Company registration number: NI010293

DCC Energy Limited

Financial statements

31 March 2020

DCC Energy Limited

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DCC Energy Limited

Directors and other information

Directors	John Rooney Paul Kenny Paul O'Connell Kevin Donnelly
Secretary	Paul Kenny
Company number	NI010293
Registered office	Airport Road West Sydenham Belfast BT3 9ED
Business address	Airport Road West Sydenham Belfast BT3 9ED
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
Banker	Bank of Ireland Belfast City Branch Belfast BT1 2BA
Solicitor	Mills Selig 21 Arthur Street Belfast BT1 4GA

DCC Energy Limited

Strategic report
Year ended 31 March 2020

Principal activity
The Company's principal activity during the year was that of the sale of liquefied petroleum gas and oil products.

Results and performance
The profit for the financial year, after taxation amounted to £3,256k (2019: £7,811k). The directors consider the results for the year and the position of the Company at year end to be satisfactory given the impact of the challenging economic environment on the Company's target markets, combined with relatively mild winter temperatures.

An interim dividend of £Nil was paid during the year (2019: Nil). The directors do not recommend the payment of a final dividend (2019: Nil).

Future developments
The Company will continue to seek every opportunity to increase profitable turnover, both by organic growth and acquisition. The Company's investment programme during the year has been directed towards the development and upgrading of its processing and distribution facilities.

Business environment
The principal risk factors that the Company is facing include the possibility of the fluctuating price of oil products from both a global perspective and possible increases in domestic taxes which will have a negative impact on demand combined with any resulting increases in capital requirements. The Company continues to be vigilant against these and other risks while maintaining its market share.

Key performance indicators
The Company's key performance indicators are as follows:

	2020	2019
Operating profit	£3,888	£3,620k
Operating profit margin	7.3%	5.62%

Principal risks and uncertainties
Performance in the sector is affected by general economic conditions. The directors carry out regular strategic reviews including assessments of competitor activity, market trends and forecasts and customer behaviour. The Company maintains stock levels that generally reflect the local market demand to minimise any negative variances in either fuel commodity prices or exchange rates.

Section 172 statement

This statement, which forms part of the Strategic Report, is intended to show how the company's Directors have approached and met their responsibilities under s172 Companies Act 2006 during the year. The statement has been prepared in response to the obligations as set out in the Companies (Miscellaneous Reporting) Regulations 2018.

As required by s172 of the UK Companies Act 2006, a Director of a company must act in a way he/she considers, in good faith, would most likely promote the success of the company for the benefit of its Shareholders. In doing this, the Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- company's reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

We understand that our business can only grow and succeed over the long term if we recognise the views and needs of our stakeholders. Understanding our stakeholders is key to ensuring the Board can have informed discussions and factor stakeholder interests into decision-making.

How the board engaged with its key stakeholders during the year

Our people

The company employs 43 people in Northern Ireland and recognises that they are fundamental to the continued success of the business. The Company's most important resource is its people; their knowledge and experience are crucial to meeting customer requirements. Retention of key staff is critical, and the Company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements. The Company's most important resource is its people; their knowledge and experience are crucial to meeting customer requirements. Retention of key staff is critical, and the Company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Customers

The business has an extensive customer base. The company seeks to provide an excellent standard of customer service by combining an extensive range of services with a commitment to identifying the most cost-effective and flexible solutions to meet our customers' requirements. By constantly focusing on building the breadth of our customer base, we ensure that our service offering is always developing to adapt to their growing demands, as well as delivering an exceptional route-to-market for our suppliers.

Suppliers

The Company's procurement policy is to source equipment, goods and services from a wide range of suppliers in accordance with commercial practices based on fairness and transparency.

The Company recognises the important role that suppliers play in its business and works to ensure that payments are made to them in accordance with agreed contract terms.

Communities and Environment

The Company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible. The company supports local communities both financially and practically with the clear aim of playing its part wherever possible in a diverse and forever changing world.

This report was approved by the board of directors on 26 March 2021 and signed on behalf of the board by:

Paul Kenny
Director

DCC Energy Limited

Directors report
Year ended 31 March 2020

The directors present their report and the financial statements of the company for the year ended 31 March 2020.

Directors
The directors who served the company during the year were as follows:

John Rooney
Paul Kenny
Kevin Donnelly
Paul O'Connell

Dividends
Particulars of recommended dividends are detailed in note 13 of the financial statements.

Financial instruments
Financial risk management
The financial treasury function of DCC plc, the Company's ultimate parent undertaking, is responsible for ensuring the availability and flexibility of funding arrangements in order to meet the ongoing requirements of the companies owned by DCC plc ("the group"). In addition, it is responsible for managing the interest rate risk, credit risk, liquidity risks and foreign exchange risks of the Company.

Interest rate risk
The Company has both interest-bearing assets and interest-bearing liabilities. Interest bearing assets relate to cash balances, which earn interest at a variable rate. Interest bearing liabilities relate to inter-Company loans and bank overdrafts. The Company has a policy of maintaining debt at fixed and variables rates to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Credit risk
The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and has a policy that there will be no undue amount of exposure to any individual customer.

Liquidity risk
The Company actively maintains a mixture of inter-company and bank funding that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

Foreign exchange risk
While the greater part of the Company's revenues and expenses are denominated in sterling, the Company is exposed to some foreign exchange risk in the normal course of business.

Other matters

Policy and practice on payment of creditors

As disclosed in the Strategic report, the Company's procurement policy is to source equipment, goods and services from a wide range of suppliers in accordance with commercial practices based on fairness and transparency.

The Company recognises the important role that suppliers play in its business and works to ensure that payments are made to them in accordance with agreed contract terms.

Employee involvement

Employees are informed regularly about aspects of the business and its progress, which the Company considers relevant to them, including communication through management channels in writing as appropriate.

The Company involves employees in matters of concern to their jobs, work situation, and endeavours to maintain a sense of identity with the Company's aims and objectives. The effectiveness of employee communication is regularly reviewed by the directors and improvements implemented as required.

Employment of disabled persons

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration of all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The company is prepared to modify procedures or equipment, wherever it is practicable, so that full use can be made of an individual's abilities.

Streamlined Energy and carbon reporting

FY20 (DCC plc)	**000's**
Energy consumption used to calculate emissions (Gigajoules)	**1,420**
Total gross tCO2e (Tonnes)	**94**
Methodology	DCC plc is provided with regular invoices from its gas and electricity suppliers. The billed kWh usage per site is converted into CO2e emissions based on the attributable emissions per kWh. Transport fuel consumption is converted from litres of fuel to CO2e at the appropriate conversion rates.

Assurance specialists from EY LLP conduct an annual audit of the ultimate parent undertaking, DCC plc's environmental data collation and calculation processes and produce an assurance statement summarising the level of accuracy and inclusivity, with recommendations for improvement. The data shown above, is part of the information that is consolidated for the whole group and submitted to the assurance specialists.

Human resources

The Company's most important resource is its people; their knowledge and experience are crucial to meeting customer requirements. Retention of key staff is critical, and the Company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Political and charitable contributions
The Company made no political or charitable contributions or incurred any political expenditure during the year.

Other information
There were no significant post balance sheet events that would require adjustments to, or disclosure in, the Company's financial statements.

Disclosure of information to auditor
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 26 March 2021 and signed on behalf of the board by:

Paul Kenny
Director

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the directors' report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the Company's affairs and of its profit or loss for that year. In preparing these 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 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 Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

This report was approved by the board of directors on 26 March 2021 and signed on behalf of the board by:

Paul Kenny
Director

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

DCC Energy Limited

Independent auditor's report to the members of DCC Energy Limited Year ended 31 March 2020

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DCC Energy Limited ('the Company') for the year ended 31 March 2020 set out on pages 11 to 34, which comprise the Profit and Loss account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) 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 are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report on going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Independent auditor's report to the members of DCC Energy Limited Year ended 31 March 2020 (continued)

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of 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.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using

KPMG

DCC Energy Limited

Independent auditor's report to the members of DCC Energy Limited Year ended 31 March 2020 (continued)

Respective responsibilities and restrictions on use (continued)

Responsibilities of directors for the financial statements (continued)

the going concern basis of accounting unless they either intend to liquidate 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

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 Chapter 3 of Part 16 of the Companies Act 2006. 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 this report, or for the opinions we have formed.

Conall O'Halloran

Conall O'Halloran (Senior Statutory Auditor) **26 March 2021**
for and on behalf of
KPMG Statutory Auditor
1 Stokes Place
St Stephens Green
Dublin 2
Ireland

DCC Energy Limited

Profit and Loss account and Other Comprehensive Income
Year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	4	53,239	64,387
Cost of sales		(42,479)	(53,304)
Gross profit		10,760	11,083
Distribution costs		(5,528)	(5,404)
Administrative expenses		(1,608)	(2,309)
Other operating income	5	264	250
Operating profit	6	3,888	3,620
Other interest receivable and similar income	9	210	196
Interest payable and similar expenses	10	(58)	(72)
Profit before taxation		4,040	3,744
Gain on disposals	11	-	4,788
Profit before taxation		4,040	8,532
Tax on profit	12	(784)	(721)
Profit for the financial year		3,256	7,811
Defined benefit pension obligation - Remeasurements	22	1,935	(77)
Movements in deferred tax asset	21	(368)	13
Other comprehensive income/(expenses) for the year		1,567	(64)
Total comprehensive income for the year		4,823	7,747

All the activities of the company are from continuing operations.

The notes on pages 14 to 34 form part of these financial statements.

DCC Energy Limited

Balance Sheet
As at 31 March 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Intangible assets	14	130		145	
Tangible assets	15	4,436		5,050	
Investments	16	3,000		3,000	
			7,566		8,195
Current assets					
Stocks	17	1,291		1,178	
Debtors	18	36,807		37,009	
Deferred tax asset	21	110		-	
Cash at bank and in hand		4,979		2,060	
		43,187		40,247	
Creditors: amounts falling due within one year	19	(19,673)		(19,984)	
Net current assets			23,514		20,263
Total assets less current liabilities			31,080		28,458
Provisions for liabilities	20		(28)		(86)
Net assets excluding defined benefit pension plan			31,052		28,372
Creditors: amounts falling due after one year					
Pension scheme liability	22		(470)		(2,108)
Net assets			30,582		26,264
Capital and reserves					
Called up share capital	23		10,600		10,600
Other Reserve			140		140
Cash Flow Hedge Reserve			(539)		(34)
Profit and loss account			20,381		15,558
Shareholders' funds			30,582		26,264

These financial statements were approved by the board of directors and authorised for issue 26 March 2021, and are signed on behalf of the board by:

Paul Kenny
Director
Company registration number: NI010293

The notes on pages 14 to 34 form part of these financial statements.

DCC Energy Limited

Statement of changes in equity
Year ended 31 March 2020

	Called up share capital	Other Reserve	Cash Flow Hedge reserve	Profit and loss account	**Total equity**
	£'000	£'000	£'000	£'000	**£'000**
At 1 April 2018	10,600	140	(393)	7,811	18,158
Profit for the year	-	-	-	7,811	7,811
Other comprehensive income for the year:					
Defined pension obligation remeasurements	-	-	-	(77)	(77)
Movement in deferred tax asset	-	-	-	13	13
Total comprehensive income for the year	-	-	-	7,747	7,747
Dividends paid and payable	-	-	-	-	
Financial Derivatives	-	-	359	-	359
Total investments by and distributions to owners	-	-	359	-	359
At 31 March 2019 and 1 April 2019	10,600	140	(34)	15,558	26,264
Profit for the year	-	-	-	3,256	3,256
Other comprehensive income for the year:					
Defined benefit pension obligation remeasurements	-	-	-	1,935	1,935
movement in deferred tax asset	-	-	-	(368)	(368)
Total comprehensive income for the year	-	-	-	4,823	4,823
Dividends paid and payable	-	-	-	-	-
Financial Derivatives	-	-	(505)	-	(505)
Total investments by and distributions to owners	-	-	(505)	-	(505)
At 31 March 2020	10,600	140	(539)	20,381	30,582

1. General information

DCC Energy Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in Northern Ireland. The address of the registered office is Airport Road West, Sydenham, Belfast, BT3 9ED and the registered number is NI010293.

2. Statement of compliance

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102. *The Financial reporting Standards applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling, rounded to the nearest £1,000.

The Company's ultimate parent undertaking, DCC plc, includes the Company in its consolidated financial statements. The consolidated financial statements of DCC plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of DCC plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in the financial statements.

3. Accounting policies

Going concern

The company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report on page 2 to 6. The company is in a strong net asset position and as a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

There are no significant accounting estimates and judgements that have been applied in the preparation of these financial statements.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off goodwill over a period of 20 years.

Accounting policies (continued)

Tangible assets
Tangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation
Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold and leasehold properties	- 20 years
Plant and machinery	- 3 - 20 years
Fittings fixtures and equipment	- 3,5 or 10 years
Motor vehicles	- 5-7 years, or less for second hand vehicles
Tanks and Cylinders	- 12.5-15 years
Customer Storage	- 10 years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments
Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment
A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the

Accounting policies (continued)

synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at weighted average costs. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Accounting policies (continued)

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Hedge accounting

Hedge accounting is used where the hedging relationship is designated, documented and expected to be highly effective, and is only used for specific risks, as defined by FRS 102 section 12.

Where the hedged risk is the exposure to a fixed interest rate risk or foreign exchange risk of a debt instrument measured at amortised cost or the price risk of a commodity that it holds or has a firm commitment, the hedging instrument is recognised as an asset or liability with the change in fair value being recognised in profit or loss. The change in fair value of the hedged item related to the hedged risk is recognised in profit or loss and as an adjustment to the carrying amount of the hedged item.

Where the hedged risk is the variable interest rate risk or foreign exchange risk in a debt instrument measured at amortised cost, the foreign exchange risk or interest rate risk in a firm commitment or highly probably forecast transaction, the commodity price risk in a highly probable forecast transaction or the foreign exchange risk in a net investment in a foreign operation, then the financial instrument is initially and subsequently recognised at fair value at each reporting date. Movements in fair value are recognised in other comprehensive income, to the extent that the hedge is effective. Any ineffective movements are recognised in profit or loss.

Where the hedged risk is the variable or fixed interest rate risk of a debt instrument measured at amortised cost, the periodic net cash settlements on the interest rate swap are recognised in profit or loss in the period in which the net settlements accrue.

Hedge accounting is discontinued where the hedging instrument expires, is sold or terminated, the hedge no longer meets the criteria for hedge accounting, the forecast transaction is no longer highly probable in a hedge of a forecast transaction, or the designation is revoked.

Accounting policies (continued)

Defined benefits plans

The company recognises a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method. Plan surpluses are recognised as a defined benefit asset only to the extent that the surplus is recoverable either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit asset or liability arising from employee service are recognised in profit or loss as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in profit or loss in the period in which they occur.

Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in profit or loss.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Other long-term benefits

Other long-term employee benefits are recognised as liabilities measured at the net total of the present value of the benefit obligation at the reporting date and the fair value of plan assets out of which the obligations are to be settled directly.

The change in the liability is recognised in profit or loss, except to the extent that it is required to be included in the cost of an asset.

Termination benefits

Termination benefits are recognised as an expense in profit or loss immediately. Termination benefits are recognised as a liability and expense only when the company is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. In the case of an offer made to encourage voluntary redundancy, measurement is based on the number of employees expected to accept the offer. When termination benefits are due more than 12 months after the end of the reporting period, they shall be measured at their discounted present value.

Accounting policies (continued)

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

Accounting policies (continued)

Turnover
Turnover comprises the fair value of the sale of goods and services to external customers net of value added tax, volume and promotional rebates, allowances and discounts. Turnover is recorded when the collection of the amount is reasonably assured and when specific criteria have been met for the Company's activities as detailed below.

Sales of goods
Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the customer and when the amount of revenue and costs incurred can be measured reliably. 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. Sales returns and discounts are recorded in the same period as the original revenue.

The Company derives the majority of its revenue from the sale of oil and LPG. Revenue is recognised when the products are delivered to the customer. Products can be sold under short or long term agreements at prevailing market prices or at fixed prices for which the Company will have fixed supply prices.

Revenue is generally recognised on despatch. 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 specifics of each arrangement.

Sales of services
Revenue from the rendering of services is recognised in the period in which the services are rendered. Where services are performed rateably over a period of time revenue is recognised on a straight-line basis over the period of the contract.

Service revenue is generated from a variety of value-added services provided to customers. Revenue is recognised as the service is provided.

Accounting policies (continued)

Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

4. Turnover

Turnover arises from:

	2020	2019
	£'000	£'000
Sale of goods	53,239	64,387

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom. The directors consider that the disclosure by activity to be prejudicial to the interests of the company and therefore have not disclosed this information.

5. Other operating income

	2020	2019
	£'000	£'000
Rental income	7	7
Other operating income	257	243
	264	250

6. Operating profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Amortisation of intangible assets	15	15
Depreciation of tangible assets	885	965
Profit/(loss) on disposal of tangible assets	5	(18)
Operating lease expense	65	205
Auditor's remuneration for the audit of these financial statements	7	7

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
Production staff	3	7
Distribution staff	26	19
Administrative staff	14	13
	43	39

The aggregate payroll costs incurred during the year were:

	2020	2019
	£'000	£'000
Wages and salaries	1,423	1,694
Social security costs	200	270
Other pension costs	77	123
	1,700	2,087

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020	2019
	£'000	£'000
Remuneration	-	-
Company contributions to pension schemes in respect of qualifying services	-	-
	-	-

9. Other interest receivable and similar income

	2020	2019
	£'000	£'000
Other interest receivable and similar income	210	196

10. Interest payable and similar expenses

	2020	2019
	£'000	£'000
Net interest on defined benefit pension plan obligation	58	72
	58	72

11. Gain on disposals

On 19 April 2018 DCC Energy Limited sold its interest in its petroleum products storage terminal in Belfast to Valero Logistics UK Limited. Certain trade and assets of its oil distribution division were sold to Nicholls' (Fuel Oils) on 30 April 2018. The total profit realised on the disposals was £4,788k:

	2020	2019
	£'000	£'000
Sales Proceeds	-	9,630
Transaction costs and book value of assets	-	(4,842)
Gain on disposal	-	4,788

12. Tax on profit

Major components of tax expense

	2020	2019
	£'000	£'000
Current tax:		
UK current tax expense	849	539
Adjustments in respect of previous periods	-	15
Total current tax	849	554
Deferred tax:		
Origination and reversal of timing differences	(22)	169
Impact of change in tax rate	(43)	-
Adjustments in respect of prior periods	-	(2)
Total deferred tax	(65)	167
Tax on profit	784	721

Reconciliation of tax expense

The tax assessed on the profit for the year is £784k (2019: £721k), lower than the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£'000	£'000
Profit before taxation	4,040	8,532
Profit multiplied by rate of tax	768	1,621
Adjustments in respect of prior periods		13
Effect of expenses not deductible for tax purposes	23	59
Effect of capital allowances and depreciation	38	46
Non-taxable gains		(920)
Effect of different UK tax rates on some earnings	8	(20)
Deferred tax on pension liabilities	(51)	(78)
Short term timing differences	(2)	-
Tax on profit	784	721

Following the 2017 budget statement, the main rate of UK corporation tax was reduced to 20% from 1 April 2016. Thereafter, the main rate of corporation tax will continue to reduce to 19% from 1 April 2017 and to 17% from April 2020. It is expected that this gradual fall in the main corporation tax rate will result in a reduction of the Company's future current tax charge.

13. Dividends

Equity dividends

	2020 £'000	2019 £'000
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	-	-

14. Intangible assets

	Goodwill £'000
Cost	
At 1 April 2019	411
Disposals	0
At 31 March 2020	411
Amortisation	
At 1 April 2019	266
Disposals	0
Charge for the year	15
At 31 March 2020	281
Carrying amount	
At 31 March 2020	130
At 31 March 2019	145

The amortisation charge is recognised in administrative expenses in the statement of other comprehensive income.

15. Tangible assets

	Freehold and leasehold properties	Plant and Machinery	Fixtures, fittings and equipment	Motor vehicles	Tanks and cylinders	Customer storage	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Cost							
At 1 April 2019	839	7,596	108	1,453	4,326	2,863	17,185
Additions	-	75	1	-	-	217	293
Disposals	-	-	-	(148)	-	-	(148)
At 31 March 2020	839	7,671	109	1,305	4,326	3,080	17,330
Depreciation							
At 1 April 2019	479	6,076	80	737	3,177	1,586	12,135
Charge for the year	21	294	16	138	228	188	885
Disposals	-	-	-	(126)	-	-	(126)
At 31 March 2020	500	6,370	96	749	3,405	1,774	12,894
Carrying amount							
At 31 March 2020	339	1,301	13	556	921	1,306	4,436
At 31 March 2019	360	1,520	28	716	1,149	1,277	5,050

No assets are held under finance leases.

DCC Energy Limited

Notes to the financial statements (continued)
Year ended 31 March 2020

16. Investments

	Shares in group undertakings £'000	**Total £'000**
Cost		
At 1 April 2019 and 31 March 2020	3,000	3,000
Impairment		
At 1 April 2019 and 31 March 2020	-	-
Carrying amount		
At 31 March 2020	3,000	3,000
At 31 March 2019	3,000	3,000

	Country of incorporation	**Class of Shares held**	**Ownership 2020**	2019
Emo Oil (NI) Limited	Northern Ireland	Ordinary shares of £1 each	**100%**	100%
Atlas Recyclers 2 Limited	Northern Ireland	Ordinary shares of £1 each	**100%**	100%
Allied Oils Limited	Northern Ireland	Ordinary shares of £1 each	**100%**	100%
Kane Fuels Limited	Northern Ireland	Ordinary shares of £1 each	**100%**	100%
Atlas Recyclers Limited	Northern Ireland	Ordinary shares of £1 each	**100%**	100%

17. Stocks

	2020 £'000	2019 £'000
Finished goods and goods for resale	1,291	1,178

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £nil (2019: £nil). The write-down of stocks to net realisable value amounted to £nil (2019: nil).

18. Debtors

	2020 £'000	2019 £'000
Trade debtors	5,206	6,303
Amounts owed by group undertakings	31,601	30,706
Prepayments and accrued income	-	-
Derivative financial assets	-	-
Other debtors	-	-
	36,807	37,009

Amounts owed by group undertakings are unsecured and are repayable on demand.

19. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Bank loans and overdrafts	-	-
Trade creditors	7,090	7,764
Short term lease liability	-	-
Amounts owed to group undertakings	10,239	11,309
Accruals and deferred income	-	-
Corporation tax	1,694	870
Social security and other taxes	-	-
Derivative financial liability	650	41
	19,673	19,984

Amounts owed to group undertakings are unsecured, interest free and are payable on demand.

20. Provisions

	2020 £'000	2019 £'000
Deferred tax provision	28	86

21. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2020 £'000	2019 £'000
Included in provisions (note 20)	(28)	(86)
Financial derivatives	110	-
Included in Defined benefit pension scheme liability (note 22)	64	432
	146	346

The deferred tax account consists of the tax effect of timing differences in respect of:

	2020 £'000	2019 £'000
Tangible fixed assets	(10)	(17)
Pension plan obligations	64	432
Financial derivatives	110	-
Other	(18)	(69)
	146	346

Movement in deferred tax in current year

	1 April 2019 £000	Recognised in income £000	Recognised in equity £000	31 March 2020 £000
Tangible fixed assets	(17)	7	-	(10)
Employee benefits	432	-	(368)	64
Financial derivatives	-	-	110	110
Other	(69)	51	-	(18)
	346	58	(258)	146

21. Deferred tax (continued)

Movement in Deferred Tax in previous year

	1 April 2018 £000	Recognised in income £000	Recognised in equity £000	31 March 2019 £000
Tangible fixed assets	(17)	-	-	(17)
Employee benefits	497	(78)	13	432
Other	94	(163)	-	(69)
Financial Derivatives	-	-	-	-
	574	(241)	13	346

22. Employee benefits

Defined contribution plans
The amount recognised in profit or loss in relation to defined contribution plans was £77K (2019: £123K).

Defined benefit plans
The Company operates a defined benefit pension scheme for some employees with assets held in separate trustee administered funds. An actuarial valuation of the defined benefit pension scheme using the projected unit basis was carried out at 31 March 2020.

The amounts recognised in the balance sheet are as follows:

The balance sheet net defined benefit liabilities is determined as follows:

	2020 £'000	2019 £'000
Present value of defined benefit obligations	(2,905)	(6,588)
Fair value of plan assets	2,371	4,048
Employee benefit deferred tax asset/(liability)	64	432
	(470)	(2,108)

Changes in the present value of the defined benefit obligations are as follows:

	£'000
At 1 April 2019	6,588
Current service cost	1
Interest expense	165
Benefits paid	(1,513)
Remeasurements:	
Actuarial gains and losses	(2,336)
At 31 March 2020	2,905

22. Employee benefits (continued)

Changes in the fair value of plan assets are as follows:

	£'000
At 1 April 2019	4,048
Interest income	108
Contributions by employer	129
Premiums paid	(1,513)
Remeasurements:	
Actuarial gains and losses	(401)
At 31 March 2020	2,371

The total costs for the year in relation to defined benefit plans are as follows:

	2020 £'000	2019 £'000
Recognised in profit or loss:		
Current service cost	1	2
Net interest expense	57	70
	58	72
Recognised in other comprehensive income:		
Remeasurement of the liability:		
Actuarial gains and losses	(2,336)	291
Return on plan assets, excluding amounts included in net interest	401	(214)
	(1,935)	77

The fair value of the major categories of plan assets are as follows:

	2020 £'000	2019 £'000
Equity instruments	1,082	1,755
Debt instruments	735	867
Cash and cash equivalents	554	1,426
	2,371	4,084

The return on plan assets are as follows:

	2020 £'000	2019 £'000
Return on assets of benefit plan	(293)	337

22. Employee benefits (continued)

The principal actuarial assumptions as at the statement of financial position date were:

	2020	2019
Discount rate	2.30	2.50
Expected rate of increase in pensions	4.00	4.00
Inflation assumption	2.55	3.25
Mortality rates:		
Current pensioners at 65 - male	23.50	23.40
Current pensioners at 65 - female	24.50	24.40
Future pensioners at 65 - male	25.50	25.40
Future pensioners at 65 - female	26.80	26.70

The scheme is an unfunded plan. The scheme is closed to new members and no further benefits are accruing to the existing members. The Trustees have agreed a recovery plan to deal with the existing deficit in the scheme. The funding of the scheme is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions above. Employees are not required to contribute to the plans.

The Company expects to pay £129k in contributions to its defined benefit plans in financial year 2021. The weighted average duration of the defined benefit obligation at the end of the reporting period is 20 years *(2019: 20 years).*

23. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No'000	**£'000**	No'000	£'000
Ordinary shares of £1 each share of £'000 1.00 each	10,600	10,600	10,600	10,600

24. Operating leases

The Company as a lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£'000	£'000
Not later than 1 year	264	208
Later than 1 year and not later than 5 years	968	799
Later than 5 years	12,362	11,729
	13,594	12,736

During the year, £297k was recognised as an expense in the profit and loss account in respect of operating leases (2019: £205k).

25. Ultimate holding undertaking and holding undertaking of larger group

The Company is a subsidiary undertaking of DCC plc. The smallest and largest group in which the results of the Company are consolidated is that headed by DCC plc, incorporated in Ireland. The consolidated financial statements of DCC plc are available to the public and may be obtained from the Companies' Registrar in Dublin.

26. Subsequent events

There are no subsequent events of note.