-controlling interests		14,803	13,166
		258,045	424,651

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £'000	2022 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,354,806	1,253,349
Right-of-use leased assets	3.2	336,221	327,551
Goodwill	3.3	2,029,620	1,765,961
Intangible assets	3.3	928,009	868,488
Equity accounted investments	3.4	47,789	26,843
Deferred income tax assets	3.14	69,053	54,494
Derivative financial instruments	3.10	89,199	118,578
		4,854,697	4,415,264
Current assets			
Inventories	3.5	1,192,803	1,133,666
Trade and other receivables	3.6	2,312,269	2,508,613
Derivative financial instruments	3.10	59,258	107,361
Cash and cash equivalents	3.9	1,421,749	1,394,272
		4,986,079	5,143,912
Total assets		9,840,776	9,559,176
EQUITY			
Capital and reserves attributable to owners of the Parent Company			
Share capital	4.1	17,422	17,422
Share premium	4.1	883,669	883,321
Share based payment reserve	4.2	54,596	47,436
Cash flow hedge reserve	4.2	(48,280)	85,768
Foreign currency translation reserve	4.2	128,529	87,272
Other reserves	4.2	932	932
Retained earnings	4.3	1,941,223	1,783,033
Equity attributable to owners of the Parent Company		2,978,091	2,905,184
Non-controlling interests	4.4	80,219	65,379
Total equity		3,058,310	2,970,563
LIABILITIES			
Non-current liabilities			
Borrowings	3.11	1,933,759	1,933,482
Lease creditors	3.12	275,388	273,164
Derivative financial instruments	3.10	40,585	10,330
Deferred income tax liabilities	3.14	263,623	259,796
Post-employment benefit obligations	3.15	(11,721)	(7,745)
Provisions for liabilities	3.17	301,067	284,191
Acquisition related liabilities	3.16	86,172	72,650
Government grants	3.18	446	356
		2,889,319	2,826,224
Current liabilities			
Trade and other payables	3.7	3,279,898	3,468,705
Current income tax liabilities		85,324	59,963
Borrowings	3.11	320,856	67,668
Lease creditors	3.12	71,158	63,538
Derivative financial instruments	3.10	42,341	28,634
Provisions for liabilities	3.17	52,349	50,279
Acquisition related liabilities	3.16	41,221	23,602
		3,893,147	3,762,389
Total liabilities		6,782,466	6,588,613
Total equity and liabilities		9,840,776	9,559,176

Mark Breuer, Donal Murphy
Directors

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Attributable to owners of the Parent Company						
	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 4.3) £'000	Other reserves (note 4.2) £'000	Total £'000	Non-controlling interests (note 4.4) £'000	Total equity £'000
At 1 April 2022	17,422	883,321	1,783,033	221,408	2,905,184	65,379	2,970,563
Profit for the financial year	–	–	334,022	–	334,022	12,780	346,802
Other comprehensive income:							
Currency translation	–	–	–	41,257	41,257	2,023	43,280
Group defined benefit pension obligations:							
– remeasurements	–	–	2,811	–	2,811	–	2,811
– movement in deferred tax asset	–	–	(800)	–	(800)	–	(800)
Movements relating to cash flow hedges	–	–	–	(164,422)	(164,422)	–	(164,422)
Movement in deferred tax liability on cash flow hedges	–	–	–	30,374	30,374	–	30,374
Total comprehensive income	–	–	336,033	(92,791)	243,242	14,803	258,045
Re-issue of treasury shares	–	348	–	–	348	–	348
Share based payment	–	–	–	7,160	7,160	–	7,160
Dividends	–	–	(177,843)	–	(177,843)	(129)	(177,972)
Non-controlling interest arising on acquisition	–	–	–	–	–	166	166
At 31 March 2023	17,422	883,669	1,941,223	135,777	2,978,091	80,219	3,058,310

FOR THE YEAR ENDED 31 MARCH 2022

	Attributable to owners of the Parent Company						
	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 4.3) £'000	Other reserves (note 4.2) £'000	Total £'000	Non-controlling interests (note 4.4) £'000	Total equity £'000
At 1 April 2021	17,422	882,924	1,631,797	115,291	2,647,434	58,210	2,705,644
Profit for the financial year	–	–	312,373	–	312,373	13,629	326,002
Other comprehensive income:							
Currency translation	–	–	–	27,012	27,012	(463)	26,549
Group defined benefit pension obligations:							
– remeasurements	–	–	(748)	–	(748)	–	(748)
– movement in deferred tax asset	–	–	210	–	210	–	210
Movements relating to cash flow hedges	–	–	–	88,776	88,776	–	88,776
Movement in deferred tax liability on cash flow hedges	–	–	–	(16,138)	(16,138)	–	(16,138)
Total comprehensive income	–	–	311,835	99,650	411,485	13,166	424,651
Re-issue of treasury shares	–	397	–	–	397	–	397
Share based payment	–	–	–	6,467	6,467	–	6,467
Dividends	–	–	(160,599)	–	(160,599)	(6,909)	(167,508)
Non-controlling interest arising on acquisition	–	–	–	–	–	912	912
At 31 March 2022	17,422	883,321	1,783,033	221,408	2,905,184	65,379	2,970,563

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Operating activities			
Cash generated from operations before exceptionals	5.3	860,746	628,433
Exceptionals		(23,780)	(30,270)
Cash generated from operations		836,966	598,163
Interest paid (including lease interest)		(82,576)	(70,103)
Income tax paid		(97,485)	(76,292)
Net cash flow from operating activities		656,905	451,768
Investing activities			
Inflows:			
Proceeds from disposal of property, plant and equipment		22,643	23,524
Government grants received in relation to property, plant and equipment	3.18	216	–
Disposal of equity accounted investments		–	772
Interest received		15,535	22,759
		38,394	47,055
Outflows:			
Purchase of property, plant and equipment		(229,440)	(194,353)
Acquisition of subsidiaries	5.2	(318,486)	(668,123)
Payment of accrued acquisition related liabilities	3.16	(21,987)	(52,006)
		(569,913)	(914,482)
Net cash flow from investing activities		(531,519)	(867,427)
Financing activities			
Inflows:			
Proceeds from issue of shares	4.1	348	397
Net cash inflow on derivative financial instruments		–	30,936
Increase in interest-bearing loans and borrowings		603,054	372,426
		603,402	403,759
Outflows:			
Repayment of interest-bearing loans and borrowings		(393,469)	(149,182)
Net cash outflow on derivative financial instruments		(57,902)	–
Repayment of lease creditors (principal)		(74,219)	(65,580)
Dividends paid to owners of the Parent Company	2.10	(177,843)	(160,599)
Dividends paid to non-controlling interests	4.4	(129)	(6,909)
		(703,562)	(382,270)
Net cash flow from financing activities		(100,160)	21,489
Change in cash and cash equivalents		25,226	(394,170)
Translation adjustment		19,376	3,878
Cash and cash equivalents at beginning of year		1,326,604	1,716,896
Cash and cash equivalents at end of year	3.9	1,371,206	1,326,604
Cash and cash equivalents consist of:			
Cash and short-term bank deposits	3.9	1,421,749	1,394,272
Overdrafts	3.9	(50,543)	(67,668)
		1,371,206	1,326,604

NOTES TO THE FINANCIAL STATEMENTS

Notes to the financial statements provide additional information required by statute, accounting standards or Listing Rules. For clarity, each note begins with a simple introduction outlining the purpose of the note.

SECTION 1 BASIS OF PREPARATION

1.1 STATEMENT OF COMPLIANCE

International Financial Reporting Standards ('IFRS') require an entity whose financial statements comply with IFRS to make an explicit and unreserved statement of such compliance in the notes to the financial statements.

The consolidated financial statements of DCC plc have been prepared in accordance with International Financial Reporting Standards ('IFRS') and their interpretations approved by the International Accounting Standards Board ('IASB') as adopted by the European Union ('EU') and those parts of the Companies Act, 2014 applicable to companies reporting under IFRS. IFRS as adopted by the EU differ in certain respects from IFRS as issued by the IASB. Both the Parent Company and the Group financial statements have been prepared in accordance with IFRS as adopted by the EU and references to IFRS hereafter should be construed as references to IFRS as adopted by the EU. In presenting the Parent Company financial statements together with the Group financial statements, the Parent Company has availed of the exemption in Section 304(2) of the Companies Act, 2014 not to present its individual Income Statement and related notes that form part of the approved Parent Company financial statements. The Parent Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 304(2) of the Companies Act, 2014.

The Going Concern Statement on page 84 forms part of the Group financial statements. The Directors acknowledge that based on their review of the Group's activities, cash flows, liquidity position and borrowing facilities for the financial year ended 31 March 2023, and having assessed the principal risks facing the Group, the Board of Directors has a reasonable expectation that DCC plc, and the Group as a whole, has adequate financial and other resources to continue in operational existence and will be able to meet its liabilities as they fall due over the 12-month going concern period.

DCC plc, the ultimate Parent Company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland. DCC plc's shares have a Premium Listing on the Official List of the United Kingdom Listing Authority and are traded solely on the London Stock Exchange.

1.2 BASIS OF PREPARATION

This section includes information on new accounting standards, amendments and interpretations, whether they are effective for the current year or in later years, and how they are expected to impact the financial position and performance of the Group.

The consolidated financial statements, which are presented in sterling, rounded to the nearest thousand, have been prepared on a going concern basis under the historical cost convention, as modified by the measurement at fair value of share-based payments at the date of grant, post-employment benefit obligations and certain financial assets and liabilities including derivative financial instruments. The carrying values of recognised assets and liabilities that are hedged via fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The accounting policies applied in the preparation of the financial statements for the year ended 31 March 2023 are set out in note 5.9. These policies have been applied consistently by the Group's subsidiaries and equity accounted investments for all periods presented in these consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are detailed in note 1.4.

Adoption of IFRS and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations
The following changes to IFRS became effective for the Group during the year but did not result in a material change to the Group's financial statements:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020
- Reference to the Conceptual Framework - Amendments to IFRS 3

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1.2 BASIS OF PREPARATION continued

Standards, interpretations and amendments to published standards that are not yet effective
The Group has not applied certain new standards, amendments and interpretations to existing standards that have been issued but are not yet effective. These include:

- Presentation of Financial Statements - Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates & Errors)
- Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Leases - lease liability in a sale and leaseback (Amendments to IFRS 16)
- Initial Application of IFRS 17 and IFRS 9 (Amendments to IFRS 17 Insurance Contracts)
- IFRS 17 Insurance Contracts

The impact of these new standards is not expected to result in a net material change to the Group's financial statements.

1.3 BASIS OF CONSOLIDATION

This section details how the Group accounts for the different types of interests it has in subsidiaries and equity accounted investments.

SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over its relevant activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The results of subsidiary undertakings acquired or disposed of during the year are included in the Group Income Statement from the date of their acquisition or up to the date of their disposal. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

EQUITY ACCOUNTED INVESTMENTS

The Group's interests in equity accounted investments comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity accounted investments, until the date on which significant influence ceases.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

This section sets out the key areas of judgement and estimation that management has identified as having a potentially material impact on the Group's consolidated financial statements.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Group's main accounting policies affecting its results of operations and financial condition are set out in note 5.9. The Group has considered the impact of climate change on the financial statements including impairment of non-financial and financial assets, the useful lives of assets, and provisions. Further details are included in note 3.1 Property, Plant and Equipment and note 3.3 Intangible Assets and Goodwill. The Group also considers the impact of climate change as part of the annual budget and strategic plans to ensure consistency with achieving the Group's carbon reduction targets.

We continually evaluate our estimates, assumptions and judgements based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and management has discussed its critical accounting estimates and associated disclosures with the Audit Committee. Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates ('E') and judgements ('J'):

1.4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS continued

GOODWILL (E, J)

The Group has capitalised goodwill of £2,029.6 million at 31 March 2023. Goodwill is required to be tested for impairment at least annually or more frequently if changes in circumstances or the occurrence of events indicating potential impairment exist. The Group uses the present value of future cash flows to determine recoverable amount. In calculating the value in use, management judgement and estimation is required in forecasting cash flows of cash-generating units, in determining terminal growth values and in selecting an appropriate discount rate. Sensitivities to changes in assumptions are detailed in note 3.3.

BUSINESS COMBINATIONS (E)

Business combinations are accounted for using the acquisition method which requires that the assets and liabilities assumed are recorded at their respective fair values at the date of acquisition. The application of this method requires certain estimates and assumptions particularly concerning the determination of the fair values of the acquired assets and liabilities assumed at the date of acquisition.

For intangible assets acquired, the Group bases valuations on expected future cash flows. This method employs a discounted cash flow analysis using the present value of the estimated after-tax cash flows expected to be generated from the purchased intangible asset using risk adjusted discount rates and revenue forecasts as appropriate. The period of expected cash flows is based on the expected useful life of the intangible asset acquired. The Group engages a specialist valuation expert to assist with this process where appropriate.

TAXATION (E, J)

The Group is subject to income taxes in a number of jurisdictions. Provisions for tax liabilities require management to make judgements and estimates in relation to tax issues and exposures. Amounts provided are based on management's interpretation of country specific tax laws and the likelihood or probability of settlement. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and/or deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The Group estimates the most probable amount of future taxable profits, using assumptions consistent with those employed in impairment calculations, and taking into account applicable tax legislation in the relevant jurisdiction. These calculations require the use of estimates.

USEFUL LIVES FOR PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (E, J)

Long-lived assets comprising primarily of property, plant and equipment and intangible assets represent a significant portion of the Group's total assets. The annual depreciation and amortisation charge depend primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. Management regularly review these useful lives and residual values and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, the impact of climate change, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation and amortisation charge for the period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

SECTION 2 RESULTS FOR THE YEAR

2.1 SEGMENT INFORMATION

The Group is organised into three operating segments. This section provides information on the financial performance for the year on both a segmental and geographic basis.

SEGMENTAL ANALYSIS

DCC is a leading international sales, marketing and support services group headquartered in Dublin, Ireland. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). The CODM has been identified as Mr. Donal Murphy, Chief Executive and his executive management team.

As disclosed on pages 22 to 27 of the Group's 2022 Annual Report, the Group has organised all its energy activities (previously DCC LPG and DCC Retail & Oil) into one division, DCC Energy, with effect from 1 April 2022. The CODM assesses performance and makes decisions on the allocation of resources based on the financial information of DCC Energy which is considered one segment based on the Group's management structure and the internal reporting of financial information. Consequently, the Group now reports DCC Energy as a separate segment and comparative segmental data has been restated. The adjusted operating profit of Energy Solutions represents approximately 73% of this segment's adjusted operating profit in the current year and Energy Mobility represents approximately 27%.

The Group is organised into three operating segments (as identified under IFRS 8 Operating Segments) and generates revenue through the following activities:

DCC Energy comprises Energy Solutions and Energy Mobility. The Energy Solutions business is focused on reducing the complexity of energy transition and delivering affordable energy solutions. The Energy Mobility business is focused on developing multi-energy networks and services for people and businesses on the move. DCC Energy is accelerating the net zero journey of energy consumers by leading the sales, marketing and distribution of low carbon energy solutions.

DCC Healthcare is a leading healthcare business, providing products and services to health and beauty brand owners and healthcare providers.

DCC Technology is a leading route-to-market and supply chain partner for global technology brands and customers. DCC Technology provides a broad range of consumer, business and enterprise technology products and services to retailers, resellers and integrators and domestic appliances and lifestyle products to retailers and consumers.

The chief operating decision maker monitors the operating results of segments separately to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit before amortisation of intangible assets and net operating exceptional items ('adjusted operating profit') and return on capital employed. Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose of presenting information to the chief operating decision maker and accordingly are not included in the detailed segmental analysis.

Intersegment revenue is not material and thus not subject to separate disclosure.

2.1 SEGMENT INFORMATION continued

The segment results for the year ended 31 March 2023 are as follows:

INCOME STATEMENT ITEMS

	Year ended 31 March 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	**16,119,452**	**821,527**	**5,263,867**	**22,204,846**
Adjusted operating profit	**457,815**	**91,742**	**106,105**	**655,662**
Amortisation of intangible assets	(68,731)	(9,318)	(33,097)	(111,146)
Net operating exceptionals (note 2.6)	(21,603)	(4,367)	(6,558)	(32,528)
Operating profit	**367,481**	**78,057**	**66,450**	**511,988**
Finance costs				(96,735)
Finance income				17,003
Share of equity accounted investments' loss after tax				(692)
Profit before income tax				**431,564**
Income tax expense				(84,762)
Profit for the year				**346,802**

	Year ended 31 March 2022 (Restated)			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment revenue	12,322,589	765,213	4,644,218	17,732,020
Adjusted operating profit	407,132	100,415	81,687	589,234
Amortisation of intangible assets	(55,667)	(6,092)	(22,581)	(84,340)
Net operating exceptionals (note 2.6)	(16,687)	(6,540)	(23,307)	(46,534)
Operating profit	334,778	87,783	35,799	458,360
Finance costs				(77,205)
Finance income				24,267
Share of equity accounted investments' profit after tax				314
Profit before income tax				405,736
Income tax expense				(79,734)
Profit for the year				326,002

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2.1 SEGMENT INFORMATION continued

BALANCE SHEET ITEMS

	As at 31 March 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment assets	4,960,699	1,044,881	2,148,148	8,153,728
Reconciliation to total assets as reported in the Group Balance Sheet:				
Equity accounted investments				47,789
Derivative financial instruments (current and non-current)				148,457
Deferred income tax assets				69,053
Cash and cash equivalents				1,421,749
Total assets as reported in the Group Balance Sheet				9,840,776
Segment liabilities	2,491,227	173,370	956,965	3,621,562
Reconciliation to total liabilities as reported in the Group Balance Sheet:				
Borrowings (current and non-current)				2,254,615
Lease creditors (current and non-current)				346,546
Derivative financial instruments (current and non-current)				82,926
Income tax liabilities (current and deferred)				348,947
Acquisition related liabilities (current and non-current)				127,393
Government grants (current and non-current)				477
Total liabilities as reported in the Group Balance Sheet				6,782,466

	As at 31 March 2022 (Restated)			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Segment assets	4,812,077	706,152	2,339,399	7,857,628
Reconciliation to total assets as reported in the Group Balance Sheet:				
Equity accounted investments				26,843
Derivative financial instruments (current and non-current)				225,939
Deferred income tax assets				54,494
Cash and cash equivalents				1,394,272
Total assets as reported in the Group Balance Sheet				9,559,176
Segment liabilities	2,554,862	143,695	1,096,857	3,795,414
Reconciliation to total liabilities as reported in the Group Balance Sheet:				
Borrowings (current and non-current)				2,001,150
Lease creditors (current and non-current)				336,702
Derivative financial instruments (current and non-current)				38,964
Income tax liabilities (current and deferred)				319,759
Acquisition related liabilities (current and non-current)				96,252
Government grants (current and non-current)				372
Total liabilities as reported in the Group Balance Sheet				6,588,613

2.1 SEGMENT INFORMATION continued

OTHER SEGMENT INFORMATION

	Year ended 31 March 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Capital expenditure – additions (note 3.1)	195,862	30,016	9,390	235,268
Capital expenditure – business combinations (note 3.1)	855	5,418	–	6,273
Depreciation (excluding right-of-use assets) (note 3.1)	112,321	14,430	17,692	144,443
Total consideration on business combinations (note 5.2)	136,595	228,522	23	365,140
Goodwill and intangible assets acquired (note 3.3)	107,185	240,144	14,878	362,207

	Year ended 31 March 2022 (Restated)			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Capital expenditure – additions (note 3.1)	159,657	27,793	11,781	199,231
Capital expenditure – business combinations (note 3.1)	32,321	1,704	29,148	63,173
Depreciation (excluding right-of-use assets) (note 3.1)	109,970	12,564	15,442	137,976
Total consideration on business combinations (note 5.2)	124,246	79,692	511,566	715,504
Goodwill and intangible assets acquired (note 3.3)	133,402	87,733	260,175	481,310

GEOGRAPHICAL ANALYSIS

The Group has a presence in 22 countries worldwide. The following represents a geographical analysis of revenue and non-current assets in accordance with IFRS 8, which requires disclosure of information about the country of domicile (Republic of Ireland) and countries with material revenue and non-current assets. Revenue from operations is derived almost entirely from the sale of goods and is disclosed based on the location of the entity selling the goods. The analysis of non-current assets is based on the location of the assets. There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8.

	Revenue		Non-current assets*	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Republic of Ireland (country of domicile)	2,255,595	1,609,797	230,304	254,453
United Kingdom	7,562,103	6,632,084	1,319,398	1,264,586
France	3,706,272	3,251,238	981,757	950,929
United States	2,189,358	1,301,893	939,232	871,143
Rest of World	6,491,518	4,937,008	1,225,754	901,081
	22,204,846	17,732,020	4,696,445	4,242,192

* Non-current assets comprise property, plant and equipment, right-of-use leased assets, intangible assets, goodwill and equity accounted investments.

DISAGGREGATION OF REVENUE

The following table disaggregates revenue by primary geographical market, major revenue lines and timing of revenue recognition. The use of revenue as a metric of performance in the Group's Energy segment is of limited relevance due to the influence of changes in underlying energy product costs on absolute revenues. Whilst changes in underlying energy product costs will change percentage operating margins, this has little relevance in the downstream energy distribution market in which this segment operates where profitability is driven by absolute contribution per tonne/litre of product sold, and not a percentage margin. Accordingly, management review geographic volume performance rather than geographic revenue performance for this segment as country-specific GDP and weather patterns can influence volumes. The disaggregated revenue information presented below for DCC Healthcare and DCC Technology, which can also be influenced by country-specific GDP movements, is consistent with how revenue is reported and reviewed internally.

As mentioned above, the Group has organised all of its energy activities (previously DCC LPG and DCC Retail & Oil) into one reportable segment, DCC Energy, with effect from 1 April 2022. The Group will now report disaggregated revenue across DCC Energy's two major revenue lines, energy solutions and energy mobility. Comparative data has been restated accordingly.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2.1 SEGMENT INFORMATION continued

	Year ended 31 March 2023			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	1,688,901	110,766	455,928	2,255,595
United Kingdom	5,358,282	399,599	1,804,222	7,562,103
France	3,360,372	24,173	321,727	3,706,272
North America	311,521	175,757	1,875,842	2,363,120
Rest of World	5,400,376	111,232	806,148	6,317,756
	16,119,452	821,527	5,263,867	22,204,846
Products transferred at point in time	16,119,452	821,527	5,263,867	22,204,846
Energy solutions products and services (restated)	9,996,896	–	–	9,996,896
Energy mobility products and services (restated)	6,122,556	–	–	6,122,556
Medical and pharmaceutical products	–	448,931	–	448,931
Nutrition and health & beauty products	–	372,596	–	372,596
Technology products and services	–	–	5,263,867	5,263,867
	16,119,452	821,527	5,263,867	22,204,846

	Year ended 31 March 2022 (Restated)			
	DCC Energy £'000	DCC Healthcare £'000	DCC Technology £'000	Total £'000
Republic of Ireland (country of domicile)	1,094,400	117,405	397,992	1,609,797
United Kingdom	4,229,986	419,088	1,983,010	6,632,084
France	2,900,787	–	350,451	3,251,238
North America	261,559	148,318	1,035,055	1,444,932
Rest of World	3,835,857	80,402	877,710	4,793,969
	12,322,589	765,213	4,644,218	17,732,020
Products transferred at point in time	12,322,589	765,213	4,644,218	17,732,020
Energy solutions products and services (restated)	7,306,762	–	–	7,306,762
Energy mobility products and services (restated)	5,015,827	–	–	5,015,827
Medical and pharmaceutical products	–	407,672	–	407,672
Nutrition and health & beauty products	–	357,541	–	357,541
Technology products and services	–	–	4,644,218	4,644,218
	12,322,589	765,213	4,644,218	17,732,020

2.2 OTHER OPERATING INCOME/(EXPENSES)

This note provides an analysis of the amounts included in other operating income and expenses presented in the Group Income Statement.

Other operating income/(expenses) comprise the following credits/(charges):

	2023 £'000	2022 £'000
Other operating income/(expenses)		
Fair value gains on non-hedge accounted derivative financial instruments – commodities	5,721	30,762
Fair value gains on non-hedge accounted derivative financial instruments – forward exchange contracts	1,065	905
Property and tank rental income	21,222	21,496
Net profit on disposal of property, plant and equipment	12,346	7,281
Throughput	4,945	6,092
Haulage	5,113	4,222
Fair value losses on non-hedge accounted derivative financial instruments – commodities	(5,721)	(30,762)
Fair value losses on non-hedge accounted derivative financial instruments – forward exchange contracts	(1,363)	(779)
Expensing of employee share options and awards (note 2.5)	(7,160)	(6,467)
Other net operating income	1,914	1,428
Net other operating income before exceptional items	38,082	34,178
Other operating income included in net exceptional items	404	1,219
Other operating expenses included in net exceptional items	(32,932)	(47,753)
Total net other operating income/(expenses)	5,554	(12,356)

2.3 GROUP PROFIT FOR THE YEAR

The Group profit for the year includes some key amounts which are presented separately below.

Group profit for the year has been arrived at after charging/(crediting) the following amounts:

	2023 £'000	2022 £'000
Depreciation on property, plant and equipment (note 3.1)	144,443	137,976
Depreciation on right-of-use assets (note 3.2)	75,238	67,804
Amortisation of intangible assets (note 3.3)	111,146	84,340
Amortisation of government grants (note 3.18)	(114)	(20)
Foreign exchange (gain)/loss	(182)	566

During the year the Group obtained the following services from the Group's auditors (KPMG):

	2023 £'000	2022 £'000
KPMG Ireland (statutory auditor):		
Audit fees	1,832	1,831
Other including non-audit, audit related and assurance services	23	31
	1,855	1,862
Other KPMG network firms:		
Audit fees	1,839	1,763
Other including non-audit, audit related and assurance services	136	109
	1,975	1,872

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2.4 EMPLOYMENT

This section provides an analysis of the average number of employees in the Group by segment together with their related payroll expense for the year. Further information on the compensation of key management personnel is included in note 5.6, Related Party Transactions.

The average number of persons (including executive Directors) employed by the Group during the year, analysed by class of business, was:

	2023 Number	2022 Number
DCC Energy	7,591	7,316
DCC Healthcare	3,181	2,816
DCC Technology	4,883	4,374
	15,655	14,506

The employee benefit expense (excluding termination payments – note 2.6) for the above were:

	2023 £'000	2022 £'000
Wages and salaries	759,712	650,473
Social welfare costs	89,207	85,006
Share based payment expense (note 2.5)	7,160	6,467
Pension costs – defined contribution plans	21,957	18,992
Pension costs – defined benefit plans (note 3.15)	439	318
	878,475	761,256

Directors' emoluments (which are included in operating costs) and interests are presented in the Remuneration Report on pages 118 to 141. Details of the compensation of key management personnel for the purposes of the disclosure requirements under IAS 24 are provided in note 5.6.

2.5 EMPLOYEE SHARE OPTIONS AND AWARDS

Share options and awards are used to incentivise Directors and employees of the Group. A charge is recognised over the vesting period in the Consolidated Income Statement to record the cost of these share options and awards, based on the fair value of the share option/award at the grant date.

The Group's employee share options and awards are equity-settled share-based payments as defined in IFRS 2 Share-based Payment. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The expense reported in the Income Statement of £7.160 million (2022: £6.467 million) has been arrived at by applying a Monte Carlo simulation technique for share awards issued under the DCC plc Long Term Incentive Plans.

IMPACT ON INCOME STATEMENT

The total share option expense is analysed as follows:

					Expense in Income Statement	
Date of grant	Share price at date of grant	Minimum duration of vesting period	Number of share awards/ options granted	Weighted average fair value	2023 £'000	2022 £'000
10 February 2017	£67.75	5 years	137,269	£54.17	–	1,159
16 November 2017	£70.95	5 years	128,451	£56.52	724	1,073
15 November 2018	£60.65	5 years	167,567	£46.13	1,146	405
14 November 2019	£68.80	5 years	147,939	£53.32	170	1,499
12 November 2020	£57.08	5 years	170,152	£44.63	1,465	1,446
11 November 2021	£61.42	3 years	171,974	£46.39	2,694	885
10 November 2022	£45.53	3 years	271,759	£31.82	961	–
Total expense					7,160	6,467

2.5 EMPLOYEE SHARE OPTIONS AND AWARDS continued

SHARE OPTIONS AND AWARDS

DCC plc Long Term Incentive Plans

At 31 March 2023, Group employees hold awards to subscribe for 842,638 ordinary shares under the DCC plc Long Term Incentive Plans.

The general terms of the DCC plc Long Term Incentive Plans are set out in the Remuneration Report on page 137.

The DCC plc Long Term Incentive Plans contain both market and non-market based vesting conditions. Accordingly, the fair value assigned to the related equity instrument on initial application of IFRS 2 Share-based Payment is adjusted to reflect the anticipated likelihood at the grant date of achieving the market based vesting conditions. The cumulative non-market based charge to the Income Statement is reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

A summary of activity under the DCC plc Long Term Incentive Plans during the year is as follows:

	2023 Number of share awards	2022 Number of share awards
At 1 April	730,042	702,329
Granted	271,759	171,974
Exercised	(95,658)	(76,274)
Expired and forfeited	(63,505)	(67,987)
At 31 March	842,638	730,042

The weighted average share price at the dates of exercise for share awards exercised during the year under the DCC plc Long Term Incentive Plans was £50.16 (2022: £60.75). The share awards outstanding at the year end have a weighted average remaining contractual life of 4.9 years (2022: 4.6 years).

The weighted average fair values assigned to share awards granted under the DCC plc Long Term Incentive Plan, which were computed in accordance with the Monte Carlo valuation methodology, were as follows:

Granted during the year ended 31 March 2023	£31.82
Granted during the year ended 31 March 2022	£46.39

The fair values of share awards granted under the DCC plc Long Term Incentive Plan were determined taking account of peer group total share return volatilities and correlations together with the following assumptions:

	2023	2022
Risk-free interest rate (%)	3.19	0.65
Dividend yield (%)	3.9	2.7
Expected volatility (%)	30.0	29.0
Expected life in years	5.0	5.0
Share price at date of grant	£45.53	£61.42

The risk free rate of return is the yield on government bonds of a term consistent with the assumed option life. The dividend yield is based on historic dividend rates. The expected volatility is based on historic volatility over the past three years. The expected life is the average expected period to exercise.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2.5 EMPLOYEE SHARE OPTIONS AND AWARDS continued

Analysis of closing balance:

Date of grant	Date of expiry	2023 Number of share awards	2022 Number of share awards
17 November 2015	17 November 2022	–	38,028
10 February 2017	10 February 2024	27,243	57,226
16 November 2017	16 November 2024	37,760	62,541
15 November 2018	15 November 2025	86,051	86,051
14 November 2019	14 November 2026	77,699	144,070
12 November 2020	12 November 2027	170,152	170,152
11 November 2021	11 November 2028	171,974	171,974
10 November 2022	10 November 2029	271,759	–
Total outstanding at 31 March		842,638	730,042
Total exercisable at 31 March		65,003	95,254

2.6 EXCEPTIONALS

Exceptional items are those items which, in the judgement of the Directors, need to be disclosed separately by virtue of their scale and nature. These exceptional items, detailed below, could distort the understanding of our underlying performance for the year and comparability between periods and are therefore presented separately.

	2023 £'000	2022 £'000
Adjustments to contingent acquisition consideration (note 3.16)	(8,523)	(19,864)
Restructuring and integration costs and other	(13,401)	(16,736)
Acquisition and related costs	(10,604)	(9,934)
Net operating exceptional items	(32,528)	(46,534)
Mark-to-market of swaps and related debt (note 2.7)	892	1,192
Net exceptional items before taxation	(31,636)	(45,342)
Income tax and deferred tax attaching to exceptional items	2,764	1,501
Net exceptional items after taxation	(28,872)	(43,841)
Non-controlling interest share of net exceptional items after taxation	211	–
Net exceptional items attributable to owners of the Parent Company	(28,661)	(43,841)

Adjustments to contingent acquisition consideration of £8.523 million reflects movements in provisions associated with the expected earn-out or other deferred arrangements that arise through the Group's corporate development activity. The charge in the year primarily reflects an increase in contingent consideration payable in respect of an acquisition in DCC Energy where the trading performance has been very strong and ahead of expectations. The charge in the prior year of £19.864 million reflected increases in contingent consideration payable in respect of acquisitions in DCC Technology where the trading performance of acquisitions in North America was very strong and ahead of expectations and also in respect of an acquisition in DCC Energy where performance was also ahead of expectations.

Restructuring and integration costs and other of £13.401 million relates to the restructuring and integration of operations across a number of businesses and acquisitions. The significant items during the year were primarily within DCC Energy and include costs related to a realignment of the organisation structures in the UK and France to reflect acquisitions and the changing operational environment. The charge in the prior year of £16.736 million included the integration of Primagaz in the Netherlands and the integration of Almo with DCC Technology's AV business in North America. It also included the final stage of the consolidation of the UK infrastructure in DCC Technology and a project in France to enhance the efficiency of the LPG operating infrastructure.

Acquisition and related costs include the professional fees and tax costs relating to the evaluation and completion of acquisition opportunities and amounted to £10.604 million (2022: £9.934 million).

The level of ineffectiveness calculated under IAS 39 on the hedging instruments related to the Group's US private placement debt is charged or credited as an exceptional item. In the year ended 31 March 2023, this amounted to an exceptional non-cash gain of £0.892 million (2022: non-cash gain of £1.192 million). The cumulative net exceptional credit taken in respect IAS 39 ineffectiveness is £1.429 million. This, or any subsequent similar non-cash charges or gains, will net to zero over the remaining term of this debt and the related hedging instruments.

2.6 EXCEPTIONALS continued

There was a related income tax credit of £2.764 million (2022: credit of £1.501 million) and non-controlling interest credit of £0.211 million (2022: nil) in relation to certain exceptional charges.

The net cash flow impact in the current year for exceptional items was an outflow of £23.370 million (2022: an outflow of £29.498 million).

2.7 FINANCE COSTS AND FINANCE INCOME

This note details the interest income generated by our financial assets and the interest expense incurred on our financial liabilities. Finance income principally comprises interest on cash and term deposits and net income on interest rate and currency swaps whilst finance costs mainly comprise interest on Unsecured Notes, bank borrowings and lease creditors.

	2023 £'000	2022 £'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes	(80,030)	(58,302)
Lease interest (note 3.12)	(9,577)	(9,473)
Unwinding of discount applicable to acquisition related liabilities (note 3.16)	(2,264)	(969)
Unwinding of discount applicable to provisions for liabilities (note 3.17)	(1,279)	(1,676)
Facility fees	(1,678)	(1,244)
Other interest	(1,907)	(5,541)
	(96,735)	(77,205)
Finance income		
Interest on cash and term deposits	4,468	1,024
Net income on interest rate and currency swaps	11,445	21,890
Net interest income on defined benefit pension schemes (note 3.15)	198	161
	16,111	23,075
Mark-to-market of swaps and related debt*	892	1,192
	17,003	24,267
Net finance cost	(79,732)	(52,938)
* Mark-to-market of swaps and related debt:		
Interest rate swaps designated as fair value hedges	(28,790)	(28,201)
Cross currency interest rate swaps designated as fair value hedges	10,864	(240)
Adjusted hedged fixed rate debt	18,818	29,633
Mark-to-market of swaps designated as fair value hedges and related debt	892	1,192
Movement on cross currency interest rate swaps designated as cash flow hedges	12,418	9,401
Transferred to cash flow hedge reserve	(12,418)	(9,401)
	–	–
Total mark-to-market of swaps and related debt	892	1,192

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2.8 SHARE OF EQUITY ACCOUNTED INVESTMENTS' PROFIT/(LOSS) AFTER TAX

Share of equity accounted investments' profit/(loss) after tax represents the results of businesses we do not control, but instead exercise significant influence and generally have an equity holding of up to 50%.

The Group's share of equity accounted investments' (i.e. associates) (profit/(loss) after tax is equity accounted and presented as a single line item in the Group Income Statement. The profit/(loss) after tax generated by the Group's equity accounted investments is analysed as follows under the principal Group Income Statement captions:

Group share of:	2023 £'000	2022 £'000
Revenue	32,638	13,267
Operating (loss)/profit before tax	(907)	370
Income tax expense	215	(56)
(Loss)/profit after tax	(692)	314

2.9 INCOME TAX EXPENSE

Tax is payable in the territories in which we operate. This note details the current tax charge which is the tax payable on this year's taxable profits and the deferred tax charge which represents the tax expected to arise in the future due to differences in the accounting and tax bases of assets and liabilities.

(I) INCOME TAX EXPENSE RECOGNISED IN THE INCOME STATEMENT

	2023 £'000	2022 £'000
Current taxation		
Irish corporation tax at 12.5%	14,650	9,365
United Kingdom corporation tax at 19%	13,972	15,470
Other overseas tax	87,354	75,351
Income tax credit attaching to exceptional items	(2,945)	(1,726)
Over provision in respect of prior years	(4,372)	(4,884)
Total current taxation	108,659	93,576
Deferred tax		
Irish at 12.5%	(903)	(2,992)
United Kingdom at 25%	(2,964)	5,933
Other overseas deferred tax	(22,473)	(13,536)
Deferred tax credit attaching to exceptional items	181	225
Over provision in respect of prior years	2,262	(3,472)
Total deferred tax	(23,897)	(13,842)
Total income tax expense	84,762	79,734

(II) DEFERRED TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

	2023 £'000	2022 £'000
Deferred tax relating to defined benefit pension obligations	800	(210)
Deferred tax relating to cash flow hedges	(30,374)	16,138
Total deferred tax charge recognised in Other Comprehensive Income	(29,574)	15,928

2.9 INCOME TAX EXPENSE continued

(III) RECONCILIATION OF EFFECTIVE TAX RATE

	2023 £'000	2022 £'000
Profit before taxation	431,564	405,736
Add back: share of equity accounted investments' loss/(profit) after tax	692	(314)
Add back: amortisation of intangible assets	111,146	84,340
Profit before share of equity accounted investments' profit after tax and amortisation of intangible assets	543,402	489,762
Add back: net exceptional items before tax	31,636	45,342
Profit before share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	575,038	535,104

Profit before taxation	431,564	405,736
At the standard rate of corporation tax in Ireland of 12.5%	53,946	50,717
Amortisation and share of equity accounted investments at the standard rate of corporation tax in Ireland of 12.5%	13,980	10,503
Adjustments in respect of prior years	(2,110)	(8,356)
Effect of earnings taxed at higher rates	42,721	42,176
Other differences	2,445	2,616
Income tax expense	110,982	97,656
Income tax and deferred tax attaching to exceptional items	(2,764)	(1,501)
Deferred tax attaching to amortisation of intangible assets	(23,456)	(16,421)
Total income tax expense	84,762	79,734

	2023 %	2022 %
Income tax expense as a percentage of profit before share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	19.3%	18.3%
Impact of share of equity accounted investments' profit after tax, amortisation of intangible assets and net exceptionals	0.3%	1.4%
Total income tax expense as a percentage of profit before tax	19.6%	19.7%

(IV) FACTORS THAT MAY AFFECT FUTURE TAX RATES AND OTHER DISCLOSURES

No change has been enacted to the standard rate of corporation tax in the Republic of Ireland which is currently 12.5%. The standard rate of corporation tax in the UK is 19% and will increase to 25% with effect from 1 April 2023. This rate change has been taken into account in these financial statements.

The Group has not provided deferred tax in relation to temporary differences applicable to investments in subsidiaries and equity accounted investments on the basis that the Group can control the timing and realisation of these temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. No provision has been recognised in respect of deferred tax relating to unremitted earnings of subsidiaries as there is no commitment or intention to remit earnings.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2.10 DIVIDENDS

Dividends represent one type of shareholder return and are paid as an amount per ordinary share held. The Group retains part of the profits generated in the year to meet future growth plans.

Dividends paid per ordinary share are as follows:	2023 £'000	2022 £'000
Final: paid 119.93 pence per share on 21 July 2022 (2022: paid 107.85 pence per share on 22 July 2021)	118,715	105,417
Interim: paid 60.04 pence per share on 9 December 2022 (2022: paid 55.85 pence per share on 10 December 2021)	59,128	55,182
	177,843	160,599

The Directors are proposing a final dividend in respect of the year ended 31 March 2023 of 127.17 pence per ordinary share (£125.577 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

2.11 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share ('EPS') is the amount of post-tax profit attributable to each ordinary share. Basic EPS is the amount of profit for the year divided by the weighted average number of shares in issue during the year. Diluted EPS shows what the impact would be if all outstanding and exercisable options were exercised and treated as ordinary shares at year end.

	2023 £'000	2022 £'000
Profit attributable to owners of the Parent Company	334,022	312,373
Amortisation of intangible assets after tax	87,690	67,919
Exceptionals after tax (note 2.6)	28,661	43,841
Adjusted profit after taxation and non-controlling interests	450,373	424,133

Basic earnings per ordinary share	2023 pence	2022 pence
Basic earnings per ordinary share	338.40p	316.78p
Amortisation of intangible assets after tax	88.84p	68.88p
Exceptionals after tax	29.03p	44.45p
Adjusted basic earnings per ordinary share	456.27p	430.11p
Weighted average number of ordinary shares in issue (thousands)	98,707	98,610

Basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Parent Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. The adjusted figures for basic earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Diluted earnings per ordinary share	2023 pence	2022 pence
Diluted earnings per ordinary share	338.04p	316.36p
Amortisation of intangible assets after tax	88.74p	68.79p
Exceptionals after tax	29.01p	44.40p
Adjusted diluted earnings per ordinary share	455.79p	429.55p
Weighted average number of ordinary shares in issue (thousands)	98,811	98,739

The earnings used for the purposes of the diluted earnings per ordinary share calculations were £334.022 million (2022: £312.373 million) and £450.373 million (2022: £424.133 million) for the purposes of the adjusted diluted earnings per ordinary share calculations.

2.11 EARNINGS PER ORDINARY SHARE continued

The weighted average number of ordinary shares used in calculating the diluted earnings per ordinary share for the year ended 31 March 2023 was 98.811 million (2022: 98.739 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per ordinary share amounts is as follows:

	2023 '000	2022 '000
Weighted average number of ordinary shares in issue	98,707	98,610
Dilutive effect of options and awards	104	129
Weighted average number of ordinary shares for diluted earnings per share	98,811	98,739

Diluted earnings per ordinary share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Share options and awards are the Company's only category of dilutive potential ordinary shares. The adjusted figures for diluted earnings per ordinary share (a non-GAAP financial measure) are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Employee share options and awards, which are performance-based, are treated as contingently issuable shares because their issue is contingent upon satisfaction of specified performance conditions in addition to the passage of time. These contingently issuable shares are excluded from the computation of diluted earnings per ordinary share where the conditions governing exercisability would not have been satisfied as at the end of the reporting period if that were the end of the vesting period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

SECTION 3 ASSETS AND LIABILITIES

3.1 PROPERTY, PLANT AND EQUIPMENT

This note details the tangible assets utilised by the Group to generate revenues and profits. The cost of these assets primarily represents the amounts originally paid for them. All assets are depreciated over their useful economic lives.

	Land & buildings £'000	Plant & machinery & cylinders £'000	Fixtures, fittings & office equipment £'000	Motor vehicles £'000	Capital work in progress £'000	Total £'000
Year ended 31 March 2023						
Opening net book amount	379,855	575,462	152,621	64,334	81,077	1,253,349
Exchange differences	3,206	8,748	1,036	531	1,135	14,656
Arising on acquisition (note 5.2)	4,187	414	243	1,107	322	6,273
Additions	17,379	105,407	30,292	13,048	69,142	235,268
Disposals	(6,360)	(2,294)	(885)	(758)	–	(10,297)
Depreciation charge	(17,170)	(83,505)	(29,718)	(14,050)	–	(144,443)
Reclassification	24,592	(2,826)	11,756	1,428	(34,950)	–
Closing net book amount	405,689	601,406	165,345	65,640	116,726	1,354,806
At 31 March 2023						
Cost	508,224	1,410,353	348,407	183,573	116,726	2,567,283
Accumulated depreciation and impairment losses	(102,535)	(808,947)	(183,062)	(117,933)	–	(1,212,477)
Net book amount	405,689	601,406	165,345	65,640	116,726	1,354,806

	Land & buildings £'000	Plant & machinery & cylinders £'000	Fixtures, fittings & office equipment £'000	Motor vehicles £'000	Capital work in progress £'000	Total £'000
Year ended 31 March 2022						
Opening net book amount	342,040	534,990	135,397	65,971	59,236	1,137,634
Exchange differences	2,107	2,633	345	764	368	6,217
Arising on acquisition (note 5.2)	36,557	19,376	4,354	2,740	146	63,173
Additions	16,655	104,171	24,135	9,342	44,928	199,231
Disposals	(6,341)	(6,227)	(1,361)	(679)	–	(14,608)
Depreciation charge	(16,353)	(80,719)	(27,111)	(13,793)	–	(137,976)
Impairment charge	(105)	(75)	(142)	–	–	(322)
Reclassification	5,295	1,313	17,004	(11)	(23,601)	–
Closing net book amount	379,855	575,462	152,621	64,334	81,077	1,253,349
At 31 March 2022						
Cost	463,239	1,261,065	310,716	165,104	81,077	2,281,201
Accumulated depreciation and impairment losses	(83,384)	(685,603)	(158,095)	(100,770)	–	(1,027,852)
Net book amount	379,855	575,462	152,621	64,334	81,077	1,253,349

3.1 PROPERTY, PLANT AND EQUIPMENT continued

USEFUL ECONOMIC LIVES OF ASSETS

The Group updated its energy strategy in the prior year to ensure the Group remains well placed to support customers as they transition to lower carbon forms of energy. This process took account of the Group's assessment of the risks and opportunities created by climate-change to its existing and future operations, which is outlined in more detail in the Risk Report on pages 77 to 84. The Group's energy strategy has, in turn, allowed the Group to commit to reducing its carbon emissions from its own activities (Scope 1 and 2) and from the energy it sells (Scope 3) to net zero by 2050 or sooner. Due consideration is given to these factors when determining the useful lives of the Group's assets. Importantly, many of the Group's existing assets, such as depots, storage equipment and trucks will continue to be used for the distribution of lower carbon forms of fuel, such as biofuels. Capital expenditure will continue to be required in relation to these assets in the short and medium term. The Group therefore considers that these assets will continue to be an integral part of the total asset portfolio of the Group in the short and medium term. Further information is included in note 3.3 Intangible Assets and Goodwill on page 179.

There remains a risk that the useful lives of the assets created by future capital expenditure may differ from current assumptions. For instance, governments in some of the Group's operating locations could take measures to restrict the use of certain fossil-based assets which could affect the estimated useful lives of those assets. However, for the reasons stated, there were no significant changes in the estimates of useful lives during the current financial year.

3.2 RIGHT-OF-USE LEASED ASSETS

This note details the right-of-use leased assets utilised by the Group to generate revenues and profits. All assets are depreciated over their lease term.

	Land & buildings £'000	Plant & machinery & cylinders £'000	Fixtures, fittings & office equipment £'000	Motor vehicles £'000	Total £'000
Year ended 31 March 2023					
Opening net book amount	282,344	4,083	544	40,580	327,551
Exchange differences and other	4,455	(150)	28	336	4,669
Arising on acquisition (note 5.2)	2,278	54	565	2,959	5,856
Additions (note 3.12)	52,955	1,443	73	23,639	78,110
Terminations	(3,774)	–	(8)	(945)	(4,727)
Depreciation charge	(53,139)	(1,131)	(244)	(20,724)	(75,238)
Closing net book amount	285,119	4,299	958	45,845	336,221
Year ended 31 March 2022					
Opening net book amount	256,576	3,677	456	48,154	308,863
Exchange differences	476	(199)	2	(128)	151
Arising on acquisition (note 5.2)	30,684	543	–	833	32,060
Additions (note 3.12)	42,938	1,371	244	11,380	55,933
Terminations	(1,407)	(3)	3	(245)	(1,652)
Depreciation charge	(46,923)	(1,306)	(161)	(19,414)	(67,804)
Closing net book amount	282,344	4,083	544	40,580	327,551

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.3 INTANGIBLE ASSETS AND GOODWILL

The Group Balance Sheet contains significant intangible assets and goodwill. Goodwill, customer and supplier relationships and brands can arise on the acquisition of a business. Goodwill arises when we pay an amount which is higher than the fair value of the net assets acquired (primarily due to expected synergies). This goodwill is not amortised but is subject to annual impairment reviews whereas customer and supplier relationships and brands are amortised over their useful economic lives.

	Goodwill £'000	Customer & supplier related intangibles £'000	Brand related intangibles £'000	Total £'000
Year ended 31 March 2023				
Opening net book amount	1,765,961	685,902	182,586	2,634,449
Exchange differences	41,413	31,071	8,143	80,627
Arising on acquisition (note 5.2)	230,754	112,313	19,140	362,207
Adjustments to contingent consideration (note 3.16)	(8,508)	–	–	(8,508)
Amortisation charge	–	(101,921)	(9,225)	(111,146)
Closing net book amount	2,029,620	727,365	200,644	2,957,629
At 31 March 2023				
Cost	2,068,871	1,252,108	251,088	3,572,067
Accumulated amortisation and impairment losses	(39,251)	(524,743)	(50,444)	(614,438)
Net book amount	2,029,620	727,365	200,644	2,957,629

	Goodwill £'000	Customer & supplier related intangibles £'000	Brand related intangibles £'000	Total £'000
Year ended 31 March 2022				
Opening net book amount	1,527,598	497,230	181,907	2,206,735
Exchange differences	14,705	15,848	553	31,106
Arising on acquisition (note 5.2)	224,020	248,787	8,503	481,310
Adjustments to contingent consideration (note 3.16)	(362)	–	–	(362)
Amortisation charge	–	(75,963)	(8,377)	(84,340)
Closing net book amount	1,765,961	685,902	182,586	2,634,449
At 31 March 2022				
Cost	1,804,232	1,099,417	222,416	3,126,065
Accumulated amortisation and impairment losses	(38,271)	(413,515)	(39,830)	(491,616)
Net book amount	1,765,961	685,902	182,586	2,634,449

Customer and supplier related intangible assets principally comprise contractual and non-contractual customer and supplier relationships arising from business combinations and are amortised over their estimated useful lives. The weighted average remaining amortisation period for customer related intangibles is 11.1 years (2022: 11.8 years). Brand related intangible assets comprise registered trade names and logos which are well established and recognised within the industries in which the Group operates. The weighted average remaining amortisation period for brand related intangibles is 25.1 years (2022: 26.5 years). There are no internally generated brand related intangibles recognised on the Group Balance Sheet.

3.3 INTANGIBLE ASSETS AND GOODWILL continued

In accordance with IAS 38 Intangible Assets, details of individually significant intangible assets and their remaining amortisation periods as at 31 March 2023 are as follows:

	Segment	Customer & supplier related intangibles £'000	Remaining amortisation period in years	Brand related intangibles £'000	Remaining amortisation period in years
Almo	DCC Technology	149,892	8.5 years	–	–
DCC Vital	DCC Healthcare	113,475	18.6 years	19,027	19.5 years
Butagaz	DCC Energy	93,576	7.2 years	119,877	31.5 years
DCC Propane	DCC Energy	91,726	9.4 years	33,083	15.1 years
DSG Hong Kong & Macau	DCC Energy	61,348	19.8 years	–	–
Others		217,348		28,657	
Closing net book amount		727,365		200,644	

In accordance with IAS 38 Intangible Assets, details of individually significant intangible assets and their remaining amortisation periods as at 31 March 2022 are as follows:

	Segment	Customer & supplier related intangibles £'000	Remaining amortisation period in years	Brand related intangibles £'000	Remaining amortisation period in years
Butagaz	DCC Energy	104,894	8.1 years	119,088	32.5 years
Almo	DCC Technology	151,019	9.7 years	–	–
DCC Propane	DCC Energy	100,419	10.3 years	33,282	16.2 years
DSG Hong Kong & Macau	DCC Energy	60,913	20.8 years	–	–
Mobility Continental Europe	DCC Energy	52,319	14.3 years	–	–
DCC Vital	DCC Healthcare	45,811	19.0 years	–	–
Others		170,527		30,216	
Closing net book amount		685,902		182,586	

CASH-GENERATING UNITS

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units ('CGUs') that are expected to benefit from that business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The CGUs represent the lowest level within the Group at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 Operating Segments.

A total of 32 CGUs (2022: 32 CGUs) have been identified and these are analysed between the Group's operating segments below together with a summary of the allocation of the carrying value of goodwill by segment.

	Cash-generating units		Goodwill	
	2023 number	2022 number	2023 £'000	2022 £'000
DCC Energy	17	16	1,247,802	1,166,670
DCC Healthcare	6	7	436,049	267,922
DCC Technology	9	9	345,769	331,369
	32	32	2,029,620	1,765,961

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.3 INTANGIBLE ASSETS AND GOODWILL continued

In accordance with IAS 36 Impairment of Assets, the CGUs to which significant amounts of goodwill have been allocated are as follows:

CGU	Segment	2023 £'000	2022 £'000
DCC Vital Group	DCC Healthcare	338,573	174,264
Certas Energy UK Group	DCC Energy	294,540	290,255
Butagaz	DCC Energy	234,335	208,151
Mobility Continental Europe	DCC Energy	164,926	166,595
Almo	DCC Technology	147,101	136,390
DCC Propane	DCC Energy	124,460	117,317
Exertis UK Group	DCC Technology	101,603	101,598
Others		624,082	571,391
Closing net book amount		2,029,620	1,765,961

For the purpose of impairment testing, the before-tax discount rates applied to these CGUs to which significant amounts of goodwill have been allocated were 11.1% (2022: 11.0%) for the DCC Vital Group, 9.8% (2022: 9.8%) for the Certas Energy UK Group, Butagaz, Mobility Continental Europe and DCC Propane, and 11.2% (2022: 11.2%) for Almo and the Exertis UK Group. The long-term growth rates assumed for the Certas Energy UK, DCC Vital and Exertis UK Groups was 1.5%, a long-term growth rate of 1.9% was assumed for Almo and DCC Propane and a long-term growth rate of 1.3% was assumed for Mobility Continental Europe. No growth was assumed for Butagaz. The remaining goodwill balance of £624.082 million is allocated across 25 CGUs (2022: £571.391 million across 25 CGUs), none of which are individually significant, and the before-tax discount rates applied to these CGUs were in the range 9.8% to 11.2% (2022: 9.8% to 11.2%).

IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing. Impairment of goodwill occurs when the carrying value of a CGU is greater than the present value of the cash that it is expected to generate (i.e. the recoverable amount). The Group reviews the carrying value of each CGU at least annually or more frequently if there is an indication that the CGU may be impaired.

The recoverable amount of each CGU is based on a value in use computation. The cash flow forecasts employed for this computation are based on the Three Year Plan that has been formally approved by the Board of Directors and specifically excludes future acquisition activity. These cash flow forecasts are consistent with those used for the Group's going concern and viability assessments. Cash flows for a further two years are based on the assumptions underlying the Three Year Plan. Cash flow forecasts include consideration of past performance along with reflecting management's best estimates of future developments in each of the Group's markets. Net cash flows include consideration of the estimated capital expenditure required to achieve the Group's 2030 and 2050 emissions commitments. A long-term growth rate reflecting the lower of the extrapolated cash flow projections and the long-term GDP rate for the country of operation is applied to the year five cash flows. The weighted average long-term growth rate used in the impairment testing was 1.4% (2022: 1.5%).

The assumptions behind the cash flow projections also take account of the Sustainability Review on page 66. The Group's climate change risk assessment considered the transitional impacts of climate change on our energy activities in a scenario consistent with 1.5°C warming by 2050. While there will be evolution in the legal environment, the pace of technological change and the introduction of new forms of energy will likely see a reduction in demand for fossil fuels over the medium to long-term, the Group concluded that there is a significant opportunity available to our energy businesses to support existing and new customers as they reduce their use of fossil fuels over the coming decades. In particular, our energy businesses can add to the range of products and services that we offer while continuing to use the assets that we currently own.

The Group's climate change risk assessment also considered the physical impacts of climate change on certain of the Group's assets in a scenario consistent with 4.0°C warming by 2050. This risk assessment considered both the risk of physical damage to assets and the potential disruption to our wider operations that would be caused if these sites were inoperable for a certain period because of more frequent adverse weather conditions. The Group concluded that whilst there is a risk in the medium term to these assets, these risks can be fully mitigated through increased physical mitigation measures and business continuity planning. In addition, the Group maintains insurance cover against physical damage and/or business interruption. The geographical diversity of the Group and potential alternative sources of supply also means that the risk to the Group as a whole is unlikely to be material.

Having assessed these scenarios the Group has concluded that, while climate change is an existing and evolving risk, it does not warrant any amendments to the assumptions used in the Group's impairment testing.

3.3 INTANGIBLE ASSETS AND GOODWILL continued

A present value of the future cash flows is calculated using a before-tax discount rate representing the Group's estimated before-tax weighted average cost of capital, adjusted to reflect risks associated with each CGU. The range of discount rates applied ranged from 9.8% to 11.2% (2022: 9.8% to 11.2%).

Key assumptions include management's estimates of future profitability, working capital movements and capital expenditure and disposal proceeds on property, plant and equipment. Cash flow forecasts and key assumptions are generally determined based on historical performance together with management's expectation of future trends affecting the industry and other developments and initiatives in the business.

Applying these techniques, no impairment charge arose in 2023 (2022: nil).

SENSITIVITY ANALYSIS

Sensitivity analysis was performed by increasing the discount rate by 1%, reducing the long-term growth rate by 0.3% and decreasing cash flows by 10% which resulted in an excess in the recoverable amount of all 32 CGUs over their carrying amount under each approach. Management believes that any reasonable change in any of the key assumptions would not cause the carrying value of goodwill to exceed the recoverable amount.

3.4 EQUITY ACCOUNTED INVESTMENTS

Equity accounted investments represent the Group's interests in certain entities where we exercise significant influence and generally have an equity holding of up to 50%.

	2023 £'000	2022 £'000
At 1 April	26,843	27,134
Share of (loss)/profit after tax	(692)	314
Acquisition of equity accounted investments (note 5.2)	18,909	-
Disposals	-	(935)
Exchange and other	2,729	330
At 31 March	47,789	26,843

Investments in associates at 31 March 2023 include goodwill and intangible assets of £31.701 million (2022: £19.107 million).

Summarised financial information for the Group's share of its investment in associates which are accounted for using the equity method is as follows:

	2023 £'000	2022 £'000
Non-current assets	59,570	34,999
Current assets	13,979	8,174
Non-current liabilities	(6,855)	(1,468)
Current liabilities	(18,905)	(14,862)
	47,789	26,843

Details of the Group's principal associates are included in the Group Directory on page 232.

3.5 INVENTORIES

Inventories represent assets that we intend to convert or sell in order to generate revenue in the short term. The Group's inventory consists primarily of finished goods, net of an allowance for obsolescence.

	2023 £'000	2022 £'000
Raw materials	73,626	66,258
Work in progress	6,003	5,844
Finished goods	1,113,174	1,061,564
	1,192,803	1,133,666

Write-downs of inventories recognised as an expense within cost of sales amounted to £16.385 million (2022: £21.523 million) and arose in the normal course of activities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.6 TRADE AND OTHER RECEIVABLES

Trade and other receivables mainly consist of amounts owed to the Group by customers, net of an allowance for bad and doubtful debts, together with prepayments and accrued income.

	2023 £'000	2022 £'000
Trade receivables	1,939,528	2,086,578
Allowance for impairment of trade receivables	(73,310)	(54,929)
Prepayments and accrued income	296,352	313,648
Value-added tax recoverable	24,800	43,711
Other debtors	124,899	119,605
	2,312,269	2,508,613

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 5.7. The aged analysis of these balances is as follows:

	Gross trade receivables		Trade receivables net of allowance for impairment	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Not overdue	1,601,048	1,760,825	1,590,852	1,755,430
Less than 1 month overdue	193,373	194,240	186,806	188,461
1 – 3 months overdue	83,377	71,294	70,768	66,269
3 – 6 months overdue	28,985	26,625	16,496	19,893
Over 6 months overdue	32,745	33,594	1,296	1,596
	1,939,528	2,086,578	1,866,218	2,031,649

The movement in the allowance for impairment of trade receivables during the year is as follows:

	2023 £'000	2022 £'000
At 1 April	54,929	40,360
Allowance for impairment recognised in the year	23,808	17,556
Subsequent recovery of amounts previously provided for	(480)	(832)
Amounts written off during the year	(10,525)	(5,884)
Arising on acquisition	4,199	3,619
Exchange	1,379	110
At 31 March	73,310	54,929

The allowance for impairment mainly relates to trade and other receivables balances which are over six months overdue.

3.7 TRADE AND OTHER PAYABLES

The Group's trade and other payables mainly consist of amounts we owe to our suppliers that have been either invoiced or accrued and are due to be settled within 12 months.

	2023 £'000	2022 £'000
Trade payables	2,170,896	2,402,935
Other creditors and accruals	927,423	895,758
PAYE and National Insurance or equivalent	23,192	23,425
Value-added tax	108,633	113,740
Government grants (note 3.18)	31	16
Interest payable	25,231	13,981
Amounts due in respect of property, plant and equipment	24,492	18,850
	3,279,898	3,468,705

3.8 MOVEMENT IN WORKING CAPITAL

Working capital represents the net of inventories, trade and other receivables and trade and other payables. This note details the overall movement in the year under each of these headings.

	Inventories £'000	Trade and other receivables £'000	Trade and other payables £'000	Total £'000
Year ended 31 March 2023				
At 1 April 2022	1,133,666	2,508,613	(3,468,705)	173,574
Translation adjustment	35,926	49,742	(56,251)	29,417
Arising on acquisition (note 5.2)	53,329	36,760	(65,775)	24,314
Exceptional items, interest accruals, capital accruals and other	–	378	(16,460)	(16,082)
(Decrease)/increase in working capital (note 5.3)	(30,118)	(283,224)	327,293	13,951
At 31 March 2023	1,192,803	2,312,269	(3,279,898)	225,174
Year ended 31 March 2022				
At 1 April 2021	685,950	1,689,372	(2,604,177)	(228,855)
Translation adjustment	15,299	4,383	(2,471)	17,211
Arising on acquisition (note 5.2)	254,522	200,443	(229,336)	225,629
Exceptional items, interest accruals, capital accruals and other	–	155	(9,292)	(9,137)
Increase/(decrease) in working capital (note 5.3)	177,895	614,260	(623,429)	168,726
At 31 March 2022	1,133,666	2,508,613	(3,468,705)	173,574

3.9 CASH AND CASH EQUIVALENTS

The majority of the Group's cash and cash equivalents are held in current accounts and deposit accounts with maturities of up to three months.

	2023 £'000	2022 £'000
Cash at bank and in hand	603,699	904,036
Short-term deposits	818,050	490,236
	1,421,749	1,394,272

Cash at bank earns interest at floating rates based on daily bank deposit rates. The short-term deposits, which include bank and money market deposits, are for periods up to three months and earn interest at the respective short-term deposit rates. Cash and cash equivalents include the following for the purposes of the Group Cash Flow Statement:

	2023 £'000	2022 £'000
Cash and short-term deposits	1,421,749	1,394,272
Bank overdrafts	(50,543)	(67,668)
	1,371,206	1,326,604

Bank overdrafts are included within current borrowings (note 3.11) in the Group Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.10 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are financial instruments that derive their value from the price of underlying items such as interest rates, foreign exchange rates, commodities or other indices. This note details the derivative financial instruments used by the Group to hedge certain risk exposures arising from operational, financing and investment activities. These derivatives are held at fair value.

	2023 £'000	2022 £'000
Non-current assets		
Cross currency interest rate swaps – fair value hedges	38,528	72,122
Cross currency interest rate swaps – cash flow hedges	49,615	38,606
Interest rate swaps – fair value hedges	–	1,737
Commodity forward contracts – cash flow hedges	1,056	6,113
	89,199	118,578
Current assets		
Cross currency interest rate swaps – fair value hedges	44,458	–
Cross currency interest rate swaps – cash flow hedges	2,574	–
Currency swaps – not designated as hedges	880	554
Foreign exchange forward contracts – cash flow hedges	502	765
Foreign exchange forward contracts – not designated as hedges	14	19
Commodity forward contracts – cash flow hedges	4,705	94,152
Commodity forward contracts – not designated as hedges	6,125	11,871
	59,258	107,361
Total assets	148,457	225,939
Non-current liabilities		
Interest rate swaps – fair value hedges	(35,451)	(8,398)
Commodity forward contracts – cash flow hedges	(5,134)	(1,932)
	(40,585)	(10,330)
Current liabilities		
Currency swaps – not designated as hedges	(517)	(558)
Foreign exchange forward contracts – cash flow hedges	(1,063)	(1,094)
Foreign exchange forward contracts – not designated as hedges	(16)	(49)
Commodity forward contracts – cash flow hedges	(34,505)	(6,101)
Commodity forward contracts – not designated as hedges	(6,240)	(20,832)
	(42,341)	(28,634)
Total liabilities	(82,926)	(38,964)
Net asset arising on derivative financial instruments	65,531	186,975

The full fair value of a hedging derivative is classified as a non-current asset or non-current liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or current liability if the maturity of the hedged item is less than 12 months.

INTEREST RATE SWAPS

The notional principal amounts of the outstanding interest rate swap contracts designated as fair value hedges under IAS 39 at 31 March 2023 total £192.5 million and €260.0 million. At 31 March 2023, the fixed interest rates vary from 1.96% to 4.49% and the floating rates are based on sterling SONIA and EURIBOR.

CROSS CURRENCY INTEREST RATE SWAPS

The Group utilises cross currency interest rate swaps to swap fixed rate US dollar denominated debt of $554.0 million into floating rate sterling debt of £128.662 million and floating rate euro debt of €263.839 million, which are based on sterling SONIA and EURIBOR respectively. At 31 March 2023 the fixed interest rates vary from 4.04% to 4.53%. These swaps are designated as fair value hedges under IAS 39.

3.10 DERIVATIVE FINANCIAL INSTRUMENTS continued

The Group utilises cross currency interest rate swaps to swap fixed rate US dollar denominated debt of $317.0 million into fixed rate sterling debt of £61.189 million and fixed rate euro debt of €163.045 million. At 31 March 2023 the fixed US dollar interest rates vary from 4.04% to 4.98% and the average swapped fixed rates for sterling and euro were 4.47% and 3.74% respectively. These swaps are designated as cash flow hedges under IAS 39.

CURRENCY SWAPS

During the year ended 31 March 2023, the Group entered into currency swaps to manage currency risk related to the funding of certain acquisitions. The principal amounts of outstanding currency swaps at 31 March 2023 total £50.033 million (2022: £180.570 million).

FORWARD FOREIGN EXCHANGE CONTRACTS

The notional principal amounts of outstanding forward foreign exchange contracts at 31 March 2023 total £114.686 million (2022: £142.703 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 4.2) at 31 March 2023 on forward foreign exchange contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to 12 months after the reporting date.

COMMODITY PRICE FORWARD CONTRACTS

The notional principal amounts of outstanding forward commodity contracts at 31 March 2023 total £498.587 million (2022: £267.184 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 4.2) at 31 March 2023 on forward commodity contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to 5 years after the reporting date.

3.11 BORROWINGS AND LEASE CREDITORS

The Group utilises long-term debt funding together with committed credit lines with our relationship banks. We use derivatives to manage risks associated with interest rates and foreign exchange.

	2023 £'000	2022 £'000
Non-current		
Unsecured Notes	1,898,591	1,544,822
Bank borrowings	35,168	388,660
Total borrowings	1,933,759	1,933,482
Lease creditors (note 3.12)	275,388	273,164
Total non-current borrowings and lease creditors	2,209,147	2,206,646
Current		
Unsecured Notes	270,313	–
Bank borrowings	50,543	67,668
Total borrowings	320,856	67,668
Lease creditors (note 3.12)	71,158	63,538
Total current borrowings and lease creditors	392,014	131,206
Total borrowings and lease creditors	2,601,161	2,337,852

The maturity of non-current borrowings is as follows:

	2023 £'000	2022 £'000
Between 1 and 2 years	390,882	310,955
Between 2 and 5 years	754,802	1,111,059
Over 5 years	1,063,463	784,632
	2,209,147	2,206,646

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.11 BORROWINGS AND LEASE CREDITORS continued

BANK BORROWINGS

Interest on bank borrowings is at floating rates set in advance for periods ranging from overnight to six months by reference to inter-bank interest rates (EURIBOR, sterling SONIA and US$ SOFR) and consequently fair value approximates carrying amounts.

The Group has a £800 million five-year committed revolving credit facility with ten relationship banks: Barclays, BNP Paribas, Danske Bank, HSBC, ING, J.P. Morgan, National Westminster Bank, Bank of Ireland, Citibank and Toronto Dominion. The facility matures in March 2027 and £765 million remained undrawn at 31 March 2023. The drawing at that date was at a floating rate of 3.54%. The Group had various other uncommitted bank facilities available at 31 March 2023.

UNSECURED NOTES

The Group's Unsecured Notes which fall due between 2023 and 2034 are comprised of fixed rate debt of US$446.0 million issued in 2013 and maturing in 2023 and 2025 (the '2023/25 Notes'), fixed rate debt of US$425.0 million, €45.0 million and £65.0 million issued in 2014 and maturing in 2024, 2026 and 2029 (the '2024/26/29 Notes'), fixed rate debt of £127.5 million and €215.0 million issued in September 2017 and maturing in 2027 and 2029 (the '2027/29 Notes'), floating rate debt of €145.0 million issued in September 2017 and maturing in 2024, 2027 and 2029 (the '2024/27/29 Notes'), fixed rate debt of US$350.0 million and €100.0 million issued in April 2019 and maturing in 2026, 2029, 2031 and 2034 (the '2026/29/31/34 Notes'), fixed rate debt of US$563.5 million and £50.0 million issued in December 2022 and maturing in 2028, 2030, and 2032 (the '2028/30/32 Notes'), and floating rate debt of US$100.0 million issued in December 2022 and maturing in 2028 and 2032 (the '2028/32 Notes').

Of the 2023/25 Notes denominated in US dollars, $176.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR, $140.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling SONIA, $85.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed euro rates and $45.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed sterling rates.

Of the 2024/26/29 Notes denominated in US dollars, $178.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR, $60.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling SONIA, $135.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed euro rates, $52.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ to fixed sterling rates. The 2024/26/29 Notes denominated in euro have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) from fixed euro to floating euro rates, repricing quarterly based on EURIBOR. The 2024/26/29 Notes denominated in sterling have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) from fixed sterling to floating sterling rates, repricing quarterly based on sterling SONIA.

The 2027/29 Notes denominated in sterling have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) to floating sterling rates, repricing half yearly based on sterling SONIA. The 2027/29 Notes denominated in euro have been swapped (using interest rate swaps designated as fair value hedges under IAS 39) to floating euro rates, repricing half yearly based on EURIBOR.

The 2024/27/29 Notes are at floating euro rates, repricing half yearly based on EURIBOR.

The 2026/29/31/34 Notes and 2028/30/32 Notes have not been swapped.

The 2028/32 Notes are at floating US rates, repricing quarterly based on SOFR.

The maturity and interest profile of the Unsecured Notes is as follows:

	2023	2022
Average maturity	5 years	4.7 years
Average fixed interest rates*:		
– US$ denominated	4.95%	4.45%
– sterling denominated	4.04%	3.34%
– euro denominated	2.26%	2.26%
Average floating rate including swaps:		
– US$ denominated	6.84%	–
– sterling denominated	5.68%	2.34%
– euro denominated	4.55%	1.04%

* Issued and repayable at par.

3.12 LEASE CREDITORS

Lease creditors represent the present value of the Group's lease commitments. Lease creditors are initially measured at the present value of the future minimum lease payments, discounted using the incremental borrowing rate over the remaining lease term.

The movement in the Group's lease creditors during the year ended 31 March 2023 is as follows:

	2023 £'000	2022 £'000
At 1 April	336,702	315,224
Exchange differences	4,699	934
Additions of right-of-use assets (note 3.2)	78,110	55,933
Terminations	(4,845)	(1,627)
Arising on acquisition (note 5.2)	6,099	31,818
Lease repayments	(83,796)	(75,053)
Lease interest (note 2.7)	9,577	9,473
At 31 March	346,546	336,702

An analysis of the maturity profile of the discounted lease creditor arising from the Group's leasing activities as at 31 March 2023 is as follows:

	2023 £'000	2022 £'000
Within one year	71,158	63,538
Between one and two years	57,675	55,478
Between two and five years	103,126	98,564
Over five years	114,587	119,122
At 31 March	346,546	336,702
Analysed as:		
Non-current liabilities	275,388	273,164
Current liabilities	71,158	63,538
	346,546	336,702

The Group has availed of the exemption from capitalising lease costs for short-term leases and low-value assets where the relevant criteria are met. Wholly variable lease payments directly linked to sales or usage are also expensed as incurred. The following lease costs have been charged to the Income Statement as incurred:

	2023 £'000	2022 £'000
Short-term leases	7,971	6,365
Leases of low-value assets	663	562
Wholly variable lease payments	65,101	59,033
Total	73,735	65,960

The total cash outflow for lease payments during the period was as follows:

	2023 £'000	2022 £'000
Cash outflow for short-term leases, leases of low value assets and wholly variable lease payments	73,735	65,960
Lease payments relating to capitalised right-of-use leased assets	83,796	75,053
Total cash outflow for lease payments	157,531	141,013

Lease commitments for short-term leases at the Balance Sheet date are not materially different to the short-term lease costs expensed during the year.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.12 LEASE CREDITORS continued

The Group's business model is that of a distributor and, therefore, maintaining flexibility in the Group's cost base is of significant importance. Substantially all of the Group's variable lease payments arise from two types of contracts which give rise to the following costs:

(i) transport costs (primarily for the transport of LPG) which vary depending on kilometres and hours of truck travel (i.e. deliveries outside of normal working hours can incur a premium). Given that the variable costs arising on LPG transport contracts are linked to hours and distance travelled by the trucks, these costs will vary in line with demand patterns.

(ii) third party petrol forecourts costs which vary based primarily on volume of fuel sold and margin achieved. These costs will vary in line with demand patterns.

There are no other significant factors that can influence the variability of the Group's variable lease payments other than those mentioned above.

The effect of excluding future cash outflows arising from termination options and leases not yet commenced from lease creditors was not material for the Group. Income from subleasing and gains/losses on sales and leaseback transactions were not material for the Group.

3.13 ANALYSIS OF NET DEBT

Net debt is a key metric of the Group and represents cash and cash equivalents less borrowings, derivative financial instruments and lease creditors.

RECONCILIATION OF OPENING TO CLOSING NET DEBT

The reconciliation of opening to closing net debt for the year ended 31 March 2023 is as follows:

			Fair value adjustment			
	At 1 April 2022 £'000	Cash/debt movements £'000	Income Statement £'000	Cash Flow Hedge Reserve £'000	Translation adjustment £'000	At 31 March 2023 £'000
Cash and short-term deposits	1,394,272	8,488	–	–	18,989	1,421,749
Overdrafts	(67,668)	16,738	–	–	387	(50,543)
	1,326,604	25,226	–	–	19,376	1,371,206
Bank loans and loan notes	(388,660)	393,469	–	–	(39,977)	(35,168)
Unsecured Notes	(1,544,822)	(603,054)	18,818	–	(39,846)	(2,168,904)
Derivative financial instruments (net)	186,975	55,095	(17,926)	(160,528)	1,915	65,531
Group net debt (excl. lease creditors)	(419,903)	(129,264)	892	(160,528)	(58,532)	(767,335)
Lease creditors	(336,702)	(5,246)	–	–	(4,598)	(346,546)
Group net debt (incl. lease creditors)	(756,605)	(134,510)	892	(160,528)	(63,130)	(1,113,881)

The reconciliation of opening to closing net debt for the year ended 31 March 2022 is as follows:

			Fair value adjustment			
	At 1 April 2021 £'000	Cash/debt movements £'000	Income Statement £'000	Cash Flow Hedge Reserve £'000	Translation adjustment £'000	At 31 March 2022 £'000
Cash and short-term deposits	1,786,556	(396,266)	–	–	3,982	1,394,272
Overdrafts	(69,660)	2,096	–	–	(104)	(67,668)
	1,716,896	(394,170)	–	–	3,878	1,326,604
Bank loans and loan notes	–	(372,426)	–	–	(16,234)	(388,660)
Unsecured Notes	(1,703,199)	149,182	29,633	–	(20,438)	(1,544,822)
Derivative financial instruments (net)	151,357	(36,999)	(28,441)	101,198	(140)	186,975
Group net cash/(debt) (excl. lease creditors)	165,054	(654,413)	1,192	101,198	(32,934)	(419,903)
Lease creditors	(315,224)	(20,544)	–	–	(934)	(336,702)
Group net debt (incl. lease creditors)	(150,170)	(674,957)	1,192	101,198	(33,868)	(756,605)

3.13 ANALYSIS OF NET DEBT continued

CURRENCY PROFILE

The currency profile of net debt at 31 March 2023 and 31 March 2022 is as follows:

	Cash and cash equivalents £'000	Borrowings and lease creditors* £'000	Derivatives £'000	Total £'000
As at 31 March 2023				
Euro	**487,858**	**(1,060,933)**	**47,553**	**(525,522)**
Sterling	**489,610**	**(617,578)**	**23,865**	**(104,103)**
US dollar	**238,074**	**(867,067)**	**(3,857)**	**(632,850)**
Danish krone	**79,800**	**(13,024)**	**(2,029)**	**64,747**
Swedish krona	**57,536**	**(13,644)**	**–**	**43,892**
Norwegian krone	**33,250**	**(19,046)**	**(1)**	**14,203**
Hong Kong dollar	**21,107**	**(4,911)**	**–**	**16,196**
Other	**14,514**	**(4,958)**	**–**	**9,556**
At 31 March 2023	**1,421,749**	**(2,601,161)**	**65,531**	**(1,113,881)**
As at 31 March 2022				
Euro	364,412	(1,012,373)	114,766	(533,195)
Sterling	594,877	(592,309)	77,238	79,806
US dollar	131,206	(681,565)	5,339	(545,020)
Danish krone	162,805	(10,033)	(10,353)	142,419
Swedish krona	71,293	(16,753)	–	54,540
Norwegian krone	38,004	(16,766)	(15)	21,223
Hong Kong dollar	15,574	(2,694)	–	12,880
Other	16,101	(5,359)	–	10,742
At 31 March 2022	1,394,272	(2,337,852)	186,975	(756,605)

* Euro, sterling and US dollar borrowings reflect the cross currency interest rate swaps referred to in note 3.10.

INTEREST RATE PROFILE

Cash and cash equivalents at 31 March 2023 and 31 March 2022 have maturity periods up to three months (note 3.9).

Bank borrowings are at floating interest rates for periods up to six months while the Group's Unsecured Notes due 2023 to 2034 comprises debt swapped to a combination of fixed rates and floating rates which reset on a quarterly and semi-annual basis, and debt which has not been swapped.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.14 DEFERRED INCOME TAX

Deferred tax is an accounting adjustment to provide for tax that is expected to arise in the future as a result of differences in the accounting and tax bases of assets and liabilities.

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 March 2023:

	Property, plant and equipment £'000	Intangible assets £'000	Tax losses and credits £'000	Retirement benefit obligations £'000	Derivative financial instruments £'000	Short-term temporary differences and other £'000	Total £'000
At 1 April 2022	34,372	183,893	(11,387)	538	18,924	(21,038)	205,302
Consolidated Income Statement	2,445	(24,032)	89	321	181	(2,901)	(23,897)
Recognised in Other Comprehensive Income	–	–	–	800	(30,374)	–	(29,574)
Arising on acquisition (note 5.2)	(208)	38,465	–	–	–	(2,436)	35,821
Exchange differences and other	371	7,646	(462)	(8)	–	(629)	6,918
At 31 March 2023	36,980	205,972	(11,760)	1,651	(11,269)	(27,004)	194,570
Analysed as:							
Deferred tax asset	(5,298)	(234)	(11,785)	(1,245)	(11,269)	(39,222)	(69,053)
Deferred tax liability	42,278	206,206	25	2,896	–	12,218	263,623
	36,980	205,972	(11,760)	1,651	(11,269)	(27,004)	194,570

The following is an analysis of the movement in the major categories of deferred tax liabilities/(assets) recognised by the Group for the year ended 31 March 2022:

	Property, plant and equipment £'000	Intangible assets £'000	Tax losses and credits £'000	Retirement benefit obligations £'000	Derivative financial instruments £'000	Short-term temporary differences and other £'000	Total £'000
At 1 April 2021	28,452	132,420	(902)	554	2,561	(10,571)	152,514
Consolidated Income Statement	4,333	(15,185)	707	469	225	(4,389)	(13,840)
Recognised in Other Comprehensive Income	–	–	–	(207)	16,138	(3)	15,928
Arising on acquisition (note 5.2)	1,603	64,648	(10,740)	(285)	–	(6,176)	49,050
Exchange differences and other	(16)	2,010	(452)	7	–	101	1,650
At 31 March 2022	34,372	183,893	(11,387)	538	18,924	(21,038)	205,302
Analysed as:							
Deferred tax asset	(5,630)	(71)	(11,387)	(2,238)	–	(35,168)	(54,494)
Deferred tax liability	40,002	183,964	–	2,776	18,924	14,130	259,796
	34,372	183,893	(11,387)	538	18,924	(21,038)	205,302

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised, with consideration given to the timing and level of future taxable income in the relevant jurisdiction. The majority of the deferred tax asset at 31 March 2023 of £69.053 million is expected to be settled/recovered more than 12 months after the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred income tax has not been recognised for withholding and other taxes that may be payable on the unremitted earnings of certain subsidiaries and equity accounted investments as the timing of the reversal of these temporary differences is controlled by the Group and it is probable that these temporary differences will not reverse in the foreseeable future.

3.15 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group operates a number of defined benefit and defined contribution pension schemes for our employees. All of the Group's defined benefit pension schemes are closed to new members.

The Group operates defined benefit and defined contribution schemes. The pension scheme assets are held in separate trustee administered funds.

The Group operates five defined benefit pension schemes in the Republic of Ireland ('ROI'), four in the UK and four in Germany. The projected unit credit method has been employed in determining the present value of the defined benefit obligation arising, the related current service cost and, where applicable, past service cost.

Full actuarial valuations were carried out between 1 January 2019 and 1 May 2022. In general, actuarial valuations are not available for public inspection, although the results of valuations are advised to the members of the various pension schemes. Actuarial valuations have been updated to 31 March 2023 for IAS 19 by a qualified actuary.

The schemes expose the Group to a number of risks, the most significant of which are as follows:

DISCOUNT RATES
The calculation of the present value of the defined benefit obligation is sensitive to changes in the discount rate. The discount rate is based on the interest yield at the reporting date on high-quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligation. Changes in the discount rate can lead to volatility in the Group's Balance Sheet, Income Statement and Statement of Comprehensive Income.

ASSET VOLATILITY
The scheme assets are reported at fair value using bid prices where relevant. The majority of the Group's scheme assets comprise of bonds. A decrease in corporate bond yields will increase the value of the Group's bond holdings although this will be partially offset by an increase in the value of the scheme's liabilities. The Group also holds a significant proportion of equities which are expected to outperform corporate bonds in the long-term while providing some volatility and risk in the short term. External consultants periodically conduct investment reviews to determine the most appropriate asset allocation, taking account of asset valuations, funding requirements, liability duration and the achievement of appropriate returns.

INFLATION RISK
The majority of the Group's defined benefit obligations are linked to inflation and higher inflation will lead to higher scheme liabilities although caps are in place to protect the schemes against extreme inflation.

MORTALITY RISK
The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants. An increase in the life expectancy of the plan participants will increase the defined benefit obligation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.15 POST-EMPLOYMENT BENEFIT OBLIGATIONS continued

The principal actuarial assumptions used were as follows:

	2023	2022
Republic of Ireland schemes		
Rate of increase in salaries	n/a*	n/a*
Rate of increase in pensions in payment	1.25% – 2.60%	1.25% – 2.60%
Discount rate	4.10%	2.10%
Inflation assumption	2.60%	2.60%
UK schemes		
Rate of increase in salaries	0.00% – 3.30%	0.00% – 3.60%
Rate of increase in pensions in payment	1.65% – 4.00%	1.80% – 4.00%
Discount rate	4.85%	2.75%
Inflation assumption	3.30%	3.60%
German schemes		
Rate of increase in salaries	3.60%	3.60%
Rate of increase in pensions in payment	2.60%	2.60%
Discount rate	4.10%	2.10%
Inflation assumption	2.60%	2.60%

* There is no future service accrual for the Irish schemes.

The post-retirement mortality assumptions employed in determining the present value of scheme liabilities under IAS 19 are set based on advice from published statistics and experience in the relevant geographic regions and are in accordance with the underlying funding valuations.

The mortality assumptions disclosed for 'current retirees' relate to assumptions based on longevity, in years, following retirement at the balance sheet date, with 'future retirees' being that relating to an employee retiring in 25 years' time. The mortality assumptions are as follows:

	2023 Years	2022 Years
Current retirees		
Male	23.3	23.3
Female	25.4	25.3
Future retirees		
Male	25.7	25.6
Female	27.7	27.6

The Group does not operate any post-employment medical benefit schemes.

3.15 POST-EMPLOYMENT BENEFIT OBLIGATIONS continued

The net pension asset recognised in the Balance Sheet is analysed as follows:

	2023			
	ROI £'000	UK £'000	Germany £'000	Total £'000
Equities	9,747	1,431	–	11,178
Bonds	33,641	13,395	–	47,036
Property	33	–	–	33
Investment funds	1,974	–	–	1,974
Cash	1,986	2,428	934	5,348
Total fair value at 31 March 2023	47,381	17,254	934	65,569
Present value of scheme liabilities	(33,675)	(11,447)	(8,726)	(53,848)
Net pension asset/(liability) at 31 March 2023	13,706	5,807	(7,792)	11,721

	2022			
	ROI £'000	UK £'000	Germany £'000	Total £'000
Equities	11,494	1,546	–	13,040
Bonds	37,835	15,233	–	53,068
Property	31	–	–	31
Investment funds	2,734	12,323	–	15,057
Cash	4,771	720	876	6,367
Total fair value at 31 March 2022	56,865	29,822	876	87,563
Present value of scheme liabilities	(44,147)	(24,406)	(11,265)	(79,818)
Net pension asset/(liability) at 31 March 2022	12,718	5,416	(10,389)	7,745

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes are as follows:

	2023 £'000	2022 £'000
Current service cost	(328)	(263)
Administration expenses	(111)	(55)
Total, included in employee benefit expense (note 2.4)	(439)	(318)
Interest cost on scheme liabilities	(1,823)	(1,391)
Interest income on scheme assets	2,021	1,552
Net interest income, included in net finance costs (note 2.7)	198	161

Based on the assumptions employed for the valuation of assets and liabilities at 31 March 2023, the net charge in the Group Income Statement in the year ending 31 March 2024 is expected to be broadly in line with the current year figures.

Remeasurements recognised in Other Comprehensive Income are as follows:

	2023 £'000	2022 £'000
Return on scheme assets excluding interest income	(17,830)	(1,753)
Experience variations	(1,867)	(900)
Actuarial gain from changes in demographic assumptions	–	441
Actuarial gain from changes in financial assumptions	22,508	1,464
Total, included in Other Comprehensive Income	2,811	(748)

Cumulatively since transition to IFRS on 1 April 2004, £46.050 million has been recognised as a charge in the Group Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.15 POST-EMPLOYMENT BENEFIT OBLIGATIONS continued

The movement in the fair value of plan assets is as follows:

	2023 £'000	2022 £'000
At 1 April	87,563	90,200
Interest income on scheme assets	2,021	1,552
Remeasurements:		
– return on scheme assets excluding interest income	(17,830)	(1,753)
Contributions by employers	1,231	643
Contributions by members	45	40
Administration expenses	(111)	(55)
Benefit and settlement payments	(9,394)	(2,649)
Exchange	2,044	(415)
At 31 March	65,569	87,563

The actual return on plan assets was a loss of £15.809 million (2022: loss of £0.201 million).

The movement in the present value of defined benefit obligations is as follows:

	2023 £'000	2022 £'000
At 1 April	79,818	82,176
Current service cost	328	263
Interest cost	1,823	1,391
Remeasurements:		
– experience variations	1,867	900
– actuarial gain from changes in demographic assumptions	–	(441)
– actuarial gain from changes in financial assumptions	(22,508)	(1,464)
Contributions by members	45	40
Benefit and settlement payments	(9,394)	(2,649)
Exchange	1,869	(398)
At 31 March	53,848	79,818

The weighted average duration of the defined benefit obligation at 31 March 2023 was 14.5 years (2022: 17.7 years).

Employer contributions for the forthcoming financial year are estimated at £0.5 million. The difference between the actual employer contributions paid in the current year of £1.2 million and the expectation of £0.5 million included in the 2022 Annual Report was primarily due to the timing of contributions in certain of the Group's pension schemes which could not have been anticipated at the time of preparation of the 2022 financial statements.

SENSITIVITY ANALYSIS FOR PRINCIPAL ASSUMPTIONS USED TO MEASURE SCHEME LIABILITIES

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses, for the Group's Irish, UK and German pension schemes, the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Assumption	Change in assumption	Impact on Irish plan liabilities	Impact on UK plan liabilities	Impact on German plan liabilities
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 3.5%	Decrease/increase by 4.0%	Decrease/increase by 3.5%
Price inflation	Increase/decrease by 0.25%	Increase/decrease by 1.8%	Increase/decrease by 2.9%	Increase/decrease by 2.5%
Mortality	Increase/decrease by 1 year	Increase/decrease by 3.0%	Increase/decrease by 3.0%	Increase/decrease by 3.2%

3.15 POST-EMPLOYMENT BENEFIT OBLIGATIONS continued

SPLIT OF SCHEME ASSETS

	Republic of Ireland		UK		Germany		Total	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investments quoted in active markets:								
Equity instruments:								
– developed markets	9,225	11,266	1,431	1,546	–	–	10,656	12,812
– emerging markets	522	228	–	–	–	–	522	228
Debt instruments:								
– non government debt instruments	3,574	3,646	2,950	4,387	–	–	6,524	8,033
– government debt instruments	30,067	34,189	10,445	10,846	–	–	40,512	45,035
Investment funds	1,974	2,734	–	12,323	–	–	1,974	15,057
Cash and cash equivalents	1,986	4,771	2,428	720	934	876	5,348	6,367
Unquoted investments:								
Property	33	31	–	–	–	–	33	31
	47,381	56,865	17,254	29,822	934	876	65,569	87,563

3.16 ACQUISITION RELATED LIABILITIES

Acquisition related liabilities arising on business combinations comprise debt like items and contingent consideration. Contingent consideration arises when a portion of the purchase price is deferred into the future and represents the fair value of the estimate of amounts payable to acquire the remaining shareholding.

The Group's acquisition related liabilities of £127.393 million (2022: £96.252 million) as stated on the Balance Sheet are payable as follows:

	2023 £'000	2022 £'000
Within one year	41,221	23,602
Between one and two years	28,903	25,368
Between two and five years	57,269	47,282
	127,393	96,252
Analysed as:		
Non-current liabilities	86,172	72,650
Current liabilities	41,221	23,602
	127,393	96,252

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.16 ACQUISITION RELATED LIABILITIES continued

The currency profile of the Group's acquisition related liabilities, which are stated at fair value, is as follows:

	2023 £'000	2022 £'000
Euro	82,816	49,037
Sterling	20,675	7,048
US dollar	16,303	33,351
Hong Kong dollar	6,594	6,345
Other	1,005	471
	127,393	96,252

The movement in the Group's acquisition related liabilities is as follows:

	2023 £'000	2022 £'000
At 1 April	96,252	84,402
Arising on acquisition (note 5.2)	46,654	47,381
Unwinding of discount applicable to acquisition related liabilities (note 2.7)	2,264	969
Adjustments to contingent consideration (adjustment to goodwill) (note 3.3)	(8,508)	(362)
Adjustments to contingent consideration (recognised in the Income Statement) (note 2.6)	8,523	19,864
Paid during the year	(21,987)	(52,006)
Exchange and other	4,195	(3,996)
At 31 March	127,393	96,252

3.17 PROVISIONS FOR LIABILITIES

A provision is recorded when an obligation exists, resulting from a past event and it is probable that cash will be paid to settle it but there is uncertainty over either the amount or timing of the outflow. The main provisions held by the Group are in relation to reorganisation programmes, environmental obligations, cylinder and tank deposits and insurance liabilities.

The reconciliation of the movement in provisions for liabilities for the year ended 31 March 2023 is as follows:

	Rationalisation, restructuring and redundancy £'000	Environmental and remediation £'000	Cylinder and tank deposits £'000	Insurance and other £'000	Total £'000
At 1 April 2022	26,707	92,669	168,442	46,652	334,470
Provided during the year	10,874	2,564	13,542	12,624	39,604
Unwinding of discount applicable to provisions for liabilities (note 2.7)	–	377	902	–	1,279
Utilised during the year	(8,085)	(3,961)	(4,039)	(5,899)	(21,984)
Unutilised/reversed during the year	(761)	(5,758)	(4,169)	(1,165)	(11,853)
Arising on acquisition (note 5.2)	–	–	–	310	310
Exchange and other	(219)	2,904	7,839	1,066	11,590
At 31 March 2023	28,516	88,795	182,517	53,588	353,416
Analysed as:					
Non-current liabilities	14,334	81,475	173,424	31,834	301,067
Current liabilities	14,182	7,320	9,093	21,754	52,349
	28,516	88,795	182,517	53,588	353,416

3.17 PROVISIONS FOR LIABILITIES continued

The reconciliation of the movement in provisions for liabilities for the year ended 31 March 2022 is as follows:

	Rationalisation, restructuring and redundancy £'000	Environmental and remediation £'000	Cylinder and tank deposits £'000	Insurance and other £'000	Total £'000
At 1 April 2021	31,328	88,676	158,947	43,400	322,351
Provided during the year	11,433	8,148	10,767	12,590	42,938
Unwinding of discount applicable to provisions for liabilities (note 2.7)	–	367	1,306	3	1,676
Utilised during the year	(15,593)	(3,912)	(1,774)	(8,870)	(30,149)
Unutilised/reversed during the year	(1,087)	(66)	(5,260)	(1,351)	(7,764)
Arising on acquisition (note 5.2)	1,053	–	5,336	1,038	7,427
Exchange and other	(427)	(544)	(880)	(158)	(2,009)
At 31 March 2022	26,707	92,669	168,442	46,652	334,470
Analysed as:					
Non-current liabilities	14,265	84,584	158,697	26,645	284,191
Current liabilities	12,442	8,085	9,745	20,007	50,279
	26,707	92,669	168,442	46,652	334,470

RATIONALISATION, RESTRUCTURING AND REDUNDANCY

This provision relates to various rationalisation and restructuring programmes across the Group. The Group expects that the majority of this provision will be utilised within two years.

ENVIRONMENTAL AND REMEDIATION

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations together with the costs associated with removing LPG tanks from customer sites. The net present value of the estimated costs is capitalised as property, plant and equipment. The unwinding of the discount element on the provision is reflected in the Income Statement. Ongoing costs incurred during the operating life of the sites are written off directly to the Income Statement and are not charged to the provision. The majority of the obligations will unwind over a 30-year timeframe but the exact timing of settlement of these provisions is not certain.

CYLINDER AND TANK DEPOSITS

This provision relates to DCC Energy's operations where an obligation arises from the receipt of deposit fees paid by customers for LPG cylinders and tanks. On receipt of a deposit the Group recognises a liability equal to the deposit received. This deposit will subsequently be refunded at an amount equal to the original deposit on return of the cylinder or tank together with the original deposit receipt. Cylinder and tank deposits acquired through business combinations are measured initially at their fair value at the acquisition date (i.e. net present value) and the unwinding of the discount element is reflected in the Income Statement. The majority of this obligation will unwind over a 25-year timeframe but the exact timing of settlement of this provision is not certain.

INSURANCE AND OTHER

The Group operates a level of self-insurance for motor liability and public and products liability. Under these arrangements the Group retains certain insurance exposure up to pre-determined self-insurance thresholds. This provision reflects an estimation of claims that are classified as incurred but not reported and also the outstanding loss reserve. A significant element of the provision is subject to external assessments. The utilisation of the provision is dependent on the timing of settlement of the outstanding claims. Historically, the average time for settlement of outstanding claims ranges from one to three years from the date of the claim.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3.18 GOVERNMENT GRANTS

Government grants relate to capital grants received by the Group and are amortised to the Income Statement over the estimated useful lives of the related capital assets.

	2023 £'000	2022 £'000
At 1 April	372	393
Government grants received in year	216	–
Amortisation in year	(114)	(20)
Exchange	3	(1)
At 31 March	477	372
Analysed as:		
Non-current liabilities	446	356
Current liabilities (note 3.7)	31	16
	477	372

SECTION 4 EQUITY

4.1 SHARE CAPITAL AND SHARE PREMIUM

The ordinary shareholders of DCC plc own the Company. This note details how the total number of ordinary shares in issue has changed during the year and how many of these ordinary shares are held as treasury shares.

	2023 £'000	2022 £'000
Authorised		
152,368,568 ordinary shares of €0.25 each	25,365	25,365

Issued

Year ended 31 March 2023	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 31 March 2022 (including 2,688,004 ordinary shares held as treasury shares)	101,333,904	17,422	883,321	900,743
Premium arising on re-issue of treasury shares	–	–	348	348
At 31 March 2023 (including 2,586,698 ordinary shares held as treasury shares)	101,333,904	17,422	883,669	901,091

Year ended 31 March 2022	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 31 March 2021 (including 2,768,690 ordinary shares held as treasury shares)	101,333,904	17,422	882,924	900,346
Premium arising on re-issue of treasury shares	–	–	397	397
At 31 March 2022 (including 2,688,004 ordinary shares held as treasury shares)	101,333,904	17,422	883,321	900,743

As at 31 March 2023, the total authorised number of ordinary shares is 152,368,568 shares (2022: 152,368,568 shares) with a par value of €0.25 per share (2022: €0.25 per share). Share premium relates to the share premium arising on the issue of shares.

During the year the Company re-issued 101,306 treasury shares for a consideration of £0.348 million.

All shares, with the exception of ordinary shares held as treasury shares, whether fully or partly paid, carry equal voting rights and rank for dividends to the extent to which the total amount payable on each share is paid up.

Details of share options and awards granted under the Company's share option and award schemes and the terms attaching thereto are provided in note 2.5 to the financial statements and in the Remuneration Report on pages 118 to 141.

RESTRICTION ON TRANSFER OF SHARES

The Directors may, at their absolute discretion and without giving any reason, refuse to register the transfer of a share, or any renunciation of any allotment made in respect of a share, which is not fully paid, or any transfer of a share to a minor or a person of unsound mind.

The Directors may also refuse to register any transfer (whether or not it is in respect of a fully paid share) unless (i) it is lodged at the Company's Registered Office or at such other place as the Directors may appoint and is accompanied by the certificate (if any) for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (ii) it is in respect of only one class of shares and (iii) it is in favour of not more than four transferees.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4.1 SHARE CAPITAL AND SHARE PREMIUM continued

RESTRICTION OF VOTING RIGHTS

If at any time the Directors determine that a 'Specified Event' as defined in the Articles of Association of DCC plc has occurred in relation to any share or shares, the Directors may serve a notice to such effect on the holder or holders thereof. Upon the expiry of 14 days from the service of any such notice, for so long as such notice shall remain in force, no holder or holders of the share or shares specified in such notice shall be entitled to attend, speak or vote either personally, by representative or by proxy at any general meeting of the Company or at any separate general meeting of the holders of the class of shares concerned or to exercise any other right conferred by membership in relation to any such meeting. The Directors shall, where the specified shares represent not less than 0.25% of the class of shares concerned, be entitled to withhold payment of any dividend or other amount payable (including shares issuable in lieu of dividends) in respect of the shares specified in such notice and/or, in certain circumstances, to refuse to register any transfer of the specified shares or any renunciation of any allotment of new shares or debentures made in respect thereof unless such transfer or renunciation is shown to the satisfaction of the Directors to be an arm's length transfer or a renunciation to another beneficial owner unconnected with the holder or any person appearing to have an interest in the specified shares.

4.2 OTHER RESERVES

This note details the movement in the Group's other reserves which are treated as different categories of equity as required by accounting standards.

	Share based payment reserve[1] £'000	Cash flow hedge reserve[2] £'000	Foreign currency translation reserve[3] £'000	Other reserves[4] £'000	Total £'000
At 31 March 2021	40,969	13,130	60,260	932	115,291
Currency translation	–	–	27,012	–	27,012
Cash flow hedges:					
– fair value gain in year – private placement debt	–	9,402	–	–	9,402
– fair value gain in year – other	–	247,305	–	–	247,305
– tax on fair value net gains	–	(46,365)	–	–	(46,365)
– transfers to sales	–	374	–	–	374
– transfers to cost of sales	–	(155,913)	–	–	(155,913)
– transfers to operating expenses	–	(12,392)	–	–	(12,392)
– tax on transfers	–	30,227	–	–	30,227
Share based payment	6,467	–	–	–	6,467
At 31 March 2022	**47,436**	**85,768**	**87,272**	**932**	**221,408**
Currency translation	**–**	**–**	**41,257**	**–**	**41,257**
Cash flow hedges:					
– fair value gain in year – private placement debt	**–**	**12,418**	**–**	**–**	**12,418**
– fair value loss in year – other	**–**	**(219,369)**	**–**	**–**	**(219,369)**
– tax on fair value net loss	**–**	**38,582**	**–**	**–**	**38,582**
– transfers to sales	**–**	**336**	**–**	**–**	**336**
– transfers to cost of sales	**–**	**50,254**	**–**	**–**	**50,254**
– transfers to operating expenses	**–**	**(8,061)**	**–**	**–**	**(8,061)**
– tax on transfers	**–**	**(8,208)**	**–**	**–**	**(8,208)**
Share based payment	**7,160**	**–**	**–**	**–**	**7,160**
At 31 March 2023	**54,596**	**(48,280)**	**128,529**	**932**	**135,777**

1. The share based payment reserve comprises the amounts expensed in the Income Statement in connection with share based payments.
2. The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.
3. The Group's foreign currency translation reserve represents foreign exchange differences arising from the translation of the net assets of the Group's non-sterling denominated operations, including the translation of the profits and losses of such operations from the average rate for the year to the closing rate at the reporting date.
4. The Group's other reserves principally comprises a capital conversion reserve fund.

4.3 RETAINED EARNINGS

Retained Earnings represents the accumulated earnings of the Group not distributed to shareholders and is shown net of the cost to the Group of acquiring shares held as treasury shares.

	2023 £'000	2022 £'000
At 1 April	1,783,033	1,631,797
Net income recognised in Income Statement	334,022	312,373
Net income recognised in Other Comprehensive Income:		
– remeasurements of defined benefit pension obligations	2,811	(748)
– deferred tax on remeasurements	(800)	210
Dividends	(177,843)	(160,599)
At 31 March	1,941,223	1,783,033

The cost to the Group and the Company of €38.405 million (2022: €39.702 million) to acquire the 2,586,698 shares (2022: 2,688,004 shares) held in Treasury has been deducted from the Group and Company Retained Earnings. These shares were acquired at prices ranging from €12.80 to €17.90 each (average: €14.77) between 17 May 2004 and 19 June 2006 and are primarily held to satisfy exercises under the Group's share options and awards schemes.

4.4 NON-CONTROLLING INTERESTS

Non-controlling interests principally comprises the 40% equity interest in our Danish subsidiary DCC Holding A/S which is not owned by the Group.

	2023 £'000	2022 £'000
At 1 April	65,379	58,210
Share of profit for the financial year	12,780	13,629
Dividends to non-controlling interests	(129)	(6,909)
Non-controlling interest arising on acquisition (note 5.2)	166	912
Exchange and other	2,023	(463)
At 31 March	80,219	65,379

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

SECTION 5 ADDITIONAL DISCLOSURES

5.1 FOREIGN CURRENCY

This note details the exchange rates used to translate non-sterling Income Statement and Balance Sheet amounts into sterling, which is the Group's presentation currency.

The Group's financial statements are presented in sterling, denoted by the symbol '£'. Results and cash flows of operations based in non-sterling countries have been translated into sterling at average rates for the year, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. The principal exchange rates used for translation of results and balance sheets into sterling were as follows:

	Average rate		Closing rate	
	2023 Stg£1=	2022 Stg£1=	2023 Stg£1=	2022 Stg£1=
Euro	1.1597	1.1750	1.1374	1.1820
Danish krone	8.6304	8.7400	8.4719	8.7918
Swedish krona	12.4772	12.0190	12.8304	12.2187
Norwegian krone	11.8985	11.8654	12.9595	11.4787
US dollar	1.2101	1.3694	1.2369	1.3122
Hong Kong dollar	9.4837	10.6580	9.7096	10.2740

5.2 BUSINESS COMBINATIONS

The Group acquired a number of businesses during the year. This note provides details on the consideration paid and/or payable as well as the provisional fair values of the net assets acquired.

A key strategy of the Group is to create and sustain market leadership positions through acquisitions in markets it currently operates in, together with extending the Group's footprint into new geographic markets. In line with this strategy, the principal acquisitions completed by the Group during the year, together with percentages acquired were as follows:

- The acquisition by DCC Energy of 100% of Protech Group in June 2022. Established in 2008, Protech Group provides a wide range of renewable and energy efficient heating solutions to commercial and industrial customers across the UK. The acquisition of Protech strengthens the range of low carbon and renewable technologies for customers in the UK, as well as market leading maintenance and services offerings; and
- The acquisition by DCC Healthcare in October 2022 of 100% of Medi-Globe Technologies GmbH ("Medi-Globe"), an international medical devices business focused on minimally invasive procedures. Medi-Globe, founded in 1990, is involved in the development, manufacture and distribution of single-use devices for endoscopy in diagnostic and therapeutic procedures. The business has grown organically and through bolt-on acquisitions to become a leading global player in its focus areas of gastroenterology and urology. These are large and growing therapeutic areas, benefiting from strong demographic and treatment trends. Its products are sold to hospitals and procurement organisations in over 120 countries through direct sales operations in Germany, France, Austria, Netherlands, Czechia and Brazil, and an international network of distributors.

DCC Energy also completed a number of small complementary bolt-on acquisitions in the period in the UK, France, Ireland, Norway, Denmark, Germany and Sweden.

5.2 BUSINESS COMBINATIONS continued

The acquisition data presented below reflects the fair value of the identifiable net assets acquired (excluding net cash/debt acquired) in respect of acquisitions completed during the year.

	Total 2023 £'000	Total 2022 £'000
Assets		
Non-current assets		
Property, plant and equipment (note 3.1)	6,273	63,173
Right-of-use leased assets (note 3.2)	5,856	32,060
Intangible assets (note 3.3)	131,453	257,290
Equity accounted investments (note 3.4)	18,909	–
Deferred income tax assets	2,291	15,644
Total non-current assets	164,782	368,167
Current assets		
Inventories (note 3.8)	53,329	254,522
Trade and other receivables (note 3.8)	36,760	200,443
Total current assets	90,089	454,965
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	(38,112)	(64,694)
Provisions for liabilities	(161)	(7,336)
Lease creditors	(3,933)	(24,255)
Total non-current liabilities	(42,206)	(96,285)
Current liabilities		
Trade and other payables (note 3.8)	(65,775)	(229,336)
Provisions for liabilities	(149)	(91)
Current income tax (liabilities)/assets	(10,023)	2,539
Lease creditors	(2,166)	(7,563)
Total current liabilities	(78,113)	(234,451)
Identifiable net assets acquired	134,552	492,396
Non-controlling interest arising on acquisition (note 4.4)	(166)	(912)
Goodwill (note 3.3)	230,754	224,020
Total consideration	365,140	715,504
Satisfied by:		
Cash	319,463	681,456
Net cash and cash equivalents acquired	(977)	(13,333)
Net cash outflow	318,486	668,123
Acquisition related liabilities (note 3.16)	46,654	47,381
Total consideration	365,140	715,504

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.2 BUSINESS COMBINATIONS continued

None of the business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations. The carrying amounts of the assets and liabilities acquired, determined in accordance with IFRS, before completion of the combination together with the adjustments made to those carrying values disclosed above were as follows:

Total	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	31,696	133,086	164,782
Current assets	99,625	(9,536)	90,089
Non-current liabilities	(4,195)	(38,011)	(42,206)
Current liabilities	(75,941)	(2,172)	(78,113)
Identifiable net assets acquired	51,185	83,367	134,552
Non-controlling interest arising on acquisition	(166)	–	(166)
Goodwill arising on acquisition	314,121	(83,367)	230,754
Total consideration	365,140	–	365,140

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations above given the timing of closure of these transactions. Any amendments to fair values within the 12 month timeframe from the date of acquisition will be disclosable in the 2024 Annual Report as stipulated by IFRS 3.

The principal factors contributing to the recognition of goodwill on business combinations entered into by the Group are the expected profitability of the acquired business and the realisation of cost savings and synergies with existing Group entities.

None of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

Acquisition and related costs included in other operating expenses in the Group Income Statement amounted to £10.604 million (note 2.6).

No contingent liabilities were recognised on the acquisitions completed during the financial year or the prior financial years.

The gross contractual value of trade and other receivables as at the respective dates of acquisition amounted to £40.959 million. The fair value of these receivables is £36.760 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £4.199 million.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable for acquisitions in the current year range from nil to £91.1 million.

The post-acquisition impact of business combinations completed during the year on the Group's revenue and profit for the financial year was as follows:

	2023 £'000
Revenue	168,918
Profit for the financial year attributable to Owners of the Parent Company	8,874

The revenue and profit of the Group for the financial year determined in accordance with IFRS as though the acquisition date for all business combinations effected during the year had been the beginning of that year would be as follows:

	2023 £'000
Revenue	22,409,482
Profit for the financial year attributable to Owners of the Parent Company	347,089

5.3 CASH GENERATED FROM OPERATIONS

This note reconciles how the Group's profit for the year translates into cash flows generated from operating activities.

	2023 £'000	2022 £'000
Profit for the financial year	346,802	326,002
Add back non-operating expenses/(income):		
– tax	84,762	79,734
– share of equity accounted investments' loss/(profit)	692	(314)
– net operating exceptionals	32,528	46,534
– net finance costs	79,732	52,938
Operating profit before exceptionals	544,516	504,894
– share-based payments expense (note 2.5)	7,160	6,467
– depreciation (including right-of-use leased assets)	219,681	205,780
– amortisation of intangible assets (note 3.3)	111,146	84,340
– profit on disposal of property, plant and equipment	(12,346)	(8,916)
– amortisation of government grants (note 3.18)	(114)	(20)
– other	4,654	4,614
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– inventories (note 3.8)	30,118	(177,895)
– trade and other receivables (note 3.8)	283,224	(614,260)
– trade and other payables (note 3.8)	(327,293)	623,429
Cash generated from operations before exceptionals	860,746	628,433

5.4 COMMITMENTS

A commitment represents an obligation to make a payment in the future as long as the counterparty meets its obligations, and mainly relates to agreements to buy capital assets. These amounts are not included in the Group's Balance Sheet as we have not yet received the goods or services from the supplier.

CAPITAL EXPENDITURE COMMITMENTS

	2023 £'000	2022 £'000
Capital expenditure on property, plant and equipment that has been contracted for but has not been provided for in the financial statements	57,996	58,102
Capital expenditure on property, plant and equipment that has been authorised by the Directors but has not yet been contracted for	138,536	146,263
	196,532	204,365

5.5 CONTINGENCIES

Contingent liabilities include guarantees given in respect of borrowings and other obligations arising in the ordinary course of business.

GUARANTEES

The Company has given guarantees of £2,433.872 million (2022: £2,411.237 million) in respect of borrowings and other obligations arising in the ordinary course of business of the Company and other Group undertakings.

OTHER

Pursuant to the provisions of Section 357 of the Companies Act, 2014, the Company has guaranteed the commitments of the following Irish subsidiaries and, as a result, these companies will be exempted from the filing provisions of Sections 347 and 348 of the Companies Act, 2014:

Alvabay Limited, Budget Energy Limited, Budget Energy Holdings Limited, Campus Oil Limited, CC Lubricants Limited, Certa Ireland Limited (formerly Emo Oil Limited), Certas Energy Ireland Limited, DCC Corporate Funding Unlimited Company, DCC Corporate Partners Unlimited Company, DCC Corporate 2007 dac, DCC Corporate Services dac, DCC Energy Limited, DCC

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.5 CONTINGENCIES continued

Finance Limited, DCC Finance Holdings Limited (formerly DCC Technology Limited), DCC Finance & Treasury dac, DCC Financial Services Unlimited Company, DCC Financial Services Holdings Unlimited Company, DCC Financial Services International dac, DCC Financial Services International Holdings Limited, DCC Financial Services Investments CLG, DCC Financial Services Ireland Unlimited Company, DCC Financial Services Management dac, DCC Funding 2007 dac, DCC Fund Services Unlimited Company, DCC Healthcare Limited, DCC Management Services Limited, DCC Nominees Unlimited Company, DCC Technology Limited, DCC Treasury 2010 dac, DCC Treasury Ireland 2013 dac, DCC Treasury Management Unlimited Company, DCC Treasury Services Unlimited Company, DCC Treasury Solutions Unlimited Company, Energy Procurement Limited, Energy Procurement Ireland 2013 Limited, Exertis Arc Telecom Limited, Exertis Ireland Limited, Fannin Limited, Flogas Enterprise Solutions Limited (formerly Naturgy Limited), Flogas Ireland Limited, Flogas Natural Gas Limited, Jones Oil Limited, Medisource Ireland Limited, Mullet Investment Company Unlimited Company, SerCom (Holdings) Limited, SerCom Property Limited, Source LS Global Limited and Starata Limited.

Three of the Group's German subsidiaries, EnergieDirect GmbH & Co. KG, TEGA-Technische Gase und Gasetechnik GmbH and DCC Germany Holding GmbH availed of disclosure exemptions pursuant to Section 264 of the German Commercial Code (HGB) and are therefore exempted from the obligations to prepare and disclose audited financial statements.

5.6 RELATED PARTY TRANSACTIONS

The Group's principal related parties are the Group's subsidiaries, associates and key management personnel of the Group.

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group under IAS 24 Related Party Disclosures relate to the existence of subsidiaries and associates and transactions with these entities entered into by the Group and the identification and compensation of key management personnel as addressed in more detail below.

SUBSIDIARIES AND ASSOCIATES

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries and associates as documented in the accounting policies in note 5.9 and the basis of consolidation in note 1.3. A listing of the principal subsidiaries and associates is provided in the Group Directory on pages 232 to 235 of this Annual Report.

Transactions are entered into in the normal course of business on an arm's length basis. Sales to and purchases from, together with outstanding payables and receivables to and from subsidiaries are eliminated in the preparation of the consolidated financial statements.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

For the purposes of the disclosure requirements under IAS 24, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company) comprises the Board of Directors which manages the business and affairs of the Company. Key management remuneration amounted to:

	2023 £'000	2022 £'000
Short-term benefits	3,437	4,197
Post-employment benefits	179	169
Share-based payment (calculated in accordance with the principles disclosed in note 2.5)	1,363	1,060
	4,979	5,426

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT

This note details the Group's treasury management and financial risk management objectives and policies. Information is also provided regarding the Group's exposure and sensitivity to capital risk, credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk, and the policies in place to monitor and manage these risks.

CAPITAL RISK MANAGEMENT

The Group's objectives when managing its capital structure are to safeguard the Group's ability to continue as a going concern to provide returns to shareholders and benefits for other stakeholders, while maintaining a strong balance sheet to support the continued organic and acquisitive growth of its businesses and to maintain investor, creditor and market confidence. Return on capital employed ('ROCE') is a key performance indicator for the Group.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or buy back existing shares, increase or reduce debt or sell assets.

The Group includes borrowings in its measure of capital. The Group's borrowings are subject to covenants. Further details on this are outlined in the 'liquidity risk management' section of this note.

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

The policy for net debt/cash is to ensure a structure of longer-term debt funding and cash balances with deposit maturities up to three months.

The capital structure of the Group, which comprises capital and reserves attributable to the owners of the Parent Company, net debt, lease creditors and acquisition related liabilities, may be summarised as follows:

	2023 £'000	2022 £'000
Capital and reserves attributable to the owners of the Parent Company	2,978,091	2,905,184
Net debt (excl. lease creditors) (note 3.13)	767,335	419,903
Lease creditors (note 3.12)	346,546	336,702
Acquisition related liabilities (note 3.16)	127,393	96,252
At 31 March	4,219,365	3,758,041

FINANCIAL RISK MANAGEMENT

Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors, most recently in April 2023. These policies and guidelines primarily cover credit risk, liquidity risk, foreign exchange risk, interest rate risk and commodity price risk. The principal objective of these policies and guidelines is the minimisation of financial risk at reasonable cost. The Group does not trade in financial instruments, nor does it enter into any leveraged derivative transactions. DCC's Group Treasury function centrally manages the Group's funding and liquidity requirements. Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign exchange, and, in conjunction with Group Commodity Risk Management, manage commodity price exposures, within approved policies and guidelines. Compliance with the policies and guidelines is reviewed by the Group Internal Audit function.

The Group has a consistent focus on maintaining financial strength through a disciplined approach to balance sheet management and maintaining relatively low levels of financial risk. At 31 March 2023, the Group had cash and cash equivalents of £1,421.749 million (note 3.9) and £765 million undrawn under its committed revolving credit facility (note 3.11). At 31 March 2023, the capital structure, as summarised above had net debt excluding lease creditors of £767.335 million.

(i) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from credit exposure to trade receivables, cash and cash equivalents including deposits with banks and financial institutions and derivative financial instruments.

The Group's trade receivables are generally unsecured and non-interest bearing and arise from a wide and varied customer base spread throughout the Group's operations and, as such, there is no significant concentration of credit risk. The Group allocates each exposure to a credit risk grade, based on data that is determined to be predictive of risk of loss. The Group's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, considering their financial position, past experience and other factors. The utilisation of credit limits is regularly monitored, and a significant element of credit risk is covered by credit insurance.

The Group applies the simplified approach to providing for expected credit losses ('ECL') permitted by IFRS 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables. The Group uses an allowance matrix to measure the ECL's of trade receivables, which comprises a very large number of small balances. Loss rates are based on actual credit loss experience.

As detailed in note 3.6, the Group's trade receivables at 31 March 2023 amount to £1,939,528 million (2022: £2,086.578 million). Customer credit risk arising in the context of the Group's operations is not significant and the total allowance for impairment of trade receivables amounts to 3.8% of the Group's gross trade receivables (2022: 2.6%). The allowance for impairment mainly relates to trade and other receivables balances which are over six months overdue.

Where appropriate, certain of the Group's operations selectively utilise supply chain financing solutions to sell, on a non-recourse basis, a portion of their receivables relating to certain larger supply chain/sales and marketing activities. The level of supply chain financing at 31 March 2023 was £151.097 million (2022: £168.037 million) and has been derecognised from 'Trade and other receivables' in accordance with the Group's accounting policy. Revenues relating to the non-recourse sale of receivables included in overall Group revenues in the year ended 31 March 2023 amounted to £1,167.725 million (2022: £1,305.432 million).

Risk of counterparty default arising on cash and cash equivalents and derivative financial instruments is controlled within a framework of dealing with high-quality institutions and, by policy, limiting the amount of credit exposure to any one bank or institution. DCC transacts with a variety of high credit quality financial institutions for the purpose of placing deposits and entering into derivative contracts. Deposits are also placed with AAA money market funds. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board approved treasury

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

policy. Of the total cash and cash equivalents at 31 March 2023 of £1,421.749 million, 17.2% (£244.878 million) was with money market funds, 98.0% (£1,393.644 million) was with money market funds or financial institutions with minimum short-term ratings of A-1 (Standard and Poor's) or P-1 (Moody's) and 98.2% (£1,396.268 million) was with money market funds or financial institutions with minimum short-term ratings of A-2 (Standard and Poor's) or P-2 (Moody's). In the normal course of business, the Group operates notional cash pooling systems, where a legal right of set-off applies. As at 31 March 2023, derivative transactions were with counterparties with ratings ranging from A+ to A- (long-term) with Standard and Poor's or Aa1 to A1 (long-term) with Moody's. The Group accordingly does not expect any loss in relation to its cash and cash equivalents or its derivative balances at 31 March 2023.

Management does not expect any significant counterparty to fail to meet its obligations. The maximum exposure to credit risk is represented by the carrying amount of each asset.

(ii) Liquidity risk management

The Group maintains a strong balance sheet with long-term debt funding and cash balances with deposit maturities up to three months. Wherever possible, surplus funds in the Group are transferred to the centralised treasury department through the repayment of borrowings, deposits and dividends. These are then lent to Group companies, contributed as equity to fund Group operations, used to retire external debt or invested externally. The Group does not use off-balance sheet special purpose entities as a source of liquidity or for other financing purposes. In addition, the Group maintains significant committed and uncommitted credit lines with its relationship banks. Compliance with the Group's debt covenants is monitored continually based on management accounts. Sensitivity analysis using various scenarios are applied to forecasts to assess their impact on covenants and net debt/cash. During the year to 31 March 2023, all covenants have been complied with and based on current forecasts, it is expected that all covenants will continue to be complied with for the foreseeable future. Further analysis of the Group's debt covenants is included in the Financial Review.

The tables below show the projected contractual undiscounted total cash outflows (principal and interest) arising from the Group's trade and other payables, gross debt and derivative financial instruments. The tables also include the gross cash inflows projected to arise from derivative financial instruments. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

As at 31 March 2023	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities – cash outflows					
Trade and other payables	(3,411,684)	–	–	–	(3,411,684)
Interest bearing loans and borrowings	(321,381)	(339,526)	(679,945)	(954,922)	(2,295,774)
Interest payments on interest bearing loans and borrowings	(88,518)	(74,915)	(182,481)	(157,919)	(503,833)
Lease creditors	(71,158)	(57,675)	(103,126)	(114,587)	(346,546)
Interest payments on lease creditors	(9,227)	(7,642)	(15,712)	(40,180)	(72,761)
Acquisition related liabilities	(41,221)	(28,903)	(48,998)	(8,271)	(127,393)
Cross currency swaps – gross cash outflows	(239,597)	(171,258)	(168,028)	(18,942)	(597,825)
Other derivative financial instruments	(42,341)	(3,803)	(1,331)	–	(47,475)
Interest rate swaps – net cash inflows	(11,062)	(9,821)	(24,414)	(2,348)	(47,645)
	(4,236,189)	(693,543)	(1,224,035)	(1,297,169)	(7,450,936)
Derivative financial instruments – cash inflows					
Cross currency swaps – gross cash inflows	291,277	220,095	212,491	24,308	748,171
Other derivative financial instruments	12,227	1,045	10	–	13,282
	303,504	221,140	212,501	24,308	761,453

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

As at 31 March 2022	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities – cash outflows					
Trade and other payables	(3,468,705)	–	–	–	(3,468,705)
Interest bearing loans and borrowings	(67,668)	(255,296)	(1,009,186)	(674,406)	(2,006,556)
Interest payments on interest bearing loans and borrowings	(62,252)	(52,533)	(102,859)	(56,701)	(274,345)
Lease creditors	(63,538)	(55,478)	(98,564)	(119,122)	(336,702)
Interest payments on lease creditors	(8,376)	(7,075)	(15,155)	(40,825)	(71,431)
Acquisition related liabilities	(23,602)	(25,368)	(47,282)	–	(96,252)
Cross currency swaps – gross cash outflows	(13,423)	(228,135)	(327,540)	(18,717)	(587,815)
Other derivative financial instruments	(28,634)	(252)	(1,680)	–	(30,566)
	(3,736,198)	(624,137)	(1,602,266)	(909,771)	(6,872,372)
Derivative financial instruments – cash inflows					
Interest rate swaps – net cash inflows	4,357	4,322	5,367	1,704	15,750
Cross currency swaps – gross cash inflows	28,826	274,514	406,747	23,979	734,066
Other derivative financial instruments	107,361	5,461	652	–	113,474
	140,544	284,297	412,766	25,683	863,290

The Group has sufficient cash resources and liquid assets to enable it to meet its current borrowing obligations and trade and other payables. The Group has a well balanced profile of debt maturities over the coming years which will be serviced through a combination of cash and cash equivalents, cash flows, committed bank facilities and the raising of additional long-term debt.

(iii) Market risk management

Foreign exchange risk management

DCC's presentation currency is sterling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations giving rise to exposure to other currencies, primarily the euro and the US dollar.

Divisional and subsidiary management, in conjunction with Group Treasury, manage foreign currency exposures within approved policies and guidelines using forward currency contracts.

The Group does not hedge translation exposure on the translation of the profits of foreign currency subsidiaries on the basis that there is no commitment or intention to remit earnings.

The Group has investments in non-sterling, primarily euro and US dollar denominated, operations which are cash generative and a significant proportion of cash generated from these operations is reinvested in development activities rather than being repatriated into sterling. The Group seeks to manage the resultant foreign currency translation risk through borrowings denominated in (or swapped utilising cross currency interest rate swaps into) the relevant currency or through currency swaps related to intercompany funding, although these hedges are offset by the strong ongoing cash flow generated from the Group's non-sterling operations, leaving DCC with a net investment in non-sterling assets. The gain of £43.3 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2023 as set out in the Group Statement of Comprehensive Income mainly reflects the weakening in the value of sterling against the US dollar, with the impact of movements against other currencies largely offsetting each other.

The Group has a moderate level of transactional currency exposure arising from sales or purchases by operating units in currencies other than their functional currencies. Where sales or purchases are invoiced in currencies other than the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months. The Group also hedges a proportion of anticipated transactions in certain subsidiaries for periods ranging up to 18 months with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes.

Sensitivity to currency movements

A change in the value of other currencies by 10% against sterling would have a £28.2 million (2022: £28.6 million) impact on the Group's profit before tax and exceptional items, would change the Group's equity by £210.2 million and change the Group's net debt by £102 million (2022: £188.4 million and £84.5 million respectively). These amounts include an insignificant amount of transactional currency exposure.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

Interest rate risk management

On a net debt/cash basis, the Group is exposed to changes in interest rates, primarily changes in EURIBOR and sterling SONIA. Having borrowed at both fixed and floating rates of interest, DCC has swapped its fixed rate borrowings to a combination of fixed and floating interest rates, using interest rate and cross currency interest rate swaps. Overall interest rate risk on gross borrowings is mitigated by matching, to the extent possible, the maturity of its cash balances with the interest rate reset periods on the swaps related to its borrowings, and with interest income on deposits.

Sensitivity of interest charges to interest rate movements

Based on the composition of net debt at 31 March 2023 a one percentage point (100 basis points) change in average floating interest rates would have a £4.7 million (2022: £3.8 million) impact on the Group's profit before tax.

Further information on Group borrowings and the management of related interest rate risk is set out in notes 3.10 and 3.11.

Commodity price risk management

DCC, through its activities in the energy sector, procures, markets and sells LPG, natural gas, electricity and oil products and, as such, is exposed to changes in commodity cost prices. In general, market dynamics are such that commodity cost price movements are promptly reflected in sales prices. In certain markets, short-term or seasonal price stability is preferred by certain customer segments which requires hedging a proportion of forecasted transactions, with such transactions qualifying as 'highly probable' for IAS 39 hedge accounting purposes. DCC uses both forward purchase contracts and derivative commodity instruments to support its pricing strategy for a portion of expected future sales, typically for periods of less than 12 months.

Fixed price supply contracts may be provided to certain customers for periods typically less than 12 months in duration. DCC fixes its cost of sales on contracted future volumes where the customer contract contains a take-or-pay arrangement that permits the customer to purchase a fixed amount of product for a fixed price during a specified period and requires payment even if the customer does not take delivery of the product. Where a take-or-pay clause is not included in the customer contract, DCC hedges a portion of forecasted sales volume recognising that certain sales, such as natural gas and electricity, are exposed to volumetric risk in the form of an uncertain consumption profile arising from a range of factors, including supply dynamics and the weather.

DCC does not hold significant amounts of commodity inventory relative to purchases and sales; however, for certain inventory, such as fuel oil and natural gas, DCC may enter hedge contracts to manage price exposures.

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

Certain activities of individual businesses are centralised under the supervision of the DCC Group Commodity Risk Management function. Divisional and subsidiary management, in conjunction with the Group's Commodity Risk Management function, manage commodity price exposures within approved policies and guidelines.

All commodity hedging counterparties are approved by the Chief Executive and the Chief Financial Officer and are reviewed by the Board.

Sensitivity to commodity price movements

Due to pricing dynamics in the oil distribution market, an increase or decrease of 10% in the commodity cost price of oil would have an immaterial impact on the Group's profit before tax (2022: immaterial) and an immaterial impact on the Group's equity (2022: immaterial).

The impact on the Group's profit before tax and on the Group's equity of an increase or decrease of 10% in the commodity cost price of LPG, natural gas or electricity would be dependent on seasonal variations, competitive pressures and the underlying absolute cost of the commodity at the time and, as such, is difficult to quantify but would not be material.

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

Fair values of financial assets and financial liabilities

The fair values of borrowings (none of which are listed) and derivative financial instruments are measured by discounting cash flows at prevailing interest and exchange rates. The fair values of expected future payments under contingent consideration arrangements are determined by applying a risk-adjusted discount rate to the future payments which are based on forecasted operating profits of the acquired entity over the relevant period. The carrying value of non-interest-bearing financial assets, financial liabilities and cash and cash equivalents approximates their fair values, largely due to their short-term maturities. The nominal value less impairment allowance of trade receivables and payables approximate to their fair values, largely due to their short-term maturities. The following is a comparison by category of book values and fair values of the Group's financial assets and financial liabilities:

	2023		2022	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Financial assets				
Derivative financial instruments	148,457	148,457	225,939	225,939
Trade and other receivables	2,312,269	2,312,269	2,508,613	2,508,613
Cash and cash equivalents	1,421,749	1,421,749	1,394,272	1,394,272
	3,882,475	3,882,475	4,128,824	4,128,824
Financial liabilities				
Borrowings (excluding lease creditors)	2,254,615	2,292,098	2,001,150	2,052,844
Derivative financial instruments	82,926	82,926	38,964	38,964
Acquisition related liabilities	127,393	127,393	96,252	96,252
Trade and other payables	3,279,898	3,279,898	3,468,705	3,468,705
	5,744,832	5,782,315	5,605,071	5,656,765

The Group has adopted the following fair value measurement hierarchy in relation to its financial assets and financial liabilities that are carried in the Balance Sheet at fair value as at the year end:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurement as at 31 March 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Derivative financial instruments (note 3.10)	–	148,457	–	148,457
	–	148,457	–	148,457
Financial liabilities				
Acquisition related liabilities (note 3.16)	–	–	127,393	127,393
Derivative financial instruments (note 3.10)	–	82,926	–	82,926
	–	82,926	127,393	210,319

Fair value measurement as at 31 March 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Derivative financial instruments (note 3.10)	–	225,939	–	225,939
	–	225,939	–	225,939
Financial liabilities				
Acquisition related liabilities (note 3.16)	–	–	96,252	96,252
Derivative financial instruments (note 3.10)	–	38,964	–	38,964
	–	38,964	96,252	135,216

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

Level 2 fair value measurement:

The specific valuation techniques used to value financial instruments that are carried at fair value using level 2 valuation techniques are:

- the fair value of interest rate, currency and cross currency interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date with the resulting value discounted back to present value; and
- the fair value of forward commodity contracts is determined using quoted forward commodity prices at the reporting date with the resulting value discounted back to present value.

Level 3 fair value measurement:

Acquisition related liabilities are included in level 3 of the fair value hierarchy. Details of the movement in the year are included in note 3.16. The specific valuation techniques used to value contingent consideration that is carried at fair value using level 3 valuation techniques are:

- the expected future payments are determined by forecasting the acquiree's relevant basis for the contingent consideration (i.e. valuations based on EBITDA or EBIT multiples) as appropriate to the specific contractual earn out arrangement; and
- the present value of the estimated future expected payments are discounted using a risk-adjusted discount rate where the time value of money is material.

The significant unobservable inputs are as follows:

- forecasted average adjusted operating profit growth rate 10.0% to 20.0% (2022: 5.0% to 18.0%);
- forecasted average outflow on Butagaz acquisition related liabilities £3.5 million per annum (2022: £4.3 million per annum); and
- risk adjusted discount rate 3.0% to 8.9% (2022: 1.0% to 2.0%).

The estimated fair value of contingent consideration would increase/(decrease) if EBITDA/EBIT growth was higher/(lower) if the forecasted outflow on Butagaz acquisition related liabilities was higher/(lower) or if the risk-adjusted discount rate was lower/(higher). For the fair value of contingent consideration, a reasonably possible change to one of the significant unobservable inputs at 31 March 2023, holding the other inputs constant, would have the following effects:

Impact on the carrying value of contingent consideration	2023 £'000	2022 £'000
Forecasted average adjusted operating profit growth rate (1% movement)	1,522	2,289
Forecasted outflow on Butagaz acquisition related liabilities (5% movement)	682	698
Risk adjusted discount rate (0.5% movement)	901	793

OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements or similar agreements:

				Related amounts not set off in the Balance Sheet		
As at 31 March 2023	Gross amounts of recognised financial assets £'000	Gross amounts of recognised financial liabilities set off in the Balance Sheet £'000	Net amounts of financial assets presented in the Balance Sheet £'000	Financial liabilities £'000	Cash collateral received £'000	Net amount £'000
Derivative financial instruments	135,175	–	135,175	(28,860)	–	106,315
Cash and cash equivalents	389,669	–	389,669	(46,328)	–	343,341
	524,844	–	524,844	(75,188)	–	449,656

				Related amounts not set off in the Balance Sheet		
As at 31 March 2022	Gross amounts of recognised financial assets £'000	Gross amounts of recognised financial liabilities set off in the Balance Sheet £'000	Net amounts of financial assets presented in the Balance Sheet £'000	Financial liabilities £'000	Cash collateral received £'000	Net amount £'000
Derivative financial instruments	112,465	–	112,465	(8,084)	–	104,381
Cash and cash equivalents	467,047	–	467,047	(65,287)	–	401,760
	579,512	–	579,512	(73,371)	–	506,141

5.7 FINANCIAL RISK AND CAPITAL MANAGEMENT continued

(ii) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements or similar agreements:

As at 31 March 2023	Gross amounts of recognised financial liabilities £'000	Gross amounts of recognised financial assets set off in the Balance Sheet £'000	Net amounts of financial liabilities presented in the Balance Sheet £'000	Related amounts not set off in the Balance Sheet: Financial assets £'000	Related amounts not set off in the Balance Sheet: Cash collateral provided £'000	Net amount £'000
Derivative financial instruments	35,451	–	35,451	(28,860)	–	6,591
Bank borrowings	46,328	–	46,328	(46,328)	–	–
	81,779	–	81,779	(75,188)	–	6,591

As at 31 March 2022	Gross amounts of recognised financial liabilities £'000	Gross amounts of recognised financial assets set off in the Balance Sheet £'000	Net amounts of financial liabilities presented in the Balance Sheet £'000	Related amounts not set off in the Balance Sheet: Financial assets £'000	Related amounts not set off in the Balance Sheet: Cash collateral provided £'000	Net amount £'000
Derivative financial instruments	8,398	–	8,398	(8,084)	–	314
Bank borrowings	65,287	–	65,287	(65,287)	–	–
	73,685	–	73,685	(73,371)	–	314

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis however each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. Per the terms of each agreement, an event of default includes failure by a party to make payment when due, failure by a party to perform any obligation required by the agreement (other than payment) if such a failure is not remedied within periods of 15 to 30 days after notice of such failure is given to the party, or bankruptcy.

5.8 EVENTS AFTER THE BALANCE SHEET DATE

This note provides details on material events which have occurred between the year end date of 31 March and the date of approval of the financial statements.

There have been no material events subsequent to 31 March 2023 which would require disclosure in this Report.

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This section sets out the Group's accounting policies which are applied in recognising and measuring transactions and balances arising in the year.

REVENUE RECOGNITION

Revenue comprises the fair value of the sale of goods and services to external customers net of applicable sales taxes, volume and promotional rebates, allowances and discounts. Revenue is generally recognised on a duty inclusive basis where applicable. The Group is deemed to be a principal in an arrangement when it controls a promised good or service before transferring them to a customer, and accordingly recognises revenue on a gross basis. Where the Group is determined to be an agent in a transaction, based on the principle of control, the net amount retained after the deduction of any costs to the principal is recognised as revenue.

The Group operates across a wide range of business segments and jurisdictions with varying customer credit terms which are in line with normal credit terms offered in that business segment and/or country of operation. Given the short-term nature of these credit terms, no element of financing is deemed present. Group revenues do not include any significant level of variable consideration.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Revenue is recorded when the collection of the amount is reasonably assured and when specific criteria have been met for each of the Group's activities as detailed below.

Sales of goods

Revenue from the sale of goods is measured based on the consideration specified in the contract with the customer. The Group recognises revenue when it transfers control over a good or service to a customer. This generally arises on delivery or in accordance with specific terms and conditions agreed with individual customers. In the case of consignment stock arrangements, revenue is recognised on the date that legal title passes. Rebates, allowances, and discounts are recorded in the same period as the original revenue.

DCC Energy derives most of its revenue from the sale of transport and commercial fuels, heating oils and related products, LPG, refrigerants, electricity and natural gas. The customer obtains control when the goods are delivered to the customer. The performance is satisfied once the customer accepts the delivery. Products can be sold under short or long-term agreements at prevailing market prices or at fixed prices for which DCC Energy will have fixed supply prices.

DCC Healthcare derives its revenue from the sale of a broad range of third-party and own-branded medical devices and pharmaceuticals. Revenue is also generated from the manufacture of products for health and beauty brand owners. The customer obtains control when the products are delivered to the customer and the performance is satisfied once the customer accepts the products. Revenue is recognised at this point in the majority of cases.

DCC Technology derives most of its revenue from the sale of consumer and SME focused technology products. The Group recognises the revenue, generally, when dispatch occurs. The performance obligation is then deemed to have been satisfied. Should volume and promotional rebates be granted to customers they are recognised as a reduction in sales revenue at the time of the sale based on managements' estimate of the likely rebate to be awarded to customers. Estimates are based on historical results, taking into consideration the type of customer, the type of transaction and the specific facts of each arrangement.

Sales of services

Revenue from the rendering of services is recognised in the period in which the services are rendered. Contracts do not contain multiple performance obligations as defined by IFRS 15.

Service revenue in DCC Energy is generated from a variety of value-added services provided to customers. Revenue is recognised when the performance obligation is met which is as the service is provided.

DCC Healthcare generates service revenue from a variety of sources such as logistics services including stock management, distribution services to hospitals and healthcare manufacturers as well as engineering and preventative maintenance services. Revenue is recognised as the service is rendered and completed, when the performance obligation is deemed to be met.

DCC Technology generates service revenue from providing a range of value-added services to both its customers and suppliers including third party logistics, web site development and management, outsourced managed services, training and certain supply chain management services such as quality assurance and compliance. Revenue relating to these services is recognised when the performance obligation is deemed to be met which is as the service is provided.

Dividend income

Dividend income from investments is recognised when the shareholders' right to receive payment have been established.

Rental income

Rental income principally comprises property and LPG tank rental income and rental income from operating leases is recognised on a straight-line basis over the term of the lease. The related assets are recorded within property, plant and equipment and are depreciated on a straight-line basis over the useful lives of the assets.

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments. The Group has determined that it has three reportable operating segments: DCC Energy, DCC Healthcare and DCC Technology.

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The functional currency of the Company is euro. The consolidated financial statements are presented in sterling which is the Company's and the Group's presentation currency, and a significant portion of the Group's revenue and operating profit is generated in sterling. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Currency translation differences on monetary assets and liabilities are taken to the Group Income Statement except when cash flow or net investment hedge accounting is applied.

Group companies

Results and cash flows of the parent and its subsidiaries and associates which do not have sterling as their functional currency are translated into sterling at average exchange rates for the year. Average exchange rates are a reasonable approximation of the cumulative effect of the rates on the transaction dates. The related balance sheets are translated at the rates of exchange ruling at the reporting date. Adjustments arising on translation of the results of such subsidiaries and associates at average rates, and on the restatement of the opening net assets at closing rates, are dealt with in a separate translation reserve within equity, net of differences on related currency instruments designated as hedges of such investments.

On disposal of a foreign operation, such cumulative currency translation differences are recognised in the Income Statement as part of the overall gain or loss on disposal. In accordance with IFRS 1, cumulative currency translation differences arising prior to the transition date to IFRS (1 April 2004) have been set to zero for the purposes of ascertaining the gain or loss on disposal of a foreign operation.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are regarded as assets and liabilities of the foreign operation, are expressed in the functional currency of the foreign operation, and are recorded at the exchange rate at the date of the transaction and subsequently retranslated at the applicable closing rates.

FINANCE COSTS

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method, net losses on hedging instruments that are recognised in the Income Statement, facility fees and the unwinding of discounts on provisions and acquisition related liabilities. The interest expense component of lease creditor payments is recognised in the Income Statement using the effective interest rate method. The net finance cost/income on defined benefit pension scheme assets or obligations are recognised in the Income Statement in accordance with IAS 19.

The mark-to-market of designated swaps and related debt and the mark-to-market of undesignated currency swaps and related debt are included in 'Finance Costs' in the case of a net loss. The mark-to-market of designated swaps and related debt comprises the gain or loss on interest rate swaps and cross currency interest rate swaps that are in hedge relationships with borrowings, together with the gain or loss on the hedged borrowings which is attributable to the hedged risk. The mark-to-market of undesignated swaps and related debt comprises the gain or loss on currency swaps which are not designated as hedging instruments, but which are used to offset movements in foreign exchange rates on certain borrowings, along with the currency movement on those borrowings.

FINANCE INCOME

Finance income is recognised in the Income Statement as it accrues, using the effective interest method, and includes net gains on hedging instruments that are recognised in the Income Statement.

The mark-to-market of designated swaps and related debt and the mark-to-market of undesignated currency swaps and related debt, both as defined above, are included in 'Finance Income' in the case of a net gain.

EXCEPTIONAL ITEMS

The Group has adopted an Income Statement format which seeks to highlight significant items within the Group results for the year. Such items may include restructuring, profit or loss on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, profit or loss on disposal of property, plant and equipment, IAS 39 ineffective mark-to-market movements together with gains or losses arising from currency swaps offset by gains or losses on related fixed rate debt, acquisition costs, profit or loss on defined benefit pension scheme restructuring, adjustments to contingent acquisition consideration, the impact on deferred tax balances as a result of changes to enacted corporation tax rates and impairment of assets. Judgement is used by the Group in assessing the items, which by virtue of their scale and nature, should be presented in the Income Statement and disclosed in the related notes as exceptional items.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

INCOME TAX

Current tax

The Group's income tax charge is based on reported profit and enacted statutory tax rates, which reflect various allowances and reliefs available to the Group in the multiple tax jurisdictions in which it operates. The determination of the Group's provision for income tax requires certain judgements and estimates in relation to matters where the ultimate tax outcome may not be certain. The recognition or non-recognition of deferred tax assets as appropriate also requires judgement as it involves an assessment of the future recoverability of those assets. In addition, the Group is subject to tax audits which can involve complex issues that could require extended periods to conclude, the resolution of which is often not within the control of the Group. Although management believes that the estimates included in the Consolidated Financial Statements and its tax return positions are correct, there is no certainty that the final outcome of these matters will not be different to that which is reflected in the Group's historical income tax provisions and accruals. Whilst it is possible, the Group does not currently anticipate that any such differences could have a material impact on the income tax provision and profit for the period in which such a determination is made nor does it expect any significant impact on its financial position in the near term. This is based on the Group's knowledge and experience, as well as the profile of the individual components which have been reflected in the current tax liability, the status of the tax audits, enquiries and negotiations in progress at each year end.

Current tax represents the expected tax payable or recoverable on the taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and considering any adjustments stemming from prior years. Any interest or penalties arising are included within current tax. Where items are accounted for outside of profit or loss, the related income tax is recognised either in other comprehensive income or directly in equity as appropriate.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences at the reporting date which is defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are not subject to discounting and are measured using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences except for the following:

- where the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- where, in respect of taxable temporary differences associated with investments in subsidiaries and associates, the timing of the reversal of the temporary difference is subject to control by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets are recognised in respect of all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which to offset these items except:

- where the deferred tax asset arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither the accounting profit nor the taxable profit or loss at the time of the transaction; and
- where, in respect of deductible temporary differences associated with investment in subsidiaries and associates, a deferred tax asset is recognised only if it is probable that the deductible temporary difference will reverse in the foreseeable future and that sufficient taxable profits will be available against which the temporary difference can be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profits would be available to allow all or part of the deferred tax asset to be utilised.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on a straight-line basis at the rates stated below, which are estimated to reduce each item of property, plant and equipment to its residual value level by the end of its useful life.

	Annual Rate
Freehold buildings	2%
Plant and machinery	5% – 33⅓%
Cylinders	6⅔% – 10%
Motor vehicles	10% – 33⅓%
Fixtures, fittings & office equipment	10% – 33⅓%

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Land is not depreciated. The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each reporting date.

In accordance with IAS 36 Impairment of Assets, the carrying amounts of items of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in the Income Statement. Following the recognition of an impairment loss, the depreciation charge applicable to the asset or cash-generating unit is adjusted prospectively to systematically allocate the revised carrying amount, net of any residual value, over the remaining useful life.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repair and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Borrowing costs directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiaries are stated at cost less any accumulated impairments and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the Income Statement.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. The fair value of contingent consideration is arrived at through discounting the expected payment to present value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in the Income Statement.

Goodwill is initially measured at cost being the excess of the fair value of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised in the Income Statement.

A financial liability is recognised in relation to the non-controlling shareholder's option to put its shareholding back to the Group, being the fair value of the estimate of amounts payable to acquire the non-controlling interest. The financial liability is included in acquisition related liabilities. The discount component is unwound as an interest charge in the Income Statement over the life of the obligation. Subsequent changes to the financial liability are recognised in the Income Statement.

GOODWILL

Goodwill arising in respect of acquisitions completed prior to 1 April 2004 (being the transition date to IFRS) is included at its carrying amount, which equates to its net book value recorded under previous GAAP. In accordance with IFRS 1, the accounting treatment of business combinations undertaken prior to the transition date was not reconsidered and goodwill amortisation ceased with effect from the transition date.

Goodwill on acquisitions is initially measured as the excess of the fair value of consideration paid for the business combination plus any non-controlling interest, over the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill acquired in a business combination is allocated, from the acquisition date to the cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The carrying amount of goodwill in respect of associates, net of any impairment, is included in investments in associates under the equity method in the Group Balance Sheet.

Goodwill is subject to impairment testing on an annual basis and at any time during the year if an indicator of impairment is considered to exist; the goodwill impairment tests are undertaken at a consistent time in each annual period. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed following recognition.

Where a subsidiary is sold, any goodwill arising on acquisition, net of any impairments, is included in determining the profit or loss arising on disposal.

Where goodwill forms part of a cash-generating unit and part of the operations within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

INTANGIBLE ASSETS

Intangible assets acquired separately are capitalised at cost. Intangible assets acquired in the course of a business combination are capitalised at fair value being their deemed cost as at the date of acquisition.

Following initial recognition, intangible assets which have a finite life are carried at cost less any applicable accumulated amortisation and any accumulated impairment losses. Where amortisation is charged on assets with finite lives this expense is taken to the Income Statement.

The amortisation of intangible assets is calculated to write off the book value of intangible assets over their useful lives on a straight-line basis on the assumption of zero residual value. In general, finite-lived intangible assets are amortised over periods ranging from two to 40 years, depending on the nature of the intangible asset.

The carrying amount of finite-lived intangible assets are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Group does not have any indefinite-lived intangible assets.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Cost is determined on a first in first out basis and in the case of raw materials, bought-in goods and expense inventories, comprises purchase price plus transport and handling costs less trade discounts and subsidies. Cost, in the case of products manufactured by the Group, consists of direct material and labour costs together with the relevant production overheads based on normal levels of activity. Net realisable value represents the estimated selling price less costs to completion and appropriate selling and distribution costs.

Provision is made, where necessary, for slow moving, obsolete and defective inventories.

FINANCIAL INSTRUMENTS

A financial instrument is recognised when the Group becomes a party to its contractual provisions. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, are extinguished, or transferred to a third party. Financial liabilities are derecognised when the Group's obligations specified in the contracts expire, are discharged, or cancelled.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less allowance for impairment.

An allowance for impairment of trade receivables is established based on both expected credit losses and information available that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the allowance is recognised in the Income Statement.

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The Group derecognises a receivable only when the contractual rights to the cash flows from the receivable expire, or when it transfers the receivable and substantially all of the risks and rewards of ownership of the asset to another entity. The Group applies several tests to receivable purchase agreements to determine whether derecognition is appropriate or not. These tests are applied to the entire portfolio of receivables rather than to each individual receivable as the receivables comprise 'a group of similar assets' in accordance with IFRS 9. The testing procedure includes consideration of the following; whether the arrangement represents a qualifying transfer of assets, whether substantially all of the risks and rewards of the receivable transferred from the Group and whether the Group has lost control of the receivable.

On derecognition of a receivable the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Income Statement. Following derecognition, receivables arising from non-recourse sales are excluded from 'Trade and other receivables' in the Group Balance Sheet. The Group presents cash flows arising from non-recourse sales as part of operating activities in the Group Cash Flow Statement.

TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost, which approximates to fair value given the short-dated nature of these liabilities.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Group Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts.

INTEREST-BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recorded at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

LEASES

The Group enters leases for a range of assets, principally relating to property. These property leases have varying terms and renewal rights, including periodic rent reviews linked with indices. The Group also leases motor vehicles, plant, machinery, and other equipment. The terms and conditions of these leases do not impose significant financial restrictions on the Group.

A contract contains a lease if it is enforceable and conveys the right to control the use of a specified asset for a period in exchange for consideration, which is assessed at inception. A right-of-use asset and lease creditor are recognised at the commencement date for contracts containing a lease, except for leases with a term of 12 months or less, leases where the underlying asset is of low value and leases with associated payments that vary directly in line with usage or sales (such lease costs continue to be expensed in the Income Statement as incurred). The commencement date is the date at which the asset is made available for use by the Group.

Lease creditors are initially measured at the present value of the future lease payments, discounted using the incremental borrowing rate over the remaining lease term. Lease payments include fixed payments, variable payments that are dependent on an index known at the commencement date, payments for an optional renewal period and termination option payments, if the Group is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management applies judgement in determining whether it is reasonably certain that a renewal or termination option will be exercised.

Incremental borrowing rates are calculated using a portfolio approach, based on the risk profile of the entity holding the lease and the term and currency of the lease.

After initial recognition, lease creditors are measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments or when the Group changes its assessment of whether it is reasonably certain to exercise an option within the contract. A corresponding adjustment is made to the carrying amount of the right-of-use asset.

The right-of-use asset is initially measured at cost, which comprises the lease creditor adjusted for any payments made at or before the commencement date, initial direct costs incurred, lease incentives received and an estimate of the cost to dismantle or restore the underlying asset or the site on which it is located at the end of the lease term. The right-of-use asset is depreciated over the lease term and is tested periodically for impairment if an impairment indicator is considered to exist.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge its exposure to interest rate and foreign exchange risks and to changes in the prices of certain commodity products arising from operational, financing and investment activities.

Derivative financial instruments are recognised at inception at fair value, being the present value of estimated future cash flows. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in the fair value of currency swaps that are hedging borrowings and for which the Group has not elected to apply hedge accounting, along with changes in the fair value of derivatives hedging borrowings, that are part of designated fair value hedge relationships, are reflected in the Income Statement in 'Finance Costs'.

Changes in the fair value of other derivative financial instruments for which the Group has not elected to apply hedge accounting are reflected in the Income Statement, in 'Other Operating Income/Expenses'.

HEDGING

For the purposes of hedge accounting, hedges are designated either as fair value hedges (which hedge the exposure to movements in the fair value of recognised assets or liabilities or firm commitments that are attributable to hedged risks) or cash flow hedges (which hedge exposures to fluctuations in future cash flows derived from a particular risk associated with recognised assets or liabilities or highly probable forecast transactions).

The Group documents, at the inception of the transactions, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments are disclosed in note 3.10 and the movements on the cash flow hedge reserve in equity are shown in note 4.2. The full fair value of a derivative is classified as a non-current asset or non-current liability if the remaining maturity of the derivative is more than 12 months and as a current asset or current liability if the remaining maturity of the derivative is less than 12 months.

Fair value hedge

In the case of fair value hedges which satisfy the conditions for hedge accounting, any gain or loss arising from the remeasurement of the fair value of the hedging instrument is reported in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. As a result, the gain or loss on interest rate swaps and cross currency interest rate swaps that are in hedge relationships with borrowings are included within 'Finance Income' or 'Finance Costs'. In the case of the related hedged borrowings, any gain or loss on the hedged item which is attributable to the hedged risk is adjusted against the carrying amount of the hedged item and reflected in the Income Statement within 'Finance Costs' or 'Finance Income'. The gain or loss on commodity derivatives that are designated as fair value hedges of firm commitments are recognised in the Income Statement. Any change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability on the Balance Sheet with a corresponding gain or loss in the Income Statement.

If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the Income Statement over the period to maturity.

Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised as a separate component of equity. The ineffective portion is reported in the Income Statement in 'Finance Income' and 'Finance Costs' where the hedged item is private placement debt, and in 'Other Operating Income/Expenses' for all other cases. When a forecast transaction results in the recognition of an asset or a liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise, the associated gains or losses that had previously been recognised in equity are transferred to the Income Statement in the same reporting period as the hedged transaction in Revenue or Cost of Sales (depending on whether the hedge related to a forecasted sale or purchase).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Income Statement.

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

PROVISIONS

A provision is recognised in the Balance Sheet when the Group has a present obligation (either legal or constructive) because of a past event, and it is probable that a transfer of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and announced its main provisions.

Provisions arising on business combinations are only recognised to the extent that they would have qualified for recognition in the financial statements of the acquiree prior to the acquisition.

A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

Environmental provisions

The Group has certain site remediation obligations to be incurred in compliance with local or national environmental regulations together with constructive obligations stemming from established best practice. The measurement of these provisions is based on the evaluation of currently available facts with respect to each individual site and is adjusted periodically as remediation efforts progress or as additional information becomes available. Inherent uncertainties exist in such measurements primarily due to unknown timing, site conditions and changing regulations. Full provision is made for the net present value of the estimated costs in relation to the Group's environmental liabilities. The net present value of the estimated costs is capitalised as property, plant and equipment and the unwinding of the discount element on the environmental provision is reflected in the Income Statement.

Cylinder and tank deposits provisions

In certain DCC Energy operations, an obligation arises from the receipt of deposit fees paid by customers for LPG cylinders and tanks. On receipt of a deposit the Group recognises a liability equal to the deposit received. This deposit will subsequently be refunded at an amount equal to the original deposit on return of the cylinder or tank together with the original deposit receipt. Cylinder and tank deposits acquired through business combinations are measured initially at their fair value at the acquisition date (i.e., net present value) and the unwinding of the discount element is reflected in the Income Statement.

PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS

The Group operates defined contribution and defined benefit pension schemes.

The costs arising in respect of the Group's defined contribution schemes are charged to the Income Statement in the period in which they are incurred. The Group has no legal or constructive obligation to pay further contributions after payment of fixed contributions.

The Group operates several defined benefit pension schemes which require contributions to be made to separately administered funds. The liabilities and costs associated with the Group's defined benefit pension schemes are assessed based on the projected unit credit method by qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the reporting date. The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the number of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan asset is deducted. Plan assets are measured at fair values.

The discount rate employed in determining the present value of the schemes' liabilities is determined by reference to market yields at the reporting date on high-quality corporate bonds of a currency and term consistent with the currency and term of the associated post-employment benefit obligations.

The deferred tax impact of pension scheme surpluses and deficits is disclosed separately within deferred tax liabilities or assets as appropriate. Remeasurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest) are recognised immediately in the Group Balance Sheet with a corresponding entry to retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

The defined benefit pension asset or liability in the Group Balance Sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Fair value is based on market price information, and, in the case of published securities, it is the published bid price. The value of any defined benefit asset is limited to the present value of any economic benefits available in the form of refunds from the plan and reductions in the future contributions to the plan.

A curtailment arises when the Group is demonstrably committed to make a significant reduction in the number of employees covered by a plan. A past service cost, negative or positive, arises following a change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits. A settlement arises where the Group is relieved of responsibility for a pension obligation and eliminates significant risk relating to the obligation and the assets used to affect the settlement. Past-service costs, negative or positive, are recognised immediately in the Income Statement. Losses arising on settlement or curtailment not allowed for in the actuarial assumptions are measured at the date on which the Group becomes demonstrably committed to the transaction. Gains arising on a settlement are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction. Settlement gains and losses are dealt with in the Income Statement.

SHARE-BASED PAYMENT TRANSACTIONS

Certain employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares.

The fair value of share entitlements granted is recognised as an employee expense in the Income Statement with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to equity. The fair value at the grant date is determined using a Monte Carlo simulation technique for the DCC plc Long Term Incentive Plan.

The DCC plc Long Term Incentive Plan contains both market and non-market based vesting conditions. Accordingly, the fair value assigned to the related equity instrument on initial application of IFRS 2 Share-based Payment is adjusted to reflect the anticipated likelihood at the grant date of achieving the market based vesting conditions. The cumulative non-market-based charge to the Income Statement is reversed where entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

Where the share-based payments give rise to the issue of new equity share capital, the proceeds received by the Company are credited to Share Capital (nominal value) and Share Premium when the share entitlements are exercised. Where the share-based payments give rise to the re-issue of shares from treasury shares, the proceeds of issue are credited to shareholders equity.

The measurement requirements of IFRS 2 have been implemented in respect of share options entitlements granted after 7 November 2002. In accordance with the standard, the disclosure requirements of IFRS 2 have been applied to all outstanding share-based payments regardless of their grant date. The Group does not operate any cash-settled share-based payment schemes or share-based payment transactions with cash alternatives as defined in IFRS 2.

GOVERNMENT GRANTS

Grants are recognised at their fair value when there is a reasonable assurance that the grant will be received, and all attaching conditions have been complied with.

Capital grants received and receivable by the Group are credited to government grants and are amortised to the Income Statement on a straight-line basis over the expected useful lives of the assets to which they relate.

Revenue grants are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in profit or loss in the period in which they become receivable.

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

EQUITY

Treasury shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from total equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in share premium.

Dividends

Dividends on Ordinary Shares are recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders of the Company. Proposed dividends that are approved after the reporting date are not recognised as a liability at that reporting date but are disclosed in the dividends note.

Non-controlling interests

Non-controlling interests represent the portion of the equity of a subsidiary not attributable either directly or indirectly to the Parent Company and are presented separately in the Group Income Statement and within equity in the Group Balance Sheet, distinguished from shareholders' equity attributable to owners of the Parent Company. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill is recognised because of such transactions. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

5.10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 15 May 2023.

COMPANY BALANCE SHEET

AS AT 31 MARCH 2023

	Note	2023 £'000	2022 £'000
ASSETS			
Non-current assets			
Investments in subsidiary undertakings	6.4	**1,174,092**	1,130,455
Current assets			
Trade and other receivables	6.5	**293,884**	204,611
Cash and cash equivalents	6.7	**10,691**	31,867
		304,575	236,478
Total assets		**1,478,667**	1,366,933
EQUITY			
Capital and reserves			
Share capital	4.1	**17,422**	17,422
Share premium	4.1	**883,669**	883,321
Other reserves	6.8	**165,537**	105,414
Retained earnings	6.9	**360,947**	318,532
Total equity		**1,427,575**	1,324,689
LIABILITIES			
Current liabilities			
Trade and other payables	6.6	**51,092**	42,244
Total equity and liabilities		**1,478,667**	1,366,933

Mark Breuer, Donal Murphy
Directors

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 6.9) £'000	Other reserves (note 6.8) £'000	Total equity £'000
At 1 April 2022	17,422	883,321	318,532	105,414	1,324,689
Profit for the financial year	–	–	220,258	–	220,258
Other comprehensive income:					
Currency translation	–	–	–	52,963	52,963
Total comprehensive income	–	–	220,258	52,963	273,221
Re-issue of treasury shares	–	348	–	–	348
Share based payment	–	–	–	7,160	7,160
Dividends	–	–	(177,843)	–	(177,843)
At 31 March 2023	17,422	883,669	360,947	165,537	1,427,575

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital (note 4.1) £'000	Share premium (note 4.1) £'000	Retained earnings (note 6.9) £'000	Other reserves (note 6.8) £'000	Total equity £'000
At 1 April 2021	17,422	882,924	309,022	108,486	1,317,854
Profit for the financial year	–	–	170,109	–	170,109
Other comprehensive income:					
Currency translation	–	–	–	(9,539)	(9,539)
Total comprehensive income	–	–	170,109	(9,539)	160,570
Re-issue of treasury shares	–	397	–	–	397
Share based payment	–	–	–	6,467	6,467
Dividends	–	–	(160,599)	–	(160,599)
At 31 March 2022	17,422	883,321	318,532	105,414	1,324,689

COMPANY CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Operating activities			
Cash generated from operations	6.10	(65,428)	(88)
Net cash flow from operating activities		(65,428)	(88)
Investing activities			
Inflows:			
Interest received		10,348	8,268
Proceeds on disposal		–	4,347
Dividends received from subsidiaries		210,581	160,526
Net cash flow from investing activities		220,929	173,141
Financing activities			
Inflows:			
Proceeds from issue of shares		348	397
Outflows:			
Dividends paid	2.10	(177,843)	(160,599)
Net cash flow from financing activities		(177,495)	(160,202)
Change in cash and cash equivalents		(21,994)	12,851
Translation adjustment		818	(221)
Cash and cash equivalents at beginning of year		31,867	19,237
Cash and cash equivalents at end of year	6.7	10,691	31,867

NOTES TO THE COMPANY FINANCIAL STATEMENTS

SECTION 6 NOTES TO THE COMPANY FINANCIAL STATEMENTS

In accordance with the Companies Act 2014, information regarding the ultimate Parent Company, DCC plc, is presented below.

6.1 BASIS OF PREPARATION

The financial statements which are presented in sterling, rounded to the nearest thousand, have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union.

The Company applies consistent accounting policies to those applied by the Group. To the extent that an accounting policy is relevant to both Group and Parent Company financial statements, please refer to the Group financial statements for disclosure of the relevant accounting policy.

6.2 AUDITOR STATUTORY DISCLOSURE

The audit fee for the Parent Company is £15,450 and is payable to KPMG, Ireland, the statutory auditor (2022: £15,450).

6.3 PROFIT ATTRIBUTABLE TO DCC PLC

Profit after taxation for the year attributable to owners of the Parent Company amounting to £220.258 million (2022: £170.109 million) has been accounted for in the financial statements of the Company. In accordance with Section 304(2) of the Companies Act, 2014, the Company is availing of the exemption from presenting its individual Income Statement to the Annual General Meeting. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 304(2) of the Companies Act, 2014.

6.4 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2023 £'000	2022 £'000
At 1 April	1,130,455	1,141,692
Disposals	–	(9)
Impairment	(712)	(3,073)
Exchange and other	44,349	(8,155)
At 31 March	1,174,092	1,130,455

Details of the Group's principal operating subsidiaries are included in the Supplementary Information section on pages 232 to 246. Non-wholly owned subsidiaries principally comprises DCC Holding Denmark A/S (60%) (which owns 100% of DCC Energi Danmark A/S and DCC Energi Retail A/S).

The Group's principal overseas holding company subsidiaries are DCC Limited, a company operating, incorporated and registered in England and Wales and DCC International Holdings B.V., a company operating, incorporated and registered in The Netherlands. The registered office of DCC Limited is at Hill House, 1 Little New Street, London, EC4A 3TR, England. The registered office of DCC International Holdings B.V. is Zuiderzeestraatweg 1, 3882 NC, Putten, The Netherlands.

6.5 TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Amounts owed by subsidiary undertakings	293,884	204,611

All amounts owed by subsidiary undertakings are interest-free and repayable on demand. There were no past due or impaired trade receivables in the Company at 31 March 2023 (31 March 2022: nil). The Company does not expect any material loss in relation to trade and other receivables at 31 March 2023.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

6.6 TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Amounts due to subsidiary undertakings	50,554	41,716
Other creditors and accruals	538	528
	51,092	42,244

6.7 CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank and in hand	10,691	31,867

6.8 OTHER RESERVES

	Share based payment reserve[1] £'000	Foreign currency translation reserve[2] £'000	Other reserves[3] £'000	Total £'000
At 1 April 2021	40,969	67,288	229	108,486
Share based payment	6,467	–	–	6,467
Currency translation	–	(9,539)	–	(9,539)
At 31 March 2022	47,436	57,749	229	105,414
Share based payment	7,160	–	–	7,160
Currency translation	–	52,963	–	52,963
At 31 March 2023	54,596	110,712	229	165,537

1. The share based payment reserve comprises capital contributions to subsidiaries in connection with share based payments.
2. The Company's foreign currency translation reserve represents all foreign exchange differences from 1 April 2004 arising from the translation of the net assets of the Company's euro denominated operations into sterling (the presentation currency), including the translation of the profits and losses of the Company from the average rate for the year to the closing rate at the balance sheet date.
3. The Company's other reserves is a capital conversion reserve fund.

6.9 RETAINED EARNINGS

	2023 £'000	2022 £'000
At 1 April	318,532	309,022
Total comprehensive income for the financial year	220,258	170,109
Dividends	(177,843)	(160,599)
At 31 March	360,947	318,532

6.10 CASH GENERATED FROM OPERATIONS

	2023 £'000	2022 £'000
Profit for the financial year	220,258	170,109
Add back non-operating income:		
– net operating exceptionals	712	(1,265)
– net finance income	(10,348)	(8,268)
– dividend income	(210,581)	(160,526)
Operating profit before exceptionals	41	50
Changes in working capital:		
– trade and other receivables	(72,521)	951
– trade and other payables	7,052	(1,089)
Cash generated from operations	(65,428)	(88)

6.11 RELATED PARTY TRANSACTIONS

SUBSIDIARIES AND ASSOCIATES

The Company's Income Statement includes dividends from its subsidiary companies DCC Financial Services Holdings Unlimited Company (£143.643 million), DCC Management Services Limited (£34.492 million) and DCC Energy Limited (£32.446 million). Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 224, in note 6.5 'Trade and Other Receivables' and in note 6.6 'Trade and Other Payables'.

6.12 FINANCIAL RISK MANAGEMENT

A description of the Group's financial risk management objectives and policies is provided in note 5.7 to the Group financial statements. These financial risk management objectives and policies also apply to the Parent Company.

(I) CREDIT RISK MANAGEMENT

Credit risk arises from credit exposure to intercompany receivables and cash and cash equivalents including deposits with banks and financial institutions.

As detailed in note 6.5, the Group's intercompany receivables at 31 March 2023 amount to £293.884 million (2022: £204.611 million). None of these balances include a provision for impairment and all amounts are expected to be recoverable in full.

Risk of counterparty default arising on cash and cash equivalents is controlled within a framework of dealing with high-quality institutions and, by policy, limiting the amount of credit exposure to any one bank or institution. DCC plc transacts with a variety of high credit quality financial institutions for the purpose of placing deposits. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board approved treasury policy. The cash and cash equivalents balance at 31 March 2023 of £10.691 million was held with financial institutions with minimum short-term ratings of A-2 (Standard and Poor's) or P-1 (Moody's).

(II) LIQUIDITY RISK MANAGEMENT

The tables below show the expected undiscounted total cash outflows (principal and interest) arising from the Company's trade and other payables. These projections are based on the interest and foreign exchange rates applying at the end of the relevant financial year.

As at 31 March 2023	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities – cash outflows					
Trade and other payables	51,092	–	–	–	51,092
	51,092	–	–	–	51,092

As at 31 March 2022	Less than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities – cash outflows					
Trade and other payables	42,244	–	–	–	42,244
	42,244	–	–	–	42,244

The Company has sufficient cash resources and liquid assets to enable it to meet its trade and other payables.

(III) MARKET RISK MANAGEMENT

Foreign exchange risk management

The Company does not have any material assets or liabilities denominated in any currency other than euro at 31 March 2023 or at 31 March 2022 which would give rise to a significant transactional currency exposure. However, as the presentation currency for the Company is sterling, it is exposed to fluctuations in the sterling/euro exchange rate. A change in the value of euro by 10% against sterling would have a £0.9 million (2022: £1.2 million) impact on the Company's profit before tax, would change the Company's equity by £124.9 million and change the Company's net cash by £0.9 million (2022: £120.7 million and £3.2 million respectively).

Interest rate risk management

Based on the composition of net cash at 31 March 2023 a one percentage point (100 basis points) change in average floating interest rates would have a £0.1 million (2022: £0.3 million) impact on the Company's profit before tax. Finance income principally comprises guarantee fees charged at fixed rates on intergroup loans. Finance costs comprise interest on intergroup loans payable at variable market rates.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

6.12 FINANCIAL RISK MANAGEMENT continued

Commodity price risk management

The Company has no exposure to commodity price risk.

Fair values of financial assets and financial liabilities

The following is a comparison by category of book values and fair values of the Company's financial assets and financial liabilities:

	2023		2022	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	293,884	293,884	204,611	204,611
Cash and cash equivalents	10,691	10,691	31,867	31,867
	304,575	304,575	236,478	236,478
Financial liabilities				
Trade and other payables	51,092	51,092	42,244	42,244
	51,092	51,092	42,244	42,244

As at 31 March 2023 and 31 March 2022 the Company had no financial assets or financial liabilities which were carried at fair value.

6.13 CONTINGENCIES

Guarantees given in respect of borrowings and other obligations are detailed in note 5.5 to the Group financial statements.

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PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES[1]

DCC ENERGY

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Energy Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, D18 PK00, Ireland	Holding and divisional management company	Ireland	100

ENERGY SOLUTIONS

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Benegas BV	Zuiderzeestraatweg 1, 3882NC, Putten, The Netherlands	Procurement, sales, marketing and distribution of liquefied petroleum gas	The Netherlands	100
Butagaz SAS	47-53 Rue Raspail, 92300 Levallois – Perret, Paris, France	Procurement, sales, marketing and distribution of liquid gas fuels and the provision of lower carbon energy products and services	France	100
Certa Ireland Limited	Clonminam Industrial Estate, Portlaoise, Co. Laois, R32 YY26, Ireland	Procurement, sales, marketing and distribution of liquid fuels and the provision of lower carbon energy products and services	Ireland	100
Certas Energy UK Limited	1st Floor, Allday House, Warrington Road, Birchwood, Warrington WA3 6GR, England	Procurement, sales, marketing and distribution of liquid fuels and the provision of lower carbon energy products and services	Britain	100
DCC Energi Danmark A/S	Naerum Hovedgade 8, 2850 Naerum, Denmark	Procurement, sales, marketing and distribution of liquid fuels and the provision of lower carbon energy products and services	Denmark	60
DCC Germany Holding GmbH	Werner-von Siemens-Str. 18, 97076 Würzburg, Germany	Holding company	Germany	100
DCC Propane LLC	1001 Warrenville Road, Suite 350 Lisle, IL 6053, USA	Procurement, sales, marketing and distribution of liquefied petroleum gas	USA	100
DSG Energy Limited	Suites 2201-2, 22nd Floor, AIA Kowloon Tower, Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong	Procurement, sales, marketing and distribution of liquefied petroleum gas	Hong Kong	100
Energie Direct Austria GmbH	Alte Poststraße 400, A-8055 Graz, Austria	Procurement, sales, marketing and distribution of petroleum and lubricant products and natural gas	Austria	100
Flogas Britain Limited	81 Rayns Way, Syston, Leicester LE7 1PF, England	Procurement, sales, marketing and distribution of liquid gas fuels and the provision of lower carbon energy products and services	Britain	100
Flogas Ireland Limited	Knockbrack House, Matthew's Lane, Donore Road, Drogheda, Co. Louth, A92 T803, Ireland	Procurement, sales, marketing and distribution of liquid gas fuels, natural gas and the provision of lower carbon & renewable energy products and services	Ireland	100
Flogas Norge AS	Sandakerveien 116, 0484 Oslo, Norway	Procurement, sales, marketing and distribution of liquefied petroleum gas	Norway	100
Flogas Sverige AB	Brännkyrkagatan 63, 11822 Stockholm, Sweden	Procurement, sales, marketing and distribution of liquefied petroleum gas	Sweden	100
Gaz de Paris SAS (trading as Gaz Européen)	47-53 Rue Raspail, 92300 Levallois – Perret, Paris, France	Procurement, sales, marketing and distribution of natural gas	France	100
TEGA – Technische Gase und Gasetechnik GmbH	Werner-von-Siemens-Str. 18, 97076 Würzburg, Germany	Procurement, sales, marketing and distribution of liquefied petroleum gas and refrigerant gases	Germany	100

1. The information in this section relates only to the Group's principal subsidiaries, joint ventures and associates. A full list of subsidiaries and associates will be annexed to the Annual Return of the Company to be filed with the Irish Registrar of Companies.

DCC ENERGY continued

MOBILITY

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Certas Energy France SAS	9 Avenue Edouard Belin, 92500 Rueil Malmaison, Paris, France	Procurement, sales and marketing of petroleum products	France	100
Certas Energy Norway AS	Elias Smiths vei 24, 1337 Sandvika, Norway	Procurement, sales and marketing of petroleum products	Norway	100
Energy Procurement Ireland 2013 Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, D18 PK00, Ireland	Procurement, sales and marketing of petroleum products	Ireland	100
Fuel Card Services Limited	Alexandra House, Lawnswood Business Park, Redvers Close, Leeds LS16 6QY, England	Sale and administration of petroleum products through the use of fuel cards	Britain	100
Qstar Försäljning AB	Spårgatan 5, Box 633, 601 14 Norrköping, Sweden	Procurement, sales and marketing of petroleum products	Sweden	100

DCC HEALTHCARE

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Healthcare Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, D18 PK00, Ireland	Holding and divisional management company	Ireland	100

DCC VITAL

DCC Vital Limited	Fannin House, South County Business Park, Leopardstown, Dublin 18, D18 Y0C9, Ireland	Holding company for the operations of the DCC Vital group of companies	Ireland	100
Fannin Limited	Fannin House, South County Business Park, Leopardstown, Dublin 18, D18 Y0C9, Ireland	Sales, marketing and distribution of medical and pharmaceutical products to healthcare providers	Ireland	100
Fannin (UK) Limited	Westminster Industrial Estate, Repton Road, Measham, Swadlincote, Derbyshire DE12 7DT, England	Sales, marketing and distribution of medical devices to healthcare providers	Britain	100
Medi-Globe Technologies GmbH	Medi-Globe-Straße 1-5, 83101, Achenmühle, Germany	Development, manufacture and distribution of single use medical devices	Germany	100
Medilab Medical Equipments AG	Hauptstrasse 160a, 8274 Tägerwilen, Switzerland	Sales, marketing and distribution of medical and laboratory supplies and services to the Swiss primary care healthcare market	Switzerland	100
Williams Medical Supplies Limited	Craiglas House, The Maerdy Industrial Estate, Rhymney, Gwent NP22 5PY, Wales	Sales, marketing and distribution of medical supplies and services to UK healthcare market, primarily GPs and primary care organisations	Britain	100
Wörner Medizinprodukte und Logistik GmbH	Ferdinand-Lassalle-Str. 37, 72770 Reutlingen, Germany	Sales, marketing and distribution of medical and laboratory supplies and services to the German primary care healthcare market	Germany	100

PRINCIPAL SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES CONTINUED

DCC HEALTHCARE continued

HEALTH & BEAUTY SOLUTIONS

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Health & Beauty Solutions Limited	9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Outsourced solutions for the health and beauty industry	Britain	100
Amerilab Technologies, Inc.	2765 Niagara Lane, North Plymouth, MN 55447, USA	Development, contract manufacture and packing of effervescent nutritional products in powder and tablet formats	USA	100
Design Plus Holdings Limited	Rowan House, 3 Stevant Way, White Lund, Morecambe, Lancashire LA3 3PU, England	Development, contract manufacture and packing of liquids and creams for the beauty and consumer healthcare sectors	Britain	100
EuroCaps Limited	Crown Business Park, Dukestown, Tredegar, Gwent NP22 4EF, Wales	Development and contract manufacture of nutritional products in softgel capsule format	Britain	100
Ion Nutritional Labs	8031 114th Ave, Suite 4000, Largo, FL 33773, USA	Development, contract manufacture and packing of nutritional products across a range of formats including tablets, capsules, powders and liquids	USA	100
Laleham Health and Beauty Limited	Sycamore Park, Mill Lane, Alton, Hampshire GU34 2PR, England	Development, contract manufacture and packing of liquids and creams for the beauty and consumer healthcare sectors	Britain	100
Thompson & Capper Limited	9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Development, contract manufacture and packing of nutritional products in tablet and hard shell capsule format	Britain	100

DCC TECHNOLOGY

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
DCC Technology Limited	DCC House, Leopardstown Road, Foxrock, Dublin 18, D18 PK00, Ireland	Holding and divisional management company	Ireland	100
Almo Corporation	2709 Commerce Way, Philadelphia, PA19154, USA	Sales, marketing and distribution of technology, appliances and lifestyle products	United States	100
Amacom Holding BV	De Tweeling 24-A, 5215 MC 's-Hertogenbosch, The Netherlands	Sales, marketing and distribution of technology products and consumer electronics	The Netherlands	100
Azenn SAS	23 Rue du Champ Morin, 35360, Montauban-de-Bretagne, France	Sales, marketing and distribution of technology products and services	France	100
Comm-Tec GmbH (trading as Exertis AV)	Siemensstraße 14, 73066 Uhingen, Germany	Sales, marketing and distribution of professional audiovisual and IT products	Germany	100
CUC SAS (trading as Exertis Connect)	Zone Industrielle Buchelay 3000, BP 1126, 78204 Mantes en Yvelines Cedex, France	Sales, marketing and distribution of technology products and connecting solutions	France	100
Exertis Arc Telecom Limited	Unit No. 702, X3 Building, Jumeirah Lake Towers, Dubai, UAE	Sales, marketing and distribution of technology products	Ireland and operating in Dubai	100
Exertis CapTech AB	Aminogatan 17, SE- 43153 Mölndal, Gotëborg, Sweden	Sales, marketing and distribution of technology products	Sweden	100

DCC TECHNOLOGY continued

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Exertis France SAS	5 Rue Pleyel, 93200 Saint Denis, France	Sales, marketing and distribution of technology peripherals and accessories	France	100
Exertis Ireland Limited	Unit 21, Fonthill Business Park, Fonthill Road, Dublin 22, D22 FR82, Ireland	Sales, marketing and distribution of technology products	Ireland	100
Exertis Supply Chain Services Limited	Unit 21, Fonthill Business Park, Fonthill Road, Dublin 22, D22 FR82, Ireland	Provision of supply chain management and outsourced procurement services	Ireland	100
Exertis (UK) Ltd	Technology House, Magnesium Way, Hapton, Burnley BB12 7BF, England	Sales, marketing and distribution of technology products	Britain	100
Jam Industries Ltd.	21000 Trans-Canada Highway, Baie-D'Urfe, QC H9X 4B7, Canada	Sales, marketing and distribution of professional audio products, musical instruments and consumer electronics	Canada	100

JOINT VENTURES AND ASSOCIATES

Company name	Company address	Principal activity	Incorporated and operating in	Group shareholding %
Vicus Biogas ApS	Ny Kongensgade 1, 1472 København K, Denmark	Operates biogas plants	Denmark	50
KSG Dining Limited	McKee Avenue, Finglas, Dublin 11, D11 NY90, Ireland	Restaurant and hospitality service provider	Ireland	47.5
Geogaz Lavera SA	2 Rue des Martinets, 92500 Rueil Malmaison, Paris, France	Owns and operates an LPG storage facility	France	25
Norgal (GIE)	Route de la Chimie, 76700 Gonfreville L'Orcher, France	Receiving, storage and distribution site for LPG products	France	18

SHAREHOLDER INFORMATION

SHARE LISTING

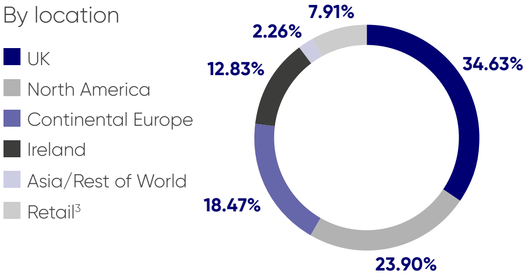
DCC's shares have a Premium Listing on the Official List of the United Kingdom Listing Authority ('UKLA Official List') and are traded solely on the London Stock Exchange in sterling.

Share Price Data	2023 £	2022 £
Share price at 15 May	46.54	–
Market capitalisation at 15 May	4,596m	–
Share price at 31 March	47.18	59.26
Market capitalisation at 31 March	4,659m	5,845m
Share price movement during the year		
– High	62.68	64.86
– Low	40.30	55.00

DCC plc's ordinary share price information can be accessed on the Company's website under the 'Investors' tab.

Shareholdings as at 31 March 2023

By location



Geographic division[1]	Number of shares[2]	% of shares
UK	34,194,159	34.63%
North America	23,604,136	23.90%
Continental Europe	18,238,504	18.47%
Ireland	12,672,013	12.83%
Asia/Rest of World	2,235,716	2.26%
Retail[3]	7,802,678	7.91%
Total	98,747,206	100.00%

Notes:

1. This represents the best estimate of the number of shares controlled by fund managers resident in the relevant geographic regions.
2. Excludes 2,586,698 shares held as Treasury Shares.
3. Retail includes shareholdings of less than 5,000 shares.

Details of shareholdings in excess of 3% in the Company are set out on page 144.

DIVIDENDS

DCC normally pays dividends twice yearly, in July and in December, to shareholders on the register of members on the record date for the dividend. An interim dividend of 60.04 pence per share was paid on 9 December 2022.

Subject to shareholders' approval at the Annual General Meeting, a final dividend of 127.17 pence per share will be paid on 20 July 2023 to shareholders on the register of members at the close of business on 26 May 2023.

Dividends are declared in sterling and shareholders have the option to elect to receive dividends in either sterling or euro. Shareholders may also elect to receive dividend payments by electronic funds transfer directly into their bank accounts, rather than by cheque. Shareholders should contact the Company's Registrar for details of these options.

From 1 January 2020, the Company is obliged to deduct Dividend Withholding Tax ('DWT') at the rate of 25% from dividends paid to its shareholders, unless a particular shareholder is entitled to an exemption from DWT and has completed and returned to the Company's Registrar a declaration form claiming entitlement to the particular exemption. Exemption from DWT may be available to shareholders resident in another EU Member State or in a country with which the Republic of Ireland has a double taxation agreement in place and to non-individual shareholders resident in Ireland (for example companies, pension funds and charities). If shares are held via Euroclear Bank or CREST, the owners of the shares will need to contact the intermediary through whom the shares are held to ascertain arrangements for tax relief to be applied at source.

The Irish Revenue Commissioners have published a tax and duty manual entitled 'Dividend Withholding Tax – Details of Scheme', which was updated in January 2023 and can be obtained by contacting the Company's Registrar.

FINANCIAL CALENDAR

16 May 2023	Final results announcement for 2023
25 May 2023	Ex-dividend date – final dividend
26 May 2023	Record date – final dividend
13 July 2023	Interim Management Statement
13 July 2023	Annual General Meeting
20 July 2023	Proposed payment date – final dividend
14 November 2023	Interim results announcement
December 2023	Proposed payment date – interim dividend
February 2024	Interim Management Statement

ANNUAL GENERAL MEETING, ELECTRONIC PROXY VOTING AND EUROCLEAR BANK VOTING

The Annual General Meeting will be held at 2.00 pm on 13 July 2023 at The Powerscourt Hotel, Powerscourt Estate, Enniskerry, Co. Wicklow, A98 DR12, Ireland. The Notice of Meeting together with an explanatory letter from the Chairman and a Form of Proxy accompany this Annual Report.

Shareholders (being registered members) may lodge a Form of Proxy for the 2023 Annual General Meeting electronically. Shareholders who wish to submit their proxy in this manner may do so by accessing the Company's Registrar's website, www.eproxyappointment.com, and following the instructions that are set out on the Form of Proxy or in the email broadcast that you will have received if you have elected to receive communications via electronic means.

Persons who hold their interests in ordinary shares as Belgian law rights through the Euroclear system or as CDIs through the CREST System should consult with their stockbroker or other intermediary for information on the processes and timelines for submitting proxy votes for the Annual General Meeting through the respective systems. Further details are contained in the notes to the Notice of Annual General Meeting.

DCC WEBSITE

Our corporate website, www.dcc.ie, provides access to share price information through downloadable reports and interactive share price tools. The site also provides access to information on the Group's activities, results, annual reports, stock exchange announcements and investor presentations.

ELECTRONIC COMMUNICATIONS

The use of electronic communications enables the faster receipt of documents, in an environmentally friendly and cost-effective manner. Shareholders who wish to alter the method by which they receive communications should contact the Company's Registrar.

REGISTRAR

All administrative queries about the holding of DCC shares should be addressed to the Company's Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland.

Tel: + 353 1 247 5698
Fax: + 353 1 447 5571
www.investorcentre.com/ie/contactus

INVESTOR RELATIONS

For investor enquiries, please contact Rossa White, Head of Group Investor Relations, DCC plc, DCC House, Leopardstown Road, Foxrock, Dublin 18, D18 PK00, Ireland.

Tel: + 353 1 2799 400
email: investorrelations@dcc.ie

CORPORATE INFORMATION

COMPANY SECRETARY

Darragh Byrne

REGISTERED AND HEAD OFFICE

DCC House
Leopardstown Road
Foxrock
Dublin 18
D18 PK00
Ireland

AUDITOR

KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

REGISTRAR

Computershare Investor Services
(Ireland) Limited
3100 Lake Drive
Citywest Business Campus
Dublin 24
D24 AK82
Ireland

SOLICITORS

William Fry
2 Grand Canal Square
Dublin 2
D02 A342
Ireland

Pinsent Masons
1 Park Row
Leeds LS1 5AB
England

STOCKBROKERS

Davy
49 Dawson Street
Dublin 2
D02 PY05
Ireland

J.P. Morgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP
England

UBS
5 Broadgate
London EC2M 2QS
England

WEBSITE

www.dcc.ie

INDEPENDENT ASSURANCE STATEMENT

DCC PLC

Scope

We have been engaged by DCC plc ('DCC') to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the Engagement, to report on DCC's selected subject matter information marked with the symbol Δ (the 'Subject Matter') in the DCC Annual Report ('the Report') as of 15 May 2023 for the year ended 31 March 2023.

The Subject Matter comprises the following:

- Scope 1 greenhouse gas ('GHG') emissions ('tCO_2e');
- Scope 2 GHG emissions (location and market based) ('tCO_2e');
- Scope 1 and 2 GHG emissions target reduction on 2019 baseline (%);
- Scope 3 GHG emissions ('tCO_2e') limited to the categories listed below:
  - *Category 3: upstream emissions associated with the extraction, refining, storage and distribution of products*; and
  - *Category 11: downstream emissions from the use of sold products by customers*;
- Total biogenic content of energy sold ('% GJ'); and
- Carbon intensity per megajoule of energy sold ('gCO_2e/MJ').

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by DCC

In preparing the Subject Matter, DCC applied their internally developed General Reporting Boundaries and Carbon Criteria ('Criteria'). Such Criteria were specifically designed by DCC for the purposes of reporting on the Subject Matter. As a result, the subject matter information may not be suitable for another purpose.

DCC's responsibilities

DCC's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our Engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 Revised'), the International Standard for Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410')*, and the terms of reference for this Engagement as agreed with DCC on 19 December 2022. Those standards require that we plan and perform our Engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audit or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than, for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The green house gas ('GHG') quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Interviewed management to understand the key processes, systems and controls in place for the preparation of the Subject Matter.

INDEPENDENT ASSURANCE STATEMENT CONTINUED

- Performed a review of the data management systems, tested reasonableness of conversion factors applied, reviewed alignment with the Criteria and conducted analytical review procedures over the Subject Matter.
- Undertook a remote desktop review to two selected DCC operations to understand the process of data collection and reporting from site level to head office.
- Agreed sample selection to supporting documentation and re-performed calculations.
- Assessed the appropriateness of the Criteria for the Subject Matter.
- Reviewed the Report for the appropriate presentation of the Subject Matter, including the discussion of limitations and assumptions relating to the data presented. We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 15 May 2023 for the year ended 31 March 2023, in order for it to be in accordance with the Criteria.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any persons other than DCC, or for any purpose other than that for which it was prepared. Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Ernst & Young
15 May 2023
Dublin, Ireland

ALTERNATIVE PERFORMANCE MEASURES

The Group reports certain alternative performance measures ('APMs') that are not required under International Financial Reporting Standards ('IFRS') which represent the generally accepted accounting principles ('GAAP') under which the Group reports. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions.

These APMs are primarily used for the following purposes:

- to evaluate the historical and planned underlying results of our operations;
- to set Director and management remuneration; and
- to discuss and explain the Group's performance with the investment analyst community.

None of the APMs should be considered as an alternative to financial measures derived in accordance with GAAP. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. These performance measures may not be calculated uniformly by all companies and therefore may not be directly comparable with similarly titled measures and disclosures of other companies.

The principal APMs used by the Group, together with reconciliations where the non-GAAP measures are not readily identifiable from the financial statements, are as follows:

ADJUSTED OPERATING PROFIT ('EBITA')

Definition

This comprises operating profit as reported in the Group Income Statement before net operating exceptional items and amortisation of intangible assets. Net operating exceptional items and amortisation of intangible assets are excluded t5.9o assess the underlying performance of our operations. In addition, neither metric forms part of Director or management remuneration targets.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Operating profit	Income Statement	511,988	458,360
Net operating exceptional items	Income Statement	32,528	46,534
Amortisation of intangible assets	Income Statement	111,146	84,340
Adjusted operating profit (EBITA)		655,662	589,234

ADJUSTED OPERATING PROFIT BEFORE DEPRECIATION ('EBITDA')

Definition

EBITDA represents earnings before net interest, tax, depreciation on property, plant and equipment, amortisation of intangible assets, share of equity accounted investments' profit after tax and net exceptional items. This metric is used to compare profitability between companies by eliminating the effects of financing, tax environments, asset bases and business combinations history. It is also utilised as a proxy for a company's cash flow.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Adjusted operating profit (EBITA)	Per above	655,662	589,234
Depreciation of property, plant and equipment	Note 3.1	144,443	137,976
Adjusted operating profit before depreciation (EBITDA)		800,105	727,210

NET INTEREST BEFORE EXCEPTIONAL ITEMS

Definition

The Group defines net interest before exceptional items as the net total of finance costs and finance income before interest related exceptional items as presented in the Group Income Statement.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Finance costs before exceptional items	Income Statement	(96,735)	(77,205)
Finance income before exceptional items	Income Statement	16,111	23,075
Net interest before exceptional items		(80,624)	(54,130)

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

INTEREST COVER – EBITDA INTEREST COVER

Definition

The EBITDA interest cover ratio measures the Group's ability to pay interest charges on debt from cash flows. To maintain comparability with the definitions contained in the Group's lending arrangements, EBITDA and net interest exclude the impact arising from the adoption of IFRS 16.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
EBITDA	Per above	800,105	727,210
Less: impact of IFRS 16		(6,041)	(6,728)
EBITDA for covenant purposes		794,064	720,482
Net interest before exceptional items	Per above	(80,624)	(54,130)
Less: impact of IFRS 16	Note 2.7	9,577	9,473
Net interest for covenant purposes		(71,047)	(44,657)
EBITDA interest cover (times)		11.2x	16.1x

EFFECTIVE TAX RATE

Definition

The Group's effective tax rate expresses the income tax expense before exceptionals and deferred tax attaching to the amortisation of intangible assets as a percentage of adjusted operating profit less net interest before exceptional items.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Adjusted operating profit	Per above	655,662	589,234
Net interest before exceptional items	Per above	(80,624)	(54,130)
		575,038	535,104
Income tax expense	Income Statement	84,762	79,734
Income tax attaching to exceptional items	Note 2.9	2,764	1,501
Deferred tax attaching to amortisation of intangible assets	Note 2.9	23,456	16,421
Total Income tax expense before exceptionals and deferred tax attaching to amortisation of intangible assets		110,982	97,656
Effective tax rate (%)		19.3%	18.3%

DIVIDEND COVER

Definition

The dividend cover ratio measures the Group's ability to pay dividends from earnings.

Calculation	Reference in Financial Statements	2023 pence	2022 pence
Adjusted earnings per share	Note 2.11	456.27	430.11
Dividend	Note 2.10	187.21	175.78
Dividend cover (times)		2.4x	2.4x

CONSTANT CURRENCY

Definition

The translation of foreign denominated earnings can be impacted by movements in foreign exchange rates versus sterling, the Group's presentation currency. To present a better reflection of underlying performance in the period, the Group retranslates foreign denominated current year earnings at prior year exchange rates.

Revenue (constant currency)

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Revenue	Income Statement	22,204,846	17,732,020
Currency impact		(366,289)	–
Revenue (constant currency)		21,838,557	17,732,020

Adjusted operating profit (constant currency)

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Adjusted operating profit	Per above	655,662	589,234
Currency impact		(20,746)	–
Adjusted operating profit (constant currency)		634,916	589,234

Adjusted earnings per share (constant currency)

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Adjusted profit after taxation and non-controlling interests	Note 2.11	450,373	424,133
Currency impact		(13,174)	–
Adjusted profit after taxation and non-controlling interests (constant currency)		437,199	424,133
Weighted average number of ordinary shares in issue ('000)	Note 2.11	98,707	98,610
Adjusted earnings per share (constant currency)		442.93p	430.11p

NET CAPITAL EXPENDITURE

Definition

Net capital expenditure comprises purchases of property, plant and equipment, proceeds from the disposal of property, plant and equipment and government grants received in relation to property, plant and equipment.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Purchase of property, plant and equipment	Group Cash Flow Statement	229,440	194,353
Government grants received in relation to property, plant and equipment	Group Cash Flow Statement	(216)	–
Proceeds from disposal of property, plant and equipment	Group Cash Flow Statement	(22,643)	(23,524)
Net capital expenditure		206,581	170,829

FREE CASH FLOW

Definition

Free cash flow is defined by the Group as cash generated from operations before exceptional items as reported in the Group Cash Flow Statement after repayment of lease creditors and net capital expenditure.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Cash generated from operations before exceptionals	Group Cash Flow Statement	860,746	628,433
Repayment of lease creditors	Note 3.12	(83,796)	(75,053)
Net capital expenditure	Per above	(206,581)	(170,829)
Free cash flow		570,369	382,551

FREE CASH FLOW (AFTER INTEREST AND TAX PAYMENTS)

Definition

Free cash flow (after interest and tax payments) is defined by the Group as free cash flow after interest paid (excluding interest relating to lease creditors), income tax paid, dividends received from equity accounted investments and interest received. As noted in the definition of free cash flow, interest amounts relating to the repayment of lease creditors has been deducted in arriving at the Group's free cash flow and are therefore excluded from the interest paid figure in arriving at the Group's free cash flow (after interest and tax payments).

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Free cash flow	Per above	570,369	382,551
Interest paid (including interest relating to lease creditors)	Group Cash Flow Statement	(82,576)	(70,103)
Interest relating to lease creditors	Note 3.12	9,577	9,473
Income tax paid	Group Cash Flow Statement	(97,485)	(76,292)
Interest received	Group Cash Flow Statement	15,535	22,759
Free cash flow (after interest and tax payments)		415,420	268,388

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

CASH CONVERSION RATIO

Definition

The cash conversion ratio expresses free cash flow as a percentage of adjusted operating profit.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Free cash flow	Per above	570,369	382,551
Adjusted operating profit	Per above	655,662	589,234
Cash conversion ratio (%)		87%	65%

RETURN ON CAPITAL EMPLOYED ('ROCE')

Definition

ROCE represents adjusted operating profit expressed as a percentage of the average total capital employed.

The Group adopted IFRS 16 Leases on the transition date of 1 April 2019 using the modified retrospective approach, meaning that comparatives were not restated. To assist comparability with prior years, the Group presents ROCE excluding the impact of IFRS 16 ('ROCE excl. IFRS 16') as well as ROCE including the impact of IFRS 16 ('ROCE incl. IFRS 16'). Total capital employed (excl. IFRS 16) represents total equity adjusted for net debt/cash (including lease creditors), goodwill and intangibles written off, right-of-use leased assets, acquisition related liabilities and equity accounted investments whilst total capital employed (incl. IFRS 16) includes right-of-use leased assets.

Similarly, adjusted operating profit is presented both excluding and including the impact of IFRS 16. Net operating exceptional items and amortisation of intangible assets are excluded in order to assess the underlying performance of our operations. In addition, neither metric forms part of Director or management remuneration targets.

ROCE (excl. IFRS 16)

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Total equity	Group Balance Sheet	3,058,310	2,970,563
Net debt (including lease creditors)	Note 3.13	1,113,881	756,605
Goodwill and intangibles written off		657,959	546,813
Right-of-use leased assets	Note 3.2	(336,221)	(327,551)
Equity accounted investments	Group Balance Sheet	(47,789)	(26,843)
Acquisition related liabilities (current and non-current)	Note 3.16	127,393	96,252
Closing total capital employed (excl. IFRS 16)		4,573,533	4,015,839
Average total capital employed (excl. IFRS 16)		4,294,686	3,541,266
Adjusted operating profit	Per above	655,662	589,234
Less: impact of IFRS 16 on operating profit		(6,041)	(6,728)
		649,621	582,506
Return on capital employed (%) excl. IFRS 16		15.1%	16.5%

ROCE (incl. IFRS 16)

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Total capital employed	Per above	4,573,533	4,015,839
Right-of-use leased assets	Note 3.2	336,221	327,551
Closing total capital employed (incl. IFRS 16)		4,909,754	4,343,390
Average total capital employed (incl. IFRS 16)		4,626,572	3,859,473
Adjusted operating profit	Per above	655,662	589,234
Return on capital employed (%) incl. IFRS 16		14.2%	15.3%

COMMITTED ACQUISITION EXPENDITURE

Definition

The Group defines committed acquisition expenditure as the total acquisition cost of subsidiaries as presented in the Group Cash Flow Statement (excluding amounts related to acquisitions which were committed to in previous years) and future acquisition related liabilities for acquisitions committed to during the year.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Net cash outflow on acquisitions during the year	Group Cash Flow Statement	318,486	668,123
Cash outflow on acquisitions which were committed to in the previous year		(26,059)	(114,658)
Acquisition related liabilities arising on acquisitions during the year	Note 3.16	46,654	47,381
Acquisition related liabilities which were committed to in the previous year		(431)	(21,510)
Amounts committed in the current year		23,060	24,100
Committed acquisition expenditure		361,710	603,436

NET WORKING CAPITAL

Definition

Net working capital represents the net total of inventories, trade and other receivables (excluding interest receivable), and trade and other payables (excluding interest payable, amounts due in respect of property, plant and equipment and current government grants).

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Inventories	Note 3.5	1,192,803	1,133,666
Trade and other receivables	Note 3.6	2,312,269	2,508,613
Less: interest receivable		(558)	(170)
Trade and other payables	Note 3.7	(3,279,898)	(3,468,705)
Less: interest payable	Note 3.7	25,231	13,981
Less: amounts due in respect of property, plant and equipment	Note 3.7	24,492	18,850
Less: government grants	Note 3.7	31	16
Net working capital		274,370	206,251

WORKING CAPITAL (DAYS)

Definition

Working capital days measures how long it takes in days for the Group to convert working capital into revenue.

Calculation	Reference in Financial Statements	2023 £'000	2022 £'000
Net working capital	Per above	274,370	206,251
March revenue		2,068,648	2,267,233
Working capital (days)		4.1 days	2.8 days

5 YEAR REVIEW

Group Income Statement Year ended 31 March	2019 £'m	2020 £'m	2021 £'m	2022 £'m	2023 £'m
Revenue	15,226.9	14,755.4	13,412.5	17,732.0	22,204.8
Adjusted operating profit	460.5	494.3	530.2	589.2	655.7
Exceptional items	(28.2)	(65.5)	(40.5)	(46.5)	(32.5)
Amortisation of intangible assets	(63.2)	(62.1)	(66.9)	(84.3)	(111.2)
Operating profit	369.1	366.7	422.8	458.4	512.0
Finance costs (net)	(42.3)	(56.2)	(57.9)	(53.0)	(79.7)
Share of equity accounted investments	0.7	1.0	0.2	0.3	(0.7)
Profit before tax	327.5	311.5	365.1	405.7	431.6
Income tax expense	(56.4)	(57.3)	(62.3)	(79.7)	(84.8)
Non-controlling interests	(8.5)	(8.7)	(10.2)	(13.6)	(12.8)
Profit attributable to owners of the Parent Company	262.6	245.5	292.6	312.4	334.0
Earnings per share					
– basic (pence)	280.14p	249.64p	297.04p	316.78p	338.40p
– basic adjusted (pence)	358.16p	362.64p	386.62p	430.11p	456.27p
Dividend per share (pence)	138.35p	145.27p	159.80p	175.78p	187.21p
Dividend cover (times)	2.6x	2.5x	2.4x	2.4x	2.4x
Interest cover (times)*	9.9x	10.5x	10.6x	13.0x	9.1x

* excludes exceptional items.

Group Balance Sheet As at 31 March	2019 £'m	2020 £'m	2021 £'m	2022 £'m	2023 £'m
Non-current and current assets:					
Property, plant and equipment	996.5	1,089.0	1,137.6	1,253.3	1,354.8
Right-of-use leased assets	–	304.1	308.9	327.6	336.2
Intangible assets	2,069.6	2,126.9	2,206.7	2,634.4	2,957.6
Equity accounted investments	24.2	27.7	27.1	26.8	47.8
Cash/derivatives	1,765.6	2,059.9	1,948.5	1,620.2	1,570.2
Other assets	2,221.7	2,313.5	2,406.0	3,696.9	3,574.2
Total assets	7,077.6	7,921.1	8,034.8	9,559.2	9,840.8
Equity	2,433.5	2,541.5	2,705.6	2,970.6	3,058.3
Non-current and current liabilities:					
Borrowings/derivatives	1,784.0	2,120.0	1,783.3	2,040.1	2,337.5
Lease creditors	–	306.8	315.2	336.7	346.5
Retirement benefit obligations	(1.4)	(7.3)	(8.0)	(7.7)	(11.7)
Other liabilities	2,861.5	2,960.1	3,238.7	4,219.5	4,110.2
Total liabilities	4,644.1	5,379.6	5,329.2	6,588.6	6,782.5
Total equity and liabilities	7,077.6	7,921.1	8,034.8	9,559.2	9,840.8
Net (debt)/cash included above (excl. lease creditors)	(18.4)	(60.2)	165.1	(419.9)	(767.3)

Group Cash Flow Year ended 31 March	2019 £'m	2020 £'m	2021 £'m	2022 £'m	2023 £'m
Operating cash flow	607.5	724.0	903.7	628.4	860.7
Capital expenditure	173.5	167.8	147.0	170.8	206.6
Acquisitions	296.8	227.5	272.6	720.1	340.5

Other Information	2019	2020	2021	2022	2023
Return on capital employed (%)	17.0%	16.5%	17.1%	16.5%	15.1%
Working capital (days)	(0.4)	(0.6)	(4.3)	2.8	4.1

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