DCC

Annual Report and Accounts 2014

DCC is an international sales, marketing, distribution and business support services group, organised and managed across five divisions with revenues of circa £11 billion and employing over 10,000 people in 13 countries.

DCC's objective is to build a growing, sustainable and cash generative business which consistently provides returns on capital employed significantly ahead of its cost of capital.

The Group is headquartered in Dublin, Ireland and is listed under Support Services on the London Stock Exchange.

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2014 Highlights

- Revenue increased by 6.2% to £11.2 billion, driven by acquisitions, particularly in DCC Energy, and excellent organic growth in DCC Technology (formerly DCC SerCom).

- Operating profit increased by 11.5% to £208 million with profit growth achieved across each of DCC's five divisions.

- Adjusted earnings per share up 11.7% to 191.20 pence.

- Proposed 10% increase in the final dividend to give a total full year dividend of 76.85 pence, an increase of 10% over the prior year, representing the 20th consecutive year of dividend growth as a listed company.

- Record cash generation:
  - Operating cash flow of £349 million (£265 million in the prior year)
  - Free cash flow (before interest and tax payments) of £278 million (£207 million in the prior year)
  - 2.8 day improvement in working capital days to a record low level, primarily driven by a reduction in debtor days.

- Increase in return on capital employed to 16.3%, driven by profit growth and excellent working capital management.

- Committed acquisition expenditure of £84 million, including the recently completed acquisition of Qstar, a leading network of unmanned petrol stations in Sweden.

- Committed US Private Placement market funding, arranged in March 2014, of $750 million (£451 million). This committed funding, together with available cash resources and committed bank term facilities, ensures that the Group retains significant financial capacity to support future growth.

- DCC anticipates continuing growth and development in the year to 31 March 2015.

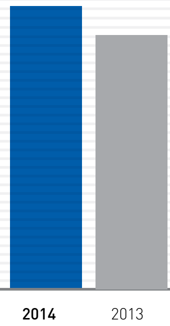
Financial Highlights

Revenue

£11,231.7m

UP 6.2%

Operating profit*



£208.4m

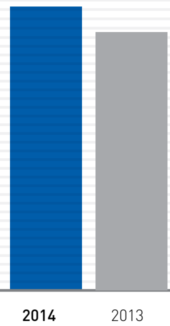
UP 11.5%

Adjusted earnings per share*

191.20 pence

UP 11.7%

Dividend per share



76.85 pence

UP 10.0%

Operating cash flow

£348.7m

2013: £264.6m

Return on capital employed

16.3%

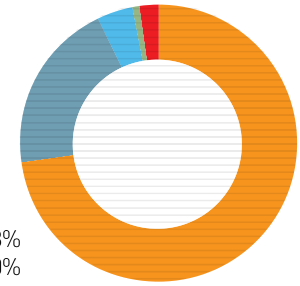
2013: 15.6%

* all references to 'operating profit' and 'adjusted earnings per share' included in the Strategic Report are stated excluding net exceptionals and amortisation of intangible assets

Who We Are

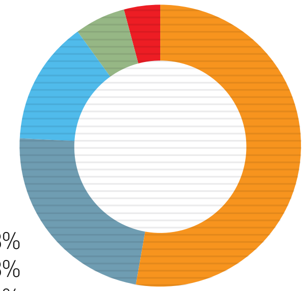
DCC is an international sales, marketing, distribution and business support services group. The Group is organised and managed across five divisions and employs over 10,000 people in 13 countries.

Group revenue by division



DCC Energy	73%
DCC Technology	20%
DCC Healthcare	4%
DCC Environmental	1%
DCC Food & Beverage	2%

Group operating profit by division



DCC Energy	53%
DCC Technology	23%
DCC Healthcare	14%
DCC Environmental	6%
DCC Food & Beverage	4%

Division	DCC Energy	DCC Technology
		
Description	Sales, marketing and distribution of oil and liquefied petroleum gas.	Sales, marketing and distribution of technology products.
Financial highlights	Revenue £8,243.7m; Operating profit £110.5m	Revenue £2,264.0m; Operating profit £48.1m
Principal operating locations	Britain, Ireland, Sweden, Denmark, Austria, Norway, the Netherlands, Belgium and Germany.	Britain, Ireland, France, the Netherlands, Belgium, Sweden, Poland, China and the USA.
More information	see pages 22 to 29	see pages 30 to 37

Principal operating locations

DCC Healthcare

Sales, marketing and distribution of pharmaceuticals and medical devices and outsourced services to brand owners in the health and beauty sector.

Revenue £406.5m

Operating profit £30.4m

Britain, Ireland and Sweden.

see pages 38 to 45

DCC Environmental

Provider of a broad range of recycling, waste management and resource recovery services.

Revenue £130.6m

Operating profit £11.7m

Britain and Ireland.

see pages 46 to 51

DCC Food & Beverage

Sales, marketing and distribution of food and beverage products.

Revenue £186.9m

Operating profit £7.7m

Britain and Ireland.

see pages 52 to 57

Chairman's Message

STRONG RESULTS AND STRATEGIC DEVELOPMENTS

Michael Buckley reviews DCC's results, highlights strategic developments, outlines key issues the Board has focussed upon, summarises a busy year of investor contacts and shares his outlook for the year to March 2015.

"Operating results were strong, with profits up in each division, and overall by 11.5%, notwithstanding the impact on DCC Energy of winter temperatures well above the ten year average. Adjusted earnings per share were up by 11.7%"

Dear Shareholder

Good Results and Strong Financial Position to Support Further Growth

I am glad to be able to report to you that the year ended 31 March 2014 was again one of growth and development for DCC. Business conditions in the countries where we operate improved, even if only slowly. Operating results were strong, with profits up in each division, and overall by 11.5%, notwithstanding the impact on DCC Energy of winter temperatures well above the ten year average. Adjusted earnings per share were up by 11.7%.

Profit growth came from a combination of successful integration of businesses we had acquired in previous years, cost efficiency initiatives and some good organic growth. Our return on average capital employed was 16.3%, so once again very substantive shareholder value was added in the year. Our conversion of operating profits to free cash flow, always a DCC strong point, was exceptional at 133%. Year end debt, at £86.3 million, was only 9.1% of total equity. DCC's financial position remains very strong, well funded and highly liquid. My warm thanks to all 10,202 DCC colleagues for those results. In his review Tommy Breen, our Chief Executive, gives a more detailed account of the results and sets them in the context of DCC's performance over the 20 years since it was first listed.

Dividend Increase

The Board is recommending a final dividend of 50.73 pence per share. This brings the total dividend to 76.85 pence per share for the year ended 31 March 2014, up 10% on the previous year. We have now had 20 years of uninterrupted dividend growth since DCC first became a publicly listed company.

Strategically Important Developments

Shareholders will already be aware that we changed our listing arrangements during the year. As a result, DCC became part of the FTSE All Share Index and of the FTSE 250 Index with effect from 24 June 2013. This important milestone in the life of the Company has brought the benefits we expected in terms of significantly wider analyst coverage of DCC and therefore a broader platform for communicating with existing and potential new shareholders. We are also presenting our results in sterling for the first time this year. The Group remains headquartered and tax resident in the Republic of Ireland.

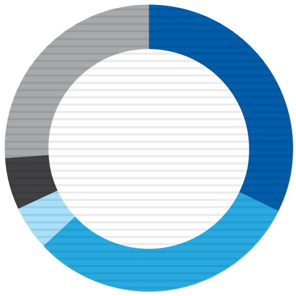
After a record year in terms of acquisition spend last year, the overall acquisition spend was not particularly high in the year under review. However our acquisition of Qstar, a Swedish network of 307 unmanned petrol stations was important as a first step in delivering on our intention to enter the unmanned petrol station market and more broadly to continue to expand significantly our transport fuels business, both in the UK and more widely.

DCC's core business development strategy has not changed. We are going about building an international sales, marketing, distribution and support services business of scale that is

Shareholdings by Geography

North America	32.2%
UK	30.9%
Europe/Asia	5.2%
Ireland	5.8%
Retail[1]	25.9%

1. Retail includes private shareholders, management and broker holdings



sustainable, cash generative, and which provides our shareholders, year on year, with returns on capital employed substantially ahead of our cost of capital. Our principal growth intentions are focussed on three businesses that already produce 90% of our profits – Oil and LPG, Technology and Healthcare. We continue to pursue development and consolidation opportunities in each of those areas, as well as working to strengthen the partnership relationships we have with our local, national and global suppliers.

The Board and What It Has Focussed On

The Board appointed Dr. Pamela Kirby as a non-executive Director, with effect from 3 September 2013. Dr. Kirby has extensive experience of doing business at senior management and board levels in the international pharmaceutical and medical devices sectors, and also brings FTSE 100 board experience to our discussions. Our non-executive Directors, as a group, have deep domain knowledge relevant to DCC's main business sectors, as well as broad experience in building businesses internationally and in regulatory, accounting and risk management developments. They have lived in and are experienced in doing businesses in many jurisdictions. From a gender diversity point of view, I am happy to say that 27% of the Board are women. This benefits greatly the quality of Board discussions and, incidentally, already exceeds the corporate governance targets set for FTSE 100 companies for 2015. It is very significantly ahead of the position in FTSE 250 companies generally.

During the year, the Board devoted considerable time to strategic discussions, including carrying out a number of 'deep dives' both into individual businesses and into the long term risks and opportunities associated with possible significant development opportunities. Organisational and management talent development, while protecting DCC's distinct culture, have also been big themes for Board discussion.

DCC has grown very considerably over the past ten years - operating profits are now two and a half times what they were ten years ago. Our aim is to ensure that our future growth ambitions and ability to reap the benefits of economies of scale that come with having built a number of leading market positions continue to be well supported by capable management teams that are imbued with that culture.

The corporate personality and culture of DCC, and the common'language' of how business is consistently done across the Group, is a distinctive mix. There is a very specific framework of financial disciplines and an associated framework of management practices, both consistently applied. An emphasis on building for the long run, and on fostering an entrepreneurial and ownership mind-set is backed up by an intense and consistent rigour in dealing with issues and making fact-based decisions with a relentless focus on value, whether in commercial or acquisition negotiations.

Investor Communications

DCC has always had a very active and consistent approach to investor communications. Our investor relations programme typically involves direct conversations with 40% by value of our shareholders several times a year, as well as with significant long term debt providers. In addition, in the year under review, the transfer of our premium listing to London involved an intense special programme of investor activity. A key part of this was an Investor Day held in the London Stock Exchange on 6 June 2013, which was attended by all executive Directors and the senior management team, as well as by myself and other non-executive Directors. In addition, the recently completed and very successful long term debt private placement involved extensive road shows to our long term debt investors in the US, UK and Europe. Finally, Leslie Van de Walle, as Chairman of the Remuneration Committee, and I have recently engaged in a wide-ranging consultation, covering over 33% by value of our shareholder base, as well as key institutional shareholder bodies and proxy voting agencies, in relation to the changes we are proposing at the forthcoming Annual General Meeting in DCC's Long Term Incentive Plan. I strongly believe that the changes proposed are in the interests of all shareholders.

Outlook

Continuing, if moderate, improvement in DCC's business environment seems to be the most likely scenario for the year ahead. Everyone here is clear on what we plan to achieve by way of further growth, and development on a 12 month view, over the medium term and strategically.

Thank you for your support.

Michael Buckley
Chairman
20 May 2014

Strategy

Our Objective

To build a growing, sustainable and cash generative business which consistently provides returns on capital employed significantly ahead of its cost of capital.

Strategic priority	**Creating and sustaining leading positions in each of the markets in which we operate.**	**Continuously benchmarking and improving the efficiency of our operating model in each of our businesses.**
Description	DCC aims to be the number 1 or 2 operator in each of its markets. This is achieved through a consistent focus on increasing market shares organically and via value enhancing acquisitions. DCC has a long and successful track record of bolt-on acquisitions which have strengthened our market positions and generated attractive returns on capital invested.	DCC strives to be the most efficient business in each of the sectors in which it operates. We continuously benchmark our businesses against those specific KPIs which we judge are important indicators in our drive for superior returns on capital in the short, medium and longer term.
How we did in 2014	The Group continued to either maintain or increase market shares in the primary markets within which it operates. This was achieved through good organic growth, contributions from acquisitions in the current year and the successful integration of acquisitions completed in prior years.	During the year the Group successfully completed the integration of acquisitions made in prior years, the most significant of which were the integration of the former Total and BP LPG businesses in DCC Energy and Kent Pharma in DCC Healthcare. Following the rebranding of all the businesses under the 'Exertis' brand, DCC Technology is planning to further integrate its operations and service offering including an upgrade of its logistics and IT infrastructure. The Group successfully implemented a number of cost efficiency initiatives during the year including DCC Energy's logistics efficiency programme.

Successful delivery of this objective will result in:

- the creation of shareholder value through cash generation and share price growth;
- enhanced levels of customer service;
- strengthening of the relationship with our suppliers;
- increased employment and development opportunities for all our employees; and
- positively impacting on the wider communities in which we operate.

Carefully extending our geographic footprint, thereby providing new horizons for growth.

In the year ended 31 March 2014, 76% of DCC's operating profits were derived from the UK, 13% from Continental Europe and the rest of the world and 11% from Ireland. In recent years we have been expanding certain of the Group's businesses into Continental European markets which we believe will provide good opportunity for future growth. We will look to further extend our business in these markets and to enter new geographic markets in the coming years.

Following a record year of acquisition expenditure in FY13, the current year saw more modest expenditure. DCC Energy completed its first significant investment into the transport fuels market in Europe through the acquisition of Qstar, the fifth largest petrol retailer in Sweden. DCC Energy also completed the acquisition of Bronberger & Kessler, a leading oil distribution business based in southern Germany.

Despite the lower levels of expenditure in the current year, the Group remains disciplined in its approach to acquisition spend and the development strategy remains unchanged.

Maintaining financial strength through a disciplined approach to balance sheet management.

In pursuing our strategic objective, we will only do so in the context of maintaining relatively low levels of financial risk in the Group. We believe that this not only provides the greatest likelihood of generating value for shareholders in the long term but also leaves the Group best placed to react quickly to commercial opportunities as they arise.

The Group's financial position remains very strong, well funded and highly liquid. The Group ended the current year with a strengthened net debt:EBITDA ratio of 0.3 times (2013: 0.7 times).

In March 2014 the Group arranged committed US Private Placement market funding of $750m with an average maturity of 10 years. This committed funding, together with available cash resources and committed bank term facilities, ensures that the Group retains significant financial capacity to support future growth.

Attracting and empowering entrepreneurial leadership teams, capable of delivering outstanding performance, through the deployment of a devolved management structure.

DCC strives to attract, motivate and empower entrepreneurial leadership teams across the Group. Given the diverse market sectors which we operate in, we believe that providing appropriate short and long term incentives to these leaders, based on the performance of the businesses which they manage, is the best way to drive returns for shareholders. Very often post-acquisition, we retain entrepreneurial managers who have sold their businesses to DCC and through our devolved management structure we ensure they are empowered to continue to develop those businesses.

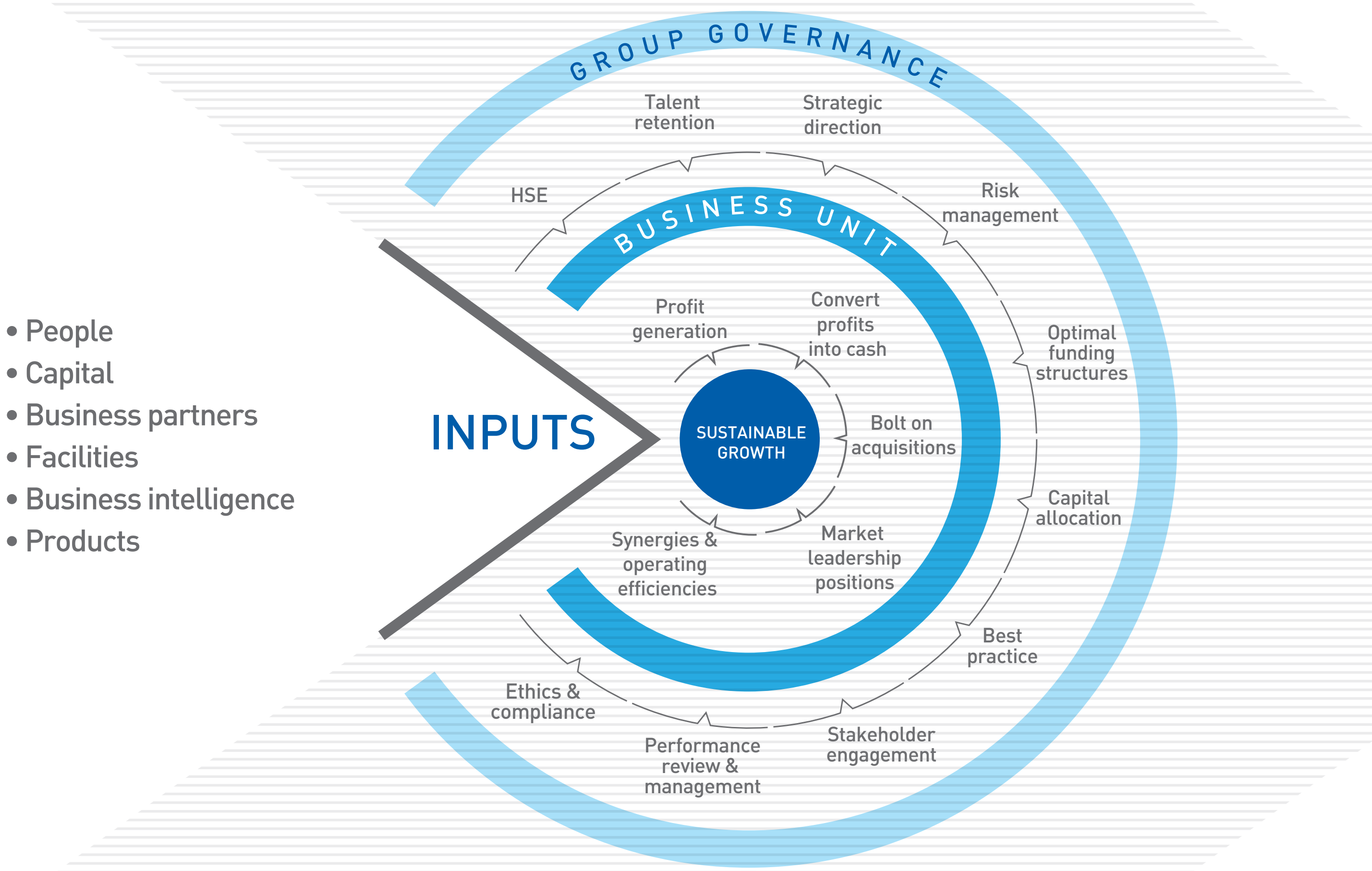
Some of the key acquisitions completed during the year saw the Group retain and incentivise key management teams who are capable of contributing to the further success of the Group.

In addition, the Group continues to invest in its talent programme and processes which will be important to support the continued development and retention of high performing employees at Group, divisional and subsidiary levels.

Business Model

DCC Business Model

Our business model is highly cash generative and offers significant growth potential with high levels of profitability and shareholder returns on capital employed significantly ahead of its cost of capital.



How we win

Experienced management teams with deep industry knowledge

Strong supplier and customer relationships

Continual focus on cash generation and ROCE

Low levels of financial risk

High quality products and services

Operational excellence and resource efficiency

Ability to identify, execute, and integrate acquisitions

What's Important to Us

Excellence
in everything we do

Business partnerships
create and maintain stakeholder relationships

Integrity
ethics, honesty and responsibility

Entrepreneurial spirit
continue to be agile and innovative

OUTPUTS

- Shareholder value creation
  - cash generation
    - dividends
    - reinvestment
    - acquisitions
  - share price growth
- Enhanced customer service
- Strengthened supplier relationships
- Salaries and employment
- Taxes
- Socio economic

The Group's Role

Each of our five divisions is supported by the Group Head Office which is based in Dublin, Ireland. The Group Head Office adds value primarily through:

- providing strategic direction by setting and communicating the Group's strategic priorities and ensuring that divisional strategies are aligned with those of the Group;
- setting and maintaining the culture and values of the Group;
- sharing and embedding best practice across the Group;
- allocating resources to achieve clearly defined goals;
- engaging with shareholders and analysts;
- setting the risk management framework for the Group;
- identifying and exploiting synergies and economies of scale;
- maintaining a prudent capital structure; and
- maintaining a relentless focus on cash generation and ROCE.

Chief Executive's Review

CONTINUED GROWTH AND DEVELOPMENT

Key Features of Results

Group operating profit increased by 11.5% to £208.4 million while DCC's free cash flow of £278.1 million reflected its ongoing ability to convert its profits into cash which was a new record for the Group. Return on capital employed increased to 16.3% from 15.6% in the prior year, substantially ahead of the Group's cost of capital. The proposed 10% increase in the dividend for the year would represent the 20th consecutive year of dividend growth since the Group was listed as a public company in May 1994. Over this 20 year period, total shareholder return has been 2,970% compared to 691% for the FTSE 250. DCC ended the financial year with net debt of only £86.3 million and a net debt:EBITDA ratio of 0.3 times, leaving the Group well placed to continue its growth and development.

The year to 31 March 2014, DCC's 20th as a public company, is the first year in which DCC has presented its results in sterling, a move designed to provide a clearer understanding of DCC's financial performance by more closely reflecting the profile of its operations.

It is pleasing to record operating profit growth in the year ended 31 March 2014 of 11.5%, with growth across all five divisions. DCC Energy's operating profit increased by 4.0%, reflecting the successful integration of acquisitions completed in prior years and efficiency initiatives. This performance demonstrated the resilience of the operating model and was particularly pleasing given the impact on volumes and margins of the very mild weather conditions across Northern Europe, particularly in the months from December 2013 to February 2014, when average temperatures were well above the ten year average. The performance of DCC Technology was also very strong with operating profit growth, of 15.9%, driven almost entirely by organic growth as a result of strong market share gains in its business in Britain. Operating profit in DCC Healthcare was substantially (36.9%) ahead of the prior year, benefitting from the acquisition of Kent Pharma, which was completed in February 2013, and from a strong organic performance in DCC Health & Beauty Solutions.

Free cash flow of £278.1 million was a new record for DCC and was boosted by a 2.8 day reduction in net working capital days, reflecting the relentless focus on working capital efficiency across the Group.

The Group's return on capital employed, a key metric for DCC, increased from 15.6% to 16.3%, driven primarily by the increase in the Group's operating profit and strong working capital management across all divisions.

It is proposed to increase the final dividend for the year by 10.0% to 50.73 pence, resulting in a 10% increase in the full year dividend to 76.85 pence. DCC's first dividend as a public company was the equivalent of 4.8 pence and the proposed current year dividend would represent an unbroken 20 years of dividend growth for DCC as a public company with a compound annual growth rate of 14.9%.

DCC's total shareholder return in the 20 years since flotation was 2,970% compared to 691% for the FTSE 250.

The Group's financial position remains strong with net debt of £86.3 million and a net debt:EBITDA ratio at the year end of 0.3 times.

“It is pleasing to record operating profit growth in the year ended 31 March 2014 of 11.5%, with growth across all five divisions.”

Results Highlights

	2014 £	2013 £	% Change
Revenue	**11,231.7m**	10,572.7m	+6.2%
Operating profit*	**208.4m**	186.9m	+11.5%
Profit before net exceptional items, amortisation of intangible assets and tax	**187.0m**	172.8m	+8.2%
Adjusted earnings per share*	**191.20 pence**	171.20 pence	+11.7%
Dividend per share	**76.85 pence**	69.86 pence**	+10.0%
Operating cash flow	**348.7m**	264.6m	
Free cash flow***	**278.1m**	207.1m	
Net debt	**86.3m**	186.0m	
Total equity	**946.3m**	892.3m	
Return on capital employed	**16.3%**	15.6%	

* excluding net exceptionals and amortisation of intangible assets
** the total dividend in the prior year of 85.68 cent has been retranslated at the average euro/sterling exchange rate for the year ended 31 March 2013 of £0.815 = €1
*** after net capital expenditure and before interest and tax payments

Continued Delivery against Strategy

DCC’s strategy has remained unchanged and further good progress has been made in the ongoing execution of this strategy.

A key element of DCC Energy’s strategy is the continued growth of the business within the transport fuels market, in particular road transport. During the year, DCC announced that it had agreed to acquire Qstar, a business focussed on unmanned petrol retailing in Sweden. Unmanned petrol retailing is a very important part of the market in many European countries and the business model fits well with DCC Energy’s core fuel distribution skills, allowing the business access to the end user margin in the supply chain. This acquisition represents a further development of DCC Energy’s transport fuels business in Europe and the first material step in building a presence in the unmanned retail petrol station market. The acquisition also represents a strengthening of DCC Energy’s market position in Scandinavia where DCC already has growing oil and LPG businesses and market leadership positions in Sweden and Norway with a number two position in Denmark.

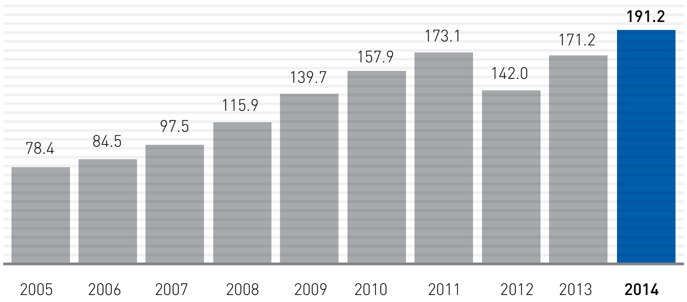
In response to the very mild winter in the year ended 31 March 2012, DCC Energy management worked hard to optimise the efficiency of its operating model and ensure maximum flexibility in the cost base to cope with unseasonably warm weather. During the year, the business generated significant savings by driving further operational efficiencies, particularly in the oil business in Britain. These savings helped to offset the impact of further mild winter weather during the year and are expected to continue to do so into the future.

DCC Technology grew its business during the year with market share gains in Britain in SME and consumer IT products, reflecting its excellent

“DCC’s strategy has remained unchanged and we believe that we have made further good progress in the ongoing execution of this strategy.”

Chief Executive's Review (continued)

Adjusted earnings per share (pence) - years ended 31 March



CAGR 10yrs 10.0%, CAGR 5yrs 6.5%

> "The success of DCC in the last 20 years reflects the talent and commitment of all the employees across the Group. I would like to thank them for their ongoing dedication and loyalty to DCC."

supplier portfolio and proactive market approach. The business has developed its relationships with key suppliers and has begun trading with some significant new suppliers during the year. In addition, DCC Technology has broadened its product offering in Britain with the acquisition of Cohort Technologies, a specialist distributor in security and unified communications. The business also strengthened the DCC Technology management team during the year, especially in Continental Europe. The year also saw a rebranding of the businesses within the division to Exertis, in order to help create a platform for sustained growth into new market sectors and geographies, and build greater recognition from supplier and customer partners as to the scale and capability of the business.

In DCC Healthcare, the acquisition of UPL, a British contract manufacturer of creams and liquids, has helped to cement DCC's position as one of the two leading British creams and liquids contract manufacturers for brand owners. Strong organic growth in DCC Health & Beauty Solutions has also helped to strengthen its market position in the wider health and beauty contract manufacturing market. Following on from the acquisition of Kent Pharma in the prior year and its integration into DCC Healthcare's existing infrastructure, DCC Healthcare has strengthened its devices business with the acquisition of Leonhard Lang UK, which was integrated into DCC Healthcare's existing devices business and brought new expertise and expanded the product portfolio and customer relationships in Britain.

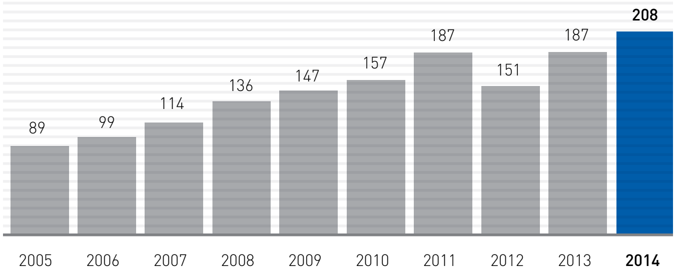
Both DCC Environmental and DCC Food & Beverage strengthened their market positions in key areas and delivered increased operating profit and return on capital employed.

DCC is committed to attracting, empowering and retaining entrepreneurial leadership teams and to deploying a devolved management structure. Some of the key acquisitions during the year saw DCC retain and incentivise key management teams who are capable of delivering a very strong performance for their businesses and contributing to the success of the Group. DCC has also benefitted from its ongoing talent retention programme, strengthening the team in recent years at Group, divisional and subsidiary levels, allowing us to provide opportunities for existing employees and also bring in new talent to DCC.

The success of DCC in the last 20 years reflects the talent and commitment of all the employees across the Group. I would like to thank them for their ongoing dedication and loyalty to DCC.

Embedded in DCC's strategy is a commitment to maintaining financial strength through a disciplined approach to balance sheet management. It is pleasing that in the year ended 31 March 2014, DCC ended the year with a net debt:EBITDA ratio of 0.3x. This strong financial position, along with the Group's liquidity position, leaves DCC well poised for continuing development.

Group operating profit (£'m) - years ended 31 March



CAGR 10yrs 11.8%, CAGR 5yrs 7.8%

Growth in the Group's operating profit (driven by both organic and acquisitive growth) and strong working capital management has contributed to an increase in the Group return on capital employed from 15.6% to 16.3%, well in excess of DCC's cost of capital.

Listing Changes

As announced last year, DCC sought admission to the FTSE UK Index Series and this change took effect in June 2013. This move was designed to increase awareness of DCC among the international investor community and, in particular, to help increase the number of brokers in London covering DCC. It is pleasing to note that there are now twelve analysts covering DCC, compared to five in March 2013. In addition, DCC reviewed its corporate broking arrangements and appointed Jefferies Hoare Govett and reappointed J.P. Morgan Cazenove to act alongside Davy, its Dublin based broker.

Sustainability

Our approach to sustainability continues to develop, led by our Sustainability Committee. We are confident that systematically identifying and measuring the key economic, environmental and social drivers of our businesses and integrating them into existing management processes will support our objective to deliver long term shareholder value. Details of our approach are provided in the Sustainability Report on pages 65 to 73.

Outlook

The outlook for the year to 31 March 2015 is based on the important assumption that there will be normal winter weather conditions. At this very early stage, the Group anticipates that its operating profit and adjusted earnings per share will be approximately 10% ahead of the prior year. Having regard to the unseasonably colder start to the prior year, it is anticipated that this growth in the year to 31 March 2015 will be significantly weighted towards the second half.

DCC's strong equity base, long term debt maturities and significant cash and committed funding resources leave it well placed to continue the development of its business in existing and new geographies.

Tommy Breen
Chief Executive
20 May 2014

"DCC's strong equity base, long term debt maturities and significant cash and committed funding resources leave it well placed to continue the development of its business in existing and new geographies."

Risk Report

Risk Management

The Board of DCC is responsible for the Group's risk management and internal control systems, which are designed to identify, manage and mitigate potential material risks to the achievement of the Group's strategic and business objectives.

The Board has approved a Risk Management Policy which sets out delegated responsibilities and procedures for the management of risk across the Group.

It has also approved a Risk Appetite Statement specifying the levels of risk that the Group is prepared to accept in key areas of activity. This Statement informs the internal controls that are maintained in those areas.

The Board reviews the Risk Management Policy and Risk Appetite Statement at least annually to ensure that they remain current.

The Board recognises that the effective management of risk requires the involvement of people at every level of the organisation and seeks to encourage this through a culture of open communication in addition to the operation of formal risk management processes.

The framework in place to achieve this objective and the roles and responsibilities of the key elements of the framework are set out below.

Framework

The risk management framework has been designed using a 'three lines of defence' model. The first line comprises subsidiary and divisional management, who have day-to-day responsibility for designing, implementing and maintaining effective internal controls within the individual subsidiaries and divisions. The second line comprises Group oversight functions who provide expertise in regard to the management of specific risks. The third line of defence principally comprises Group Internal Audit and also includes the external auditors and specialist third party auditors/regulators.

Roles & Responsibilities

The detailed roles and responsibilities assigned as part of the risk management and control framework are summarised below:

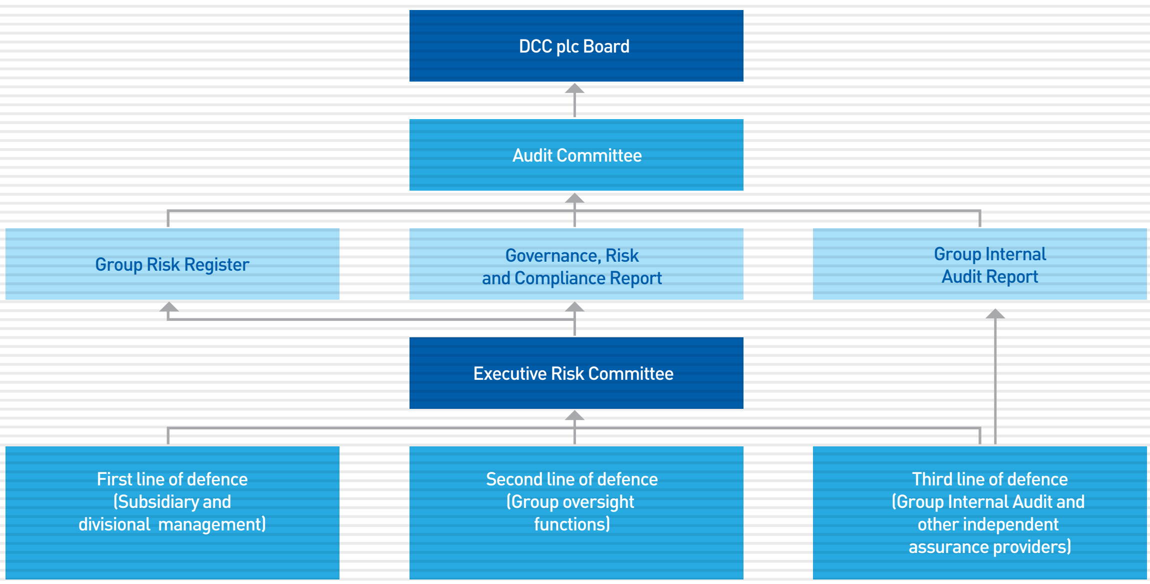
Board

The Board is responsible for the Group's Risk Management Policy and for determining the Risk Appetite Statement of the Group. The Board is also required to report on the annual review of the effectiveness of risk management and internal control systems.

Audit Committee

The Audit Committee is responsible for assisting the Board by taking delegated responsibility for risk identification and assessment and for reviewing the Group's risk management and internal control systems and making recommendations to the Board thereon. It fulfils its responsibilities by reviewing regular reports from Group Internal Audit and from second line providers, in particular the Executive Risk Committee, Group Health, Safety and Environmental ('HSE') and Group Compliance.

The Chairman of the Audit Committee reports to the Board at each Board meeting on its activities, both in regard to audit matters and risk management.



The Audit Committee also reports to the Board on the detailed work done by management in respect of the annual assessment of the operation of the Group's system of risk management and internal control.

The activities of the Audit Committee are set out in detail in its report on pages 85 to 88.

Executive Risk Committee
The Executive Risk Committee is chaired by the Chief Executive and comprises senior divisional and Group management. Its responsibilities are to analyse on a continuous basis the principal risks facing the Group, the controls in place to manage those risks and the related monitoring procedures and to consider any changes in business strategy which impact on the Group's risk environment and material risks and controls.

The Executive Risk Committee maintains the Group Risk Register and the Integrated Assurance Report and reports on changes to these to the Audit Committee. The Group Risk Register process is detailed in this report.

The Executive Risk Committee also evaluates all reports prepared by Group Internal Audit, Group HSE and Group Compliance and ensures prompt action is taken to address control weaknesses highlighted by these reports, prior to these reports being considered by the Audit Committee.

Group Oversight Functions
These functions include Group HSE, Group Compliance and Group Finance, which comprises finance, taxation and treasury.

The Group HSE function has in place a risk based HSE audit programme which provides independent assurance on the key HSE management processes (for example leadership, risk assessment and learning from events) that are in place in the Group's businesses. The Group HSE function also supports divisional HSE committees in setting objectives, reviewing HSE risk registers and developing appropriate HSE standards.

The Group Compliance function is responsible for ensuring that each Group subsidiary has identified its material compliance risks, in particular legal and regulatory risks, and maintains effective controls in respect of these risks. Controls in this context will include policies, procedures and training. These controls are supported by a clear 'tone from the top' from both the business and the Group. Compliance audits are conducted to ensure that controls are being followed and are operating effectively.

Group Internal Audit
Group Internal Audit is responsible for reviewing the risk management and internal control processes and identifying areas for improvement and providing independent and objective assurance on risk matters to senior management and the Audit Committee. Group Internal Audit develop a risk-based internal audit programme, which is approved by the Audit Committee.

Risk Register Process

A risk register template, pre-populated with the most relevant risks covering strategic, operational, financial and compliance areas, has been developed. These risk registers are completed at all levels of the Group with the impact and probability of occurrence for each risk determined and scored at both a gross (before mitigation) and net (after mitigation) basis. A risk scoring matrix is used to ensure a consistent approach is taken when completing the probability and impact assessments. New or emerging risks are added to the risk register as they are identified and the template is formally reviewed and updated at least annually.

Subsidiary
Each subsidiary is required to maintain a risk register, which is reviewed and updated for submission to divisional management twice a year, following formal review and approval by the subsidiary board.

Division
Subsidiary risk registers are reviewed to update the divisional risk registers, which are approved by the divisional boards and submitted to the Executive Risk Committee twice a year.

Group
The Group Risk Register is maintained by the Executive Risk Committee and updated to reflect any significant changes noted in the reviews of divisional risk registers. It is then reviewed and formally approved by the Audit Committee and the Board.

An Integrated Assurance Report ('IAR') is maintained to identify the assurance activities planned for the forthcoming year, across the three lines of defence, which are intended to address the key risks and emerging risks identified by the risk register process. The IAR is updated and discussed by the Executive Risk Committee before being formally presented to the Audit Committee and Board.

Reporting

Formal risk reporting timetables and structures are in place across the Group and in particular from the Executive Risk Committee and the second line of defence functions to the Audit Committee, by way of the Governance, Risk and Compliance report, and from Group Internal Audit to the Audit Committee.

This facilitates full, comprehensive reporting by the Audit Committee to the Board.

Risk Report (continued)

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group in the short to medium term are set out below, together with the principal mitigation measures. This is not an exhaustive statement of all relevant risks and uncertainties. Matters which are not currently known to the Board or events which the Board considers to be of low likelihood could emerge and give rise to material consequences.

The mitigation measures that are maintained in relation to these risks are designed to provide a reasonable and not an absolute level of protection against the impact of the events in question.

Risk and Impact	Principal Mitigation Measures
Legislation and regulation	
DCC's operations across five divisions in thirteen countries must comply with a broad range of legal and regulatory requirements which are subject to changes as well as increasing levels of enforcement. Failure to comply clearly with applicable legal or regulatory obligations could result in enforcement action, legal liabilities, costs and damage to the Group's reputation.	All Group subsidiaries have recorded their key legal and regulatory obligations and the controls they have in place to ensure those obligations are met. Primary responsibility for compliance rests with subsidiary management, who are supported by the Group Compliance function which provides detailed support on legal and regulatory issues and audits compliance across the Group.
Health, safety and environmental	
The principal health & safety and environmental risks faced by the Group relate to: • fire, explosion or multiple vehicle accident resulting in one or more fatalities; • poor product quality control requiring activation of our product recall procedures; • an incident resulting in significant environmental damage or compliance breach; and • a HSE or security event requiring the activation of our crisis management plan and / or business continuity plans. Such risks may give rise to legal liability, significant costs and damage to the Group's reputation.	All Group subsidiaries operate health, safety and environmental (HSE) management systems appropriate to the nature and scale of their risks. Within the Energy division in particular there is a strong focus on process safety and ongoing communication with the relevant safety authorities. All manufacturing and product processing facilities operate quality management systems, which are subject to regulatory review and licencing requirements. Quality assurance processes are in place to ensure finished products are produced in accordance with regulatory requirements and applicable specifications. External independent resources are engaged where additional assurance is required. Emergency response and business continuity plans are also in place to minimise the impact of any significant incidents that take place. Inspection and auditing processes are in place in relation to HSE management systems. These checks are conducted by the subsidiaries in question, by the Group HSE function and by external assurance providers, as appropriate. Insurance cover is maintained at Group level for all significant insurable risks.
Key supplier & customer relationships	
Certain Group subsidiaries derive a significant part of their revenue from key suppliers and customers and the loss of any of those relationships would have a material financial impact on that subsidiary.	The Group as a whole trades with a very broad supplier and customer base. Close commercial relationships exist with all our suppliers and customers and there is a constant focus on providing a value added service to them.
Strategic growth / Change management	
A failure to identify, execute or properly integrate acquisitions, change management programmes or other growth opportunities could impact on profit targets and impede the strategic development of the Group.	Group and divisional management teams engage in a continuous and active review of potential acquisitions. All potential acquisitions are subject to an assessment of their ability to generate a return on capital employed well in excess of the cost of capital and their strategic fit within the Group. The Group conducts a stringent internal evaluation process and external due diligence prior to completing any acquisition. Group and subsidiary management have significant expertise in, and experience of, integrating acquisitions. Projects and change management programmes are resourced by dedicated and appropriately qualified internal personnel, supported by external expertise.

Risk and Impact	Principal Mitigation Measures
Crime	
The Group is potentially subject to a variety of criminal threats including fraud, particularly in relation to payments, and theft of product.	The security of the Group's IT and banking systems are subject to both external and internal review and are updated and improved as needed. Other internal controls against fraud are maintained in every subsidiary and are monitored at Group level. Suitable controls are in place against physical crime such as theft and vandalism. The Group also maintains fidelity insurance in relation to risks in this area.
Information security	
Maintaining adequate IT systems and infrastructure to support growth and development may be affected by: • accidental exposure or deliberate theft of sensitive information; • loss of service or system availability; • significant system changes or upgrades; and • cybercrime.	IT standards and policies have been subject to a comprehensive review and update project over the last two years to ensure they are in line with appropriate best practices. Business continuity, IT disaster recovery and crisis management plans are in place and tested. Dedicated IT personnel with the appropriate technical expertise are in place to oversee IT security. A dedicated IT audit resource was appointed during the current year providing independent assurance with respect to the IT control environment.
Access to credit	
The continued growth and expansion of the Group's operations increases demand for credit at a time when credit availability has become more restricted globally.	The Group's financial position remains strong with significant cash resources and relatively long term debt maturities. There is a continued focus on working capital management, cash generation and managing supplier and customer relationships.
Talent management	
The Group's devolved management structure has been fundamental to the Group's success. A failure to attract, retain or develop high quality entrepreneurial management throughout the Group will impede its strategic objectives.	The Group maintains a constant focus on this area with structured succession planning, management development and remuneration programmes, incorporating long and short term incentives, in place. A graduate recruitment programme has also been established. These programmes are reviewed regularly by Group Human Resources, divisional management, the Chief Executive and the Board.
Weather	
Demand for some of the products sold by the Group, most notably heating products sold by the Energy division, is directly related to weather conditions. The inherent uncertainty of weather conditions therefore presents a risk to profits generated by that division.	The Energy division is expanding its operations in the non-heating segments of the market, primarily in transport fuels (with a particular emphasis on retail petrol stations), in marine and in aviation.
Pricing	
The Group is exposed to commodity cost price risk in its Energy division, in both its oil distribution and LPG distribution businesses. The ability to maintain margins by recovering these costs on a timely basis may be adversely impacted by external factors including changes to consumer spending, competition and regulations.	Commodity cost price movements are immediately reflected in oil commodity sales prices and within a short period in LPG commodity sales prices. Approved matching forward contracts and hedges are used where price movement exposures exist.

Measuring Our Progress - Group Key Performance Indicators

The Group employs financial and non-financial key performance indicators ('KPIs') which signify progress towards the achievement of our strategy. Each division has its own KPIs which are in direct alignment with those of the Group and are included in the divisional operating reviews on pages 22 to 57.

FINANCIAL KPIs

Strategic objective	KPI	Definition
Deliver superior shareholder returns	Return on capital employed ('ROCE')	ROCE is defined as the operating profit before amortisation and exceptional items expressed as a percentage of the average capital employed. Capital employed represents total equity adjusted for net cash/debt, goodwill and intangibles previously written off, deferred and contingent consideration and investments in associates.
Drive for enhanced operational performance	Operating profit growth	Measures the change in operating profit before amortisation and exceptional items achieved in the current year compared to operating profit before amortisation and exceptional items reported in the prior year.
Deliver superior shareholder returns	Adjusted earnings per share ('eps') growth	Measures the change in adjusted eps achieved in the current year compared to adjusted eps reported in the prior year.
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	Measures cash generated from operations.
Extend our business and geographic footprint	Committed acquisition expenditure	Measures cash spent and future deferred and contingent consideration amounts for acquisitions committed to during the year.

NON-FINANCIAL KPIs

Strategic objective	KPI	Definition
Grow a sustainable business	Carbon emissions	Total Scope 1 and 2 carbon emissions expressed in kilotonnes (kts) of CO_2e.
Health and safety	Lost time injury rates	Lost Time Injury Frequency Rate ('LTIFR') measures the number of lost time injuries per 200,000 hours worked. Lost Time Injury Severity Rate ('LTISR') measures the number of calendar days lost per 200,000 hours worked.

FY14 performance	FY14 comment	FY15 outlook	Link to other disclosures
2014 **16.3%** 2013 15.6% 2012 14.2%	The increase in ROCE over the prior year was driven by continued strong working capital management and the increase in the Group's operating profit of 11.5%.	The achievement of returns on capital employed in excess of the cost of capital will continue to be a key focus.	Chief Executive's Review. Financial Review.
2014 **£208.4m** 2013 £186.9m 2012 £160.7m **2014 v 2013: +11.5%**	Approximately half of the growth in operating profit was organic, primarily reflecting growth in DCC Technology in Britain and DCC Healthcare's health and beauty activities. Operating profit growth in DCC Energy of 4.0% reflected the successful integration of acquisitions completed in prior years and cost efficiency initiatives.	The outlook for FY15 is based on the important assumption that there will be normal winter weather conditions. The Group anticipates that operating profit will be approximately 10% ahead of FY14 with this growth being significantly weighted towards the send half.	Chief Executive's Review. Financial Review.
2014 **191.20p** 2013 171.20p 2012 141.99p **2014 v 2013: +11.7%**	The increase in adjusted eps was primarily driven by the factors mentioned under the operating profit kpi.	The anticipated growth of 10.0% in adjusted eps is based on the same assumptions as the anticipated growth in operating profit mentioned above.	Chief Executive's Review. Financial Review.
2014 **£348.7m** 2013 £264.6m 2012 £240.8m	The Group generated excellent operating cash flow of £348.7 million during the year driven by operating profits of £208.4 million and a reduction in working capital of £86.9 million.	Cash generation and working capital management will remain a key focus of the Group.	Chief Executive's Review. Financial Review.
2014 **£84.1m** 2013 £169.0m 2012 £146.8m	Committed acquisition expenditure during the year principally comprised DCC Energy (£50.5 million) and DCC Healthcare (£25.4 million).	The Group will continue to pursue attractive opportunities in our traditional markets as well as looking to extend our business into new geographic markets.	Chief Executive's Review.

FY14 performance	FY14 comment	FY15 outlook	Link to other disclosures
2014 **127.0kts** 2013 124.4kts 2012 116.9kts	Increase in absolute emissions of 2% over the prior year was driven by acquisitions and organic growth which were partially offset by improvements in operating efficiencies and energy saving initiatives.	The Group anticipates increases in absolute emissions from acquisitions and organic growth. Carbon intensity metrics are expected to decrease in line with targets.	Sustainability Report.
2014 **1.7** 2013 1.9 2012 2.3	Reductions of 12% and 14% in LTIFR and LTISR respectively were driven by initiatives on safety culture, awareness and training.	The Group is targeting a continued improvement in both LTI metrics.	Sustainability Report.
2014 **36 days** 2013 42 days 2012 53 days			

Operating Review - DCC Energy

DCC Energy is the leading oil and liquefied petroleum gas (LPG) sales, marketing and distribution business in Europe. In oil, DCC Energy is the market leader in Britain and Sweden and one of the leading oil distribution businesses in Austria, Denmark and Ireland. In LPG, DCC Energy is market leader in Norway and Sweden, joint leader in the Netherlands and is a strong number two player in both Britain and Ireland.

In the year ended 31 March 2014, DCC Energy sold 10.2 billion litres of product from its extensive network of 400 facilities to its customer base of approximately one million customers.

Markets and Market Position

Oil

DCC Energy's oil distribution business supplies transport fuels, heating oils and fuel oils to commercial, retail, domestic, agricultural, industrial, aviation and marine customers in Britain, Ireland, Denmark, Sweden, Austria and Germany. In Britain, DCC Energy rebranded its oil distribution business during the year as Certas Energy, bringing a new identity to the businesses which have been acquired since 2001. Certas Energy continues to sell oil under a large portfolio of brands, including Bayford, Brogan, Butler Fuels, Carlton Fuels, CPL Petroleum, Gulf, Pace Fuelcare, Scottish Fuels, Shell and Texaco. Outside of Britain, DCC Energy sells oil under the leading brands of Emo Oil (Ireland), Swea (Sweden), DCC Energi (Denmark), Energie Direct (Austria), Top Oil (Austria), Top Oil Bayern and Bronberger & Kessler (Bavaria, Germany).

DCC Energy is one of the leading sales and marketing businesses for branded fuel cards in Britain. The business sells approximately 750 million litres of transport fuels annually through its portfolio of fuel cards under the BP, Esso, Shell, Texaco and Diesel Direct brands. Fuel cards are an essential tool for commercial organisations to manage their transport fuel costs.

How we win

Strong health and safety ethos, delivering potentially hazardous products safely and reliably.

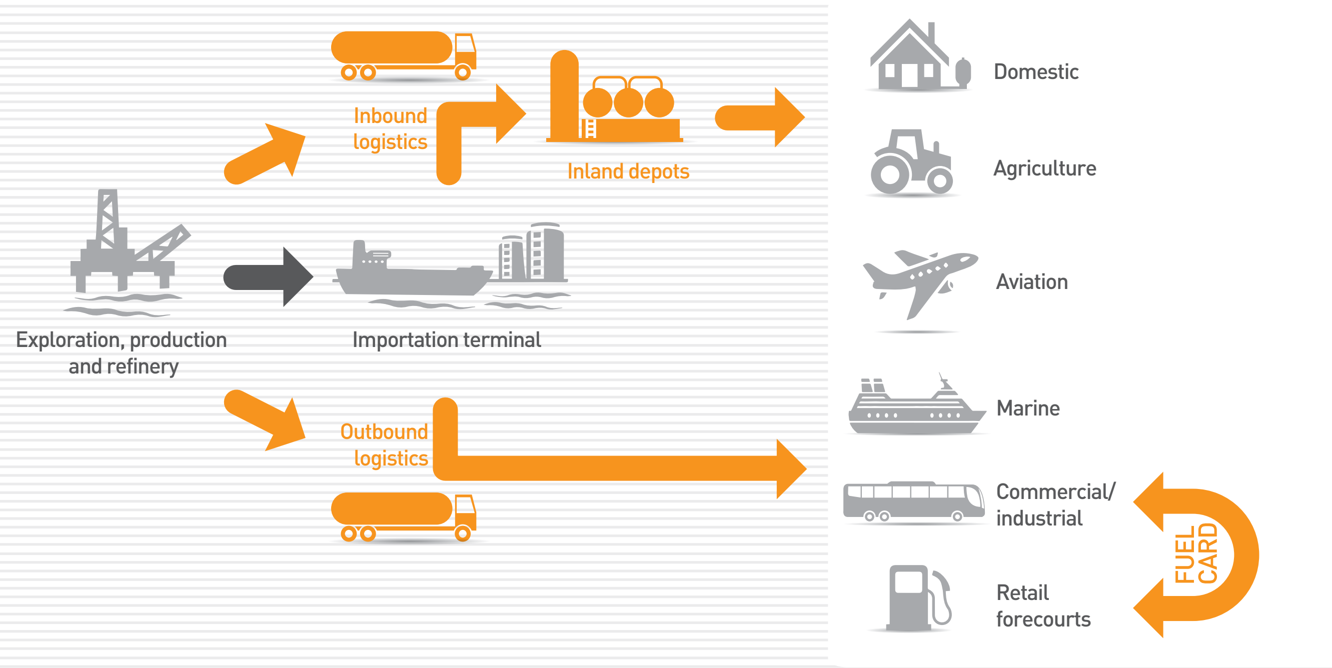
Passionate, experienced and committed team of people.

Customer focussed.

Quality of service at competitive prices.

Scale provides security of supply and ability to tailor contracts to customers' requirements.

DCC Energy – What We Do



DCC Energy's activities are highlighted in orange

Revenue

£8,243.7m
2013: £8,112.1m
UP 1.6%

Operating profit

£110.5m
2013: £106.2m
UP 4.0%

Return on capital employed

17.5%
2013: 18.5%

Brands

Oil - Bayford, Brogan*, Bronberger & Kessler*, Butler Fuels*, Carlton Fuels*, CPL Petroleum, DCC Energi*, Emo Oil*, Energie Direct*, Gulf, Pace Fuelcare, Qstar*, Scottish Fuels*, Shell, Swea*, Texaco, Top Oil*(in Austria).

LPG - Flogas*, MacGas*, Benegas*.

Fuel card - BP, Diesel Direct, Esso, Fastfuels, Gulf, Shell.

* DCC owned brands

Operating Review - DCC Energy (continued)

> "DCC Energy is now, by far, the largest oil distributor in Britain. DCC's addressable market in Britain comprises transport fuels and heating oils to commercial, industrial, domestic, agricultural and dealer owned petrol stations."

DCC Energy provides its customers with access to the breadth of the British retail petrol station and bunker networks through its portfolio of branded fuel cards, while giving them detailed information on fuel utilisation to assist in minimising their spend on transport fuels.

Oil - Britain

DCC Energy has been the consolidator of what was, and continues to be, a highly fragmented oil distribution market in Britain. DCC Energy first entered the market in September 2001 with the acquisition of BP's business in Scotland and since then has acquired and integrated 38 businesses including the oil distribution businesses of Shell (2004), Chevron Texaco (2008), and Total (2011). DCC Energy is now, by far, the largest oil distributor in Britain. DCC's addressable market in Britain comprises transport fuels and heating oils to commercial, industrial, domestic, agricultural and dealer owned petrol stations. This is a market of approximately 30 billion litres and DCC sold approximately 5.6 billion litres of product to this market, giving a market share of approximately 18%. The total retail petrol station market in Britain is approximately 35 billion litres. This is split 40% hyper markets, 30% company owned and operated stations and 30% independent dealer owned. DCC Energy has approximately 4% of the total market and supplies to approximately 10% of the dealer market. DCC Energy operates in the independent dealer owned segment of the retail market and today is the largest supplier to this segment, based on the 1,600 sites we supply.

Oil - Ireland

Emo Oil is one of the leading oil distributors in Ireland with a market share of 11%. DCC's addressable oil market in Ireland is estimated at 9 billion litres.

Oil - Continental Europe

DCC's Swedish oil distribution business (Swea) is the market leader in Sweden with a share of approximately 19% of the addressable market which is estimated at 2 billion litres. The addressable oil distribution market in Denmark is estimated at 2 billion litres of which DCC Energi Danmark has a market share of 12% and is the number two oil distributor. The addressable oil distribution market in Austria is estimated at 5 billion litres and DCC's business Energie Direct is the number two in this market with a share of 12%. With the oil majors continuing to divest of oil distribution assets, DCC Energy is well placed to continue its growth by acquisition. In February 2014 DCC announced that it had reached agreement to acquire Qstar, the fifth largest petrol station operator in Sweden, which sells 300 million litres of product through a network of 307 unmanned and 72 dealer operated petrol stations. The business which is based in Norrköping also operates an oil distribution business of 70 million litres.

LPG

DCC Energy, through the Flogas Group, is the second largest LPG sales, marketing and distribution business in Britain and Ireland, the largest LPG distributor in Sweden and Norway and the joint leading distributor in the Netherlands. The Flogas Group supplies propane and butane in both bulk and cylinders to domestic, commercial, agricultural and industrial customers for heating, cooking, transport and industrial processes.

In Britain, the business operates from a nationwide infrastructure comprising 63 facilities, while in Ireland the infrastructure comprises 6 depots throughout the country. In Sweden and Norway, the business operates from 10, mostly third party owned, locations while in the Netherlands the business operates from one central depot.

The LPG business also distributes a wide range of LPG fuel appliances, such as mobile heaters and barbeques. Beyond LPG, Flogas in Britain now provides customers with renewable energy products such as biomass boilers, solar panels and heat pumps, through its recent integration of DCC's New Energy businesses Clearpower and UFW. It has also started to provide liquefied natural gas ('LNG') as an energy solution for large industrial businesses with no access to natural gas, whilst Flogas Ireland has developed a strong position as a distributor of natural gas.

Case Study

THE QSTAR BUSINESS

A key part of DCC Energy's strategy is to build a larger presence in the transport fuels market in Europe with a particular emphasis on growth in the retail forecourt sector. Over recent years DCC Energy has become the largest supplier to independent dealer owned retail petrol stations in Britain and also operates a leading fuel card marketing business in that market.

The first significant investment in the execution of this strategy, is the acquisition of Qstar, the fifth largest petrol retailer in Sweden, which sells approximately 300 million litres of product per annum. Qstar provides national coverage through a network of 307 unmanned forecourts which is complemented by an additional 72 dealer operated petrol stations operating under the Billisten and Pump brands.

The Qstar business was founded in 1990 by the Bergstrom family and has grown from its single site origins near Norrköping to become a national network of distinctive forecourts offering quality fuel and fast service under the bright red Qstar branding.

This acquisition gives DCC Energy a 4% market share in the retail market in Sweden and an 18% share of the unmanned network in Sweden, a sector which represents 62% of the total forecourt market in Sweden. The business is fully supported by in-house systems and operational capability which will be very valuable to DCC Energy in pursuing our strategy of growing in the unmanned forecourt sector of the retail market in Europe.

Britain represents DCC Energy's largest LPG market at approximately 1 million tonnes. Trading under the Flogas brand, DCC Energy is the number two LPG distributor in Britain and Ireland with market shares of approximately 28% and 40% respectively. In Sweden and Norway, DCC Energy (trading under the Flogas brand) is market leader with approximately 49% and 47% market shares respectively. In the Netherlands where DCC Energy trades under the Benegas brand, the business has an overall market share of 20% (excluding the autogas market which DCC Energy entered during the year, the business has a market share of approximately 27%). Unlike the oil distribution market which remains highly fragmented, the LPG markets in Britain, Ireland, Sweden, Norway and the Netherlands are relatively consolidated.

Operating Review - DCC Energy (continued)

Strategy and Development

DCC Energy's vision is to be a global leader in the marketing, sale and distribution of fuels and related products and the provision of services to energy consumers:

- with strong local market shares;
- operating under multiple brands;
- consolidating fragmented markets;
- selling a broad range of related products and services;
- building a position in new geographies;
- continuing the development of its presence in the green/renewable energy sector;
- generating high levels of ROCE; and
- while maintaining a strong balance sheet.

Oil

In oil distribution, DCC Energy's strategy is to be the leading oil distribution business in its chosen addressable markets by continuing to consolidate existing markets, driving targeted growth particularly in the non-heating dependent segments of the market, expanding into new geographies through acquisition and driving organic profit growth by leveraging the scale of the business by selling differentiated products and cross selling add-on products and services such as lubricants and boiler maintenance services to its extensive customer base.

Key to DCC Energy's expansion into the non-heating segments of the market is the intention to build a larger presence in the transport fuels segment of the market, with particular emphasis on growing its presence in the retail forecourt sector of the market by expanding its supply to independent dealers, growing its unmanned and bunker site presence, by leveraging its existing supply infrastructure and scale and developing industry leading propositions for its dealers and retail consumers.

DCC Energy's strategy in Britain is to continue to grow its market share (currently 18%) to in excess of 20% of its addressable market. Key to achieving this target is growth in non-heating dependent segments of the market with a particular focus on retail petrol stations and the marine and aviation sectors. DCC Energy is now the largest supplier to independent dealer owned retail petrol stations in Britain, selling to approximately 1,600 sites across the country. The business has been actively rolling out the Gulf brand across this network and currently supplies approximately 425 dealer owned sites operating under the Gulf brand. The business distributes to approximately 150 Total branded dealer owned sites and also supplies dealer owned sites under a range of other brands including Pace, Power, Scottish Fuels, Texaco and Regent.

Through the acquisition of the Qstar forecourt network in Sweden, DCC Energy has taken its first major step in building a retail business across Europe in pursuit of our strategy of capturing greater share of the consumer margin in the transport sector of the market.

In fuel cards, DCC Energy is continuing to target high levels of organic growth through its extensive telesales team and cross selling fuel cards to its broad oil distribution customer base. The fuel cards business has expanded its customer offering through providing innovative products to customers such as 'CO_2Count' and 'Mileage Capture' which provide customers with key information on fuel consumption and emissions to allow them to better manage their businesses.

LPG

DCC Energy will continue to leverage its strong LPG market positions in the Flogas group to drive organic profit growth on a sector by sector basis in all of its markets. Similar to the oil business, the LPG business is targeting growth in the non-heating dependent segments of the market, primarily through organic volume growth. This will be achieved by promoting LPG to industrial and commercial entities looking to switch to more environmentally friendly and competitively priced energy sources. Operationally, the business will look to gain further efficiencies in Britain following the successful integration of BP's LPG business in 2014, and through a number of business improvement initiatives across the Flogas group.

"Through the acquisition of the Qstar forecourt network in Sweden, DCC Energy has taken its first major step in building a Retail business across Europe in pursuit of our strategy of capturing greater share of the consumer margin in the transport sector of the market."

Customers

DCC Energy has a very broad customer base with approximately 1 million customers across the geographies in which the businesses operate. Customers are primarily spread over the commercial, retail, industrial, domestic, agricultural and marine markets. DCC Energy has no material customer dependencies.

The volume split by customer type for the year ended 31 March 2014 is as follows:

Volume split by customer type

Commercial & industrial	63%
Retail	16%
Domestic	11%
Agricultural	4%
Marine	3%
Other	3%

The volume split by type of product for the year ended 31 March 2014 is as follows:

Volume split by product

Oil	
Transport	48%
Heating	20%
Fuel	19%
LPG	13%

Suppliers

As with its customer base, DCC Energy's supplier portfolio is broadly based. The top five suppliers represent approximately 59% of total volumes supplied with no one individual supplier accounting for more than 20% of volumes supplied in the year to 31 March 2014. The major suppliers to the division are BP, Essar, Ineos, Mabanaft, Philips66, Shell, Statoil and Valero Energy.

Our People

DCC Energy's business is a people business at its core. Therefore we are very focussed on developing processes and practices that ensure we are focussed on the well being, development and engagement of our people across all areas of the business and to ensure that we have the necessary resources, talent and skills to deliver the service levels expected by our customers in a safe way, every day.

Continuous improvement of our safety performance is a key priority and responsibility for all line managers and directors who are supported by experienced health and safety functions in each business. Occupational safety and process safety (relating to the larger terminals which have the potential for a major accident) is managed through systems and processes which identify, control and monitor health and safety risks. Monthly KPIs are reviewed by the DCC Energy Board which sets annual objectives to drive improvements in near miss reporting, safety awareness, competence and overall safety culture.

DCC Energy has strong management teams with an in depth knowledge and years of experience in the markets in which the businesses operate. As our businesses have grown we have looked to augment the existing management teams with experienced personnel in senior roles and we will continue to develop the management teams as the businesses grow.

In the year to March 2013, Safety F1rst, a safety culture initiative focussed on improving attitudes and behaviour towards safety and led by senior management, was adopted in Certas Energy UK. Following the successful adoption in Certas Energy UK, Safety F1rst has been rolled out to all companies in the Oil and LPG businesses during the year.

DCC Energy currently employs 4,711 people.

Key Risks

DCC Energy has a broad customer base across a number of geographies and many of the economies in which the division operates are showing signs of recovery. However, a deterioration in this economic recovery and its impact on consumer spending and confidence is a key risk faced by the division.

A significant proportion of DCC Energy's volumes are generated through the sale of heating dependent product and, accordingly, as noted in previous years the division can be impacted by extreme movements in weather conditions. As discussed earlier in this report, the development focus has been to reduce the heating dependence of the division through the development of the non-heating segments of the business. The acquisition of Qstar in Sweden has been a key building block in this strategy, which will continue in the coming year.

DCC Energy sold 10.2 billion litres of product during the year ended 31 March 2014 and the businesses operate with inherent risks to the environment and people. Ensuring that our businesses maintain rigorous health, safety and environmental standards is one of our core business principles. The rollout of the Safety F1rst campaign during the year has demonstrated senior management's commitment to this principle.

Operating Review - DCC Energy (continued)

"DCC Energy's approach to sustainability recognises the reality of climate change and the physical challenges arising from changing weather patterns and more frequent extreme weather events."

DCC Energy has been highly acquisitive over the last number of years and ensuring the smooth integration of these acquisitions is critical to the success of the division. This is achieved through close monitoring of the acquired businesses and ongoing management development.

Environment

DCC Energy's approach to sustainability recognises the reality of climate change and the physical challenges arising from changing weather patterns and more frequent extreme weather events. Government responses to climate change include levies and taxes on carbon emissions, incentives for renewables and energy efficiency technologies and setting long term carbon reduction targets. At the same time the economy relies on energy (primarily from fossil fuels) to function and grow. DCC Energy is committed to assisting our customers reduce their environmental impact. This is being achieved through offering our customers cleaner, more efficient fuels and innovative solutions, enabling customers to monitor their own energy use and quantify carbon emissions.

The potential for oil spills to impact on the environment is a risk that is managed on a daily basis. From domestic deliveries to large storage facilities in coastal locations, a range of controls are in place to minimise the potential of this becoming a reality. Controls include the design and maintenance of vehicles and depots, the implementation of effective operational procedures and, critically, the engagement of competent, trained employees who are handling product every day.

No significant spills occurred in the period. However all spills have the potential to cause local damage so in the event of any spill occurring, immediate action is taken to contain and recover the product to minimise impact to the surroundings. Detailed investigations are completed to identify the root causes of any incidents to identify learning points and opportunities for improvement.

DCC Energy's businesses operate on a very local footprint in all the markets in which we have a presence. Therefore it is crucial to our long term strategy that we have a high degree of trust within the communities in which we operate. All our businesses operate to the highest standards, invest heavily in infrastructure and training, and encourage our staff to participate actively in the communities within which they work.

Performance for the Year Ended 31 March 2014

DCC Energy delivered a robust performance with operating profit 4.0% ahead of the prior year as the business benefitted from acquisitions, integration synergies and operational efficiencies which were partly offset by the effect on profitability of the very mild winter weather conditions which impacted all geographies in which DCC Energy operates.

DCC Energy sold 10.2 billion litres of product during the year, an increase of 6.1% over the prior year. Organically, volumes were 3.0% lower, primarily due to a decrease in heating related volumes of approximately 11% as the average temperatures in Northern Europe during the second half of the year, particularly December through to February, were significantly milder than both the prior year and the 10 year average.

The oil business made good progress, notwithstanding the impact of the mild winter weather conditions. The business in Britain benefitted from the implementation of its logistics efficiency programme and from the successful integration of the former Total distribution business. In addition, it benefitted from its focus on transport fuels, with particularly strong organic growth in fuel cards. Adjusting for the weather impact, the oil businesses in Continental Europe performed satisfactorily and delivered strong returns, with the exception of the business in Sweden which was impacted by significant competition. Good progress was made in DCC's strategy to build a larger presence in the transport fuels market, particularly in unmanned retail petrol stations, through the agreement to acquire Qstar.

DCC Energy: Key Financial Performance Indicators

Strategic objective	KPI	Performance
Drive increase in sales volumes	Volumes	2014: 10.2 bn litres 2013: 9.6 bn litres 2014 v 2013: +6.1%
Drive for enhanced operational performance	Operating profit growth	2014: £110.5m 2013: £106.2m 2014 v 2013: +4.0%
Grow operating profit per litre	Operating profit per litre	2014: 1.09 pence 2013: 1.11 pence
Deliver superior shareholder returns	Return on capital employed	2014: 17.5% 2013: 18.5%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2014: £197.9m 2013: £122.3m
Deliver superior shareholder returns	10 year operating profit CAGR	2014: 13.4% 2013: 12.2%

"DCC Energy now operates across nine countries in Europe and remains well positioned to grow in those markets and to continue to expand into new geographies."

The LPG business performed strongly, benefitting from the acquisitions of BP's businesses in Britain, the Netherlands and Belgium and SFR's businesses in Sweden and Norway, all of which were completed in the prior year. In particular, the business in Britain benefitted from the achievement of the targeted cost synergies following the successful integration of the former BP LPG business. The LPG operations as a whole achieved good organic growth in the industrial and commercial sector of the market which more than offset the impact on volumes of the mild winter weather.

DCC Energy now operates across nine countries in Europe and remains well positioned to grow in those markets and to continue to expand into new geographies.

Operating Review - DCC Technology

DCC Technology is a leading sales, marketing, distribution and supply chain business providing a broad range of consumer and SME focussed products and services in Europe.

Markets and Market Position

DCC Technology (which has changed its name from DCC SerCom) sells a range of consumer and SME focussed technology products to a very wide customer base of technology retailers, etailers and resellers, primarily in Britain, France, Ireland and the Netherlands. The products distributed include a broad range of computing products (including tablets, PC's and servers), communications products (including smartphones, accessories and unified communications), printers, peripherals, consumables and networking and security products. In addition, the business sells a diverse range of consumer technology products including games consoles and software, wearable technology, consumer electronics and AV accessories and peripherals. The business is a distribution and supply chain partner of many of the world's leading technology brands.

DCC Technology provides technology brand owners and manufacturers with an exceptionally broad customer reach and proactively markets their products through product and customer focussed sales teams. The business provides a range of value-added services in the SME and consumer channels to both its customers and suppliers, including end-user fulfillment, digital distribution, third party logistics, web site development and management, category management

How we win

Pro-active sales and marketing approach to a very broad customer base.

Excellent supplier portfolio.

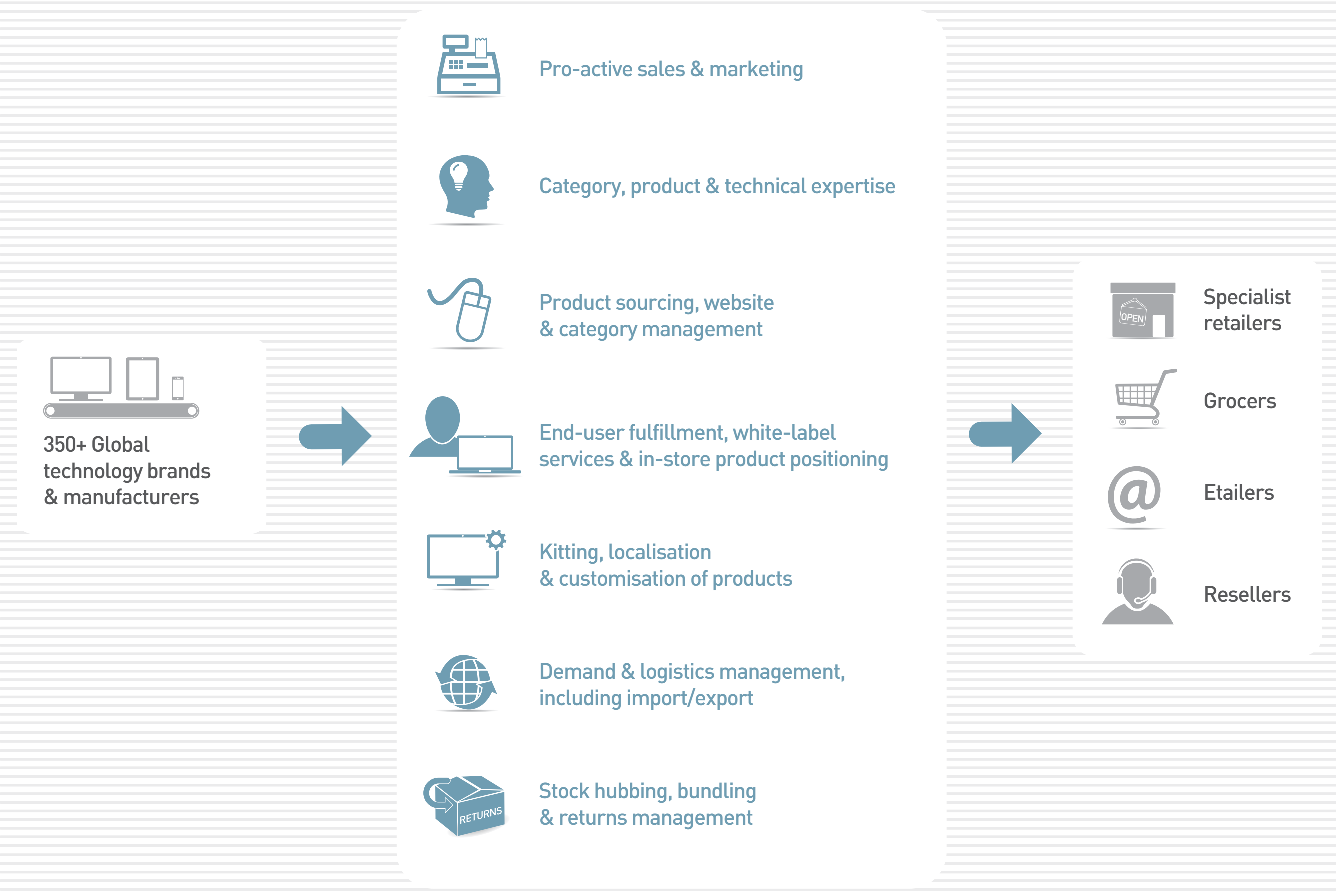
Agile, responsive and service focussed.

Cost effective and tailored solutions for customers and suppliers.

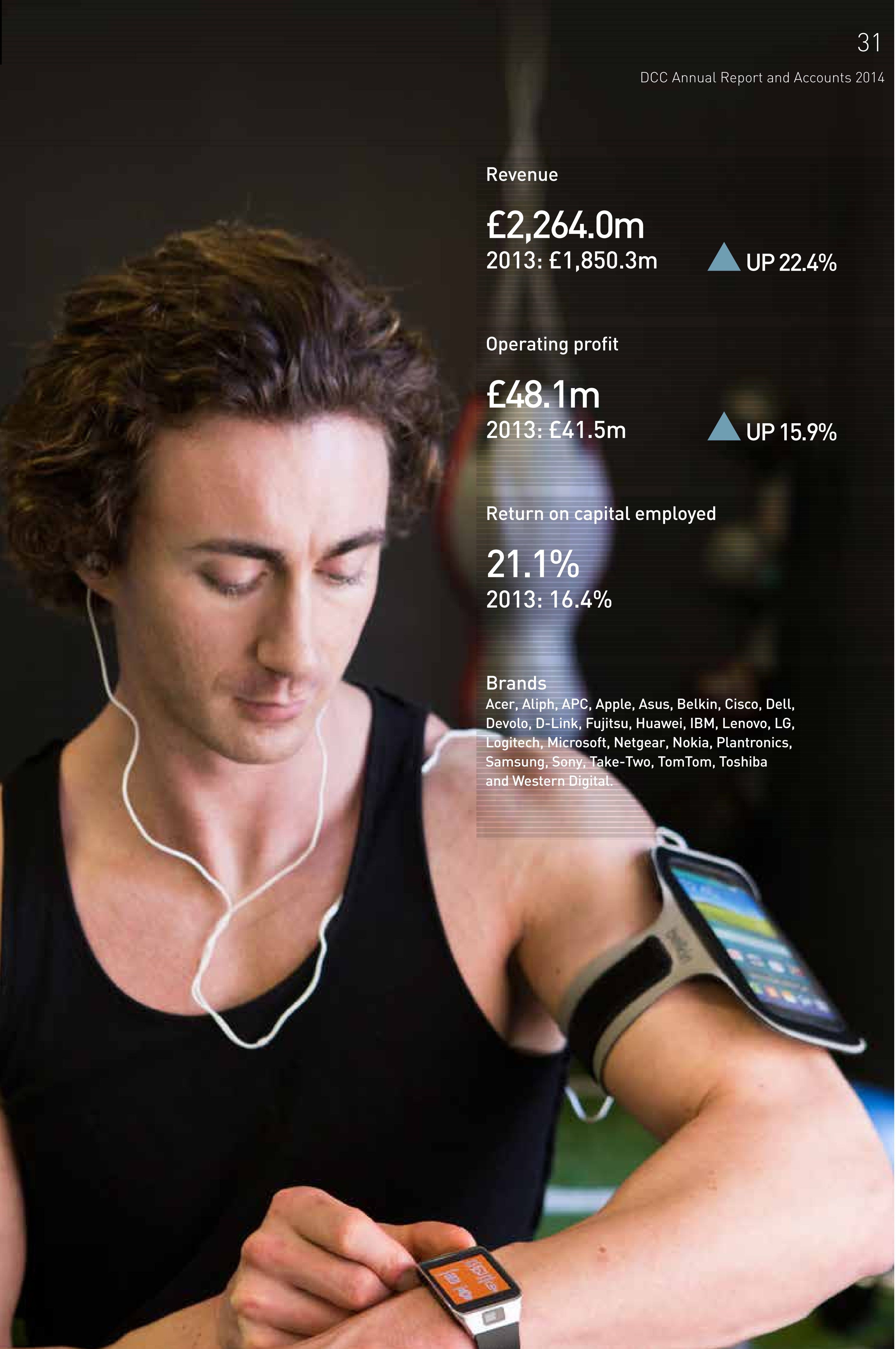
Technical, supply chain and value-added services expertise.

Financial strength.

DCC Technology – What We Do



DCC Technology's activities are highlighted in blue



Revenue

£2,264.0m
2013: £1,850.3m

UP 22.4%

Operating profit

£48.1m
2013: £41.5m

UP 15.9%

Return on capital employed

21.1%
2013: 16.4%

Brands

Acer, Aliph, APC, Apple, Asus, Belkin, Cisco, Dell, Devolo, D-Link, Fujitsu, Huawei, IBM, Lenovo, LG, Logitech, Microsoft, Netgear, Nokia, Plantronics, Samsung, Sony, Take-Two, TomTom, Toshiba and Western Digital.

Operating Review - DCC Technology (continued)

> DCC Technology provides it's suppliers with an exceptionally broad customer reach and proactively markets their products through product and customer focussed sales teams.

and merchandising, kitting, product customisation, security tagging and cross supplier bundling. Reflecting the global nature of the technology supply chain, DCC Technology provides global supply chain management services through its dedicated supply chain operations in Western Europe, Poland, China and the USA, and employs state of the art IT systems and procurement processes. These services include supplier hubbing, consignment stock programmes, supplier identification and qualification, quality assurance and compliance and supplier and customer fulfillment and are designed to effectively reduce its partners' cost of production. It also delivers a range of post-manufacturing supply chain services designed to bring technology products to market in the most efficient manner possible, including localisation, customisation and other services.

In October 2013 all of the operating businesses within DCC Technology were rebranded under the 'Exertis' brand. The name has been well received by our employees, customers and suppliers. The case study on page 33 provides further information on the new brand.

During the year, the business in Britain and Ireland further strengthened its position and offering in security, unified communications and managed services with the acquisition of Cohort Technology. The addition of Cohort Technology further enhances the technical sales capability of the business and will assist in further developing its offering of managed services to our reseller partners. As highlighted in recent years, the business in Britain continued to expand its market position in the communications market, and in the past year, has further developed its product and service offerings (particularly with smartphones and tablet computers) to take advantage of the growing convergence of the IT and communications markets and channels.

DCC Technology's principal addressable markets are the retail and reseller channels for technology products in Britain, France and Ireland. The value of the technology distribution market in these three territories is estimated to be €22.5 billion and we estimate that this market grew by 4% in the year to 31 December 2013. DCC Technology also operates in the market for global outsourced supply chain management services.

In Britain, DCC Technology is the second largest distributor of technology products and is the market leader in Ireland. The business is also a leading distributor of technology products in France where the business historically has been focussed on the retail channel. In the Netherlands the business is focussed on unified communications. DCC Technology is the fourth largest distributor of technology products in Europe.

DCC Technology's revenue for the year ended 31 March 2014 by product type is as follows:

Revenue by product type

Computing (incl. tablets, PC's & servers)	33%
Communications & mobile	16%
Printers, consumables & IT peripherals	16%
Gaming consoles, software & peripherals	11%
Consumer electronics	7%
Other	17%

Case Study

DCC TECHNOLOGY REBRANDS ITS OPERATING BUSINESSES AS 'EXERTIS'

During the year DCC Technology launched a new brand for each of the operating units within the division. The decision to develop a new brand was reached following a period of significant growth for the business, where it has grown to become the fourth largest technology sales, marketing, distribution and supply chain business in Europe. The launch of a common brand name for the operating units within the division was undertaken to gain more recognition from our supplier and customer partners as to the scale and capability of our operations, to assist in transacting with our partners across multiple product areas and geographies and to create a platform to enable further expansion of the business into new territories. The name 'Exertis' was selected as the operating name, with each of the businesses adopting a co-branded structure initially, to ensure the significant goodwill vested in the existing names was transferred to the new name. 'Exertis' reflects the ambition and drive of the business to work harder for each of our customer and supplier partners. The new name was formally launched in October 2013 and has been well received by our employees, customers and suppliers and positions the business for its next phase of growth and development.

Operating Review - DCC Technology (continued)

Strategy and Development

DCC Technology's vision is to become the leading sales, marketing, distribution and supply chain business for consumer and SME focussed technology products in Europe, delivering an industry-leading service offering, whilst delivering consistent long-term profit growth and industry leading returns on capital employed.

DCC Technology's principal medium term strategic objectives are:

- to broaden the range of sales channels and products addressed by the business in its existing markets, including emerging technology segments;
- to develop and deliver a range of industry leading services supported by best in class infrastructure; and
- to extend the geographic footprint of the business in Continental Europe through complementary acquisitions.

DCC Technology will continue to invest in product and market capabilities where we see particular opportunities for growth. In addition to the areas highlighted in the medium term strategic objectives of the business, a clear focus is placed on ensuring that the business is innovative in the services it brings to the market and is operating as efficiently as possible.

The business in Britain and Ireland is currently investing significantly in its back-office infrastructure to support the constant demand for further services and to ensure the business generates leverage from its scale as a very significant player in its market.

DCC Technology is constantly reviewing trends and innovations in the technology industry and is focussed on ensuring that growing areas of the industry, such as the trend towards increased technology in sports and leisure, lead to further opportunities.

Customers

The business has a very broad customer base, selling to approximately 14,000 customers. The largest customer accounted for approximately 10% of revenues in the year ended 31 March 2014 and the ten largest customers accounted for 45% of total revenues in that year.

DCC Technology seeks to provide the highest possible standard of customer service combining an unrivalled range of services with a commitment to identify the most cost effective and flexible solutions to our customers' requirements. By constantly focussing on building the breadth of our SME and consumer-facing 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.

Our supply chain services customers include IT equipment manufacturers, outsourced equipment manufacturers, consumer electronics companies and telecommunications equipment manufacturers. Customer relationships in this area of our business tend to be long term in nature and several of our customers have been dealing with us for over ten years.

> "DCC Technology is committed to conducting its business in a sustainable manner and this commitment is reflected in how it interacts with customers, suppliers, employees and the communities in which it operates."

Principal Distribution Markets: Analysis of revenue by customer type

Britain & Ireland

Consumer retail/etail	68%
SME reseller	32%

Continental Europe

Consumer retail/etail	89%
SME reseller	11%

Suppliers

DCC Technology has a diverse supplier base and partners with hundreds of suppliers including many of the world's leading technology brands, such as Acer, Aliph, APC, Apple, Asus, Belkin, Cisco, Dell, Devolo, D-Link, Fujitsu, Huawei, IBM, Lenovo, LG, Logitech, Microsoft, Netgear, Nokia, Plantronics, Samsung, Sony, Take-Two, TomTom, Toshiba and Western Digital. The largest supplier accounted for 23% of total purchases in the year ended 31 March 2014 and the top ten suppliers represented 57% of total purchases.

The business adopts a proactive approach to the identification and recruitment of new suppliers and technologies and seeks to position itself as the obvious choice for owners of growing brands to access the retail and reseller channels. In addition, we seek to ensure that we have a position of strategic relevance with our principal sales, marketing and distribution suppliers.

When providing supply chain services to technology manufacturers and brand owners, a core element of the services provided by the business is the identification of appropriate component and supply chain partners for the manufacturer or brand owner and carrying out the quality assurance on those suppliers to ensure that they conform to required quality, regulatory and ethical standards.

With the aim of promoting long-term sustainable relationships with each of our suppliers and delivering a best-in-class service, the operating principles we adopt with our suppliers has been formalised and communicated during the year to our suppliers in our 'Code of Practice'.

Our People

DCC Technology employs 1,850 people in 9 countries and recognises that they are fundamental to the ongoing success of the business. At all levels, employees are encouraged to adopt a service orientated approach to meeting the demands of suppliers and customers.

At senior management level, our operating businesses are run by some of the best regarded entrepreneurial management teams in the industry. DCC Technology seeks to foster and maintain an entrepreneurial culture, coupled with a commitment to ensuring that the highest ethical standards in business conduct are maintained.

DCC Technology is committed to conducting its business in a sustainable manner and this commitment is reflected in how it interacts with customers, suppliers, employees and the communities in which it operates. In common with the rest of the DCC Group, the business has processes to assess and control health and safety risks and aims to provide the best possible working environment for our employees.

DCC Technology has benefited from our participation in the DCC Graduate Programme. In addition, we also operate a wide variety of employee training programmes within individual businesses to promote the ongoing development of staff. Employee training encompasses both personal development and task specific training, in addition to formal training for personnel in areas such as health and safety, risk and compliance.

"DCC Technology employs 1,850 people in 9 countries and recognises that they are fundamental to the ongoing success of the business."

Operating Review - DCC Technology (continued)

> DCC Technology is committed to conducting its business in a sustainable manner and this commitment is reflected in how it interacts with customers, suppliers, employees and the communities in which it operates.

Key Risks

DCC Technology faces a number of strategic, operational, compliance and financial risks. The business supplies products in the business and consumer markets in Western Europe and the concentration of activity in this geographic area means that further economic downturns and disruption in these markets remains a key risk for the business.

DCC Technology works with a broad range of suppliers and customers with whom we have built excellent trading relationships. However, the business would be significantly impacted by the loss of a small number of key suppliers or customers.

The breadth of suppliers and customers within the business is also critical in ensuring that DCC Technology is in a position to capture opportunities in respect of new technologies, as the industry is particularly fast-paced. The ever-changing nature of technology, whilst presenting opportunities, also presents risk as the growth or emergence of new technologies may impact on our customers or suppliers over time.

Given that the business has a diverse product and supplier portfolio, managing the potential risk of stock obsolescence is a critical success factor in the day to day operations of the business. The length and significance of our relationships with our suppliers and the existence of formal contractual stock rotation and price protection provisions with the vast majority of our suppliers assists in mitigating this risk.

Performance for the Year Ended 31 March 2014

DCC Technology achieved an excellent result, increasing operating profit by 15.9%, reflecting very strong organic growth in both mobile computing and communications products, and increased its return on capital employed to 21.1%. DCC Technology continues to develop its service offering to enhance its position as a leading route to market partner for connected devices and to develop new sales channels in the sports and lifestyle sectors.

The business in Britain, which accounted for 81% of total revenues in the period, generated excellent operating profit growth across its principal product lines. The performance was particularly strong in mobile computing and communications products such as smartphones, laptops and tablets, with increased market share achieved in both the retail and reseller channels.

The business continues to invest in broadening its product and service portfolio, including the provision of accessories, airtime and outsourced fulfilment and category management solutions. Excellent organic growth was achieved in 'data room' products, such as servers, storage and security, and the business benefitted from the additional technical capability introduced through the acquisition, in October 2013, of Cohort Technology, a specialist in security, unified communications and managed services. The launch of the latest generation of gaming consoles in advance of Christmas 2013, as well as major software releases during the year, was also a feature of the performance in Britain.

DCC Technology: Key Financial Performance Indicators

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth	2014 £2,264.0m 2013 £1,850.2m 2014 v 2013: +22.4%
Drive for enhanced operational performance	Operating profit growth	2014 £48.1m 2013 £41.5m 2014 v 2013: +15.9%
Grow operating margin	Operating margin	2014 2.1% 2013 2.2%
Deliver superior shareholder returns	Return on capital employed	2014 21.1% 2013 16.4%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2014 £82.6m 2013 £99.6m
Deliver superior shareholder returns	10 year operating profit CAGR	2014 10.3% 2013 4.8%

> “DCC Technology, which has changed its name from DCC SerCom, achieved an excellent result, increasing operating profit by 15.9%, reflecting very strong organic growth in both mobile computing and communications products, and increased its return on capital employed to 21.1%.”

In Continental Europe, the business was impacted by a weak demand environment and margins declined due to a changed product mix. The business is focussed on broadening its product portfolio and extending the range of customer channels serviced.

The supply chain services business traded ahead of expectations. These activities have now been integrated with DCC Technology's sales, marketing and distribution activities to allow the provision of a consolidated end-to-end service offering.

Operating Review - DCC Healthcare

DCC Healthcare is focussed on the sales, marketing and distribution of pharmaceuticals and medical devices in the British and Irish markets and the provision of outsourced product development, manufacturing, packing and other services to Health and Beauty brand owners, principally in the areas of nutrition and beauty products.

Markets and Market Position

DCC Vital

DCC Vital sells, markets and distributes a broad range of third party and own-branded products (including pharmaceuticals, medical, surgical and laboratory products) through its specialist field sales teams. DCC Vital is also a leading provider of value added logistics services in Britain, providing innovative stock management and distribution services to hospitals and healthcare brand owners/manufacturers, focussed principally on theatre products. DCC Vital works with leading pharma companies such as Actavis, Cipla, Fresenius Kabi, Grifols, Hikma, Martindale Pharma, Medac, Rosemont, Sandoz and Teva as well as representing leading medical, surgical and scientific brands including BioRad, Diagnostica Stago, ICU Medical, Mölnlycke, Oxoid and Smiths Medical.

Pharma

DCC Vital sells, markets and distributes innovative and generic pharma products in Britain and Ireland through the hospital, retail pharmacy and homecare channels and has extensive market coverage into these channels. DCC Vital's portfolio of pharmaceuticals encompasses a range of therapy areas including oncology, antibiotics, anaesthesia, pain management, haematology, respiratory, addiction and emergency medicine. DCC Vital has a substantial pharma business with aggregate revenues of approximately £100 million and a leading position in the British generics market.

How we win

Comprehensive range of high quality own and third party brand/ licence pharmaceuticals and medical devices.

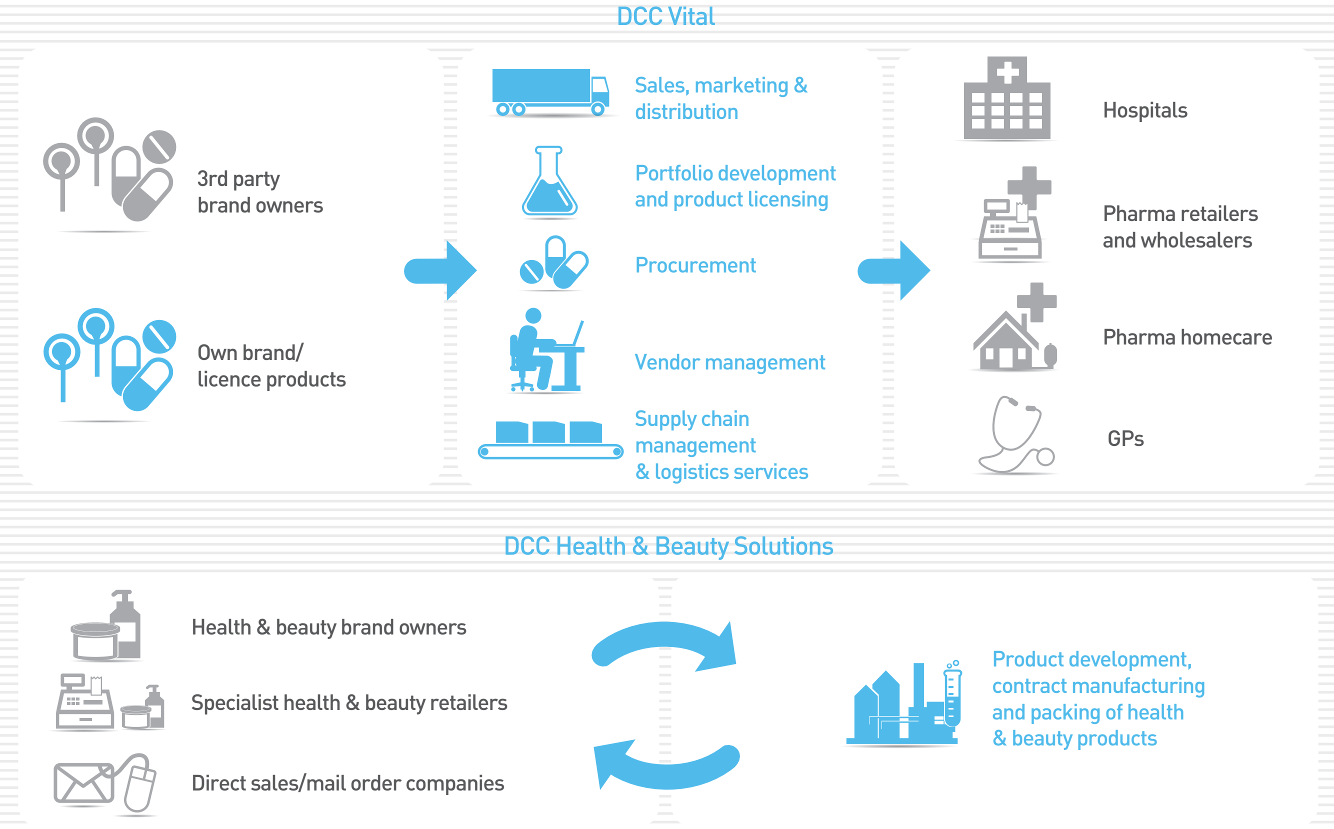
Extensive market coverage across primary and secondary care in Britain and Ireland.

Expert industry knowledge.

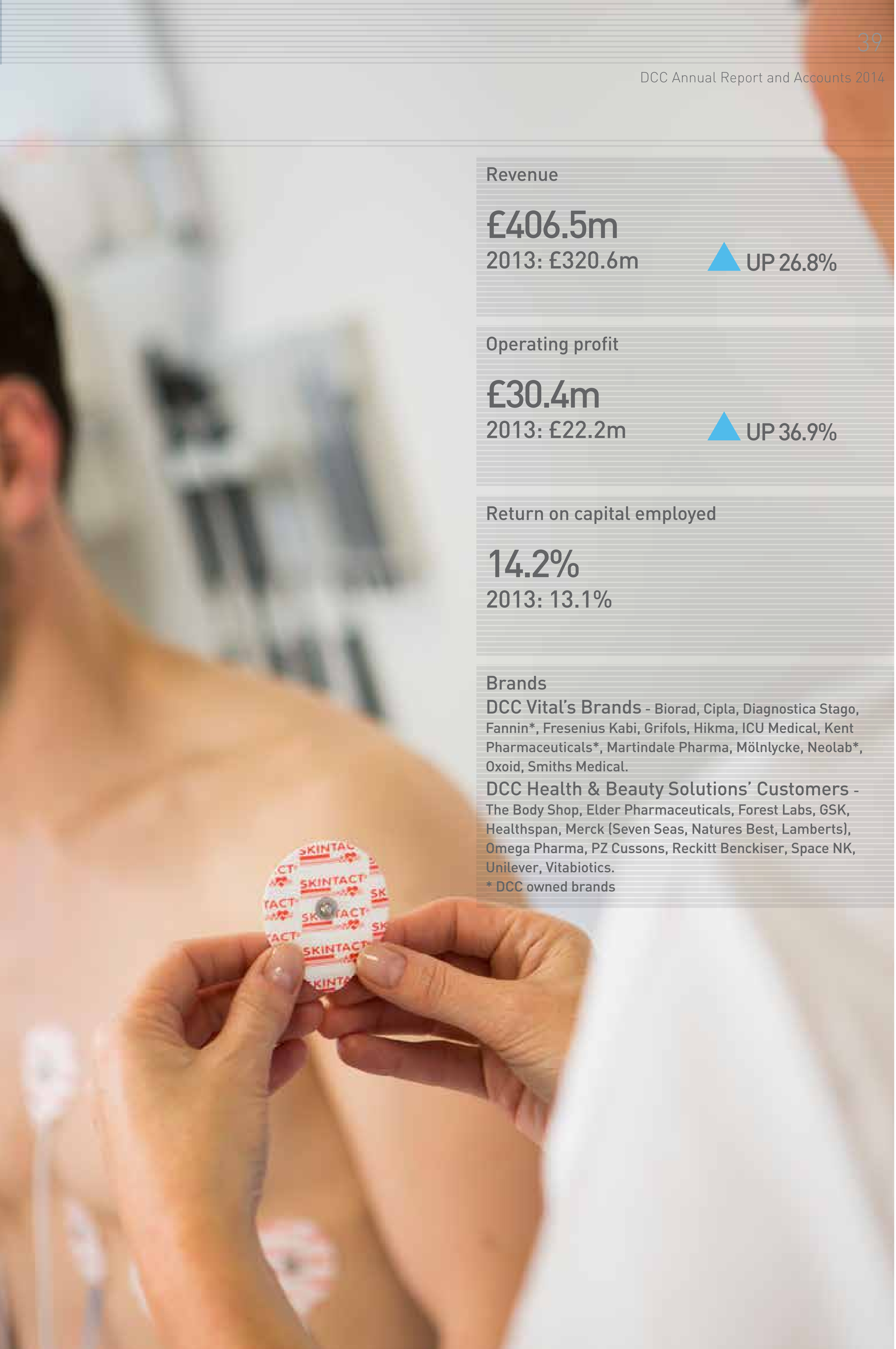
Highly efficient logistics infrastructure.

Full range of contract manufacturing services for Health & Beauty brand owners.

DCC Healthcare – What We Do



DCC Healthcare's activities are highlighted in blue



Revenue

£406.5m
2013: £320.6m
UP 26.8%

Operating profit

£30.4m
2013: £22.2m
UP 36.9%

Return on capital employed

14.2%
2013: 13.1%

Brands

DCC Vital's Brands - Biorad, Cipla, Diagnostica Stago, Fannin*, Fresenius Kabi, Grifols, Hikma, ICU Medical, Kent Pharmaceuticals*, Martindale Pharma, Mölnlycke, Neolab*, Oxoid, Smiths Medical.

DCC Health & Beauty Solutions' Customers - The Body Shop, Elder Pharmaceuticals, Forest Labs, GSK, Healthspan, Merck (Seven Seas, Natures Best, Lamberts), Omega Pharma, PZ Cussons, Reckitt Benckiser, Space NK, Unilever, Vitabiotics.

* DCC owned brands

Operating Review - DCC Healthcare (continued)

> DCC Vital has a leading position in the sales, marketing and distribution of medical devices into hospitals in Ireland and Britain with an extensive, highly trained field sales force and strong relationships with senior management, clinicians and procurement professionals.

DCC Vital has been active in the pharmaceutical market since 2002, initially focussed on intravenous hospital products. Following the acquisitions in recent years of Kent Pharma (February 2013) and Neolab (May 2011), DCC Vital now also has a strong presence in the retail pharmacy channel. At the time of acquisition, Neolab was a small British generic pharma business with a focus on pharma products particularly those in the respiratory therapy area. Similarly, Kent Pharma was a leading provider of generic pharma products to the British market. Kent brought a highly complementary product and product licence portfolio to DCC Vital. The Kent portfolio of own licensed products has a particular focus on beta lactam antibiotics including penicillin V, flucloxacillin and amoxicillin, which are long established antibiotics typically used to treat bacterial infections such as throat, ear and respiratory tract infections. Today, DCC Vital's pharma business remains the market leader in these products in Britain, which are manufactured in its own specialist beta lactam manufacturing facility located in Roscommon, Ireland.

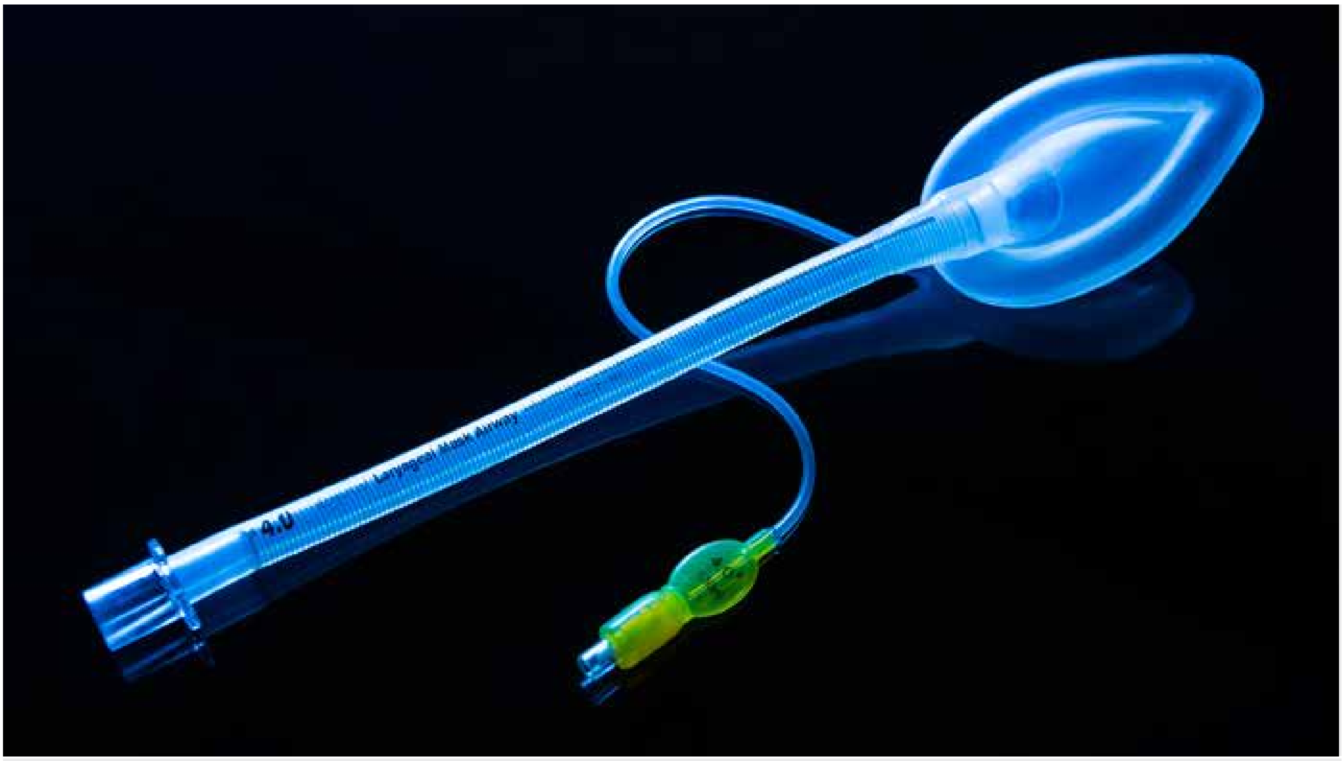
DCC Vital also provides outsourced pharma compounding services to hospitals in Ireland, through its licensed compounding facility in Dublin, which is involved in the aseptic filling of oncology, pain management, antibiotic and paediatric nutrition products into patient ready dosage forms i.e. syringes or IV bags.

Devices

DCC Vital has a leading position in the sales, marketing and distribution of medical devices into hospitals in Ireland and Britain with an extensive, highly trained field sales force and strong relationships with senior management, clinicians and procurement professionals. DCC Vital sells and markets a broad range of medical devices and consumables in areas such as wound care, urology, procedure packs, critical care (anaesthesia, endovascular, cardiology, and IV access), diagnostics, orthopaedics and neurology. Products are typically single use/consumable in nature. Capital equipment represents a small element of total sales and typically relates to generating sales of consumable products, for example the sale (or placing) of diagnostic testing equipment in order to drive sales of the consumable test kits used in the equipment. The business is building a significant position in the medical devices sector in Britain which was enhanced in the year by the acquisition of Leonhard Lang UK (acquired in July 2013), the market leader in electrodes and diathermy consumables.

DCC Vital operates in the pharma and medical device markets which are primarily government funded. Fiscal budgets in Britain and Ireland have tightened and, in common with the majority of developed economies, the burden of care, particularly to support ageing populations, is growing. As a result, healthcare providers are increasing their focus on cost saving opportunities and value for money. Public and private healthcare payers and providers are leveraging procurement scale through increased use of tendering, framework agreements, reference pricing and generic pharmaceuticals. They are switching to equivalent quality, lower cost medical and pharma products as well as outsourcing activities deemed to be non-core. DCC Vital is well placed to benefit from these trends.

Competitors in this market sector include global healthcare companies such as Johnson & Johnson and Baxter as well as a large number of small and medium sized medical, surgical and pharmaceutical manufacturers and distributors. DCC Vital's largest competitor in the Irish market is the medical and scientific business within UDG Healthcare plc, principally through a range of competing agencies. Competitors in the value-added distribution sector in Britain include NHS Supply Chain (operated by DHL Logistics) and Bunzl plc.



Case Study

DEVELOPMENT OF DCC'S OWN BRANDED OFFERING – A KEY DEVELOPMENT AREA FOR THE FUTURE

DCC Vital's vision is to build a substantial and sustainable healthcare business focussed on the sales, marketing and distribution of pharmaceuticals and medical devices. An important element of DCC Vital's strategy to deliver on this vision is to increase the ownership of the intellectual property in the business, as reflected in the proportion of profits generated from sales of own brand/licence generic pharmaceuticals and medical devices. In recent years, and in particular over the last 15 months, DCC Vital has made significant progress in the execution of this strategy through both organic and acquisitive development.

In FY2013, approximately 35% of DCC Vital's gross margins were derived from own branded/licensed products. Today, based on current run rates, this percentage has grown to in excess of 50%.

In the pharma area, this development was significantly accelerated by the acquisition of Kent Pharma which brought a range of own licence products, in particular in the antibiotic area. In addition, the acquisition of product licences in recent years (principally focussed on the therapy areas of pain management, respiratory and IV hospital pharmaceuticals) and the leveraging of these products through DCC Vital's deep market network has played a key role. While beta lactam antibiotics are manufactured in-house in DCC Vital's specialist facility in Ireland, the majority of the manufacturing of own licence pharmaceuticals is outsourced to a range of MHRA approved European and Indian contract manufacturers. A small but growing element of the range is outsourced to DCC Health & Beauty Solutions, particularly in the creams and liquids area.

In the devices area, sales of own brand, high quality, right price products have been growing strongly in areas such as anaesthesia, airway management, medical textiles and gloves under Fannin and other DCC Vital brands. Pictured above is DCC Vital's branded laryngeal mask airway which is used for airway management in anaesthetics.

The growth of own brand device sales was further boosted through the acquisition of Leonhard Lang UK ('LLUK') in July 2013. LLUK sells and markets a range of electrodes and electrosurgical consumables under its own Skintact brand and is the market leader in these product categories in Britain. Also in FY2014 the business launched a range of own brand products targeted at the community care sector including compression hosiery (used in the treatment of conditions such as venous leg ulcers and lymphedema) and urology products. DCC Vital sources its own brand devices from a range of OEM manufacturers in Europe, the USA and the Far East.

Operating Review - DCC Healthcare (continued)

"DCC Healthcare's strategy is to build a substantial healthcare business focussed on the pharma, medical device and health and beauty sectors."

DCC Health & Beauty Solutions
DCC Health & Beauty Solutions is one of Europe's leading outsourced service providers to the health and beauty sector with a customer base across the continent serviced from our operations in Britain and Scandinavia. DCC Health & Beauty Solutions' range of outsourced services is focussed principally on the areas of nutrition (vitamin and health supplements) and beauty products (skin care and bath and body care). The service offering encompasses product development, formulation, stability and other testing and regulatory compliance, as well as manufacturing and packing. In January 2014, DCC Health & Beauty Solutions further strengthened its business through the acquisition of Universal Products Manufacturing (Lytham) Limited ('UPL'), a British contract manufacturer of creams and liquids. UPL develops, manufactures and packs a wide range of skincare, haircare and pharmaceutical products. DCC Health & Beauty Solutions is now one of the two leading British creams and liquids contract manufacturers for brand owners. The business operates six licensed manufacturing facilities (four in Britain and two in Sweden) and contract manufactures in a wide variety of product formats (tablets, soft gel and hard shell capsules, creams and liquids). The business continues to enhance its reputation and market share in Continental Europe, especially in Scandinavia, the Benelux region and Germany.

Consumer demand for nutrition and beauty products has been robust through the economic downturn with continued demand for product innovation. The trend for health and beauty brand owners to outsource non-sales and marketing activities (including product development) and to streamline their supply chains is a more important factor in driving demand in the contract manufacturing sector. There is also a trend towards increased regulation and higher manufacturing standards in the health and beauty sector. These trends are favouring well-funded contract manufacturers like DCC Health & Beauty Solutions which has the resources to invest in regulatory expertise and high quality facilities. Our main competitors include Catalent, Aenova, Brunel and Ayanda in nutrition and LF Beauty and Swallowfield in creams/liquids.

Revenue split by product/service area

Pharma	24%
Devices	24%
Logistics	23%
Health & Beauty Solutions	29%

Strategy and Development

DCC Healthcare's vision is to build a substantial healthcare business focussed on the pharma, medical device and health and beauty sectors.

DCC Vital
In pharma, the business is focussed on strengthening its market positions and expanding its product portfolio organically and through bolt on acquisitions. DCC Vital has a strong regulatory capability in the pharma area including product in-licensing quality control and assurance and pharmacovigilance. This capability, together with strength in sourcing and the uniformity of European Union product licensing regulations will open up opportunities for the business to extend its pharma activities into new geographic markets over the coming years.

In medical devices, the business is continually seeking to strengthen its market positions and develop its portfolio of products both organically and through bolt-on acquisitions. The medical devices market is increasingly polarising between high tech products in specialist therapy areas and value for money commodity products. DCC Vital seeks to attract quality specialist agencies while also selectively launching commodity products under its own brands.

The acquisitions of Forth Medical in 2012 and Leonhard Lang UK in 2013 increased the business' sales and marketing capability in Britain, providing an enhanced platform for further development of its medical device portfolio in this territory.

During the year, DCC Healthcare disposed of Virtus Inc., a US based contract manufacturing business which supplies a range of finished surfaces for hospital beds and stretchers. The business was acquired by Hill Rom Manufacturing.

In logistics, DCC Vital is building a growth platform in Britain in the provision of stock management and distribution services, acting as a neutral wholesaler and providing services to both brand owners, hospitals and buying groups. DCC Vital believes that this is a potentially interesting growth sector as British acute care hospitals seek cost savings and operating efficiencies from customised just-in-time distribution solutions which reduce stock obsolescence and improve product availability.

DCC Health & Beauty Solutions

DCC Health & Beauty Solutions has grown to become one of Europe's leading outsourced service providers to the health and beauty sector. Its high quality facilities, together with the strength and depth of its business development, product development and technical resources, has enabled DCC Health & Beauty Solutions to build a reputation for providing a highly responsive and flexible service to its customers and for assisting customers in rapidly bringing new products from marketing concept through to finished, shelf-ready products. This service typically involves product development, formulation, stability and other testing and regulatory compliance, as well as manufacturing and packing. DCC will continue to leverage this capability across a broader customer base by expanding its European customer base both organically and by acquisition while also continuing to expand its service offering in related areas such as sports nutrition and OTC pharma. DCC has invested in increasing its capability in healthcare creams and liquids and the acquisition of UPL will accelerate the development in this area.

Customers

DCC Vital's market coverage in pharma extends beyond the hospital sector into retail pharmacy, pharma wholesalers and the homecare channel, as well as international distributors. Kent Pharma provided DCC Vital with a broader platform and the integration of Kent and DCC Vital's existing pharma business has strengthened the key account relationships with the major retail/wholesale pharmacy groups in Britain including Alliance Boots, Celesio, Phoenix and The Co-op.

DCC Vital has deep market coverage in the sales and distribution of medical devices into the hospital sector in Ireland and Britain and enjoys strong relationships with the HSE in Ireland, the NHS in Britain as well as individual acute care hospitals, procurement groups and private hospital groups.

DCC Vital's British value added logistics services business services a broad customer base of brand owners, hospitals and procurement groups including Guys & St Thomas's Hospital, the Sheffield Hospital Trust and HCA.

DCC Health & Beauty Solutions principally focuses on providing services to leading premium brand owners in the areas of nutrition (vitamin and health supplements) and beauty products (skin care and bath and body care). Other customers include mail order companies, specialist health and beauty retailers and private label suppliers in Britain, Continental Europe and other markets. The acquisition of UPL in January 2014 has strengthened DCC Healthcare's presence in the beauty sector in both Britain and Europe, while the acquisition of Vitamex Manufacturing AB in June 2012 strengthened its presence in the broader European market in the nutritional arena. Today approximately half of the output from DCC's facilities is consumed in international markets outside of Britain. As the lines between pharma and consumer healthcare become increasingly blurred in the market place, DCC Health & Beauty Solutions is strengthening its relationships with blue chip companies such as Apoteket, Merck, Omega Pharma, Oriflame and Unilever.

DCC Healthcare has a broad customer base and its ten largest customers account for approximately 29% of revenue in the year ended 31 March 2014.

Suppliers

DCC Vital works with leading innovative and generic pharma companies like Cipla, Fresenius Kabi, Grifols, Hikma, Martindale Pharma, Medac and Rosemont as well as having its own specialist manufacturing plant for beta lactam antibiotics in Ireland, which was acquired as part of the acquisition of Kent Pharma.

DCC Vital represents leading medical, surgical and scientific device brands including BioRad, Diagnostica Stago, ICU Medical, Mölnlycke, Oxoid and Smiths Medical.

DCC Vital's British value added distribution services business has a very broad supplier/client base including Baxter, Covidien, Gambro, J&J and Mölnlycke.

DCC Health & Beauty Solutions sources from high quality raw materials and ingredient suppliers across the globe in order to provide its customers with high quality and cost effective solutions and is increasingly focussed on sourcing sustainability-certified raw materials, such as fish oils.

DCC Healthcare's supplier portfolio is broadly based with the top ten suppliers representing approximately 25% of revenue in the year ended 31 March 2014.

Operating Review - DCC Healthcare (continued)

Our People

DCC Healthcare employs 1,777 people, principally based in Britain and Ireland, led by strong, entrepreneurial management teams. In DCC Vital, the senior management team has been further strengthened during the year, including the appointment of a new managing director to lead the next phase of expansion. Training and education is critical in the healthcare sector and DCC Healthcare continually invests in ensuring that its people are experts in their respective product or service areas and are fully conversant with the relevant regulatory frameworks within which the business operates. DCC Healthcare's businesses continue to benefit from their ongoing participation in the DCC Graduate Programme.

Key Risks

DCC Healthcare operates in geographic markets where healthcare spending is predominantly funded (directly or indirectly) by governments. The economic downturn experienced over the last number of years has resulted in fiscal pressures and this has influenced governments' healthcare budgets. DCC Healthcare's competitive product portfolio, strength in generics, growing range of value for money own brand products and outsourced service offering mitigates this risk and indeed is providing DCC Healthcare with new growth opportunities.

Product quality and regulatory compliance are critical matters for DCC Healthcare - poor product quality could have consequences for customer or public safety. DCC Healthcare continually invests in its technical and regulatory resources, quality systems, staff training and facilities to ensure quality standards are consistently maintained and the requirements of the relevant regulatory authorities are met or surpassed. All DCC Healthcare's manufacturing sites are licensed and subject to ongoing regular internal and external third party audit reviews.

DCC Healthcare trades with a very broad supplier and customer base and its constant focus on providing a value added service ensures excellent commercial relationships. Recent acquisitions, for example Kent Pharma, have included new sourcing relationships, an extended portfolio and greater customer reach. In the case of a very small number of key suppliers, principals and customers, their loss could have a serious operational and financial impact on the business.

Environment

DCC Healthcare is focussed on improving the environmental sustainability of its businesses and range of products and services. Customers increasingly monitor progress in this area. To this end DCC Health & Beauty Solutions has been focussed on minimising impacts in its supply chain operations through the procurement of sustainable ingredients such as fish oils certified by the Marine Stewardship Council and bee friendly borage, a high quality plant based source of the fatty acid gamma-linolenic acid ('GLA'). At an operational level, minimising the use of process materials (for example butyl acetate), identification of reuse markets for waste streams and the implementation of energy efficiency projects have reduced environmental impacts.

Performance for the Year Ended 31 March 2014

DCC Healthcare achieved excellent operating profit growth across its two businesses, DCC Vital and DCC Health & Beauty Solutions. The division benefitted from acquisitions completed in the year under review and in the prior year and from very strong organic growth in DCC Health & Beauty Solutions.

DCC Vital, recorded strong profit growth driven by recent acquisition activity. DCC Vital completed the integration of Kent Pharma, combining the product portfolios and the commercial and regulatory teams, and realised the planned synergies. Kent Pharma achieved strong growth in the respiratory area while experiencing increased competitive pressures for certain antibiotic products. The pharma performance in Ireland was impacted by slower than projected growth in volumes in DCC Vital's compounding activity as the National OPAT (Outpatient Parenteral Antimicrobial Therapy) service contract was rolled out.

"DCC Healthcare achieved excellent operating profit growth across its two businesses, DCC Vital and DCC Health & Beauty Solutions. The division benefitted from acquisitions completed in the year under review and in the prior year and from very strong organic growth in DCC Health & Beauty Solutions."

DCC Healthcare: Key Financial Performance Indicators

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth	2014 £406.5m 2013 £320.6m 2014 v 2013: +26.8%
Drive for enhanced operational performance	Operating profit growth	2014 £30.4m 2013 £22.2m 2014 v 2013: +36.9%
Grow operating margin	Operating margin	2014 7.5% 2013 6.9%
Deliver superior shareholder returns	Return on capital employed	2014 14.2% 2013 13.1%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2014 £39.8m 2013 £20.6m
Deliver superior shareholder returns	10 year operating profit CAGR	2014 13.0% 2013 7.7%

DCC Vital achieved excellent growth in medical devices in Britain, with good organic growth augmented by the strong performance of Leonhard Lang UK, which was acquired in July 2013. Leonhard Lang UK is the market leading supplier of electrodes and diathermy consumables, under its own Skintact brand, to hospitals and emergency services in Britain. DCC Vital's British value added logistics business performed satisfactorily with new customer wins on the back of continued market interest in its range of customised stock management and just-in-time logistics solutions for hospitals and manufacturers.

DCC Health & Beauty Solutions achieved very strong organic profit growth and benefitted from a first time contribution from UPL, acquired in January 2014. Excellent organic growth was achieved across both the nutrition (vitamins and health supplements) and beauty categories. The business benefitted from successful new product development for existing customers and from a number of new business wins, particularly in healthcare creams and liquids. The process of combining UPL with DCC Health & Beauty Solutions' existing creams and liquids activities is under way and is enabling the business to offer customers enhanced product development, manufacturing and packing capability across its high quality, licensed facilities. DCC is now one of the two leading British creams and liquids contract manufacturers for brand owners. In the nutrition area, the planned process to integrate the Swedish tablet manufacturing operations into DCC's larger tablet manufacturing facility in Britain has also commenced. The sales, development, customer service and regulatory teams in Sweden will remain in situ to service DCC Health & Beauty Solutions' Scandinavian customer base.

Operating Review - DCC Environmental

DCC Environmental is a leading British and Irish provider of recycling, waste management and resource recovery services to the industrial, commercial, construction and public sectors, operating in both the non-hazardous and hazardous segments of the market. This year DCC Environmental handled approximately 1.4 million tonnes of waste through its twenty one facilities in Britain and Ireland.

Markets and Market Position

Britain

DCC Environmental is a market leader in non hazardous waste management in both Scotland and the East Midlands. In Scotland, operating under the William Tracey brand, DCC operates a comprehensive recycling infrastructure across the central belt, including one of the largest material recycling facilities in Britain in Linwood, close to Glasgow airport. During the year, DCC Environmental strengthened its position in the Edinburgh market through the acquisition of Oran, a waste collection business. In the East Midlands, operating under the Wastecycle brand, DCC Environmental operates three material recycling facilities in Nottingham and Leicester along with a civic amenity site on behalf of Nottingham City Council. The facilities process waste collected by both company owned and third party vehicles into valuable commodities which can be used as a substitute for virgin materials. In addition, in the East Midlands, DCC Environmental has the added capacity to process waste not suitable for recycling into a fuel which is used by the cement industry.

In hazardous waste management, also operating under the William Tracey brand, DCC Environmental is a market leader in Scotland and the north of England with three dedicated facilities providing a wide range of treatment solutions for hazardous waste. During the year the range of services offered was broadened by entering the sludge treatment sector. In addition, operating under the Oakwood Fuels brand DCC Environmental is a leading national collector of waste oils, which are brought back to its facility in Nottingham where they are converted into a fuel which can

How we win

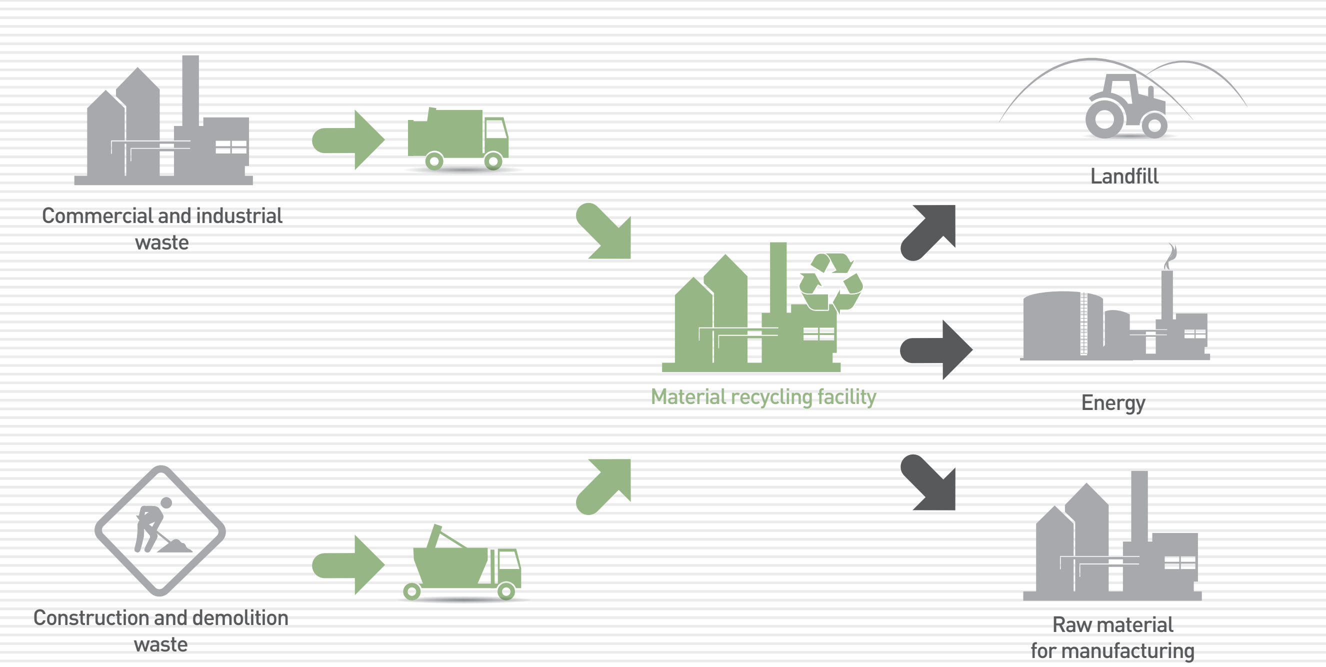
Clear understanding of customers requirements.

Provider of innovative solutions for customers.

Respond quickly to opportunities arising from new regulations.

Absolute focus on recycling/recovery without the distraction of legacy landfill assets.

DCC Environmental – What We Do



Revenue

£130.6m
2013: £116.1m
▲ UP 12.5%

Return on capital employed

8.6%
2013: 8.3%

Operating profit

£11.7m
2013: £10.9m
▲ UP 7.8%

Brands

Enva*, Wastecycle*, Tracey*, Oakwood*.

* DCC owned brands

Operating Review - DCC Environmental (continued)

> "DCC Environmental is constantly looking to reduce the proportion of waste that cannot be recycled or utilised for its energy content. In this regard, as highlighted in the case study, DCC Environmental has recently commenced the export of processed material to Sweden for energy recovery."

be used as a substitute for heavy fuel oil.

Waste management businesses are at the heart of the burgeoning circular economy and DCC Environmental have pioneered such development. One such example is its relationship with British Gypsum whereby waste gypsum is collected nationally and brought back to DCC Environmental's Nottingham site where it is processed and then sent back to British Gypsum's facilities to be used to manufacture new gypsum.

DCC Environmental is constantly looking to reduce the proportion of waste that cannot be recycled or utilised for its energy content. In this regard, as highlighted in the case study, DCC Environmental has recently commenced the export of processed material to Sweden for energy recovery.

Overall, the British business handles 1.3 million tonnes of material, the majority of which is collected by its own fleet of 231 vehicles, and 71% of all waste volumes are diverted from landfill. Recovery percentages depend on the mix of material with the highest percentage achieved from construction material.

The pickup in economic activity, particularly in the construction sector, has translated into an improved market backdrop in the non hazardous sector with increased activity particularly evident in the East Midlands. Recyclate prices however remain relatively low compared to historic highs. The hazardous market remains challenging with excess capacity evident.

DCC is fortunate that Scotland is such an important market noting the country's continuous focus on developing and improving waste management through its Zero Waste agenda. From 1 January 2014, all businesses in Scotland had to present metals, plastics, glass and card for separate collection. In addition, businesses in non-rural areas which produce over 50kg of food waste per week must also present this for separate collection. This will broaden to include all businesses producing 5kg of food waste per week from January 2016.

In October 2013 plans were published to reduce all waste in Scotland by 7% by 2017 and 15% by 2025. Also, Scotland recently passed legislation for the introduction of its own landfill tax which will replace the current UK system from 2015 and is expected to provide further impetus to the development of the Scottish waste industry.

At the recent Awards for Excellence in Waste Management and Recycling, a highly respected British ceremony, William Tracey won Recycling Business of the Year for its promotion of the new regulations.

Ireland

Operating under the Enva brand, DCC Environmental's Irish business is recognised as Ireland's leading hazardous waste treatment company. Enva operates from six EPA/NIEA licensed sites in both the Republic of Ireland and Northern Ireland, offering technically innovative solutions to a wide range of waste streams for both multinational and indigenous clients. It has an in-house infrastructure to treat a broad range of materials including waste oil, contaminated soils, bulk chemicals and contaminated packaging. In cases where it is unable to treat the waste itself, it has relationships with a network of European based companies to provide a range of solutions for hazardous waste which are not available in Ireland. Enva's water treatment division provides specialised chemicals, equipment and professional services to the drinking, industrial and waste water sectors. The division operates an in-house manufacturing facility as well as an INAB accredited laboratory to support these services.

Enva works closely with Oakwood in developing new treatment processes for hazardous waste and also with DCC Energy who provide a route to market for the Processed Fuel Oil produced from waste oil.

The Irish waste market is valued at approximately €1 billion. The sector was severely impacted by the economic recession, in particular the collapse in the construction sector which hit the non hazardous waste sector particularly hard. Whilst DCC Environmental's Irish business was somewhat protected through its focus on the niche hazardous sector and through developing innovative

Case Study

TRACEY COMMENCES EXPORT OF REFUSE DERIVED FUEL

During the year, Tracey commenced the manufacture of Refuse Derived Fuel which is exported to Sweden. Refuse Derived Fuel is produced from residual waste where recyclable material has already been separated. The residual waste is processed to remove any remaining recyclable material and then shredded and bailed to allow it to be shipped abroad. There is currently a lack of 'Energy from Waste' plants in Britain whereas there was significant investment in such infrastructure in Continental Europe. By producing and exporting Refuse Derived Fuel, Tracey is assisting Scotland in meeting its landfill diversion targets as part of its continued journey to a Zero Waste society and is also producing a fuel used to generate renewable energy in Sweden. In due course, as further infrastructure is developed in Britain, such material will be redirected to plants in Britain which will assist in achieving its renewable energy targets.

solutions for hazardous waste, it is intent on ensuring that it fully benefits from the improving economic backdrop.

Strategy and Development

DCC Environmental's strategy continues to be to grow as a leading broadly based waste management and recycling business in Britain and Ireland by positioning itself to take advantage of the trend towards more sustainable waste management, with a particular emphasis on resource recovery and recycling.

DCC Environmental will ensure that it harnesses the opportunities arising from the recovery in the economies it operates in. The strategy includes delivering superior value adding services to all its customers by way of a deep understanding of their requirements and the development of innovative solutions to their problems. Furthermore, DCC Environmental is aligning its business to support the transition to both a low carbon economy and the emerging circular economy through a focus on resource rather than waste, developing internal climate change expertise and continually improving its recycling capability.

Operating Review - DCC Environmental (continued)

Customers

DCC Environmental provides recycling, waste management and resource recovery services to the industrial and commercial, construction and public sectors.

Revenue split by customer

Industrial and commercial	67%
Construction and demolition	19%
Public sector	14%

The customer base is quite fragmented, with the ten largest customers accounting for approximately 20% of total revenue in the year ended 31 March 2014. Many of the customers have been with DCC Environmental for a long time, in some cases over 30 years, and the business has developed a clear understanding of their requirements.

Our People

DCC Environmental's management have deep industry knowledge with the former owners of the businesses still with the Group. Each company seeks to develop their employees as illustrated by a policy of promoting from within the organisation wherever possible. Employee engagement is critical and employee surveys are regularly undertaken.

The businesses constantly strive for excellence in health and safety to ensure that a safe place of work is provided to all employees. In this regard, external consultants have been recently appointed across the division to provide assistance in the development of a safety culture awareness program.

DCC Environmental currently employs 1,005 people.

Key Risks

Similar to all businesses within the Group, DCC Environmental faces a number of strategic, operational, compliance and financial risks.

As highlighted in previous years, every effort is made to minimise the interaction of heavy plant and people but given the nature of its operations, it is impossible to eliminate entirely and this gives rise to the risk of accidents.

The construction sector is an important market for DCC Environmental and this sector is particularly sensitive to changes in the economic backdrop, as has been the case in recent years.

DCC Environmental has an exposure to movements in both recyclate and oil commodity prices.

Noting the significant degree of regulation of the sector, it is important that there is uniform enforcement of the regulations. In addition changes in regulations can create opportunities but also risks to business models. The sector attracts a relatively high degree of media scrutiny which also creates a heightened risk of negative publicity.

A number of IT projects are being undertaken to enhance the IT environment and related operational efficiencies which gives rise to particular implementation risks which are being managed.

"DCC Environmental's management have deep industry knowledge with the former owners of the businesses still with the Group. Each company seeks to develop their employees as illustrated by a policy of promoting from within the organisation wherever possible."

DCC Environmental: Key Financial Performance Indicators

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth	2014 £130.6m; 2013 £116.1m; 2014 v 2013: +12.5%
Drive for enhanced operational performance	Operating profit growth	2014 £11.7m; 2013 £10.9m; 2014 v 2013: +7.8%
Grow operating margin	Operating margin	2014 9.0%; 2013 9.4%
Deliver superior shareholder returns	Return on capital employed	2014 8.6%; 2013 8.3%
Drive for enhanced margins	Recycling/recovery%	2014 68%; 2013 69%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2014 £17.2m; 2013 £17.5m
Deliver superior shareholder returns	10 year operating profit CAGR	2014 12.7%; 2013 14.9%

Environment

The businesses continue to focus on energy efficiency initiatives to generate cost savings and reduce carbon emissions. During the year both rainwater harvesting and solar panels were installed at a number of sites. Tracey have invested in vehicles which have the ability to maintain separate waste streams in one collection vehicle thereby reducing the carbon impact of these uplifts. Wastecycle was re-certified for another two years to the Carbon Trust Standard.

During the year there have been a number of routine inspections by environmental regulatory agencies. No major non-conformances with licensing were recorded and all minor non-conformances or observations were actioned as a priority. DCC Environmental's 21 sites continue to maintain excellent or good ratings from their respective regulators.

Performance for the Year Ended 31 March 2014

DCC Environmental's operating profit increased by 7.8%, driven by improved market conditions in the non-hazardous waste market and a continued focus on operational efficiency.

In Britain, the non-hazardous waste business benefitted from improved economic conditions with a pickup in construction sector activity. In the hazardous sector, price competition continues to be intense, with the improved economic backdrop yet to translate into an increase in demand.

Operating Review - DCC Food & Beverage

DCC Food & Beverage is principally focussed on the sales, marketing and distribution of food and beverage products in Ireland.

Markets and Market Position

In Ireland, DCC Food & Beverage markets, sells and distributes a range of own and third party agency brands and provides category management and merchandising services to a broad range of customers including grocery multiples, symbol and independent retailers, pharmacies, off-licences, hotels, restaurants and cafes.

The majority of DCC Food & Beverage's operations are focussed on the Irish grocery market which has shown some contraction over recent years due to the general economic downturn. As economic conditions remain challenging, consumers continue to search for value both in the grocery and out of home markets.

While private label now accounts for approximately 36% of all sales by value, brands continue to be important to the Irish consumer. DCC Food & Beverage continues to develop its own branded offering and company owned brands now account for approximately 33% of total revenue.

DCC Food & Beverage's businesses enjoy a number of leading market positions in the categories in which they operate.

In Ireland, the business is the leading and most comprehensive supplier of healthy foods and beverages, fine foods and vitamins, minerals and supplements ('VMS'), selling owned and agency brands directly to both the grocery and pharmacy sectors. DCC Food & Beverage's healthfood brand, Kelkin, is recognised as the leading brand in the ambient health/'better for you' food sector and offers a healthy choice in many food categories. Kelkin has developed its presence in the fast growing gluten free category in Britain and has achieved listings with key multiples. The Kelkin brand is also a strong and developing brand in the VMS sector in Ireland.

How we win

Comprehensive range of leading own brand and agency products.

Focussed on attractive and growing product segments.

Highly effective and efficient distribution network and supply chain.

Wide range of customers including retail, food service and pharmacy.

Category management focus.

Sales and marketing expertise.

Continued focus on operational efficiency.

DCC Food & Beverage – What We Do

DCC Food & Beverage's activities are highlighted in red

Revenue

£186.9m
2013: £173.6m

UP 7.7%

Operating profit

£7.7m
2013: £6.1m

UP 25.9%

Return on capital employed

11.8%
2013: 9.5%

Brands

Healthfood - Alpro, Biofreeze, Celtic Chocolates, Filippo Berio, Fry Light, Hipp, Jakemans, Kallo, Kalms, Kelkin*, Nairns, Nanny Care, Ocean Spray, Olbas, Ortis, Pomegreat, Popz, St Dalfour, Vitabiotics, Whole Earth.

Indulgence - Andrew Peace, Antinori, Beringer, Bollinger, Chapoutier, Cono Sur, Elizabeth Shaw, French Connection*, Freixenet, Glenfiddich, Goodalls*, Hula Hoops, KP, Lemons*, Lindemans, Louis Jadot, McCoys, Masi, Mateus, Meanies, Moreau, Oatfield, Penfolds, Rancheros, Robert Roberts*, Sacla, Sea Dog*, Skips, Stolichnaya, Sutter Home, Topps, Torres, Tullamore Dew, Wakefield, Wilton Candy*, Wolfblass, YR*.

Logistics - Allied Foods*, Mr. Food*.

* DCC owned brands

Operating Review - DCC Food & Beverage (continued)

> DCC Food & Beverage is also a leading temperature controlled supply chain service provider in Ireland. It offers a full range of temperature controlled supply chain solutions to major retailers, manufacturers and food service customers.

Also in Ireland, the business is a leading value added distributor of indulgence products in the grocery, impulse and food service sectors with a strong, complementary range of company owned and agency brands, specialising in wine, hot beverages (coffee and tea), home cooking (herbs, spices and colourings), snacks and confectionery.

DCC Food & Beverage is now the leading distributor of wine in Ireland to both the on and off-trade, providing an extensive portfolio of international wine brands. It is also focussed on further developing its spirits portfolio and offers its principals significant on-trade reach in the Irish marketplace.

In Britain, the business is a leading supplier of branded (both company owned and agency) and exclusive retail wine solutions to the multiple off-trade as well as the on-trade sector (principally through regional wholesalers).

DCC Food & Beverage is also a leading temperature controlled supply chain service provider in Ireland. It offers a full range of temperature controlled supply chain solutions to major retailers, manufacturers and food service customers.

KSG, which is 50% owned by DCC, provides catering and hospitality services to a range of clients in the At Work, Healthcare, Education and Travel sectors in Ireland. KSG serves approximately 10 million customer meals annually.

Strategy and Development

The strategy of DCC Food & Beverage is to develop into a leading added value sales, marketing and distribution business, building number 1 or number 2 branded positions in focussed segments and delivering an above average return on capital. This will be achieved by building on current positions in the healthfood, indulgence and logistics markets, both organically and through acquisition.

The business will continue to increase its focus on brands. During the year the business acquired the Gateaux brand to add to its existing portfolio which includes Kelkin, Robert Roberts, Goodall's, YR and Lemon's. Through organic growth and acquisition the business will also continue to actively develop its extensive range of third party agency brands across its healthfoods and indulgence categories with a particular focus on selling, marketing, education, training and category management.

The wine and spirits business in Ireland will continue to develop its range and grow its market share. During the year the business generated significant incremental sales from the full year effect of new wine agencies added in the prior year.

A continued focus on product stewardship including healthy eating, sustainable sourcing, responsible advertising, packaging and labelling compliance is central to the strategy of the business.

Case Study

KELKIN – FREE FROM

Kelkin has seen a dramatic increase in sales in the Free From category over the last two years in Ireland and Britain. This strong growth is as a result of Kelkin's leadership in providing a comprehensive range of gluten free products augmented by a constant flow of innovative new products. Kelkin also works closely with trade partners in Ireland advising on category growth strategies for Free From. This has led to an improved position, increased space allocation and choice within multiple retail customers and more recently in convenience retailers as well.

Another important element of this strong growth is that more and more people are choosing to cut allergens like gluten, wheat and dairy from their diets and it is no longer just coeliacs who are buying gluten free foods. It has become a lifestyle choice for many as they feel better and have more energy when they remove these foods from their diets. In the UK in 2012, 49% of gluten free shoppers were new to the category and of these, 97% were not coeliac sufferers, according to research.

Kelkin, as category partners in Free From, is working closely with retailers to share its wider vision on health and wellbeing. The company prides itself on its wide range of great tasting, Free From products and is constantly working to improve quality and choice for its consumers. Kelkin has a long standing relationship with coeliacs, who assist with product improvements and new product testing. Research carried out in conjunction with Bord Bia in February 2014 found that the most important factor to those buying Free From foods was taste, followed by price.

Some of Kelkin's most successful Free From products (which benefit from the highest brand awareness in the category) include unique sourdough breads, made from a traditional recipe. The brands wide range of treats like Jaffa Cakes and Teacakes means that there are more delicious choices available for everyone and its growing range of cereals is in keeping with Kelkin's mission to "make the healthy choice the easy choice".

Kelkin's website (www.kelkin.ie) provides consumers with advice on Free From living and coeliac disease.

Operating Review - DCC Food & Beverage (continued)

> “DCC Food & Beverage currently employs 859 people. It employs management teams with deep category and industry knowledge, combined with strong operational capability.”

Customers

DCC Food & Beverage's business is primarily based in Ireland, with a modest wine business in Britain. The ten largest customers accounted for 47% of total revenue in the year ended 31 March 2014.

The proforma revenue split by customer type for the year ended 31 March 2014 is as follows:

Pro forma revenue split by customer type

Grocery multiples	35%
Symbol retailers	25%
Wholesale	14%
Food service	13%
Independent retailers	13%

DCC Food & Beverage's operating companies each have their own focussed sales teams that regularly interact with their customers on developing joint business plans that focus on sales, marketing, category management, advertising, promotions, new product development and product quality.

The proforma revenue split by category type for the year ended 31 March 2014 is as follows:

Pro forma revenue split by category

Wine	49%
Health foods	16%
Confectionery & grocery	12%
Snack foods	9%
Hot beverages/equipment	7%
Other	7%

Suppliers

DCC Food & Beverage deals with a broad base of almost 2,000 suppliers. The supply base is quite fragmented and the top ten suppliers only account for approximately 27% of total revenues. A key to success in its businesses is remaining close to new trends and developments in the categories in which it operates, and as a result, DCC Food & Beverage remains in constant contact with its supply base to ensure that it brings the best of what is new to its customers.

Our People

DCC Food & Beverage currently employs 859 people. It employs management teams with deep category and industry knowledge, combined with strong operational capability. This depth of knowledge is continually enhanced by a focus on product training particularly in wine, hot beverages and healthfoods. The wellbeing of all employees remains a key priority and there has been a 40% reduction in the lost time injury rate across the division during the year.

Key Risks

DCC Food & Beverage is made up of a number of consumer focussed businesses where changing market demand for certain products and product substitution remain key risks faced by the division. The potential loss of a number of key suppliers or customers represents a risk for the division but this is mitigated by the division's increased focus on developing its range of own brand products while continuing to provide a full service route to market for key agencies. Product quality is central to success and remains under constant review with focussed quality assurance undertaken within each business.

DCC Food & Beverage: Key Financial Performance Indicators

Strategic objective	KPI	Performance
Drive for enhanced operational performance	Revenue growth	2014 £186.9m 2013 £173.6m 2014 v 2013: +7.7%
Drive for enhanced operational performance	Operating profit growth	2014 £7.7m 2013 £6.1m 2014 v 2013: +25.9%
Grow operating margin	Operating margin	2014 4.1% 2013 3.5%
Deliver superior shareholder returns	Return on capital employed	2014 11.8% 2013 9.5%
Generate cash flows to fund organic and acquisition growth and dividends	Operating cash flow	2014 £11.1m 2013 £4.5m
Deliver superior shareholder returns	10 year operating profit CAGR	2014 2.1% 2013 -2.2%

"Operating profit in DCC Food & Beverage increased by 25.9% with growth in each of its major product areas. The Indulgence and Health Foods businesses delivered growth in company owned brands, while also benefitting from the full year effect of some agency wins."

Performance for the Year Ended 31 March 2014

Operating profit in DCC Food & Beverage increased by 25.9% with growth in each of its major product areas. The Indulgence and Health Foods businesses delivered growth in company owned brands, while also benefitting from the full year effect of some agency wins. The Kelkin healthy foods brand achieved good sales growth, especially in gluten free products, and benefitted from increased listings in multiples in Britain.

Financial Review

Despite the challenge of a mild winter, the Group had a good year with revenue increasing by 6.2%, operating profits increasing 11.5%, adjusted earnings per share increasing by 11.7%, operating cash flow increasing to £349 million, free cash flow (before interest and tax payments) increasing to £278 million and a cash conversion ratio of 133%.

This Financial Review provides an overview of the Group's financial performance for the year ended 31 March 2014 and of the Group's financial position at that date.

Table 1: Performance Metrics

	2014	2013
Growth:		
Operating profit* growth (%)	**11.5%**	27.5%**
Volume growth - DCC Energy (%)	**6.1%**	21.8%
Revenue growth - excl. DCC Energy (%)	**21.4%**	19.4%**
Operating profit margin % - excl. DCC Energy (%)	**3.3%**	3.3%
Adjusted earnings per share growth (%)	**11.7%**	32.6%
Return:		
Return on average capital employed (%)	**16.3%**	15.6%
Operating cash flow (£'m)	**348.7**	264.6
Working capital days (days)	**(0.6)**	2.2
Debtor days (days)	**31.4**	36.9
Free cash flow (before interest and tax payments)	**278.1**	207.1
Conversion of operating profits to free cash flow (%)	**133.4%**	110.9%
Financial Strength/Liquidity/Financial Capacity for Development		
EBIT:net interest (times)	**9.7**	13.3
EBITDA:net interest (times)	**12.4**	17.1
Cash balances (net of overdrafts) (£'m)	**814.6**	431.1
Net debt (£'m)	**86.3**	186.0
Net debt as a % of total equity (%)	**9.1%**	20.8%
Net debt:EBITDA (times)	**0.3**	0.7

* Excluding exceptionals and amortisation of intangible assets
** Based on continuing activities i.e. excluding DCC Technology's Enterprise distribution business which was disposed of in June 2012

Overview of Results

	2014 £'m	2013 £'m	Change on prior year %
Revenue	**11,231.7**	10,572.7	+6.2%
Operating profit			
DCC Energy	**110.5**	106.2	+4.0%
DCC Technology	**48.1**	41.5	+15.9%
DCC Healthcare	**30.4**	22.2	+36.9%
DCC Environmental	**11.7**	10.9	+7.8%
DCC Food & Beverage	**7.7**	6.1	+25.9%
Group operating profit	**208.4**	186.9	+11.5%
Finance costs (net)	**(21.4)**	(14.1)	
Profit before exceptional items, amortisation of intangible assets and tax	**187.0**	172.8	+8.2%
Amortisation of intangible assets	**(20.4)**	(14.4)	
Exceptional charge (net)	**(15.4)**	(25.5)	
Profit before tax	**151.2**	132.9	+13.7%
Taxation	**(27.3)**	(26.3)	
Non-controlling interests	**(2.7)**	(0.3)	
Net earnings	**121.2**	106.3	+14.1%
Adjusted earnings per share (pence)	**191.2**	171.2	+11.7%

Revenue

Revenue increased by 6.2% to £11.2 billion driven by acquisitions, particularly in DCC Energy, and excellent organic growth in DCC Technology. DCC Energy increased its sales volumes by 6.1% driven by acquisitions, with organic volumes decreasing by 3.0% primarily due to the impact of a very mild winter. Excluding DCC Energy, Group revenue was 21.4% ahead of the prior year. Most of this growth was organic and was driven by the growth in DCC Technology, particularly in Britain.

Operating Profit

Group operating profit increased by 11.5%. Approximately half of this growth was organic, primarily reflecting excellent growth in DCC Technology in Britain and in DCC Healthcare's health and beauty activities.

Operating profit in DCC Energy, the Group's largest division, was 4.0% ahead of the prior year. This growth reflected the successful integration of acquisitions completed in prior years and cost efficiency initiatives, offset to some extent by the impact on volumes and margins of the very mild weather conditions across Northern Europe, particularly in the months from December 2013 to February 2014 when average temperatures were well above the 10 year average.

Operating profit in DCC Technology, the Group's second largest division, was strongly (15.9%) ahead of the prior year primarily based on very strong organic growth in mobile computing and communications products in Britain.

Table 2: Revenue

	2014 H1 £'m	2014 H2 £'m	2014 FY £'m	2013 H1 £'m	2013 H2 £'m	2013 FY £'m	Change H1 %	Change H2 %	Change FY %
DCC Energy	**4,093.4**	**4,150.3**	**8,243.7**	3,827.6	4,284.6	8,112.2	**+6.9%**	**-3.1%**	**+1.6%**
DCC Technology	**959.2**	**1,304.8**	**2,264.0**	742.8	1,107.4	1,850.2	**+29.1%**	**+17.8%**	**+22.4%**
DCC Healthcare	**195.1**	**211.4**	**406.5**	150.7	169.9	320.6	**+29.5%**	**+24.4%**	**+26.8%**
DCC Environmental	**64.9**	**65.7**	**130.6**	58.2	57.9	116.1	**+11.5%**	**+13.6%**	**+12.5%**
DCC Food & Beverage	**107.3**	**79.6**	**186.9**	96.9	76.7	173.6	**+10.8%**	**+3.8%**	**+7.7%**
Total	**5,419.9**	**5,811.8**	**11,231.7**	4,876.2	5,696.5	10,572.7	**+11.1%**	**+2.0%**	**+6.2%**
Weighting %	**48.3%**	**51.7%**	**100.0%**	46.1%	53.9%	100.0%			

Financial Review (continued)

Table 3: Operating Profit

	2014			2013			Change		
	H1 £'m	H2 £'m	FY £'m	H1 £'m	H2 £'m	FY £'m	H1 %	H2 %	FY %
DCC Energy	**33.5**	**77.0**	**110.5**	18.9	87.3	106.2	**+77.8%**	**-11.9%**	**+4.0%**
DCC Technology	**14.1**	**34.0**	**48.1**	12.7	28.8	41.5	**+10.9%**	**+18.2%**	**+15.9%**
DCC Healthcare	**12.6**	**17.8**	**30.4**	9.7	12.5	22.2	**+29.3%**	**+42.9 %**	**+36.9%**
DCC Environmental	**6.3**	**5.4**	**11.7**	6.3	4.6	10.9	**+0.2%**	**+18.2%**	**+7.8%**
DCC Food & Beverage	**2.9**	**4.8**	**7.7**	2.7	3.4	6.1	**+7.0%**	**+40.6%**	**+25.9%**
Total	**69.4**	**139.0**	**208.4**	50.3	136.6	186.9	**+38.0%**	**+1.8%**	**+11.5%**
Weighting %	**33.3%**	**66.7%**	**100.0%**	26.9%	73.1%	100.0%			

Operating profit in DCC Healthcare was substantially (36.9%) ahead of the prior year, benefitting from the acquisition of Kent Pharma, which was completed in February 2013 and from a very strong performance in DCC Health & Beauty Solutions.

DCC Environmental and DCC Food & Beverage, DCC's two smaller divisions, traded ahead of the prior year as early signs of economic recovery became evident in Britain and Ireland.

Although DCC's operating margin on a continuing basis (excluding exceptionals) was 1.9%, compared to 1.8% in 2013, it is important to note that this measurement of the overall Group margin is of limited relevance due to the influence of changes in oil product costs on the percentage. While changes in oil product costs will change percentage operating margins, this has little relevance in the downstream energy market in which DCC Energy operates, where profitability is driven by absolute contribution per litre (or tonne) of product sold and not by a percentage margin. Excluding DCC Energy, the operating margin on a continuing basis (excluding exceptionals) for the Group's other divisions was 3.3% (3.3% in 2013), with some of the sales growth in DCC Technology being at relatively lower margins.

An analysis of the performance for the first half, the second half and the full year ended 31 March 2014 is set out in Tables 2 and 3.

A detailed review of the operating performance of each of DCC's divisions is set out on pages 22 to 57.

The compound growth rate in DCC's operating profits over the last 20,15,10 and 5 years is as follows:

	CAGR %
20 years (i.e. since 1994)	13.4%
15 years (i.e. since 1999)	12.3%
10 years (i.e. since 2004)	11.4%
5 years (i.e. since 2009)	6.9%

Finance Costs (net)

Net finance costs increased to £21.4 million (2013: £14.1 million) primarily as a result of the incremental interest cost of the US Private Placement debt drawn down in April 2013 and higher average net debt during the year of £366 million compared to £279 million in the prior year. The increase in average net debt arose primarily from seasonal increases in working capital in DCC Technology, as a result of the significant organic increase in its revenue. Interest was covered 12.4 times by Group operating profit before depreciation and amortisation of intangible assets (17.1 times in 2013).

Reconciliation of Adjusted Earnings to Profit Attributable to Shareholders

	2014 £'m	2013 £'m	Change on prior year
Adjusted earnings	**160.2**	143.1	+11.9%
Amortisation of intangible assets after tax	**(16.3)**	(11.3)	
Non-trading items after tax and minority interests	**(22.7)**	(25.5)	
Profit attributable to shareholders	**121.2**	106.3	+14.1%
	pence	pence	
Adjusted EPS	**191.20**	171.20	+11.7%
Amortisation of intangible assets after tax	**(19.38)**	(13.56)	
Non-trading items after tax	**(27.12)**	(30.47)	
Basic EPS	**144.70**	127.17	+13.8%

Profit before Net Exceptional Items, Amortisation of Intangible Assets and Tax

Profit before net exceptional items, amortisation of intangible assets and tax increased by 8.2% to £187.0 million.

Net Exceptional Charge and Amortisation of Intangible Assets

The Group incurred a net exceptional charge before tax and non-controlling interests of £15.4 million as follows:

	£'m
Restructuring costs	19.7
Acquisition and related costs	5.6
Mark to market loss	2.1
Gain arising from legal claim	(7.0)
Gain on disposal of non core activities	(5.3)
Write back of deferred and contingent acquisition consideration less asset impairments	(1.7)
Other (net)	2.0
Total	15.4

The Group incurred an exceptional charge of £19.7 million in relation to restructuring of acquired and existing businesses. Most of this related to the costs of integration of previously acquired oil and LPG businesses, the relocation of DCC Healthcare's Swedish health and beauty manufacturing activities to Britain, which was planned for at the time of the acquisition of those assets, and the closure of DCC Technology's Irish DVD business.

Acquisition and related costs include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisition opportunities. During the year, acquisition and related costs amounted to £5.6 million.

Most of the Group's debt has been raised in the US Private Placement market and swapped, using long term interest, currency and cross currency derivatives, to both fixed and floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to fixed rate debt, together with gains or losses arising from marking to market swaps not designated as hedges offset by foreign exchange translation gains or losses on the related fixed rate debt, is charged or credited as an exceptional item. In the year to 31 March 2014 this amounted to a total exceptional loss of £2.1 million.

In January 2004, the High Court in London awarded £12.2 million in damages and associated interim costs, together with interest, to DCC's former British based mobility and rehabilitation subsidiary for breach of an exclusive supply agreement by a Taiwanese supplier. A further amount in respect of costs of £2.9 million was subsequently determined by the High Court to be payable. In order to enforce the High Court judgments, it has been necessary to pursue the collection of all outstanding amounts through the Taiwanese courts. In March 2012, DCC received the initial £12.2 million referred to above which was accounted for in DCC's financial year ended 31 March 2012. In December 2013 and January 2014 a further aggregate amount of £7.0 million was recovered in respect of the accumulated interest on the £12.2 million from which there was a deduction of £5.3 million for Taiwanese withholding tax which is being challenged by DCC. The recovery of the £2.9 million, plus interest, continues to be pursued through the Taiwanese courts. DCC has not accrued the amount of this outstanding claim.

In March 2014, DCC Healthcare disposed of a small US based subsidiary which contract manufactures a range of mattress covers for hospital beds and stretchers and in February 2014 DCC Food & Beverage disposed of part of its chilled and frozen food distribution activities. The business activities disposed of accounted for less than 1% of DCC's operating profit for the year ended 31 March 2014. The net cash inflow from these transactions was £11.1 million and resulted in a gain on disposal (before a non-controlling interest charge) on their book carrying values of £5.3 million.

There was a non cash credit of £16.2 million for deferred and contingent acquisition consideration over provided in previous years. This non-cash credit was offset by a non-cash charge of £14.5 million for the impairment of subsidiary goodwill and a property asset.

There was a tax charge of £5.3 million, as referred to above, for Taiwanese withholding tax, which is being challenged by DCC and a non-controlling interest charge of £2.1 million relating to these exceptional items. The cash impact in the year of exceptional charges relating to the year to 31 March 2014 and the prior year was £21.1 million.

Profit Before Tax

Profit before tax increased by 13.7% to £151.2 million.

Taxation

The effective tax rate for the Group was 14% compared to 17% in the prior year.

Adjusted Earnings Per Share

Adjusted earnings per share increased by 11.7% to 191.20 pence. The compound annual growth rate in DCC's adjusted earnings per share over the last 20,15,10 and 5 years is as follows:

	CAGR %
20 years (i.e. since 1994)	12.3%
15 years (i.e. since 1999)	11.4%
10 years (i.e. since 2004)	10.0%
5 years (i.e. since 2009)	6.5%

Dividend

The Board is recommending a final dividend of 50.73 pence per share, which when added to the interim dividend of 26.12 pence per share, gives a total dividend for the year of 76.85 pence per share. This represents a 10% increase over the total prior year dividend of 69.86 pence per share (85.68 cent per share translated at the average euro/sterling exchange rate for the year ended 31 March 2013 of £0.815 = €1). The dividend is covered 2.5 times by adjusted earnings per share (2.5 times in 2013). It is proposed to pay the final dividend on 24 July 2014 to shareholders on the register at the close of business on 30 May 2014. Over the last 20 years, DCC has an unbroken record of dividend growth at a compound annual growth rate of 14.9%.

Financial Review (continued)

Return on Capital Employed

The creation of shareholder value through the delivery of consistent, long term returns well in excess of the cost of capital is one of DCC's core strategic aims. Return on capital employed increased from 15.6% to 16.3% driven primarily by the increase in the Group's operating profit and strong working capital management. The reduction in return on capital employed in DCC Energy arose as a result of the impact on operating profit of the mild winter.

Table 4: Return on Capital Employed

	2014 ROCE	2013 ROCE
DCC Energy	**17.5%**	18.5%
DCC Technology	**21.1%**	16.4%
DCC Healthcare	**14.2%**	13.1%
DCC Environmental	**8.6%**	8.3%
DCC Food & Beverage	**11.8%**	9.5%
Group	**16.3%**	15.6%

Cash Flow

The Group generated excellent operating and free cash flow during the year, as summarised in Table 5.

Operating cash flow in 2014 was £348.7 million compared to £264.6 million in 2013. Working capital was reduced by £86.9 million with overall working capital days improving by 2.8 days. Working capital improvements were achieved across all of the Group's divisions with overall Group debtor days reducing from 36.9 days to 31.4 days. The primary driver of the improvement was a reduction in debtor days in DCC Energy and DCC Technology. DCC Technology selectively uses supply chain financing solutions to sell on a non-recourse basis, a portion of the receivables relating to certain larger supply chain/sales and marketing activities, thereby mitigating the impact of the higher levels of inventories that are required to affect this business. This accounted for 3.3 days of the reduction in Group debtor days and having regard to the related higher inventory levels, the net impact on the Group net working capital days was a reduction of 1.0 day (or £30 million).

After capital expenditure of £70.6 million (2013: £57.5 million) free cash flow before interest and tax payments amounted to £278.1 million compared to £207.1 million in the prior year. After interest and tax payments of £53.0 million (2013: £45.6 million) the net cash generated by the Group was £225.1 million compared to £161.5 million in the prior year.

Net capital expenditure in the year of £70.6 million (2013: £57.5 million) compares to a depreciation charge of £56.1 million (2013: £54.2 million). The increase in capital expenditure over the prior year was driven primarily by ongoing investment in upgrading truck and depot infrastructure in DCC Energy, particularly in the oil business in Britain.

With a cash impact of acquisitions in the year of £50.1 million and dividend payments of £62.1 million, there was an overall net inflow of £104.9 million in the year, leaving net debt at 31 March 2014 at £86.3 million (31 March 2013: £186.0 million).

The conversion rate of operating profits to free cash flow (i.e. operating cash flow less capital expenditure but before interest and tax payments) is an important measure as to how the Group's operating profits translate into cash flow.

Table 5: Summary of Cash Flows

	2014 £'m	2013 £'m
Operating profit	**208.4**	186.9
Decrease in working capital	**86.9**	28.2
Depreciation and other	**53.4**	49.5
Operating cash flow	**348.7**	264.6
Capital expenditure (net)	**(70.6)**	(57.5)
Free cash flow (before interest and tax payments)	**278.1**	207.1
Interest and tax paid	**(53.0)**	(45.6)
Free cash flow	**225.1**	161.5
Acquisitions	**(50.1)**	(168.2)
Disposals	**11.1**	11.7
Dividends	**(62.1)**	(54.7)
Exceptional items	**(21.1)**	(25.2)
Share issues	**2.0**	1.7
Net outflow	**104.9**	(73.2)
Opening net debt	**(186.0)**	(106.9)
Translation	**(5.2)**	(5.9)
Closing net debt	**(86.3)**	(186.0)

The Group has a high conversion rate which is summarised on a 1, 5, 10 and 20 year basis as follows:

	1 Year £'m	5 Years £'m	10 Years £'m	20 Years £'m
Operating profit	208	891	1,476	1,968
Operating cash flow	349	1,302	1,968	2,595
Free cash flow*	278	1,029	1,510	1,959
Cash conversion %	133%	116%	102%	100%

*Operating cash flow less capital expenditure

Balance Sheet and Group Financing

DCC's financial position remains very strong, well-funded and highly liquid. At 31 March 2014 the Group had net debt of £86 million and total equity of £946 million. In late March 2014, the Group arranged committed US Private Placement market funding of $750 million (£451 million) with maturity terms of seven, ten, twelve and fifteen years (average maturity of ten years) which will be drawn down in May 2014 (£403.4 million) and September 2014 (£48 million). This committed funding, together with available cash resources and committed bank term facilities, ensures that the Group retains significant financial capacity to support its future growth. Pending deployment of these funds on acquisitions and future debt repayments, the funds raised add to DCC's cash resources and increase the average maturity on the Group's debt to nearly eight years with an average credit spread over euribor/libor of 1.66%. The Group will incur an annual interest holding cost on this incremental debt until it is deployed on scheduled debt repayments and acquisition and development opportunities.

The Group's pro-forma funding and liquidity position at 31 March 2014 is summarised in Table 6. This table adjusts the Group's net debt at 31 March 2014 for the above fund raising of £451.4 million, US Private Placement debt maturing in the year to 31 March 2015 of £181.9 million and the acquisition of Qstar for £40 million which was completed in early May 2014.

Key financial ratios as of 31 March 2014, including the principal financial covenants included in the Group's various lending agreements, are as follows:

	2014 Actual	2013 Actual	Lender Covenants
Net debt: EBITDA	**0.3**	0.7	3.5
EBITDA:net interest	**12.4**	17.1	3.0
EBIT:net interest	**9.7**	13.3	3.0
Total equity (£'m)	**946.3**	892.3	425.0

Table 6: Summary of Net Debt at 31 March 2014

	At 31 March 2014 £'m	Committed net fundraising & acquisitions £'m	Pro-forma £'m
Cash and short term bank deposits	963.1	229.5	1,192.6
Overdrafts	(148.6)	-	(148.6)
Cash and cash equivalents	814.5	229.5	1,044.0
Bank debt repayable within 1 year	(0.5)	-	(0.5)
US Private Placement debt repayable:			
Y/e 31/3/2015	(181.9)	181.9	-
Y/e 31/3/2016	(12.9)	-	(12.9)
Y/e 31/3/2017	(93.9)	-	(93.9)
Y/e 31/3/2018	(47.0)	-	(47.0)
Y/e 31/3/2020	(180.2)	-	(180.2)
Y/e 31/3/2021	(50.1)	-	(50.1)
Y/e 31/3/2022	(37.4)	(93.0)	(130.4)
Y/e 31/3/2024	(218.2)	-	(218.2)
Y/e 31/3/2025	-	(257.6)	(257.6)
Y/e 31/3/2026	(74.5)	-	(74.5)
Y/e 31/3/2027	-	(84.2)	(84.2)
Y/e 31/3/2030	-	(16.9)	(16.9)
Other miscellaneous debt	(4.2)	0.3	(3.9)
Debt	(900.8)	(269.5)	(1,170.3)
Net debt	(86.3)	(40.0)	(126.3)

The recent debt fundraising, together with available cash resources and committed bank term loan facilities, ensures that the Group retains significant financial capacity to support its future growth and development plans.

Further analysis of DCC's cash, debt and financial instrument balances at 31 March 2014 is set out in notes 27 to 30 in the financial statements.

Financial Risk Management

Group financial risk management is governed by policies and guidelines which are reviewed and approved annually by the Board of Directors. These policies and guidelines primarily cover foreign exchange risk, commodity price risk, credit risk, liquidity risk and interest rate 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

Financial Review (continued)

management, in conjunction with Group Treasury, manage foreign exchange and commodity price exposures within approved policies and guidelines. Further detail in relation to the Group's financial risk management and its derivative financial instrument position is contained in note 46 to the financial statements.

Foreign Exchange Risk Management

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

A proportion of the Group's profits and net assets are denominated in euro. The sterling/euro exchange rate strengthened by 2.1% from 0.8456 at 31 March 2013 to 0.8282 at 31 March 2014. However the average sterling/euro exchange rate at which the Group translates its euro denominated operating profits weakened by 3.5% from 0.8154 in 2013 to 0.8441 in 2014.

Approximately 14% of the Group's operating profit for the year ended 31 March 2014 was denominated in currencies other than sterling, primarily the euro. DCC does not hedge the translation exposure on the profits of non-sterling subsidiaries on the basis and to the extent that they are not intended to be repatriated. The 3.5% weakening in the average translation rate of sterling, referred to above, positively impacted the Group's reported operating profit in a very modest way (£0.9 million) in the year ended 31 March 2014.

DCC has investments in non-sterling, primarily euro denominated, operations which are cash generative and 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 currency swaps or cross currency interest rate swaps) into the relevant currency, although this hedge is 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 2.1% strengthening in the value of sterling against the euro during the year ended 31 March 2014, referred to above, was the main element of the translation loss of £7.6 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2014 as set out in the Group Statement of Comprehensive Income in the financial statements.

Where sales or purchases are invoiced in 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.

Commodity Price Risk Management

The Group is exposed to commodity cost price risk in its oil distribution and LPG businesses. Market dynamics are such that these commodity cost price movements are immediately reflected in oil commodity sales prices and, within a short period, in LPG commodity sales prices and in the resale prices of recycled oil products. Fixed price oil supply contracts are occasionally provided to certain customers for periods of less than one year. To manage this exposure, the Group enters into matching forward commodity contracts which are designated as hedges under IAS 39. The Group hedges a proportion of its anticipated LPG commodity exposure, with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes. In addition, to cover certain customer segments for which it is commercially beneficial to avoid price increases, a proportion of LPG commodity price and related foreign exchange exposure is hedged. All commodity hedging counterparties are approved by the Chief Executive and Chief Financial Officer and reviewed by the Board.

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 its relationship banks. DCC borrows at both fixed and floating rates of interest. At 31 March 2014, 91% of the Group's drawn fixed rate borrowings were swapped to floating interest rates, using interest rate and cross currency interest rate swaps which qualify for fair value hedge accounting under IAS 39. 75% of the fixed rate US Private Placement debt which was committed in March 2014 was similarly swapped to floating interest rates. 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.

Investor Relations

DCC's senior management team are committed to interacting with the international financial community to ensure a full understanding of DCC's strategic plans and its performance against those plans. With the cancellation of DCC's listing on the Irish Stock Exchange, and its inclusion in the FTSE All-Share Index and the FTSE 250 in June 2013, DCC stepped up its investor relations efforts in order to increase the awareness of DCC among the international equity investor community. In particular DCC commenced a process to attract additional broker analyst coverage in the UK and there are now 12 analysts covering DCC, including eight in the UK and four in Ireland. During the year, the executive management presented at six capital market conferences, conducted 176 institutional investor one-on-one and group meetings and presented to 16 broking firms.

For the Group's debt investors, in February 2014 the executive management presented a 'Deal' road show in London, Continental Europe and the US to 53 of its existing and potential debt holders, which culminated in the successful £451 million ($750 million) fundraising referred to above.

Share Price and Market Capitalisation

The Company's shares traded in the range £22.45 to £32.89 during the year. The share price at 31 March 2014 was £32.60 (28 March 2013: £22.70) giving a market capitalisation of £2.73 billion (2013: £1.90 billion). Based on the Company's share price at 31 March 2014, total shareholder return since the Group's flotation in May 1994 was 2,970%.

Sustainability Report

Statement from the Chief Executive

For DCC, sustainability is seen as being integral to our overall strategy to build a long term, profitable business. It is not a standalone topic and we continue to integrate objectives and metrics in respect of material sustainability issues into internal reporting and planning processes.

The UK Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 introduced mandatory reporting of gender ratios and carbon emissions for large quoted companies incorporated in the UK. Although these are not legal requirements for DCC, being incorporated in Ireland, they are addressed in this Report.

DCC is a high performing and dynamic international business. Our devolved management structure and diverse businesses require a high level of ambition, flexibility, entrepreneurial spirit and skill; we are very fortunate to have these qualities in our employees. Their continued commitment and performance will be fundamental to the future success of our businesses.

Health and safety continues to be a key management focus at all levels of the organisation. Investing in effective training, safety controls and a strong safety culture is an ethical, legal and fiduciary responsibility which we take very seriously. We are pleased to report that both lost time injury[1] (LTI) metrics (frequency rate and severity rate) have continued to decrease: by 12% and 14% respectively against the prior year. While the trend is positive we remain committed to our ultimate objective of zero LTIs, as stated in the DCC Group Health & Safety Policy which is available on our website.

The implementation of a Group wide energy and carbon reporting IT platform and the use of engine monitoring systems in HGVs has increased our ability to track and manage energy usage more effectively and to identify opportunities to achieve further energy savings. At a Group level, over the past three years carbon intensity has reduced by 28% on a per revenue basis and by 14% on a per employee basis while increasing by 2% on a per profit basis.

The G4[2] guidelines for sustainability reporting were issued in May 2013, updating the previous G3 guidelines which may continue to be used for reports published before 31 December 2015. The Sustainability Committee has formally discussed the changes arising from the G4 guidelines to identify the steps necessary for DCC to meet the new requirements. The strong emphasis on materiality within the new guidelines is a positive step. We will consult more widely with investors and other stakeholders to assess their expectations and the value of reporting to this new standard.

Profile, Boundary and Scope of Sustainability Reporting

This Sustainability Report follows the same reporting cycle and fiscal year as the Annual Report, to 31 March 2014, and includes all Group subsidiaries. Joint ventures are not included in the carbon emissions or LTI data. There are no significant changes from previous reporting periods in the scope, boundary or measurement methods applied in this Report and there is no restatement of data from the 2013 Sustainability Report.

Within this Sustainability Report and in the wider Annual Report we address the issues that are material to the sustainability of our business. These include our people, health and safety, business ethics, environment and economic contributions. Given the diversity of the Group's business activities, at a subsidiary level some issues are more material, for example raw material supply chains in the health and beauty businesses and process safety within the energy businesses. The Operating Reviews at pages 22 to 57 include commentary on the issues that are material to ongoing business sustainability – including stakeholder relationships and key risks.

This Report meets the requirements of the level C+ standard, as identified in the content table at page 72. Summary criteria for the recording and reporting of lost time injuries and carbon emissions are available on the DCC website[3]. Feedback on this Report is welcome and should be addressed to John Barcroft, Head of Group Sustainability or David Byrne, Deputy Chairman and Senior Independent Director.

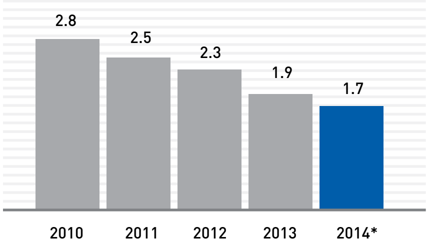
Governance, Structures and Processes

The Sustainability Committee, chaired by the Chief Executive, met four times during the year. The Committee includes divisional and subsidiary managing directors and senior Group executives and is tasked with identifying how the concepts of corporate sustainability can be used to augment and strengthen our businesses.

During the year we benchmarked our sustainability report against a group of over 100 companies within the FTSE350. Adherence to a reporting standard and external assurance placed us high on transparency. However there are improvement opportunities in relation to materiality assessment and engagement. The results from this benchmarking study will inform the development of our sustainability reporting in the current period, within the context of a devolved organisational structure and the trend towards more integrated reporting.

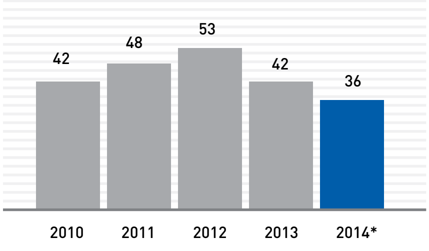
LTIFR

Number of lost time injuries per 200,000 hours worked



LTISR

Number of calendar days lost per 200,000 hours worked



Sustainability Report (continued)

Specific issues that have been identified as material to the long term sustainability of the Group's businesses are reported on and reviewed at regular subsidiary and divisional board meetings.

Stakeholder Engagement

Stakeholder input is important to our work on sustainability and we welcome all opportunities to engage in that regard.

We continue to respond to SRI questionnaires on environmental, social and governance issues[4]. To date, direct investor interest and feedback has been limited. We anticipate and welcome increased engagement arising from our listing in the FTSE250 and the likelihood of more integrated reporting in the future.

Subsidiary management are also key stakeholders and our relatively flat organisational structure supports close engagement with subsidiary, divisional and Group management.

Material Aspects

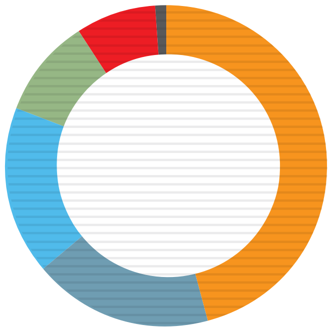
Material aspects were initially determined by the Corporate Sustainability Working Group (the forerunner to the Sustainability Committee), following consultations with senior executives around the Group. A materiality matrix, with levels of importance to stakeholders and to DCC forming the two axes, was used to rate a wide spectrum of sustainability issues, allowing those that ranked highly on both axes to be prioritised for reporting. Over time these have remained consistent with people, health and safety, business compliance and ethics, environment and economic contribution considered to be material issues at a Group level. As in previous years, qualitative and quantitative data relating to these issues is provided in this Report as detailed in the GRI content table on page 72. Policies on these aspects and on related areas are available on our website.

Individual divisions and subsidiaries have additional aspects that are of particular relevance to them depending on their business sector – for example customer engagement, supply chains, waste reduction, water conservation and resource scarcity.

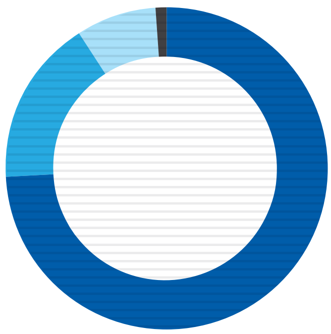
Our People

DCC continues to grow its employment numbers and develop its international employment reach. During the year ended 31 March 2014 we increased our employment numbers by 399 to 10,202 people, approximately 90% of whom are in permanent employment. This overall increase is due to continued acquisition activity and ongoing organic growth.

An analysis of DCC employment by division and by geographic area is as follows:



Division	Employee numbers 31 March 2014	%
DCC Energy	4,685	46
DCC Technology	1,841	18
DCC Healthcare	1,765	17
DCC Environmental	999	10
DCC Food & Beverage	854	8
DCC Corporate	58	1
Total	10,202	100



Geography	Employee numbers 31 March 2014	%
UK	7,606	75
Ireland	1,755	17
Continental Europe	814	8
Other	27	<1
Total	10,202	100

Diversity and Equal Opportunities

This continues to be an area of focus for DCC in recognition of the value we place on the variety of characteristics which make individuals unique and embrace the benefits of a workforce with diverse skills, qualities and experience.

In 2013, we published and distributed the DCC Group policy statement on diversity and equal opportunities to all Group companies and since then we have been focusing on actions to improve the diversity of our workforce. We acknowledge that the business sectors in which the Group operates have not supported the achievement of the gender balance we aspire to, either at employee or at senior management level. All our businesses are focussed to address this and, to gain momentum, one of the actions we took in 2013 was becoming a member of the Employers Network for Equality and Inclusion (ENEI). ENEI is the UK's leading employer network, covering all aspects of equality and inclusion issues in the workplace, and also operates in the other countries where we have a presence. Membership gives all DCC companies access to a range of practical support services, including:

- Access to learning and development – master classes, workshops and training courses
- Access to advice and guidance on equality and inclusion issues
- Opportunities to benchmark and share good practice
- An advice and guidance helpline
- Developing and promoting thought leadership

Following the introduction of reporting of gender ratios by the UK Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 we include an analysis of DCC's gender ratios as follows:

	Employment Numbers	Gender Ratio Male:Female
All employees	10,202	67:33
Senior managers[5]	177	85:15
Board members	11	73:27

Talent Development

The talent, innovation and entrepreneurial flair of our employees have been essential to our strong growth to date.

In light of our ambitious growth plans we are revising our approach to the development of talent in the year ahead in order to identify and develop people with the skills and capability to drive and support the achievement of these plans, particularly as we expand our geographic reach.

The DCC Graduate Programme is another element on our talent development strategy. This programme commenced four years ago with the objective of creating a pipeline of high potential emerging talent to complement the development of future business leaders for DCC.

This two year programme offers our graduates an exceptional opportunity to participate in three placements across three different industry sectors and usually in at least two different geographies. The programme is differentiated by the content and pace of the placements which ensure that graduates work on complex, critical and demanding projects. These, along with the diverse industry nature of the placements and regular learning modules, provide significantly accelerated development.

Employee Engagement

Employee engagement has also been a critical element of our growth to date. Our larger businesses have been monitoring employee engagement over the last few years and developing actions plans as a result. Certas Energy has used the results of their engagement survey to improve internal communication and support the company rebranding exercise.

DOING THE RIGHT THING

certas energy

Certas Energy – 2014 Winner of Best Internal Communication of a Rebrand Awarded by Transform Award Europe

An internal survey showed GB Oils that, having built its business through acquisitions, there was an opportunity to improve internal communications and to create a single brand identity among its employees. The company's 2013 rebrand as Certas Energy was the culmination of a project which built upon the learnings from the survey and sought to introduce a new business strategy, way of working and corporate identity.

Certas created a set of brand values and adopted "Doing it right, together, keeps our customer happy" as an employee mantra. The new brand identity was first introduced to 250 senior managers at a conference with the board of directors. The rebrand was then launched to the rest of Certas' employees through a UK-wide roadshow that consisted of 90 separate events. An e-learning course and video were also made available to any employee who could not attend an event. Other methods included a company intranet, email and news bulletins, branded merchandise distributed amongst employees and redecoration of the head office and some depots in a style designed to reflect the core values of the rebrand.

A Transform judge says "The success is in the results; the employees were engaged, management was happy and the new brand was integrated".

Established by Communicate magazine, the Transform Awards Europe have recognised excellence in brand development since 2010. The programme is the industry benchmark for brand evolution, brand development and brand transformations.

Compliance and Business Ethics

DCC seeks to achieve the highest standards of business ethics and legal compliance in all our activities. The Group Compliance function supports leadership teams in ensuring that our activities are carried out in a legal and ethical manner.

The key message of our Compliance Programme is that 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: it also means exercising good judgement to ensure that their actions are seen as fair and reasonable.

Our Group Business Conduct Guidelines, which are available on our website, set out the standards that are expected of employees across the Group in a range of areas, including conflicts of interest, bribery and corruption, and dealings with customers and suppliers. More specific policies and guidelines are provided where needed.

During the year, over 80% of employees in management, commercial, sales, finance and related roles across the Group completed detailed online training on our Business Conduct Guidelines. Other employees were provided with briefings tailored to their roles. In addition, employees in certain positions received further training and guidance on competition law, data protection, anti-bribery & corruption and other compliance risks.

Sustainability Report (continued)

Every business assessed its exposure to bribery and corruption risks during the year as part of the risk assessment process undertaken by all Group subsidiaries. In addition, more detailed risk assessments were carried out in relevant business units which deal with organisations in recognised high risk jurisdictions or areas of industry.

The Group did not pay any significant fines or incur any non-monetary sanctions in respect of non-compliance with applicable laws or regulations or relating to the use of products or services during the year.

Employees across the Group are encouraged to raise a concern if any of our activities is being undertaken in a manner that may not be legal or ethical. Concerns can be raised to a member of management in the business where the employee works or to our Head Office using a dedicated confidential whistleblowing line. Our internal policies make clear that retaliation against any employee who raises a concern is prohibited.

We have recently revised our Business Conduct Guidelines to reflect changes in the Group and in our operating environment. These Guidelines will be rolled-out across the Group in 2014 and will restate our commitment to Doing the Right Thing. In addition, we will be enhancing our existing whistleblowing facility, providing the option to employees of the Group to raise their concerns with an independent party if they wish to do so.

Health & Safety

The safety of our employees, contractors, customers and others who may be affected by our operations is of paramount importance. The DCC Group Health and Safety Policy sets out the Board's commitment to continually improving H&S management systems and safety cultures – viewed as positive drivers of business performance.

Each business maintains appropriate health, safety and environmental management systems and, in some instances, these are accredited to international standards such as ISO14001[6] and/or OHSAS18001[7] where there is a strong business case to do so. Risk control measures – engineering, procedural and behavioural – are implemented and monitored to confirm their effectiveness and to identify improvement opportunities.

An IT platform is being rolled out to increase the reach of existing HSE forums and facilitate greater communication of best practice and collaboration on HSE standards across the Group. The extensive depth and range of HSE experience and expertise is a significant strength and benefits both individual subsidiaries and the Group as a whole.

Health and Safety Performance

Both lost time injury metrics have continued to decrease against the prior period as shown in the chart on page 65. Key themes for maintaining our objective of further reductions in LTIs include active encouragement of near miss reporting, safety awareness programmes and demonstrable leadership by line managers.

In the Energy and Environmental divisions, which have higher HSE risk profile, specific metrics and targets (for example in relation to driving performance, spills, near miss reporting, process safety indicators) are in place and reviewed on a monthly basis.

Dedicated board level HSE committees are established to provide additional oversight of HSE.

Certas Energy's Safety F1rst initiative continues to strengthen safety culture. High levels of awareness are maintained through specific themed interventions and prominence in communication channels.

The Safety F1rst brand and approach has now been adopted and localised by all businesses within the Energy division.

Environment

Carbon Emissions

From 1 October 2013, carbon reporting has become mandatory for large quoted companies incorporated in the UK. DCC have been publicly reporting carbon emissions since 2011 and are well positioned to meet this new standard.

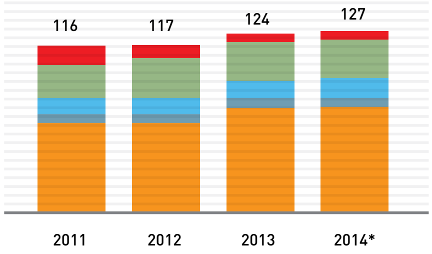
The DCC Energy and Carbon Reporting Guidelines, based on the Greenhouse Gas Protocol, set out in detail the scope and sources included in the DCC Group carbon footprint.[8]

As part of our Climate Change Strategy, we have committed to reducing carbon intensity by 15% in 2015 against a baseline of FY2011. At a Group level, carbon intensity has reduced by 28% since FY2011 on a tonnes CO_2e per revenue basis. This has been achieved by operational efficiencies minimising the increase in absolute carbon emissions (9% since FY2011) against a background of significant revenue growth. Group wide carbon intensity metrics can also be expressed in terms of per employee (reduction of 14%) and on operating profit basis (increase of 2%). However, given the diversity of our business activities, Group level carbon intensity metrics are of limited value. Instead our focus is on subsidiary specific carbon intensity metrics that can be more clearly aligned with operating efficiencies, for example emissions per unit of product delivered or manufactured. Subsidiaries continue to identify opportunities to reduce energy usage through greater efficiency in vehicle routing and engine monitoring, installation of energy efficient technologies and careful analysis of energy consumption patterns. The case study opposite highlights the initiatives undertaken by EuroCaps.

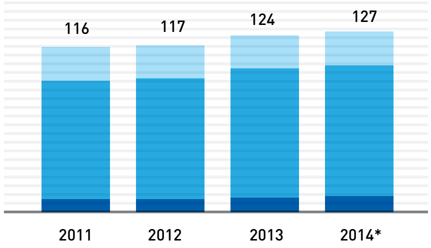
In the prior year a new energy and carbon reporting IT platform was successfully rolled out across the Group. The web based system increases the efficiency of data collection, supports mandatory and voluntary carbon reporting requirements and provides a tool to analyse energy consumption patterns with a view to identifying cost savings.

Details of our carbon emissions are set out in the charts. Total emissions increased by 2% from the prior year. New acquisitions and organic growth have increased emissions, offset by increasing operational efficiencies and management focus on reducing energy consumption. Over the past four years transport fuels (principally from the energy and environmental divisions) have consistently been the biggest single contributor at 72% of total emissions. Electricity use is highest in the processing and manufacturing operations within the environmental and healthcare divisions.

Absolute CO_2e emissions ('000 tonnes) by division



Absolute CO_2e emissions ('000 tonnes) by source



Absolute CO_2e emissions ('000 tonnes) by source		Year ended 31 March 2011		Year ended 31 March 2012		Year ended 31 March 2013		Year ended 31 March 2014*	
Scope 1	On site fuel use	9	8%	9	8%	10	8%	11	9%
	Company transport	83	71%	85	73%	91	73%	92	72%
Scope 2	Electricity	24	21%	23	19%	23	19%	24	19%
	Totals	116		117		124		127	

Absolute CO_2e emissions ('000 tonnes) by division	Year ended 31 March 2011		Year ended 31 March 2012		Year ended 31 March 2013		Year ended 31 March 2014*	
DCC Energy	62	54%	63	53%	72	58%	74	58%
DCC Technology[9]	6	5%	6	5%	7	5%	6	5%
DCC Healthcare	11	10%	11	10%	12	10%	14	11%
DCC Environmental	23	19%	28	24%	27	22%	27	21%
DCC Food & Beverage	14	12%	9	8%	6	5%	6	5%
Totals	116		117		124		127	

EuroCaps is one of Europe's leading softgel contract manufacturers. Manufacturing and supplying over two billion softgels annually to customers across the globe, the company specialises in providing total solutions for its customers through partnership, innovation and excellent customer service.

In 2010 Eurocaps, entered into a Climate Change Agreement (CCA) in partnership with the UK Food and Drink Federation which committed the company to reducing carbon emissions in return for an exemption from the climate change levy applied to utility bills. Since then, EuroCaps has taken a proactive approach to managing energy consumption and have met their CCA annual target for the third consecutive year.

Following an internal study involving localised monitoring and data logging equipment, a number of potential low cost, quick win initiatives were identified and successfully implemented. Software modifications of our building management system allowed managers to remotely shutdown HVAC systems for predetermined periods reducing energy use by 11%. In the warehouse, installing energy efficient light fittings and PIR's reduced electricity consumption by 14%. Additional projects such as timed shutdown of compressed air equipment and the introduction of standard weekend shutdown operating procedures have resulted in an absolute decrease in carbon emissions from 2,975 to 2,562 (14%) tonnes CO_2e since 2011. In relative terms, their carbon intensity metric (CO_2e per unit produced) has reduced by 9% over the same period and they are confident of meeting the FY2015 target with new projects planned for the current year. Carbon reduction and cost savings – a win win for the environment and the company.

Sustainability Report (continued)

Transport and heating fuels from non-renewable sources make up the direct sources of primary energy purchased within the Group. In total they represented 1,259,458 Gigajoules (GJ) of energy with road diesel, natural gas, gas oil and other fuels accounting for 81%, 9%, 8% and 2% respectively. Indirect energy consumption amounted to 196,424 GJ from electricity purchased. Green tariff electricity accounts for less than 1% of indirect energy purchased.

Scope 3 emissions are indirect emissions outside of our immediate operational or financial control, for example air travel, extraction of raw materials, supplier emissions, consumption of products and waste disposal. While we have not systematically quantified Scope 3 emissions, the use of products sold within the Energy division is a significant source of carbon emissions. The use of oils, LPG and natural gas sold by DCC Energy subsidiaries accounted for approximately 26.0M tonnes of CO_2e emissions, a slight increase from 25.6M tonnes in the prior year reflecting an overall increase in the total volume of products sold in the reported period. Upstream, indirect emissions of 5.3M tonnes are also generated from the extraction, refining and transport of these fuels to the point of combustion.

CDP (formally the Carbon Disclosure Project)
In November 2013, DCC was again included in the Irish Climate Disclosure Leaders index which is based on responses to the CDP investor questionnaire. The CDP is a global initiative, funded by the investment community, which encourages companies to publicly report their carbon emissions and the steps they are taking to address the challenge of climate change. From 2014 DCC will be included in the FTSE350 CDP Report.

Environmental Compliance and Spills
No fines for non-compliance with environmental laws and regulations (for example in relation to waste packaging, waste electronic and electrical equipment, pollution or environmental licencing) have been incurred in the reporting period and no environmental cases have been brought through dispute resolution mechanisms.

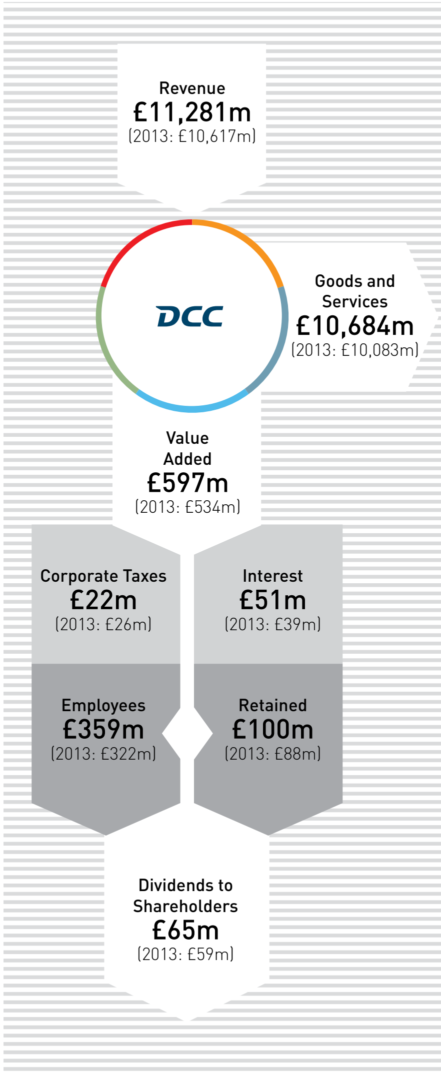
Potential for significant environmental impact from loss of containment of products arises principally in our oil businesses, specifically from sea fed oil terminals. These terminals are regulated under the EU Seveso II Directive and are subject to regular inspection by the regulatory authorities. Containment controls include regular tank inspections, alarm systems and operating procedures. No significant spills from storage facilities were recorded in the reporting period.[10] However, given the potential impact on the environment from even a relatively small quantity of oil, all spills are treated seriously and responded to appropriately in accordance with established emergency procedures.

Ozone depleting substances (ODS)
As ODS continue to be phased out in accordance with international agreements, fugitive emissions of ODS from DCC subsidiaries remain at immaterial levels. From 1 January 2015, the use of R22 (a widely used refrigerant gas) will not be permitted and the installation of new equipment is planned for the current year to ensure compliance with this requirement.

In the reporting period, a total of 36kgs of R22 was lost to the atmosphere as fugitive emissions from air conditioning systems in DCC subsidiaries. This is equivalent to 0.00198 tonnes of CFC-11 (0.00121 in prior year), the international metric for measuring ODS. Ammonia gas and other refrigerants used (e.g. R404A, R410A, R407C) in the businesses have an ozone depletion potential of zero.

Economic Contributions

A key measure of our sustainability is the economic value generated from our activities over the long term. Other sections of the Annual Report present detailed financial information, which is summarised in the graphic below to represent the principal value added to stakeholders.



In the year ended 31 March 2014, £597 million of added value was created, taking account of the cost of inputs from suppliers of £10,684 million and revenue of £11,281 million. This value added is distributed in the form of remuneration to employees of £359 million, corporate taxes of £22 million, interest to lenders of £51 million and dividends[11] to shareholders of £65 million. £100 million is retained in the business to fund further growth.

Krystian Fikert established MyMind with the goal of offering flexible, affordable and accessible mental health care for all. Using both web-based and in-person supports MyMind delivers early intervention and prevention, resulting in substantial improvements for the users of its service. In addition, MyMind implements an innovative pricing structure for its services, with those who can afford to pay higher rates subsidising clients who do not have the financial means to pay for the help they need.

MyMind currently works with over 80 fully qualified and accredited professionals, operating out of four centres in Ireland. Since it began its work MyMind has supported over 5,000 clients, running in excess of 800 sessions per month and has already made massive strides in reducing the stigma attached to mental illness.

Community Support
Across the DCC Group, subsidiaries are involved in activities to support local communities and charities. Employees are actively involved in fundraising and giving their time and effort to these campaigns, supported by direct financial contributions.

Last year we renewed our multi-year partnership with Social Entrepreneurs Ireland (SEI). SEI is an independent, non-profit organisation which identifies and supports social entrepreneurs in growing their ideas from concept to reality on a national scale. The 2013 Awards ceremony was addressed by the President of Ireland, Michael D Higgins with all the eight finalists demonstrating innovative solutions to address national social issues. Krystian Fikert, one of the finalists, is profiled above.

Laleham Health & Beauty

Laleham Health and Beauty in the Community

Laleham Health and Beauty actively supports initiatives to attract young people to the fields of science and technology. Company employees have presented at local schools and participated in road shows organised by TeenTech, an organisation which encourages young students to consider a career in the world of science and technology. A team from Laleham set up a working production line at the TeenTech annual event at the Copperbox arena, Olympic Park, London attended by 500 school children and 30 national companies – such as Rolls Royce, JVC and Sony.

In addition, the Company is a longstanding supporter of Bath University, providing one year placement opportunities to both chemical and mechanical engineering students. Laleham also sponsors the Skillstree programme run by Basingstoke Consortium, a local charitable organisation, which is designed to raise the skills and aspirations of local school children and prepare them for working life. Laleham recently received the Skillstree award for Best Supporting Employer for work place involvement.

1. A Lost Time Injury is defined as any injury that results in at least one day off work following the day of the accident.

2. Issued by the Global Reporting Initiative (www.globalreporting.org), a not for profit organisation that has developed the leading sustainability reporting framework.

3. http://www.dcc.ie/~/media/Files/D/DCC-Corp/pdfs/carbon-LTI-reporting-criteria-a.pdf

4. For example Sustainalytics, EIRIS, Manifest.

5. Senior managers are defined as subsidiary senior executives whose remuneration arrangements are reviewed and approved at Group level and the Group and divisional senior executives listed on page 74 of the Annual Report.

6. Exertis Supply Chain, Squadron Medical, TPS and all businesses within the Environmental division.

7. Exertis Supply Chain and all businesses within the Environmental division.

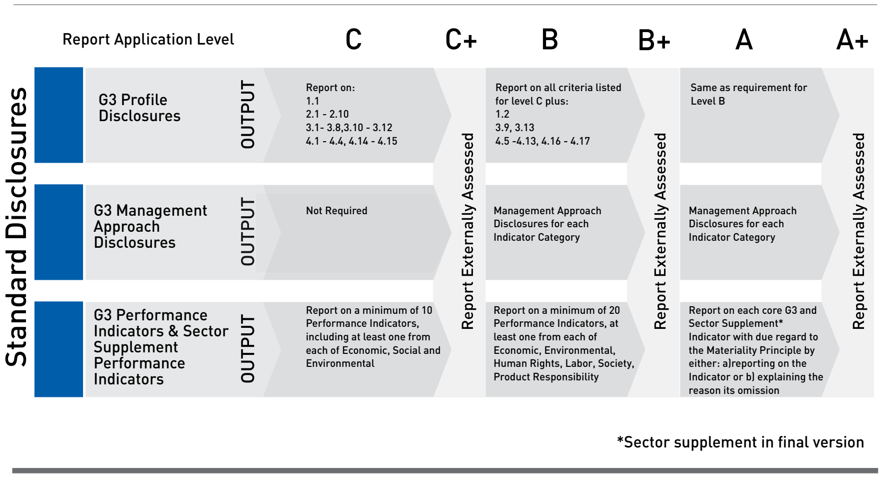
8. Carbon dioxide emissions make up over 99% of the Group's greenhouse gas emissions. Other greenhouse gases emissions include fugitive refrigerant gases (185 tonnes CO_2e) and fugitive landfill gas emissions from a closed landfill in Scotland where 80% of the methane is captured to generate renewable energy (801 tonnes CO_2e). These are not included in the reported DCC Group carbon emissions.

9. Including DCC head office emissions (117 tonnes CO_2e)

10. Significant is defined as a major environmental event which exceed EC reporting thresholds under Control of Major Accident Hazards (COMAH) regulations.

11. Paid and proposed for the year ended 31 March 2014

Sustainability Report (continued)



Content table for GRI Level C

GRI Section No.	Standard Disclosure	Reported	Report Page
1.1	Statement from Chief Executive	Fully	65
2.1 – 2.10	Organisational Profile	Fully	4-5
3.1 – 3.8	Profile, Boundary and Scope	Fully	65
3.10 – 3.12	Restatement	Fully	65
4.1 – 4.4	Governance	Fully	80-84
4.14 – 4.15	Stakeholder Engagement	Fully	66
EC1	Direct Economic Value	Fully	70
EN3	Direct Energy Consumption	Fully	70
EN4	Indirect Energy Consumption	Fully	70
EN16	Greenhouse Gases	Fully	69
EN17	Other Indirect Sources	Fully	70
EN19	Ozone Depleting Substances	Fully	70
EN23	Spillage	Fully	70
EN28	Environmental Compliance	Fully	70
LA1	Workforce	Partially	66
LA7	Rates of Injury	Partially	65
SO2	Corruption	Fully	68
SO6	Political Contributions	Fully	114
SO8	General Compliance	Fully	68
PR9	Product Compliance	Fully	68

Independent Assurance Report to the Directors of DCC plc

We have been engaged by the directors of DCC plc (DCC) to perform an independent assurance engagement in respect of selected aspects of DCC's sustainability performance, disclosed in its Sustainability Report for the year ended 31 March 2014 ('the Report').

What we did and our conclusions

We planned and performed our work, summarised below, to obtain the evidence we considered necessary to reach our assurance conclusions on the Selected Sustainability Data.

What we are assuring (Selected Sustainability Information)

- The selected sustainability data for the year ended 31 March 2014 marked with the symbol * presented in the Report (the Selected Sustainability Data).
- DCC's declared Global Reporting Initiative (GRI) application level of C+ of the GRI 'G3' Guidelines as stated on page 65 of the Report.

The scope of our work was restricted to the Selected Sustainability Information for the year ended 31 March 2014 and does not extend to information in respect of earlier periods or to any other information in the Report.

How the information is assessed (Reporting Criteria)

DCC's Reporting Criteria at http://www.dcc.ie/~/media/Files/D/DCC-Group-Plc/pdfs/carbon-LTI-reporting-criteria-a.pdf and the GRI G3 Guidelines at https://www.globalreporting.org/reporting/guidelines-online/G3Online/Pages/default.aspx set out how the Selected Sustainability Data is measured, recorded and reported.

Assurance standard applied[1]

ISAE 3000 and ISAE3410.

Level of assurance[2]

Limited Assurance.

Understanding DCC's reporting and measurement methodology

There is not yet an established practice for evaluating and measuring sustainability performance information. The range of different, but acceptable, techniques used can result in materially different reporting outcomes which may affect comparability with other organisations. It is therefore important to read and understand the Reporting Criteria at http://www.dcc.ie/~/media/Files/D/DCC-Group-Plc/pdfs/carbon-LTI-reporting-criteria-a.pdf and the GRI G3 Guidelines at https://www.globalreporting.org/reporting/guidelines-online/G3Online/Pages/default.aspx that DCC has used to evaluate and measure the Selected Sustainability Data.

Limited assurance work performed on the Selected Sustainability Information

We performed the following activities:

- Evaluated the design and implementation of key processes and controls over the Selected Sustainability Data;
- Assessed the source data used to prepare the Selected Sustainability Data for 2013/2014, including re-performing a sample of calculations;
- Carried out analytical procedures over the Selected Sustainability Data;
- Examined on a sample basis the preparation and collation of the Selected Sustainability Data, as well as making inquiries of management and others;
- Performed site visits to ten sites to review systems and processes in place for managing and reporting on sustainability activities, and examined source documentation on a sample basis;
- With respect to the carbon figures disclosed on page 69 of the Report, we evaluated the methodology and basis of converting the original reported unit into carbon emission equivalent tonnes. We agreed a sample of emission factors back to the stated source (as detailed in the Reporting Criteria);
- Reviewed the Selected Sustainability Data disclosures; and
- Assessed the GRI Index on page 72 of the Report for compliance with the GRI application level requirements for C+. This consisted of examining supporting documentation, on a sample basis, where relevant.

Our conclusions

As a result of our procedures nothing has come to our attention that indicates:

- The Selected Sustainability Data for the year ended 31 March 2014 is not prepared in all material respects with the Reporting Criteria; and
- DCC's declared GRI application level of C+ on page 65 of the Report is not fairly stated in all material respects.

DCC's responsibilities

The directors of DCC are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the Selected Sustainability Data;
- establishing objective assessment and Reporting Criteria for preparing the Selected Sustainability Data;
- measuring DCC's performance based on the Reporting Criteria; and
- the content of the Annual Report.

Our responsibilities

We are responsible for:

- forming independent conclusions, based on our limited assurance procedures;
- reporting our conclusions to the directors of DCC; and
- reading the other information included in the Report as well as the Chief Executive's Review, Who We Are, Strategy, Business Model, Corporate Governance Statement and Report of the Directors sections of the DCC plc Annual Report, and considering the consistency of that other information with the understanding gained from our work, and considering the implications for our report if we become aware of any material inconsistencies. Our responsibilities do not extend to any information other than the Selected Sustainability Data in the Report.

This report, including our conclusions, has been prepared solely for the directors of DCC as a body in accordance with the agreement between us, to assist the directors in reporting DCC's sustainability performance and activities. We permit this report to be disclosed in the Annual Report for the year ended 31 March 2014, to enable the directors to show they have addressed their governance responsibilities by obtaining an independent assurance report in connection with the Selected Sustainability Data. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and DCC plc for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers
Chartered Accountants
Dublin, Ireland
20 May 2014

Notes

1. International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' issued by the IAASB. International Standard on Assurance Engagements 3410 – 'Assurance Engagements on Greenhouse Gas Statements' issued by the IAASB.

2. Assurance, defined by the International Auditing and Assurance Standards Board (IAASB), gives the user confidence about the subject matter ('Sustainability Information') assessed against the Reporting Criteria. Reasonable assurance gives more confidence than limited assurance. The evidence gathered to support a reasonable assurance conclusion is greater than that gathered to support a limited assurance conclusion.

3. We comply with the applicable independence and competency requirements of the Chartered Accountancy Regulatory Board (CARB) Code of Ethics.

Senior Management

Group and Divisional

Chief Executive	Tommy Breen
Chief Financial Officer	Fergal O'Dwyer

DCC Energy

Managing Director	Donal Murphy
Managing Director - Oil	Eddie O'Brien
Managing Director - LPG	Henry Cubbon
Finance Director	Conor Murphy
Development Director	Clive Fitzharris

DCC Technology

Managing Director	Niall Ennis
Finance & Development Director	Kevin Lucey
Chief Operating Officer & Head of Supply Chain	Cormac Watters

DCC Healthcare

Managing Director	Conor Costigan
Finance & Development Director	Redmond McEvoy

DCC Environmental

Finance & Development Director	Thomas Davy

DCC Food & Beverage

Managing Director	Frank Fenn
Finance & Development Director	Stephen Casey

Company Secretary & Head of Enterprise Risk Management	Ger Whyte
Managing Director, DCC Corporate Finance	Michael Scholefield
Head of Group Accounting	Gavin O'Hara
Head of Group Compliance	Darragh Byrne
Head of Group HR	Ann Keenan
Head of Internal Audit	Stephen Johnston
Chief Information Officer	Peter Quinn*
Head of Group Sustainability	John Barcroft
Head of Group Tax	Yvonne Divilly
Head of Group Treasury	Niall Kelly

* Appointed on 3 June 2014

Principal Businesses and Joint Venture

DCC Energy

Oil		
Certas Energy UK	Managing Director	Paul Vian
Oil Ireland	Managing Director	Tom Walsh
DCC Energi Danmark	Managing Director	Christian Heise
Energie Direct, Austria and Bronberger & Kessler, Bavaria	Managing Director	Hans-Peter Hintermayer
Swea Energi	Managing Director	Magnus Nyfjäll
Qstar Retail	Managing Director	Maria Hadd
Fuel Card Services	Managing Director	Steve Chesworth
Card Network Solutions	Managing Director	Ben Jordan
LPG		
Flogas Britain	Managing Director	Lee Gannon
Flogas Ireland	Managing Director	Richard Martin
Flogas Scandinavia	Managing Director	Jan Wahlquist
Benegas	Managing Director	Bauke van Kalsbeek

DCC Technology

Exertis UK & Ireland	Managing Director	Gerry O'Keeffe
Exertis UK & Ireland	Deputy Managing Director	Chris Peacock
Exertis Continental Europe	Managing Director	Patrice Arzillier

DCC Healthcare

DCC Vital	Managing Director	David Armstrong
DCC Health & Beauty Solutions	Managing Director	Stephen O'Connor

DCC Environmental

DCC Environmental Britain and William Tracey	Managing Director	Michael Tracey
Wastecycle	Managing Director	Paul Needham
Oakwood	Managing Director	Steve Tooley
Enva Ireland	Managing Director	Declan Ryan

DCC Food & Beverage

Kelkin	Managing Director	Frank Fenn
Robert Roberts	Managing Director	Tom Gray
Bottle Green	Managing Director	Jon Eagle
Allied Foods	Managing Director	John Raleigh
KSG*	Chief Executive Officer	Brian Hogan

* Joint venture

Governance

Leadership
A profile of the non-executive and executive Directors of DCC plc.

Page 78

Good Governance
The steps we take to ensure the Company is managed to the highest standards.

Page 80

Remuneration
How we align what management is paid with our performance and with the interests of shareholders.

Page 89

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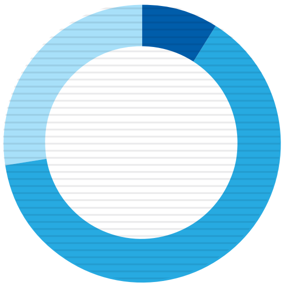
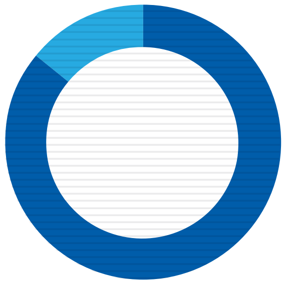
Chairman's Introduction

Split of Directors



Chairman	1
Non-executive Directors	7
Executive Directors	3

Board Time Allocation



Business Issues	86%
Governance Issues	14%

Dear Shareholder,

On behalf of the Board of DCC, I am happy to report full compliance with the 2012 UK Corporate Governance Code ('the Code'). We believe that we have robust systems of governance and that they are well applied.

The Board sets clear expectations for conduct across the whole business. At the heart of these expectations are three unambiguous principles:

- do the right thing
- be honest and open
- deal with difficult issues and work as a team to resolve them.

We keep a close watch on developing best practice in corporate governance and take every opportunity to get feedback from our shareholders on their expectations of us in our approach to governance. We are early adopters of emerging practice where we believe it will enhance transparency and improve our long term business performance.

The concept of the unitary Board is fundamental to the way we operate, but open debate is the order of the day. The non-executive Directors constructively challenge the management team on strategic and key operational performance issues and on matters related to ensuring that the organisation remains fit for purpose as we grow.

Board Membership, Board Diversity and Board Effectiveness

We have a balanced, diverse and experienced Board. Dr. Pamela Kirby joined the Board on 3 September 2013 and brought to us substantial senior management and non-executive director experience in UK, European and US business development, especially in the healthcare sector. The 'Women on Boards Davies Review Annual Report 2014' lists DCC as one of only 17 FTSE 250 companies with three or more women on their boards.

Earlier in 2014, David Byrne, the Deputy Chairman and Senior Independent Director, and I facilitated an internal evaluation of the effectiveness of the DCC Board, which covered individual and collective effectiveness and efficiency and dealt with Board committees as well as the Board as a whole. The results of actions implemented following recent evaluations are showing that the significantly greater diversity of experience and expertise brought to the table as a result of new Board appointments over the past six years is paying dividends, in terms of the quality of Board discussion and its decision-making. As was the case last year, the 2014 review generated a number of worthwhile suggestions for improvement in the way we operate, which we have agreed to address over the balance of this financial year. The comparable list from last year's evaluation was substantially implemented. Next year, we will again commission a leading independent Board evaluation firm to facilitate the evaluation, as we did in 2012, in accordance with the Code provision.

The non-executive Directors made a number of site visits to Group subsidiaries during the year ended March 2014, as part of their ongoing training and development.

Independence and Re-Election

There are eight non-executive Directors and three executive Directors on our Board. We recently conducted our annual review of the independence of non-executive Directors. I am pleased to report that each fulfilled the independence requirements of the Code. As noted in the Code, the test is not appropriate to myself, but I did fulfil the independence requirements up to the date of my appointment as Chairman. All of the Directors will be presenting themselves for re-election at the forthcoming Annual General Meeting.

Board Meeting Balance

The intention at Board meetings is to achieve an appropriate balance between strategic, operational, regulatory and other matters. I regularly monitor the amount of time devoted to each category of business, to ensure that we maintain an appropriate balance.

Board Committees

Our Board committees have continued to perform effectively. You will find on pages 85 to 111 a detailed Report introduced by the Chairman of each Committee, setting out its membership and an overview of its activities during the year.

And finally...

in the pages that follow there is a detailed account of our corporate governance systems and how they operate, which I hope you will find helpful.

Michael Buckley
Chairman

Board of Directors


1.


2.

1. Michael Buckley MA, LPh, MCSI

Non-executive Chairman

Chairman, Nomination and Governance Committee

Member, Remuneration Committee

Age: 69

Nationality: Irish

Joined Board: Mr. Buckley joined the Board in September 2005 and was appointed non-executive Chairman in May 2008.

Key strengths: Mr. Buckley has senior management and board level experience over 25 years in stockbroking, mergers and acquisitions, banking, enterprise software, internationally traded services, work-out and healthcare businesses in Ireland, the UK, Central Europe, the USA and the Far East.

Previous board and management experience: He was Group Chief Executive of Allied Irish Banks plc from 2001 to 2005 having served as Managing Director of AIB Capital Markets and AIB Poland. Previously, he was Managing Director of NCB Group and prior to that a senior public servant in Ireland and the EU. From 2003 to 2012, he was a non-executive director of M and T Bank Corporation, listed on the New York Stock Exchange. From 2008 to 2011, he was a non-executive director of Enterprise Ireland.

External commitments: Non-executive director of UK Asset Resolution Limited and senior advisor to a number of privately owned companies in Ireland and the USA. An adjunct professor and chairs the Advisory Board at the Department of Economics in the National University of Ireland, University College Cork and chairs the Board of the Irish Chamber Orchestra. A Companion of the Chartered Management Institute (UK).

2. Tommy Breen B Sc (Econ), FCA

Chief Executive

Age: 55

Nationality: Irish

Joined Board: Mr. Breen joined the Board in February 2000.

Key strengths: Mr. Breen has worked across a broad range of sectors and businesses during his 28 years within the DCC Group. During this time he has gained significant experience of growing businesses organically and by acquisition.

Previous management experience: He joined DCC in 1985, having previously worked with KPMG, and has held a number of senior management positions within the Group, including Managing Director of the Energy, Technology and Environmental divisions. He was appointed Chief Operating Officer of DCC in March 2006 and subsequently became Group Managing Director in July 2007. He was appointed Chief Executive in May 2008.

External commitments: No external director appointments.


3.


4.

3. Róisín Brennan BCL, FCA

Non-executive Director

Member, Nomination and Governance Committee

Member, Remuneration Committee

Age: 49

Nationality: Irish

Joined Board: Ms. Brennan joined the Board in September 2005.

Key strengths: Ms. Brennan has over 20 years' experience advising companies on mergers and acquisitions, takeovers, disposals, fundraisings and initial public offerings.

Previous board and management experience: She is a former Chief Executive of IBI Corporate Finance where she worked from 1990 until 2011. She is a former non-executive director of The Irish Takeover Panel.

External Commitments: A non-executive director of Coillte Teo (the Irish State Forestry Company).

4. David Byrne SC

Non-executive Deputy Chairman and Senior Independent Director

Member, Nomination and Governance Committee

Member, Remuneration Committee

Age: 67

Nationality: Irish

Joined Board: Mr. Byrne joined the Board and was appointed Deputy Chairman and Senior Independent Director in January 2009.

Key strengths: Mr. Byrne has practised at the top of the legal profession. His international commercial experience at board and advisory level ranges across the food, healthcare and environmental sectors.

Previous board and management experience: Following 27 years of practice as a barrister, he was Attorney General of Ireland from 1997 to 1999. Mr. Byrne served as the first EU Commissioner for Health and Consumer Protection from 1999 to 2004. Following this, he served as Special Envoy of the Director-General of the World Health Organisation advising on the International Health Regulations. He has previously been a member of the boards of public and private companies, including Kingspan Group plc, The National Concert Hall (Chairman) and Irish Life & Permanent plc. He is the immediate past chair of the National Treasury Management Agency Advisory Committee and is Chancellor Emeritus of Dublin City University.

External commitments: A member of the Kikkoman International Advisory Board. Chair of the European Alliance for Personalised Medicine in Brussels and a Council Member of the Royal College of Physicians in Ireland.


5.


6.

5. Jane Lodge B Sc, FCA

Non-executive Director

Chairman, Audit Committee

Age: 59

Nationality: British

Joined Board: Ms. Lodge joined the Board in October 2012.

Key strengths: Ms. Lodge, as a senior audit partner for 25 years, has extensive experience with multinational manufacturing companies and her strategic work with Deloitte has given her a substantial international business perspective. She has very strong and recent financial skills to bring to the Audit Committee.

Previous board and management experience: Until 2011, Ms. Lodge was a senior audit partner with Deloitte, where she spent over 25 years advising global manufacturing companies. She was also the Deloitte partner in charge of the firm's UK manufacturing industry sector, where she was responsible for strategy and marketing, and was a member of the Deloitte Global Manufacturing Executive. She was a member of the CBI Manufacturing Council until 2011. While at Deloitte, she served a term on the Board of Partners of Deloitte UK and also co-chaired a global team of partners to review the strategy of the Global Deloitte Firm.

External commitments: A non-executive director of Devro plc and of Costain Group PLC and a director of a number of private companies.

6. Pamela Kirby BSc, PhD.

Non-executive Director

Age: 60

Nationality: British

Joined Board: Dr. Kirby joined the Board in September 2013.

Key strengths: Dr. Kirby has extensive knowledge of the international healthcare sector, having worked in the pharmaceutical industry for more than twenty five years. Dr. Kirby serves on the board of a FTSE 100 company and is the chairman of a company listed on the NASDAQ stock exchange.

Previous board and management experience: She held senior UK and global management positions in AstraZeneca PLC and in F. Hoffman-La Roche Ltd., where she was Director of Global Strategic Marketing. Dr. Kirby is also a former CEO of Quintiles Transnational Corporation in the USA, the leading global provider of biopharmaceutical development and commercial outsourcing services. She was also previously a non-executive director of Novo Nordisk A/S and of Curalogic A/S.

External commitments: Non-executive Chairman of Scynexis Inc and a non-executive director of Victrex plc, Smith and Nephew plc and Informa plc.

7.


8.


7. Kevin Melia FCMA, JDipMA

Non-executive Director

Member, Audit Committee

Age: 66

Nationality: American

Joined Board: Mr. Melia joined the Board in December 2008.

Key strengths: Mr. Melia has long experience across the IT sector, including hardware manufacturing and distribution and software development, as a corporate executive, an entrepreneur and as a non-executive director in listed companies. Additionally, he has experience as a principal in the private equity sector and as a non-executive director in the financial services sector.

Previous board and management experience: He is a former non-executive Chairman of Vette Corp, Iona Technologies and Authorize. Net and was the Co-founder, Chairman and Chief Executive Officer of Manufacturers Services Ltd. Previous positions held include Chief Financial Officer and Executive Vice President of Operations of Sun Microsystems and President of its computer hardware division. He is a former Joint Managing Director of Boulder Brook Partners, a private investment company. Mr. Melia also held a number of senior management positions at Digital Equipment Corporation.

External commitments: Non-executive director of Merrion Capital, Newtide Acquisitions, Analogic Corporation, Greatbatch IncRadiSys Corp and a member of the advisory board of C&S Wholesale Grocers and Distributors.

8. John Moloney B.Agr.Sc., MBA

Non-executive Director

Member, Audit Committee

Age: 59

Nationality: Irish

Joined Board: Mr. Moloney joined the Board in February 2009.

Key strengths: Mr. Moloney has extensive top management and board level experience internationally and domestically in the dairy, meat and nutritionals sectors, covering processing, manufacturing and distribution.

Previous board and management experience: He is a former Group Managing Director of Glanbia plc. He worked with the Department of Agriculture, Food and Forestry as well as in the meat industry in Ireland. He is a former council member of the Irish Business and Employers Confederation.

External commitments: Chairman of Coillte Teo (the Irish State Forestry Company) and a non-executive director of Greencore Group plc, Smurfit Kappa plc and a number of private companies.

9.


10.


9. Donal Murphy B Comm, BFS, MBA

Executive Director

Age: 48

Nationality: Irish

Joined Board: Mr. Murphy joined the Board in December 2008.

Key strengths: Mr. Murphy has extensive experience in managing DCC businesses in a number of industry sectors and in leading the acquisition and integration of numerous businesses, particularly in the Energy sector.

Previous management experience: He joined DCC as Head of Group IT in 1998, having previously worked with Allied Irish Banks plc. He was Managing Director of DCC Technology from 2004 to 2006, when he was appointed Managing Director of DCC Energy.

External commitments: No external director appointments.

10. Fergal O'Dwyer FCA

Executive Director

Age: 54

Nationality: Irish

Joined Board: Mr. O'Dwyer joined the Board in February 2000.

Key strengths: He has worked in DCC in senior management positions for over 24 years and during that time he has worked closely with all of the Group's material operating companies on a range of financial management, treasury and strategic and development matters.

Previous management experience: Mr. O'Dwyer joined DCC in 1989 and was appointed Chief Financial Officer in 1994, having worked in that role in the lead up to DCC's flotation in that year. Prior to joining DCC, he previously worked with KPMG and Price Waterhouse in audit and corporate finance.

External commitments: No external director appointments.

11.


11. Leslie Van de Walle

Non-executive Director

Chairman, Remuneration Committee

Member, Nomination and Governance Committee

Member, Audit Committee

Age: 58

Nationality: French

Joined Board: Mr. Van de Walle joined the Board in November 2010.

Key strengths: Mr. Van de Walle has a very wide range of international senior management business experience, as well as experience as a non-executive director, in the oil and gas sector, in the food and drinks industry, in manufacturing, in building materials and in the insurance sector.

Previous board and management experience: He is a former non-executive director of Aviva plc and former Chief Executive Officer of Rexam plc. He previously held a number of senior executive roles in Royal Dutch Shell plc, including Executive Vice President of Retail for Oil Products and Head of Oil Products, Shell Europe. He has also held a number of senior management positions with Cadbury Schweppes plc and United Biscuits plc where he was CEO. He was also a non-executive director of Aegis Group plc from 2003 to 2009.

External commitments: Non-executive Chairman of SIG plc and of Robert Walters plc and a non-executive director of Cape plc.

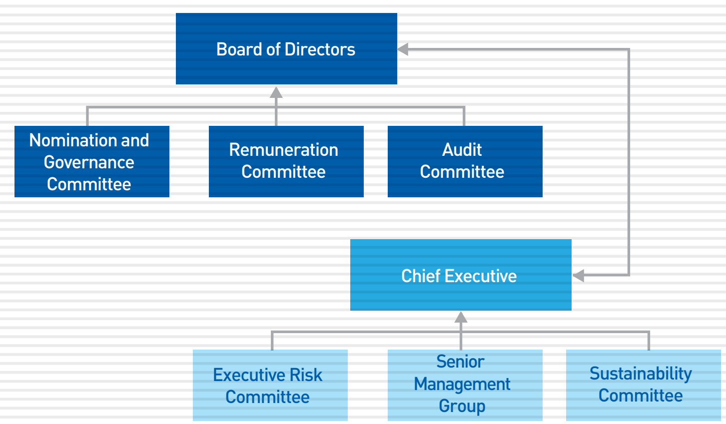
Corporate Governance Statement

This statement describes DCC's governance principles and practices.

It also describes how DCC has applied the principles set out in the UK Corporate Governance Code ('the Code'), the current edition of which was issued by the Financial Reporting Council ('FRC') in September 2012 and applied to DCC for the year ended 31 March 2014.

A copy of the Code can be obtained from the FRC's website, www.frc.org.uk.

DCC plc - Corporate Governance Framework



The Board of Directors

Role

The Board of DCC comprises the non-executive Chairman, seven other non-executive Directors and three executive Directors, including the Chief Executive. It is collectively responsible for the long term success of the Group. Its role is to provide leadership, 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.

The Board's leadership responsibilities, in the interest of delivering long term value to shareholders, involve working with management to set corporate values and to develop strategy, including deciding which risks it is prepared to take in pursuing its strategic objectives. Its oversight responsibilities involve it in constructively challenging the management team in relation to operational aspects of the business, including approval of budgets, and probing whether risk management and internal controls are sound. It also is responsible for ensuring that accurate, timely and understandable information is provided about the Group to shareholders, debt providers and regulators.

The Board has delegated responsibility for management of the Group to the Chief Executive and his executive management team. The main areas where decisions remain with the Board are summarised in the table below.

The Board has delegated some of its responsibilities to Committees of the Board. The composition and activities of these Committees are detailed in their individual reports on pages 85 to 111. The Board receives reports at its meetings from the Chairmen of each of the Committees on their current activities.

A clear division of responsibility exists between the Chairman, who is non-executive, and the Chief Executive. Each of their responsibilities have been set out in writing and have been approved by the Board.

There is an established procedure for Directors to take independent professional advice in the furtherance of their duties, if they consider this necessary.

Chairman

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.

Schedule of Matters Reserved for the Board

The approval of the following matters is reserved for the Board:

- Group Strategy.
- The annual Budget, including capital expenditure plans.
- The Interim and the Annual Accounts.
- Dividend Policy.
- Treasury Policy.
- Acquisitions, with an enterprise value in excess of €20 million, after deducting net cash or adding net debt, and any acquisition under this threshold in a totally new and unrelated business area or in a geographic area that is considered high risk.
- Disposals of assets/businesses for a consideration (inclusive of net debt) in excess of €20 million.
- Capital expenditure proposals in excess of €20 million over approved budgeted levels.
- Planned capital and working capital expenditure by a Group company in a totally new and unrelated business area in aggregate in excess of €20 million.
- The settlements of matters in legal disputes with third parties in excess of €5 million.

The Chairman is the link between the Board and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders.

Before the beginning of the financial year, having consulted with the other Directors and the Company Secretary, the Chairman sets a schedule of Board and Committee meetings to be held in the following twelve months, which includes the key agenda items for each meeting. Further details on these agenda items are outlined under 'Board Meetings' on page 82.

Deputy Chairman and Senior Independent Director

The duties of the Deputy Chairman (who is also the Senior Independent Director) are set out in writing and formally approved by the Board. The Deputy Chairman chairs meetings of the Board if the Chairman is unavailable or is conflicted in relation to any agenda item. He also leads the annual Board evaluation of the performance of the Chairman.

The Senior Independent Director is available to shareholders who may have concerns that cannot be addressed through the Chairman or Chief Executive.

Company Secretary

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

Appointment of Directors

The Nomination and Governance Committee formally 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, including gender. The detailed appointment process is set out in the Nomination and Governance Committee Report on page 110.

Following appointment by the Board, all Directors are, in accordance with the Articles of Association, subject to re-election at the following Annual General Meeting ('AGM'). In accordance with our practice since 2008 and the provisions of the Code, all Directors submit to re-election at each AGM.

The expectation is that non-executive Directors would serve for a term of six years and may also be invited to serve an additional period thereafter, 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 Nomination and Governance 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 is set out in the Nomination and Governance Committee Report on page 110.

Induction and Development of Directors

New non-executive Directors undertake a rigorous 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 Chairman invites external experts to attend certain Board meetings to address the Board on developments in corporate governance, risk management and executive remuneration and on relevant industry and sectoral matters.

The Chairman and Company Secretary review Directors' training needs, in conjunction with individual Directors, 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, a non-executive director electronic library is available which is regularly updated with relevant publications and changes in legislation.

Non-executive Directors are expected to meet individually during the year, outside of Board meetings, with members of senior management throughout the Group and to visit a number of subsidiaries to familiarise themselves with the business in more detail than is possible during Board meetings.

All Directors are encouraged to avail of opportunities to hear the views of and meet with the Group's shareholders and analysts. The section on 'Relations with Shareholders' on page 84 gives further information on opportunities for Directors to meet with the Group's shareholders.

Independence

The Board has carried out its annual 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 judgment and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgment. Each of the current non-executive Directors fulfilled the independence requirements of the Code.

Michael Buckley has been Chairman of the Company since May 2008. On his appointment as Chairman, Mr Buckley met the independence criteria as set out in the Code. Thereafter, as noted in the Code, the test of independence is not appropriate in relation to the Chairman.

While Mr Buckley holds several other directorships outside of the DCC Group, the Board considers that these do not interfere with the discharge of his duties to DCC.

Corporate Governance Statement (continued)

Board Meetings

During the year ended 31 March 2014, the Board held eight meetings. Individual attendance at these meetings and attendance at Committee meetings is set out in the table opposite. There is regular contact as required between meetings in order to progress the Group's business. A schedule of Board and Committee meetings is circulated to the Board in advance of the calendar year, which includes the key agenda items for each meeting. Board papers are circulated electronically in the week preceding the meeting.

The key recurrent Board agenda themes are divided into normal business (which includes budgets, financial statements, investor relations, human resources and governance, risk and compliance) and developmental issues, (which include strategy, acquisitions, sectoral and divisional reviews, succession planning, management talent development and Directors' education).

One and a half days of a two day Board meeting each December are devoted exclusively to strategy and three year plans. During the year under review, the Board devoted substantial time outside its December meeting to strategic development issues, including an Energy strategy update, an operational and development review of its Technology business, pharmaceutical strategy development, several specific acquisition proposals and a review of post-acquisition business performance.

The Board schedule includes a significant agenda item on succession planning and management talent development. Against a template agreed by the Chief Executive and the Nomination and Governance Committee, the Chief Executive brings a detailed plan for review by that Committee. At an immediately subsequent Board meeting the plan is presented to the Board, discussed and approved.

The non-executive Directors meet a number of times each year without executives being present.

Board of Directors: Attendance at meetings during the year ended 31 March 2014:

Director	Board		Audit Committee		Remuneration Committee		Nomination and Governance Committee	
	A	B	A	B	A	B	A	B
Michael Buckley	8	8	-	-	6	6	5	5
Tommy Breen	8	8	-	-	-	-	-	-
Róisín Brennan	8	8	-	-	6	6	5	5
David Byrne	8	8	-	-	6	6	5	5
Jane Lodge	8	8	4	4	-	-	-	-
Pamela Kirby[1]	5	5	-	-	-	-	-	-
Kevin Melia	8	8	4	4	-	-	-	-
John Moloney	8	8	4	4	-	-	-	-
Donal Murphy	8	8	-	-	-	-	-	-
Fergal O'Dwyer	8	8	-	-	-	-	-	-
Leslie Van De Walle	8	8	4	4	6	6	5	5

Column A indicates the number of meetings held during the period the Director was a member of the Board and/or Committee.
Column B indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee.

Note 1 Pamela Kirby was appointed to the Board on 3 September 2013. She did not serve on any Committees during the year ended 31 March 2014.

Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its financial and risk oversight responsibilities. Further details of the activities of the Audit Committee are set out in their Report on pages 85 to 88.

Remuneration Committee

The Remuneration Committee is responsible for determining the Remuneration Policy and conditions of employment for Executive Directors and senior management. Further details of the activities of the Remuneration Committee are set out in their Report on pages 89 to 108.

Nomination and Governance Committee

The Nomination and Governance Committee is responsible for considering the size, composition and structure of the Board and succession planning requirements and for monitoring the Company's compliance with corporate governance, legal and best practice requirements. Further details of the activities of the Nomination and Governance Committee are set out in their Report on pages 109 to 111.

Chief Executive

The Chief Executive has day to day management responsibility for the running of the Group's operations and for the implementation of Group strategy and policies agreed by the Board. The Chief Executive also has a key role in the process for the setting and review of strategy. The Chief Executive instils the Company's culture and standards, which include appropriate corporate governance throughout the Group. In executing his responsibilities, the Chief Executive is supported by the Chief Financial Officer and the Company Secretary, who, together with the Chief Executive, are responsible for ensuring that high quality information is provided to the Board on the Group's financial and strategic performance.

Executive Directors

The executive Directors support the Chief Executive in devising and executing strategy and in overseeing the operational performance of the whole business.

Executive Risk Committee

The responsibilities of the Executive Risk Committee are set out in the Risk Report on page 17.

Senior Management Group
The Senior Management Group reports to the Chief Executive at weekly management meetings.

Sustainability Committee
The responsibilities of the Sustainability Committee are set out in the Sustainability Report on page 65.

Remuneration
It has been the Company's practice since 2009 to put the Remuneration Report to an advisory, non-binding shareholder vote at the AGM. At the 2014 AGM, we will propose two advisory non-binding votes in respect of approval of the Remuneration Policy Report and approval of the Annual Report on Remuneration.

Share Ownership and Dealing
Details of the Directors' interests in DCC shares are set out in the Remuneration Report on pages 105 to 107.

The Board has adopted the DCC Share Dealing Policy which applies to dealings in DCC shares by the Directors and Company Secretary of DCC, directors of all Group companies and all DCC Head Office employees. The Policy is based on the Model Code, as set out in the Listing Rules of the UK Listing Authority. Under the Policy, 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 Listing Rules.

The Policy 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 January/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 in relation to the Group's risk management structures are set out in the Risk Report on page 16.

The Board has delegated responsibility for the ongoing monitoring of the effectiveness of this system to the Audit Committee. Details in relation to the Audit Committee's work in this regard are set out in the Audit Committee Report on page 87.

In accordance with the revised FRC guidance for directors on internal control published in October 2005, 'Internal Control: Revised Guidance for Directors on the Combined Code', the Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements and that this process is regularly reviewed by the Board.

The Board receives regular reports from the Chairman of the Audit Committee on its activities during the year and in addition 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.

The consolidated financial statements are prepared subject to the oversight and control of the Group 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.

Board Performance Evaluation

The Board conducts an annual evaluation of its own performance, that of each of its principal committees, the Audit, Nomination and Governance and Remuneration Committees, and that of Committee Chairmen and individual Directors.

In 2012, the entire performance evaluation process was externally defined and conducted in accordance with the requirement to have it externally facilitated every three years under Provision B.6.2 of the UK Corporate Governance Code. It is intended that the 2015 Board evaluation process will be externally facilitated.

In 2014, as in 2013, the process was internally facilitated and comprised the following steps:

- A questionnaire covering key aspects of board effectiveness, including the composition of the Board, the content and running of Board and Committee meetings, corporate governance, risk, succession planning and the Directors' continuing education process, was circulated to all Directors.
- Completed questionnaires, including views on performance and recommendations for improvement, were returned directly to the Chairman or the Senior Independent Director.
- Follow up discussions were held with each of the Directors individually to clarify any points raised in the questionnaire and the Chairman and Senior Independent Director then prepared summary reports on the Board and its Committees.
- The Chairman, on behalf of the Board, conducted evaluations of performance individually with each of the non-executive and the executive Directors and also enquired if they had any views they wished to express on the performance of any other Director.
- The Senior Independent Director conducted an evaluation of performance of the Chairman by firstly speaking with each of the Directors individually and then meeting with the non-executive Directors, without the Chairman present, to formally evaluate and conclude on the Chairman's performance.

Corporate Governance Statement (continued)

- The non-executive Directors also evaluated the performance of each executive Director.
- Each Board Committee considered the summary report as part of its annual review of its own performance and terms of reference and recommended any changes it considered necessary to the Board for approval.

The Board formally concluded that it and its principal Committees were operating effectively. A number of agreed actions, including the review of reports to the Board, discussions on gender diversity and Board composition, and external presentations to the Board on selected topics, will be implemented by the Chairman during the current year.

All action items arising from the 2013 evaluation were substantially completed during the year ended 31 March 2014.

Relations with Shareholders

DCC recognises the importance of communications with shareholders. Presentations are made to both existing and prospective institutional shareholders, principally after the release of the interim and annual results. DCC issues an Interim Management Statement twice yearly, typically in January/February and July. Major acquisitions are also notified to the market and the Company's website www.dcc.ie provides the full text of all press releases. The website also contains annual and interim reports and incorporates audio and slide show investor presentations.

The Board is kept informed of the views of shareholders through the executive Directors' attendance at investor presentations and results presentations. Furthermore, relevant feedback from such meetings, investor relations reports and brokers notes are provided to the entire Board on a regular basis.

In June 2013, an Investor Day took place in London which was attended by the Chairman and a number of the non-executive Directors. Most of DCC's top shareholders as well as various brokers, analysts and fund managers were present at this Investor Day.

The Board Chairman and the Chairman of the Remuneration Committee also engaged in a consultation with major shareholders and shareholder representative bodies and proxy advisors on proposed changes to the Company's long term incentive plan, as described in the Remuneration Report on page 98, which will be submitted for shareholder approval at the AGM.

The Company Secretary engages annually with proxy advisors in advance of the AGM and shareholder queries are welcomed by the Chairman at the AGM.

The Company's AGM provides shareholders with the opportunity to question the Chairman and the Board. Further details on the Company's AGM is set out in the Report of the Directors on page 113.

Business Conduct Guidelines

DCC's Business Conduct Guidelines set out the Group's commitment to the highest standards of integrity and compliance. They have been circulated to employees across the Group and are also available on the Company's website www.dcc.ie. Further detail on this is provided in the Sustainability Report on page 67.

Report of the Directors

For the purposes of the European Communities (Directive 2006/46/EC) Regulations 2009, details of substantial shareholdings in the Company and details in relation to the purchase of the Company's own shares are set out in the Report of the Directors on pages 112 to 114.

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 Chief Executive's Review on pages 12 to 15. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 58 to 64.

In addition, note 46 to the financial statements include 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 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.

Compliance Statement

DCC has complied, throughout the year ended 31 March 2014, with the provisions set out in the Code.

Michael Buckley, Tommy Breen
Directors
20 May 2014

Audit Committee Report

The Audit Committee comprises four independent non-executive Directors, Jane Lodge (Chairman), Kevin Melia, John Moloney and Leslie Van de Walle. The members of the Committee have significant financial and business experience. Further biographical details regarding the members of the Audit Committee are set out on pages 78 to 79.

Dear Shareholder,

As Chairman of DCC's Audit Committee, I am pleased to present the report of the Committee for the year ended 31 March 2014 which has been prepared by the Committee and approved by the Board.

In September 2012, the FRC issued the 2012 edition of the UK Corporate Governance Code ('the Code') and the Guidance on Audit Committees, which apply to DCC's year ended 31 March 2014. The Code requires the Audit Committee, where requested by the Board, to advise on whether 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. The Audit Committee is satisfied that the Annual Report meets these criteria and the work done in meeting this responsibility is set out in the table on page 86.

Secondly, the Code requires the Audit Committee to report on the significant issues it has considered in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the external auditor. The work done by the Audit Committee in meeting this responsibility is set out in the table on page 86.

The Code requires all FTSE 350 companies to put the external audit out to tender at least every ten years. DCC concluded a formal audit tender process in the year ended 31 March 2012, following which PricewaterhouseCoopers ('PwC') were re-appointed as auditors to the Company.

The Audit Committee has also noted that a Regulation and a Directive have been approved by the European Parliament which are intended to reform the audit market in the EU and which contain measures which would require a change of auditor after a maximum term of 10 years and the prohibition or cap of non-audit services. The Regulation and Directive are subject to ratification by the EU Council of Ministers and the Audit Committee will keep developments in this regard under close review.

One of the Audit Committee's key responsibilities is to review the Company's internal control and risk management systems. In addition to financial risks and controls, the Audit Committee is also responsible for the oversight of risks and controls in relation to Health, Safety and Environmental, Compliance and IT. Further details in regard to these matters is set out on page 87.

The Board, the Audit Committee and Group management are fully committed to continuous improvement of financial and risk management within the Group.

The responsibilities of the Audit Committee are summarised in the table below and are set out in full in its Terms of Reference, which are available on the DCC website www.dcc.ie under Investor Relations/ Corporate Governance.

On behalf of the Audit Committee

Jane Lodge
Chairman, Audit Committee
20 May 2014

Role and Responsibilities

- Monitor the integrity of the Group's financial statements, including reviewing significant financial reporting judgments contained in them.
- Provide advice on whether the Annual Report and Accounts, when 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.
- Oversee the relationship with the external auditor, including approval of remuneration and terms of engagement.
- Review the effectiveness of the external audit process.
- Make a recommendation to the Board on the appointment, reappointment and removal of the external auditor.
- Ensure the external audit is put to tender at least every 10 years.
- Develop and implement a policy on the supply of non-audit services by the external auditor to avoid any threat to auditor objectivity and independence.
- Review the operation and effectiveness of the Group Internal Audit function.
- Review the Company's internal control and risk management systems and the Company's statements on internal control and risk management.
- Review the Company's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

Fair, Balanced and Understandable

The 2012 edition of the Code includes a new principle which states that the Board should present a fair, balanced and understandable assessment of the company's position and prospects and specifically that they consider 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 2014 Annual Report and Accounts met the requirements.

In fulfilling this responsibility, the Committee took account of the following:

- The timetable for the Annual Report and Financial Statements was extended to ensure that there was adequate time for existing and new processes to be completed.
- The Audit Committee was briefed by PwC and Deloitte in relation to developing best practice in this area.
- Comprehensive guidance was issued to contributors of reports for inclusion in the Annual Report.
- A verification process was implemented dealing with the factual contents of the reports.
- Comprehensive reviews were undertaken at different levels in the Group to ensure consistency and overall balance.
- A comprehensive review was also undertaken by the senior management team.
- The senior management team reported to the Audit Committee on these processes and their outcomes.

After consideration, the Committee concluded that the Annual Report, taken as a whole, is fair, balanced and understandable and that it provides the necessary information for shareholders to assess performance, business model and strategy.

Financial Reporting and Significant Financial Judgements

The Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements, obtaining support from the external auditors in making these assessments.

The Committee pays particular attention to matters it considers to be important by virtue of their impact on the Group's results and particularly those which involve a relatively higher level of complexity, judgement or estimation by management. The following table sets out the significant issues related to the financial statements for the year ended 31 March 2014:

Goodwill

As set out in note 20 to the Group financial statements, the Group had goodwill of £690.0 million as at 31 March 2014. In order to satisfy itself that this balance was appropriately stated, the Committee considered the impairment reviews carried out by management. Impairment reviews are carried out annually using the carrying values of subsidiaries at 31 December and the latest three year plan information.

In performing their impairment reviews, management determined the recoverable amount of each cash generating unit ('CGU'), and compared this to the carrying amount. The recoverable amount of each CGU is defined as 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 CGU's, 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 business forecasts and discounted using discount rates that reflected the Group's estimated before-tax average cost of capital. Sensitivity analysis was considered on the discount rate and the long term growth rate.

The Committee constructively challenged management's key assumptions to understand their impact on the CGU's recoverable amounts. The Committee was satisfied that the significant assumptions used for determining the recoverable amount had been appropriately scrutinised, challenged and were sufficiently robust. A £13.9 million impairment charge was made against the carrying value of goodwill relating to three of the Group's smaller subsidiaries. The Committee agreed with management's results that all of the Group's other CGU's displayed an excess of value in use over their carrying values.

Other Matters

In addition, the Committee has considered a number of other judgements which have been made by management including:

Revenue recognition, provisioning for impairment of trade receivables, net exceptional items, post-employment benefits, business combinations, share based payments, provisions, deferred and contingent consideration, inventories, useful lives for property, plant and equipment and intangible assets and tax provisioning.

Going Concern

The Audit Committee considered a report on Going Concern, presented by the Chief Financial Officer. This report took account of the current guidance from the UK Financial Reporting Council on information relevant to a statement on going concern, the 2014/2015 budget analysis, the borrowing requirements of the Group, liability management, contingent liabilities and financial risk management.

Management confirmed to the Committee that they were not aware of any material misstatements and the auditors confirmed that they had found no material misstatement in the course of their work.

Risk Management and Internal Control

The Audit Committee has been delegated responsibility by the Board for the ongoing monitoring of the effectiveness of the Group's system of risk management and internal control.

In addition to reports from Group Internal Audit, the Audit Committee also receives regular reports from the Risk Committee and the Enterprise Risk Management, Group HSE and Group Compliance functions. Further details on the Group's risk management framework are set out in the Risk Report on page 16.

The Audit Committee conducts, on behalf of the Board, an annual assessment of the operation of the Group's system of risk management and internal control. This assessment was based on a detailed review carried out by Enterprise Risk Management and Group Internal Audit. Where areas for improvement have been identified the necessary actions in respect of the relevant control procedures have been or are being taken. This review took account of the principal business risks facing the Group, the controls in place to manage those risks (including financial, operational and compliance controls) and the procedures in place to monitor them.

The Chairman of the Audit Committee has reported to the Board on the conduct of and the findings and agreed actions from this annual assessment of risk management and internal control.

External Auditor

The Audit Committee oversees the relationship with the external auditor including approval of the external auditor's fee proposals.

The Audit Committee reviewed the full external audit plan at the meeting held in November 2013 and reviewed a brief update at the meeting in April 2014, prior to the commencement of the audit. Following the audit, the Audit Committee met with the external auditor to review the findings from the audit of the Group financial statements.

The Audit Committee reviews the effectiveness of the external audit process. As part of this process, audit effectiveness questionnaires are completed by Group and subsidiary finance executives and the responses are summarised by management in a report to the Audit Committee. Based on its consideration of this report and its own interaction with the external auditors, in the form of reports and meetings, the Audit Committee concludes on the effectiveness of the external audit process and reports its conclusions to the Board.

The Audit Committee meets with the external auditors on a regular basis without the presence of management.

In accordance with its terms of reference, the Audit Committee is required to make a recommendation to the Board on the appointment, reappointment and removal of the external auditor. The Committee noted that the Company's auditors, PwC, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963 and that a resolution authorising the Directors to determine their remuneration will be put to the shareholders at the Annual General Meeting of the Company.

In accordance with the Code, the Audit Committee must ensure that the external audit is put out to tender at least once every 10 years and must oversee the tender process. A full audit tender process was concluded in 2012.

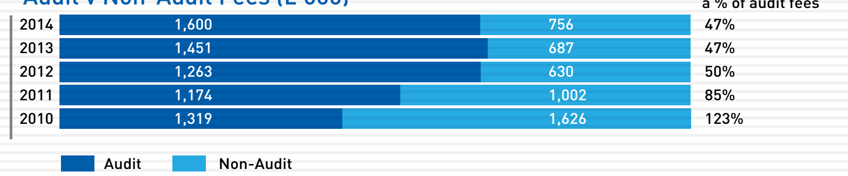
As noted in the Chairman's Introduction, the Audit Committee is keeping developments at EU level in regard to audit tenure under close review.

The Audit Committee has a process in place to ensure that the independence of the audit is not compromised, which includes monitoring the nature and extent of services provided by the external auditor through its annual review of fees paid to the external auditor for audit and non-audit work, seeking confirmation from the external auditor that they are in compliance with relevant ethical and professional guidance and that, in their professional judgment, they are independent from the Group.

The Audit Committee has approved a policy on the engagement of the external auditor to provide non-audit services, which 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 skill, competence and integrity to carry out the work and are considered to be the most appropriate to undertake such work in the best interests of the DCC Group. The policy also provides that any non-audit work which 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. Details of the amounts paid to the external auditor during the year for non-audit services are set out in note 6 on page 147. A summary of audit and non-audit fees over the five year period from 2010 to 2014 inclusive, is set out below.

The Audit Committee has 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 the appointment to a senior financial reporting position, to a senior management role or to a Company officer role of 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 v Non-Audit Fees (£'000)



Audit Committee Report (continued)

Group Internal Audit

The Audit Committee approves the annual work programme for the Group Internal Audit function, ensures that it is adequately resourced and has appropriate standing within the Group.

External Quality Assessments ('EQA') by independent external consultants are conducted at least every five years to confirm compliance of the Group Internal Audit function with the International Professional Performance Framework ('IPPF') of the Institute of Internal Auditors'. The most recent EQA review was successfully completed by KPMG in 2011.

During the current financial year, Group Internal Audit have successfully implemented a new online audit management system, 'Teammate'. Audit work papers, reports and corrective action plans are now electronically stored within the Teammate system. Use of this system has also been extended to Group HSE and Group Compliance functions and now provides a central platform for all related assurance activities.

An IT Standards project using the COBIT (Control Objectives for Information and related Technology) framework aimed at enhancing the IT control environment across the DCC Group was developed by Group Internal Audit and Group IT, and was completed during the current financial year. As part of this project, the Group IT policies have been enhanced, a significant number of identified corrective actions have been completed and a dedicated IT Audit Manager has been appointed to the Group Internal Audit function to enhance ongoing IT assurance activities.

The Audit Committee receives regular reports from Group Internal Audit, which include summaries of the key findings of each audit in the period.

The Audit Committee ensures co-ordination between Group Internal Audit and the external auditor.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Audit Committee meets with the Head of Internal Audit on a regular basis without the presence of management.

Whistleblowing Arrangements

The Audit Committee is responsible for ensuring that the Group maintains suitable whistleblowing arrangements for its employees. The Committee reviewed those arrangements during the year to ensure that they continue to meet the needs of the Group as it develops into new geographies and areas of activity. The Committee has accordingly approved a number of enhancements to the Group's existing whistleblowing arrangements, including the appointment of an independent party to whom employees can raise concerns, in their own language, if they wish to do so.

Governance

Composition

The Audit Committee comprises four independent non-executive Directors,Jane Lodge (Chairman), Kevin Melia, John Moloney and Leslie Van de Walle. Each member's length of tenure at 31 March 2014 is set out in the table below. Biographical details for these Directors are set out on pages 78 to 79. The Board is satisfied that Jane Lodge has recent and relevant financial experience, as required by the Code, and that the members of the Audit Committee have an excellent mix of skills and expertise in commercial, financial and audit matters arising from the senior positions they hold or held in other organisations.

Meetings

The Committee met four times during the year ended 31 March 2014 and there was full attendance by all members of the Committee.

David Byrne, the Deputy Chairman and Senior Independent Director, attends meetings of the Audit Committee when risk management matters are being considered.

The Chief Executive, Chief Financial Officer, Head of Enterprise Risk Management, Head of Internal Audit, Head of Group Sustainability, Head of Group Compliance, Chief Information Officer, other Directors and executives and representatives of the external auditor are invited to attend all or part of any meeting. The Company Secretary is the secretary to the Audit Committee.

The Committee also meets separately a number of times each year with the external auditor and with the Head of Internal Audit, without other executive management being present.

Annual Evaluation of Performance

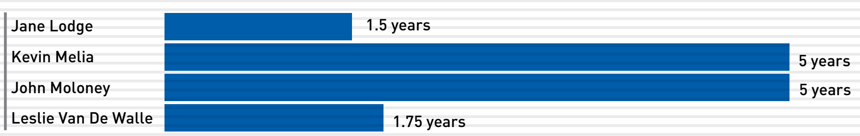
As detailed on page 83, the Board conducts an annual evaluation of its own performance and that of its Committees, Committee Chairmen and individual Directors. This process concluded that the performance of the Audit Committee and of the Chairman of the Audit Committee were satisfactory.

Reporting

The Chairman of the Audit Committee reports to the Board at each meeting on the activities of the Committee.

The Chairman of the Audit Committee attends 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.

Length of Tenure on Audit Committee



Remuneration Report

The Remuneration Committee comprises three independent non-executive Directors, Leslie Van de Walle (Chairman), Róisín Brennan and David Byrne, and the Chairman of the Board, Michael Buckley. The members of the Committee have significant financial and business experience, including in the area of executive remuneration. Further biographical details regarding the members of the Remuneration Committee are set out on pages 78 to 79.

Introduction

Dear Shareholder,

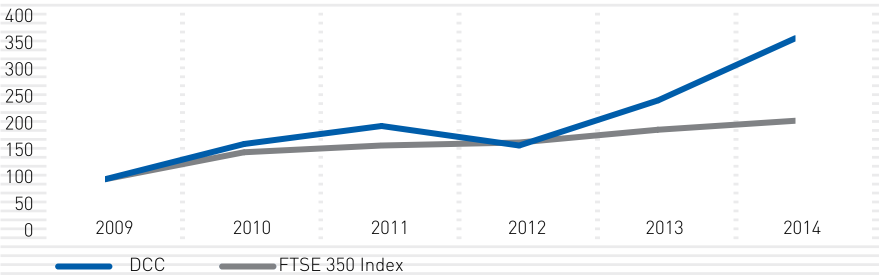
As Chairman of DCC's Remuneration Committee, I am pleased to present the Remuneration Report for the year ended 31 March 2014 which has been prepared by the Committee and approved by the Board.

Our remuneration policy seeks to incentivise executive Directors and other senior Group executives to create shareholder value and consequently their remuneration is weighted towards performance related elements with targets incentivising delivery of strategy over the short and long term.

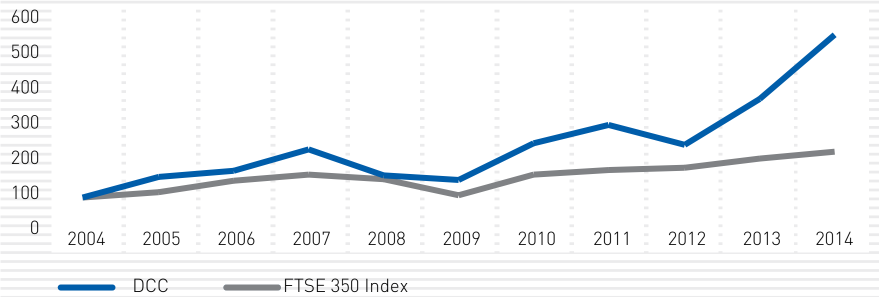
DCC achieved another strong result in the year to 31 March 2014, with operating profit growth in each of the five divisions and overall Group operating profit 11.5% ahead of the prior year. Adjusted earnings per share grew by 11.7% and it is proposed that the dividend for the year will be increased by 10%. Return on capital employed increased to 16.2% from 15.6% in the prior year, substantially ahead of the Group's cost of capital.

DCC has generated a total shareholder return of 266.2% in the last five years and 452.9% over the last ten years as demonstrated in the charts below.

DCC's TSR Vs. the FTSE 350 since 1 April 2009



DCC's TSR Vs. the FTSE 350 since 1 April 2004



The charts above show the growth of a hypothetical €100 holding in DCC plc shares since 1 April 2009 and 1 April 2004 respectively, relative to the FTSE 350 index.

Bonuses

The bonuses earned by the executive Directors in respect of the year ended 31 March 2014 are set out at page 103 and they primarily reflect the growth of 11.7% in Group adjusted earnings per share in the year and achievement of a range of developmental and personal objectives.

Vesting of Long Term Incentives

In December 2013, the Remuneration Committee determined that 42.4% of the share options granted in August 2010 under the DCC plc Long Term Incentive Plan 2009 ('LTIP') had vested, based on performance under the TSR and EPS conditions (this compares to the estimated vesting of 50% included in last year's Report). Further details on this vesting are set out on page 104.

The extent of vesting of the share options granted in November 2011 will be determined by the Remuneration Committee in December 2014. It is currently estimated that 59.3% of the share options granted will vest.

Further details in relation to the LTIP are set out on page 93. Awards made to executive Directors under the LTIP in November 2013 are set out on page 106.

Remuneration Review

Over the past year, the Committee has carried out a detailed review of the remuneration structures in place in DCC, with particular reference to the existing LTIP.

The principal objectives of the LTIP are to support the continued delivery of long term sustainable value to shareholders and to attract, retain and motivate key individual executives by rewarding them in a fair and balanced way for the successful implementation of strategy. Our review involved consideration of two key matters:

- the effectiveness of the LTIP, as at present structured, in meeting its objectives and specifically whether the growth in shareholder value achieved was being properly reflected in the reward to executives; and
- a comparison of our remuneration structures and outcomes, in particular our LTIP and short term incentive plans, with market practice.

Remuneration Report (continued)

The principal changes proposed to the LTIP relate to the quantum of awards, the performance conditions, the vesting period and threshold vesting levels.

A letter setting out the background to and details of the proposed changes to the LTIP was sent, on behalf of the Committee, to the Company's major shareholders (representing over 33% of the issued share capital), to the Association of British Insurers and to various proxy voting agencies. The Chairman of the Board, Michael Buckley, and I subsequently engaged with these shareholders and with a number of the organisations to hear their views on the proposed changes. This engagement was constructive and helpful to the Committee. The feedback received from shareholders and the organisations was taken into account in formulating the final proposals, which are set out in detail on pages 98 to 100 and are subject to the approval of all shareholders at the 2014 Annual General Meeting.

Format of Report and Shareholder Votes
In last year's report, I commented on the introduction by the UK Department of Business, Innovation and Skills of draft reporting regulations for directors' remuneration and noted that we had incorporated a number of these draft regulations into our Remuneration Report, on the basis that they represented best practice. In October 2013, the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the 'UK Regulations') came into effect in the UK. While DCC, as an Irish incorporated company, is not subject to these regulatory requirements, we are conscious of the need for our reporting to reflect best practice, in particular given our listing on the London Stock Exchange, and have sought to substantially apply the UK Regulations to this report on a voluntary basis.

As DCC is voluntarily adopting the UK Regulations, the votes at the 2014 Annual General Meeting on the Remuneration Policy (pages 91 to 97) and on the Annual Report on Remuneration (pages 98 to 108) will be on an advisory rather than on a binding basis. While the votes will not be binding, they continue our practice of giving our shareholders a 'say on pay'. It is our intention to operate in line with the approved Policy. We welcome and will consider any shareholder feedback on our Remuneration Policy and Annual Report on Remuneration.

Conclusion
I am satisfied that the Committee has implemented the Group's existing remuneration policy in the year ended 31 March 2014 in a manner that properly reflects the performance of the Group in the year.

I believe that the changes proposed to the LTIP will better align our remuneration policy with the Group's strategic objectives and also reflect best practice. They take appropriate account of the views of the major shareholders consulted and I would recommend all shareholders to vote in favour of their adoption at the 2014 Annual General Meeting.

The responsibilities of the Remuneration Committee are summarised in the table below and are set out in full in its Terms of Reference, which are available on the DCC website www.dcc.ie under Investor Relations/Corporate Governance.

On behalf of the Remuneration Committee

Leslie Van de Walle
Chairman, Remuneration Committee
20 May 2014

Role and Responsibilities

- To determine and agree with the Board the policy for the remuneration of the Chief Executive, other executive Directors and certain Group senior executives (as determined by the Committee).
- To determine the remuneration packages of the Chairman, Chief Executive, other executive Directors and senior executives, including salary, bonuses, pension rights and compensation payments.
- To oversee remuneration structures for other Group and subsidiary senior management and to oversee any major changes in employee benefits structures throughout the Group.
- To nominate executives for inclusion in the Company's long term incentive schemes, to grant options or awards under these schemes, to determine whether the criteria for the vesting of options or awards have been met and to make any necessary amendments to the rules of these schemes.
- To ensure that contractual terms on termination or redundancy, and any payments made, are fair to the individual and the Company.
- To be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- To obtain reliable, up to date information about remuneration in other companies of comparable scale and complexity.
- To agree the policy for authorising claims for expenses from the Directors.

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 the UK legislation which requires UK companies to submit their remuneration policies to a binding shareholder vote. However, we are conscious of the need for our remuneration policies, practices and reporting to reflect best corporate governance practice and therefore it is intended to submit this Policy to an advisory, non-binding vote at the 2014 Annual General Meeting.

The Company intends to operate its remuneration arrangements in line with the Remuneration Policy, which will take effect from the date of the 2014 Annual General Meeting and is subject to the approval by shareholders of the proposed changes to the DCC plc Long Term Incentive Plan 2009 ('LTIP'), which are incorporated in the Remuneration Policy.

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 Group executives with those of shareholders, within the framework set out in the UK Corporate Governance Code. Central to this policy is the Group's belief in long-term, performance based incentivisation and the encouragement of share ownership.

The basic policy objective is to have overall remuneration reflect performance and contribution, while having basic pay rates and the short term element of incentive payments at the median of a market capitalisation comparator group.

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 contribution 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 has regard to 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 in determining remuneration packages.

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 good risk management. The typical elements of the remuneration package for executive Directors and other senior Group executives are base pay, 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 takes external advice from remuneration consultants on market practice to ensure that remuneration structures continue to support the key remuneration policy objectives.

The primary comparator group for benchmarking is a group of 60 FTSE companies, 30 of whom have market capitalisations just below DCC's and 30 of whom have market capitalisations just above DCC's ('the market capitalisation comparator group').

The Remuneration Committee also considers it useful to use a set of other comparators as secondary references to ensure rigorous and comprehensive benchmarking, being the FTSE 250 and a group of Irish listed industrial companies which can be taken to be broadly comparable to DCC.

Remuneration Report (continued)

Key elements of pay of executive Directors and other senior Group management under the proposed Policy are set out in the table below:

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 - Benchmarking, principally against the 'market capitalisation comparator group'. When setting pay policy, account is taken of movements in pay generally across the Group.	No prescribed maximum base salary or maximum annual increase. General intention that any increases will be in line with the general increase across the Group. Increases may be higher in certain circumstances such as changes in role and responsibility or significant changes in market practice.
Benefits		
To provide market competitive benefits.	Benefits include the use of a company car, life/disability cover, club subscriptions or cash equivalent.	No maximum level has been set as payments depend on individual Director circumstances.
Annual Bonus		
To reward the achievement of annual performance targets.	Bonus payments to executive Directors and other senior Group executives are based upon meeting pre-determined targets for a number of key measures, including Group earnings and divisional operating profit and overall contribution and attainment of personal objectives. The contribution and personal targets are focussed on areas such as delivery on strategy, organisational development, risk management and talent development/succession planning. The measures, their weighting and the targets are reviewed on an annual basis. The current measures for the executive Directors, and their weighting, are set out on page 101. The targets are considered commercially confidential and will not be disclosed on a prospective basis, but may be disclosed retrospectively. In regard to Mr. Breen, any actual bonus earned in excess of 100% of salary, once the appropriate tax and social security deductions have been made, will be invested in DCC shares which will be made available to him after three years, or on his employment terminating if earlier, together with accrued dividends. Bonus levels are determined by the Committee after the year end based on actual performance achieved. The Committee can apply appropriate discretion in specific circumstances in respect of determining the bonuses to be awarded. In particular, the Committee has the discretion to reduce bonuses in the event that a predetermined target return on capital employed is not achieved. A formal clawback policy is in place for the executive Directors and other senior Group, divisional and subsidiary management, under which bonuses are subject to clawback for a period of three years in the event of a material restatement of financial statements or other specified events. Further details on clawback policy are set out on page 95. The Committee has discretion in relation to bonus payments to joiners and leavers.	The maximum bonus potential, as a percentage of base salary, for the executive Directors is as follows: Executive Director — % of Base Salary Tommy Breen — 120% Donal Murphy — 100% Fergal O'Dwyer — 100% The maximum bonus potential, as a percentage of base salary, for other senior Group executives ranges between 40% and 60% of base salary.

Element and link to strategy	Operation	Maximum Opportunity
Long Term Incentive Plan ('LTIP') – reflects changes which are subject to approval by shareholders at the 2014 AGM		
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 options to acquire shares to Group employees, including executive Directors. The vesting period is normally 5 years from the date of grant, with the extent of vesting being determined over the first 3 years, based on the performance conditions set out below. 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. The extent of vesting for awards granted to participants will be determined by the Remuneration Committee, in its absolute discretion, based on the performance conditions set out below. **Return on Capital Employed ('ROCE'):** Up to 40% of an award will vest depending on ROCE achieved in excess of the Group's weighted average cost of capital ('WACC') over a three year period with the Remuneration Committee to set a range for threshold and maximum vesting at the time of each award in the light of development activity, including any significant corporate transactions, and three year plans for the Group. Percentage excess over WACC — % of total award vesting Below % set as threshold — 0% At % set as threshold — 10% Between % set as threshold and % set as maximum — 10%-40% pro rata Above % set as maximum — 40% The range set will be disclosed in the Annual Report on Remuneration. The calculation of ROCE will be consistent with the Group financial statements. **Earnings per Share ('EPS'):** Up to 40% of an award will vest depending on EPS growth over a three year period starting on 1 April in the year in which the award is granted compared with the change in the UK Retail Price Index (RPI) as follows: Annualised EPS growth in excess of annualised change in RPI — % of total award vesting Less than 3% — 0% At 3% — 10% 3% - specified maximum % — 10%-40% pro rata Above specified maximum % — 40% The intention is that the specified maximum percentage (level of excess over RPI) will be set at the time of each award in the light of development activity, including any significant corporate transactions, and three year plans for the Group and prevailing business and economic circumstances. The range set will be disclosed in the Annual Report on Remuneration.	The market value of the shares subject to the options granted in any period of 12 months may not, at the date of the grant, exceed 200% of base pay.

Remuneration Report (continued)

Element and link to strategy	Operation	Maximum Opportunity
Long Term Incentive Plan ('LTIP') – reflects changes which are subject to approval by shareholders at the 2014 AGM (continued)		
	Total Shareholder Return ('TSR'): Up to 20% of an award will vest depending on TSR performance over a three year period, starting on 1 April in the year in which the award is granted, compared with the FTSE 350 Index ('the Index'). TSR — % of total award vesting Below the Index — 0% At the Index — 5% Between the Index and 8% p.a. out-performance — 5%-20% pro rata Above 8% p.a. out-performance of the Index — 20% 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. In the case of participants other than the executive Directors, the Remuneration Committee will have discretion to utilise additional specific divisional ROCE and profit growth performance conditions, provided that they remain no less challenging and are aligned with the interests of the Company's shareholders. These additional conditions will not account for more than 20% of vesting, with a corresponding reduction in the percentage of vesting dependent on the ROCE performance condition. 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 95.	
Pension		
To reward sustained contribution	A small number of senior Group executives, including the executive Directors, are participants in a defined benefit pension scheme. Other senior Group executives participate in a defined contribution pension scheme. The pension scheme gives the Company full discretion to pay appropriate pension levels and the Company reviews market and benchmarking data for pension contributions for each employee group.	Defined benefit pensions are provided through an Irish Revenue approved retirement benefit scheme, up to pension caps, as introduced by the Irish Finance Act 2006 and amended by subsequent Acts (see page 101). All of the executives affected have elected to cease accruing pension benefits at the cap and to receive a taxable non-pensionable cash allowance in lieu of pension benefits foregone. All cash allowances have been calculated based on independent actuarial advice, approved by the Remuneration Committee, as the equivalent of the reduction in liability of the Company arising from the pension benefits foregone. The Company contributes to a defined contribution pension scheme for other senior Group executives at rates reflecting their seniority and experience. The contribution levels also reflect market benchmarking data. Pensionable salary is calculated as 105% of base salary and does not include any performance related bonuses or benefits.

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 made to executives may be subject to clawback for a period of 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 changes proposed to the LTIP, as summarised in the table on pages 98 to 100 include the giving of discretion to the Remuneration Committee to reduce or impose further conditions on awards prior to vesting in the 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, if it considers this to be in the best interests of the Company and the shareholders. The Remuneration Committee will generally set a remuneration package which is in accordance with the terms of the approved Remuneration Policy in force at the time of the appointment, though the Committee may make payments outside of the Policy if required in the particular circumstances and if in the best interests of the Company and the shareholders. Any such payments which relate 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.

Other than in such buyout situations, it is the Company's policy not to offer any additional bonuses or awards on recruitment.

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 approximately 10,200 people in 13 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

Although the Remuneration Committee does not consult with employees on the Directors Remuneration Policy, it does consider remuneration arrangements and trends across the broader employee population when determining the Policy.

Consultation with Shareholders

The Committee engages in dialogue with major shareholders on remuneration matters, particularly in relation to planned significant changes in policy. The Committee also takes into account the views of shareholder organisations and proxy voting agencies.

As set out in the Chairman's Introduction on page 89, during the year the Remuneration Committee undertook a detailed consultation process in regard to the proposed changes to the LTIP.

The Committee acknowledges that shareholders have a right to have a 'say on pay' by putting the Remuneration Policy and the Annual Report on Remuneration to two separate advisory votes at the 2014 Annual General Meeting, building on our practice each year (since 2009) of putting the Remuneration Report to a shareholder advisory vote.

The table below shows the voting outcome at the 2013 AGM in relation to the 2013 Directors' Remuneration Report.

Vote	Total votes cast	Total votes for	Total votes against	Total abstentions
Advisory vote on 2013 Remuneration Report	61,124,138	60,291,185 (98.64%)	832,953 (1.36%)	42,110

Remuneration Report (continued)

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 excluding benefits for the relevant notice period. For the Chief Executive the notice period is 12 months and for the other executive Directors the notice period is 3 months. In all cases, the notice period applies to both the Company and the executive.

Annual Bonus

The Remuneration Committee can apply appropriate discretion in respect of determining the bonuses to be awarded based on actual performance achieved and the period of employment during the financial year.

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 date but in no event may the share award or option be exercised later than the expiry date as specified in the award certificate.

In general, a share award or option that has not vested on the participant's cessation date immediately lapses.

The Committee would normally exercise its discretion when dealing with a participant who ceases to be an employee by reason 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.

In the event that a participant ceases to be an employee by reason of a 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 benefit pension scheme, of which the executive Directors are members, contain detailed provisions in respect of termination of employment.

Service Contracts

With the exception of Tommy Breen, Chief Executive, who has a service agreement with a notice period of twelve months, none of the other Directors has a service contract with the Company or with any member of the Group. Mr. Breen's service contract provides that either he or the Company can terminate his employment by giving 12 months' notice in writing. The Company may, at its sole discretion, require that Mr. Breen, instead of working out the period of notice, cease employment immediately 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 contract does not include any provisions for compensation for loss of office, other than the notice period provisions set out above.

Mr. O'Dwyer and Mr. Murphy have letters of appointment which provide for 3 months' notice periods.

Share Ownership Guidelines

DCC's remuneration policy has at its core recognition that the spirit of ownership and entrepreneurship is essential to the creation of long term high performance and that share ownership is important in aligning the interests of executive Directors and other senior Group executives with those of shareholders.

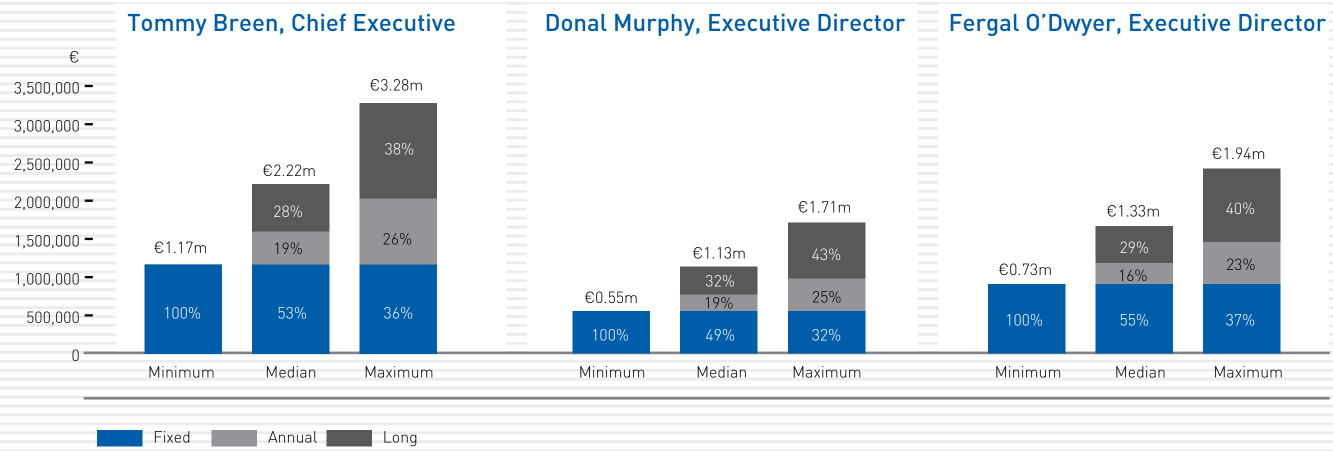
A set of share ownership guidelines is in place, effective from 1 April 2011, under which the Chief Executive, other executive Directors and other senior Group executives are encouraged to build, over a five year period, a shareholding in the Company with a valuation relative to base salary as follows:

Executive	Share ownership guideline
Chief Executive	3 times annual base salary
Other executive Directors	2 times annual base salary
Senior Group executives	1 times annual base salary

The position of the executive Directors and senior Group executives under the Share Ownership Guidelines is reviewed annually by the Remuneration Committee. The position of the executive Directors as at 31 March 2014 is set out in the Annual Report on Remuneration on page 107.

Scenarios Charts

The current value and composition of the executive Directors' remuneration packages at minimum, median and maximum performance are set out in the charts below. As all of 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.



Notes:
1. Fixed = base salary, benefits and pension
2. Annual = bonus
3. Long = maximum value of options that can be granted under the DCC plc Long Term Incentive Plan 2009 (175% of base salary for the year to 31 March 2015).
4. Total pay for minimum performance comprises base salary, benefits and pension (fixed).
5. Total pay for median performance comprises base salary, benefits and pension (fixed), 50% of maximum bonus potential (annual) and 50% of maximum LTIP value (long).
6. Total pay for maximum performance comprises base salary, benefits and pension (fixed), 100% of maximum bonus potential (annual) and 100% of maximum LTIP value (long).
7. In calculating any value that may be delivered in shares, no account has been taken of any potential increase or decrease in share price.

Policy for non-executive Directors

Element and link to strategy	Operation	Maximum Opportunity
Fees		
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 members and the Chairmen of Board Committees, to the Chairman and to the Deputy Chairman/Senior Independent Director.	The remuneration of the Chairman is determined by the Remuneration Committee for approval by the Board. The Chairman absents himself from the Committee meeting while this matter is being considered. The remuneration of the other non-executive Directors is determined by the Chairman and the Chief Executive for approval by the Board. The fees are reviewed annually, taking account of any changes in responsibilities and benchmarking advice from external remuneration consultants on 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 chairman fees). The current limit of €575,000 was set at the 2010 Annual General Meeting. It is proposed to seek the approval of shareholders, at the 2014 Annual General Meeting, for an increase in the limit to €650,000. Non-executives Directors do not participate in the Company's LTIP and do not receive any pension benefits from the Company. An office is provided for the use of the Chairman.

Non-executive Directors Letters of Appointment

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 Annual General Meeting of the Company.

Remuneration Report (continued)

Annual Report on Remuneration

This section of the Remuneration Report sets out how the Group's Remuneration Policy, as described on pages 91 to 97, will operate in the year to 31 March 2015, gives details of remuneration outcomes for the year ended 31 March 2014 and explains how the Remuneration Committee works.

Operation of Remuneration Policy in the year to 31 March 2015

Long Term Incentives

As set out in the Chairman's introduction on page 89, over the past year the Committee has carried out a detailed review of the remuneration structures in place in DCC, with particular reference to the existing long term incentive plan, the DCC plc Long Term Incentive Plan 2009 ('LTIP'). Arising from the review, the Committee has concluded that there is a need to make changes to the LTIP to ensure that it:

- meets its stated objectives;
- better reflects DCC's strategic objectives, in particular return on capital employed;
- better balances our remuneration towards the long term and so ensures the alignment of executives' interests with those of our shareholders;
- aligns our reward levels with market practice, to ensure the attraction and retention of key individuals; and
- reflects best practice in delivering pay for performance, with particular regard to the extension of the vesting period and the introduction of clawback.

The proposed changes to the LTIP are set out in the table below:

Rationale for change	Current LTIP	Proposed Changes to LTIP
Quantum: To align award levels with the market capitalisation comparator group and to better balance our remuneration towards the long term.	***Maximum Award Level*** Maximum level of award of 120% of base pay.	***Maximum Award Level*** Increase in the level of maximum award to 200% of base pay. The Remuneration Committee's current intention is that the maximum level for awards made during the year to 31 March 2015 will be 175% of base pay.
Performance Conditions: To align LTIP more closely with strategic objectives.	***Performance Conditions Weighted*** 60% Relative TSR 40% EPS.	***Performance Conditions Weighted*** 40% ROCE 40% EPS 20% Relative TSR.
ROCE: To align the LTIP more closely with strategic objectives.	***ROCE*** Not a performance condition in the current LTIP.	***ROCE*** Adoption of ROCE as a performance condition. It is proposed that threshold and maximum vesting would be determined on the basis of ROCE targets achieved well in excess of the Group's weighted average cost of capital ('WACC'), with the Remuneration Committee to set a range for threshold and maximum vesting at the time of each award in the light of development activity, including any significant corporate transactions, and three year plans for the Group. The Remuneration Committee has set a ROCE range for threshold and maximum vesting of 13%-17% for awards made during the year to 31 March 2015. Calculation of ROCE will be consistent with the Group financial statements.

Rationale for change	Current LTIP	Proposed Changes to LTIP
TSR: To measure relative performance against a more suitable comparator group.	***Relative TSR*** Vesting measured against a subset of the FTSE 250 (excluding financial companies). Median vesting at median of comparator group and maximum vesting at upper quartile.	***Relative TSR*** To be measured against the FTSE 350 Index. Threshold vesting at the Index and maximum vesting at the Index plus 8% per annum compound growth.
EPS: To align with operations of the Group and therefore reflect UK inflationary measures – namely RPI.	***EPS*** Median vesting at EPS growth equal to Irish CPI plus 3% per annum compound and maximum vesting at EPS growth equal to Irish CPI plus 7% per annum compound.	***EPS*** Threshold vesting at EPS growth equal to UK RPI plus 3% per annum compound and maximum vesting at EPS growth equal to UK RPI plus a specified percentage per annum compound. It is proposed that the specified percentage for maximum vesting will be set at the time of each award in the light of development activity, including any significant corporate transactions, and three year plans for the Group and prevailing business and economic circumstances. The Remuneration Committee has set EPS growth equal to UK RPI plus 7% per annum compound for maximum vesting of awards made during the year to 31 March 2015.
Threshold Vesting: To reflect current best practice.	40% vesting at median.	Reduce to 25% vesting at threshold.
Vesting Period: To reflect developments in investor views on share retention.	***Performance Period*** 3 years. ***Vesting Period*** Equivalent to the Performance Period. *Leaving Employment* In general, a share award or option that has not vested on the participant's cessation date immediately lapses. The Committee would normally exercise its discretion when dealing with a participant who ceases to be an employee by reason 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.	***Performance Period*** Remains at 3 years. ***Vesting Period*** Vesting Period is lengthened to 5 years, 2 years after the end of the Performance Period. *Leaving Employment* A similar provision will apply to a cessation of employment during the full 5 year Vesting Period. A similar provision will apply to those certain exceptional circumstances during the full 5 year Vesting Period.

Remuneration Report (continued)

Rationale for change	Current LTIP	Proposed Changes to LTIP
Flexibility: To ensure the LTIP best supports shareholder value and operates on the basis of demanding targets.	***Flexibility*** The performance conditions may be changed and the requirements of the performance conditions may be modified by the Remuneration Committee after discussions with the Irish Association of Investment Managers.	***Flexibility*** The calibration ranges for the ROCE and the EPS performance conditions will be reviewed each year by the Remuneration Committee to ensure appropriate levels of stretch and incentivisation. 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.
In addition, the LTIP should aid succession planning in enabling the Company to operate a certain level of flexibility and ensure that participants have appropriate line of sight to their strategic and business goals.	***Flexibility on Performance Conditions below Board level*** Not currently used.	***Flexibility on Performance Conditions below Board level*** It is proposed that, for participants below Board level, the Remuneration Committee will have discretion to introduce additional specific divisional ROCE and profit growth performance conditions, provided that they remain no less challenging and are aligned with the interests of the Company's shareholders. These additional conditions will not account for more than 20% of vesting, with a corresponding reduction in the percentage of vesting dependent on the ROCE performance condition.
Clawback: A formal clawback policy is in place in respect of short term incentives and it is intended to apply a similar policy to the LTIP to ensure alignment with delivering shareholder value.	There are no claw back or malus type arrangements in the current LTIP.	Clawback arrangements will be introduced into the LTIP to allow the Remuneration Committee reduce or impose further conditions on awards prior to vesting in the event of material misstatement of financial statements or other specified events.
Rules: The LTIP rules should reflect practice in the country of listing.	Reflect Irish practice.	The LTIP rules will be amended to reflect UK practice.

Salary

The salaries of the executive Directors for the year to 31 March 2015, together with comparative figures, are as follows:

Executive Director	Salary Year to March 2015	Salary Year ended March 2014
Tommy Breen	€715,000	€700,000
Donal Murphy	€420,000	€410,000
Fergal O'Dwyer	€440,000	€430,000

This is the first increase in Mr. Breen's salary since June 2008, when he became Chief Executive. The increases for the executive Directors over recent years are shown in the table below.

	% Increase in Year				
Executive Director	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011
Tommy Breen	2.1%	0.0%	0.0%	0.0%	0.0%
Donal Murphy	2.4%	2.5%	0.0%	0.0%	7.0%
Fergal O'Dwyer	2.3%	7.5%	0.0%	0.0%	7.0%

The increase in Mr. O'Dwyer's salary in 2013/2014 followed a benchmarking exercise which showed his salary was positioned towards the lower quartile of the primary comparator group.

The salaries of other senior Group executives have been increased during 2014/2015 by approximately 3.0% overall, with individual increases reflecting development in roles and responsibilities.

Bonus

The maximum bonus potential for the executive Directors for the year to 31 March 2015 is set out in the table below:

Executive Director	Maximum bonus potential
Tommy Breen	120% of salary
Donal Murphy	100% of salary
Fergal O'Dwyer	100% of salary

The Committee has set performance targets for the year which will determine the extent of payment of bonuses to the executive Directors, as follows:

Executive Director	Performance Targets
Tommy Breen	70% based on growth in Group adjusted earnings per share and 30% based on overall contribution and attainment of personal objectives.
Donal Murphy	20% based on growth in Group adjusted earnings per share, 40% based on growth in DCC Energy operating profit and 40% based on overall contribution and attainment of personal objectives.
Fergal O'Dwyer	70% based on growth in Group adjusted earnings per share and 30% based on overall contribution and attainment of personal objectives.

Bonuses for other senior Group executives are based upon meeting pre-determined targets which relate to Group earnings, divisional operating profit and overall contribution and attainment of personal objectives.

Growth in Group adjusted earnings per share and in divisional operating profit is measured against pre-determined ranges, with zero payment below threshold up to full payment at the maximum of the range. The Committee considers that information on the ranges is commercially confidential and therefore it is not being disclosed on a prospective basis but, to the extent no longer commercially confidential, will be disclosed retrospectively.

Benefits

No changes are proposed to the benefits payable to the executive Directors for the year to 31 March 2015. Benefits include the use of a company car, life/disability cover, club subscriptions or cash equivalent.

Retirement Benefits

No changes are proposed to retirement benefits payable to the executive Directors for the year to 31 March 2015. As noted on page 94, a small number of senior Group executives, including the executive Directors, are participants in a defined benefit pension scheme.

The Irish Finance Act 2006 established a cap on pension assets by introducing a penalty tax charge on pension assets in excess of the higher of €5 million or the value of individual accrued pension entitlements as at 7 December 2005. The Irish Finance Act 2011 reduced these thresholds to the higher of €2.3 million or the value of individual accrued pension entitlements as at 7 December 2010. As a result of this change the Remuneration Committee decided that the executive Directors and the other senior Group executives, who are members of the defined benefit scheme, would have the option of continuing to accrue pension benefits as previously or to cap their benefits in line with the 2011 limits. All of the executive Directors elected to cap their benefits and receive a taxable non-pensionable cash allowance in lieu of pension benefits foregone.

Other senior Group executives participate in a defined contribution pension scheme.

Remuneration Report (continued)

Remuneration outcomes for the year ended 31 March 2014

Executive and non-executive Directors' remuneration details
The table below sets out the details of the remuneration payable in respect of Directors who held office for any part of the financial year:

	Salary and Fees		Bonus		Benefits		Retirement Benefit Expense		LTIP[1]		Audited Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	€'000	€'000	**€'000**	€'000	**€'000**	€'000	**€'000**	€'000	**€'000**	€'000	**€'000**	€'000
Executive Directors												
Tommy Breen	**700**	700	**765**	700	**85**	84	**365**	338	**1,123**	575	**3,038**	2,397
Donal Murphy	**410**	400	**362**	400	**32**	32	**102**	96	**535**	275	**1,441**	1,203
Fergal O'Dwyer	**430**	400	**406**	300	**33**	32	**254**	232	**535**	275	**1,658**	1,239
Total for executive Directors	**1,540**	1,500	**1,533**	1,400	**150**	148	**721**	666	**2,193**	1,125	**6,137**	4,839
Non-executive Directors												
Michael Buckley	**190**	190	**-**	-	**-**	-	**-**	-	**-**	-	**190**	190
Róisín Brennan	**68**	68	**-**	-	**-**	-	**-**	-	**-**	-	**68**	68
David Byrne	**103**	103	**-**	-	**-**	-	**-**	-	**-**	-	**103**	103
Pamela Kirby[2]	**35**	-	**-**	-	**-**	-	**-**	-	**-**	-	**35**	-
Jane Lodge	**80**	39	**-**	-	**-**	-	**-**	-	**-**	-	**80**	39
Kevin Melia	**68**	68	**-**	-	**-**	-	**-**	-	**-**	-	**68**	68
John Moloney	**68**	68	**-**	-	**-**	-	**-**	-	**-**	-	**68**	68
Bernard Somers[3]	**-**	53	**-**	-	**-**	-	**-**	-	**-**	-	**-**	53
Leslie Van de Walle	**84**	81	**-**	-	**-**	-	**-**	-	**-**	-	**84**	81
Total for non-executive Directors	**696**	670	**-**	-	**-**	-	**-**	-	**-**	-	**696**	670
Ex gratia pension to dependant of retired Director											**10**	10
Payment to former Director for services in respect of a successful legal claim in favour of the DCC Group[4]											**-**	192
Total											**6,843**	5,711

Notes:
1. The basis of the calculation of these LTIP values is set out under Long Term Incentive Plan on page 104.
2. Pamela Kirby was appointed as a Director on 3 September 2013.
3. Bernard Somers retired on 5 November 2012.
4. In the year to March 2013, a payment was made to a former Director, who retired in 2004, for services provided over a number of years post retirement, in respect of a successful Taiwanese legal claim in favour of the DCC Group.

Fees

Fees are payable only to non-executive Directors and include Board Committee fees.

Salaries

The salaries of the Executive Directors for the year ended 31 March 2014 represented increases over the prior year as shown in the table below:

Executive Director	Salary	% increase
Tommy Breen	€700,000	0.0%
Donal Murphy	€410,000	2.5%
Fergal O'Dwyer	€430,000	7.5%

The salaries of other senior Group executives increased by 3.7% overall during the year, with individual increases reflecting development in roles and responsibilities.

Determination of Bonuses for the year ended 31 March 2014

The growth in Group adjusted earnings per share in the year ended 31 March 2014 of 11.7% was at the 92nd percentile of the range set by the Remuneration Committee at the beginning of the year for that part of bonuses relating to Group adjusted earnings per share.

The Remuneration Committee noted that operating profit growth of 4.0% was achieved in DCC Energy against a backdrop of very mild weather during the winter months of December 2013 to February 2014 and reflected the successful integration of acquisitions completed in prior years and cost efficiency initiatives. It also noted that significant progress had been made in regard to the strategic objectives for the division. Consequently the Committee exercised appropriate discretion in determining an award to Mr. Murphy of 30% (out of a maximum potential of 40%) in respect of this component of his bonus potential.

The Committee concluded that there had been very strong achievement of the targets set in respect of overall contribution and attainment of personal objectives, in particular with regard to delivery on strategy and organisational development.

The resultant bonus payout levels for the year ended 31 March 2014 were as follows:

	Tommy Breen		Donal Murphy		Fergal O'Dwyer	
	% of Salary		% of Salary		% of Salary	
Component	Max %	Payout %	Max %	Payout %	Max %	Payout %
Group EPS	84.0	77.3	20.0	18.4	70.0	64.4
DCC Energy Operating Profit	-	-	40.0	30.0	-	-
Contribution / Personal	36.0	32.0	40.0	40.0	30.0	30.0
	120.0	109.3	100.0	88.4	100.0	94.4

In regard to Mr. Breen, the bonus earned in excess of 100% of salary, once the appropriate tax and social security deductions have been made, will be invested in DCC shares which will be made available to him after three years, or on his employment terminating if earlier, together with accrued dividends.

Retirement Benefit Expense

As outlined on page 101, the executive Directors have elected to cease accruing pension benefits at the pension cap and to receive a taxable, non-pensionable cash allowance in lieu of pension benefits foregone. All cash allowances have been calculated based on independent actuarial advice approved by the Remuneration Committee as the equivalent of the reduction in liability of the Company arising from the pension benefits foregone. Retirement Benefits Expense comprises an amount of €365,000 for Tommy Breen, being a cash allowance of €545,000 less the value of a reversal of previously funded benefits of €180,000, a cash allowance of €102,000 for Donal Murphy and a cash allowance of €254,000 for Fergal O'Dwyer.

Executive Directors' Defined Benefit Pensions

The table below sets out the change in the accrued pension benefits to which executive Directors have become entitled during the year ended 31 March 2014 and the transfer value of the change in accrued benefit, under the Company's defined benefit pension scheme:

	Change in accrued pension benefit (excl inflation) during the year[1] €'000	Transfer value equivalent to the change in accrued pension benefit[1] €'000	Total accrued pension benefit at year end[2] €'000
Executive Directors			
Tommy Breen	(10)	(180)	318
Donal Murphy	0	0	115
Fergal O'Dwyer	0	0	162
Total	(10)	(180)	595

Notes:

1. The pensions of the executive Directors have been capped in line with the provisions of the Irish Finance Acts as detailed on page 101.
2. Figures represent the total accrued pension payable from normal retirement date, based on pensionable service at 31 March 2014.

Remuneration Report (continued)

Long Term Incentive Plan

The LTIP awards granted in November 2010 vested in December 2013 based on TSR performance and EPS performance over the three year period ended 31 March 2013 (these being the performance conditions of the LTIP prior to the proposed changes outlined on pages 98 to 100).

An analysis was conducted by Towers Watson to measure the level of DCC's TSR performance relative to the FTSE 250 peer group over a 36 month period to 31 March 2013. The Group's TSR performance gave rise to a vesting of 27.4% of the total award.

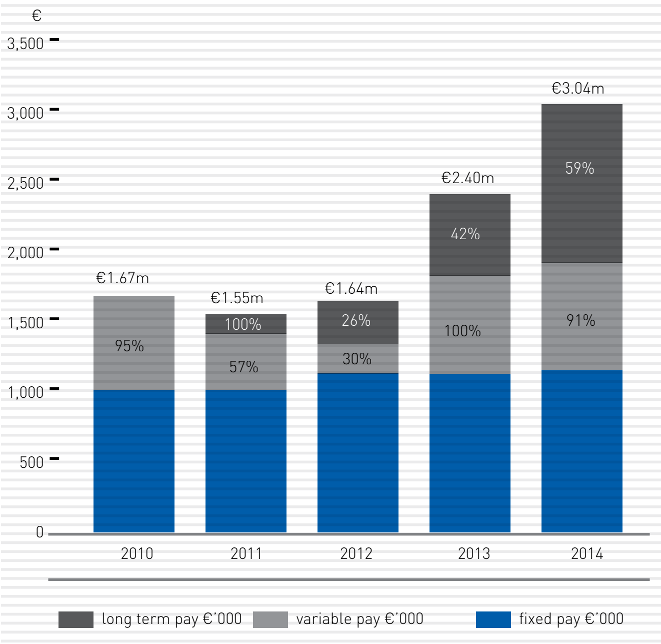
DCC's adjusted EPS increased by 4.9% annualised over the three year period. CPI increased by an annualised 1.9% over the same period. Based on the excess of 3% annualised, this gave rise to a vesting of 15% of the total award.

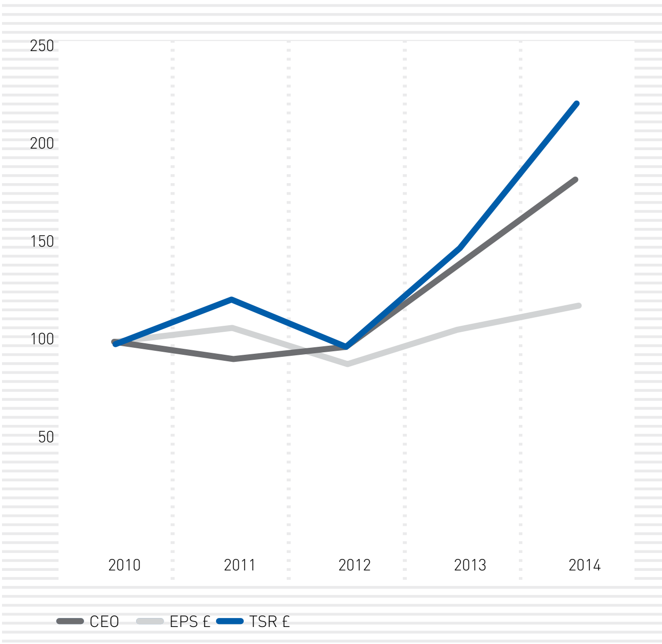
Consequently, the Remuneration Committee determined that 42.4% of the 2010 awards had vested. The value of the LTIP for the year ended 31 March 2013 is based on the number of options which vested in December 2013 and the share price at the date of vesting of €34.31 (£28.68). (These final values for 2013 differ from those shown in the 2013 Annual Report which were based upon estimated vesting of 50% and the share price as at 31 March 2013).

The LTIP awards granted in November 2011 will vest in November 2014 based on TSR performance and EPS performance over the three year period ended 31 March 2014. The Group's TSR performance is expected to give rise to a vesting of 43.8% of the total award. The EPS performance condition is expected to give rise to a vesting of 15.6% of the total award. Consequently, 59.4% of the 2011 awards are expected to vest. The value of the LTIP for the year ended 31 March 2014 is estimated using the number of options expected to vest in November 2014 and the share price at 31 March 2014 of €39.36 (£32.60).

Chief Executive's Remuneration

The charts below show the total remuneration for the Chief Executive for the five years from 1 April 2009 to 31 March 2014 and map the total remuneration against the five year trend in EPS and TSR, using a base of 100 for 2010 for comparator purposes.

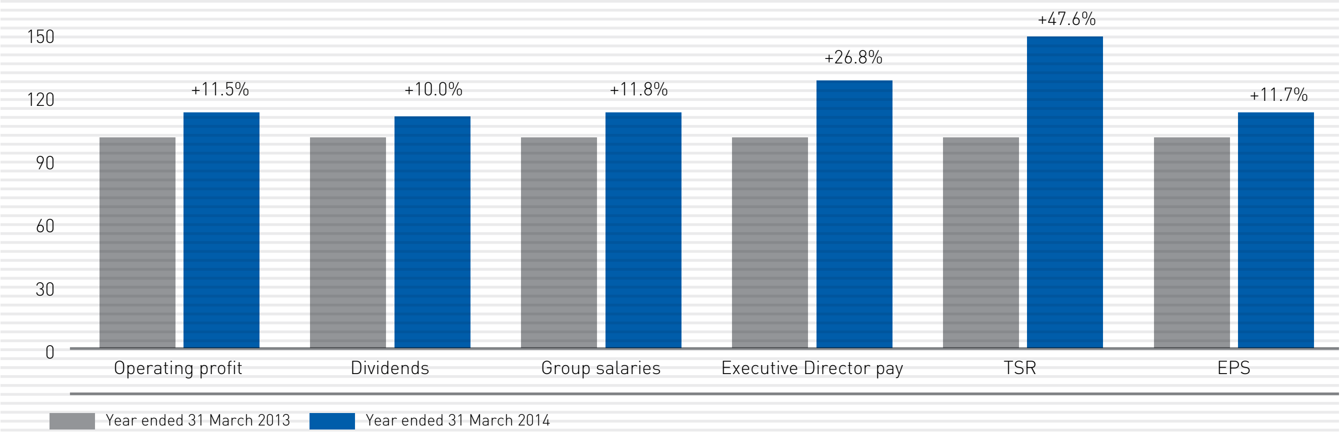




Notes:
1. Total remuneration paid to the Chief Executive for the years 2010 to 2014 inclusive. Further details in relation to remuneration paid in 2014 and 2013 is set out on page 102.
2. Fixed pay comprises salary, benefits and retirement benefits expense.
3. Variable pay comprises the annual bonus; the percentage shown is the value of the bonus paid as a percentage of the maximum opportunity.
4. Long term pay comprises the value of awards under the DCC plc 1998 Employee Share Option Scheme (for 2010 and 2011) and the DCC plc Long Term Incentive Plan 2009 (for 2012 to 2014); the percentage shown is the value of the awards vested as a percentage of the maximum opportunity (actual vesting for 2010 to 2013 and estimated vesting for 2014).

Key Performance Indicator Chart

The chart below shows the change in executive Director pay and key performance indicators for the year ended 31 March 2014 versus the prior year. A base of 100 is used for the prior year, for comparator purposes.



Non-executive Directors' Remuneration

The basic non-executive Director fee amounts to €60,000 per annum and additional fees are paid to the members and the Chairmen of Board Committees, to the Chairman and to the Deputy Chairman/Senior Independent Director. There have been no increases in these fees since 1 April 2009 with the exception of the fee for the Chairman of the Remuneration Committee which increased from €5,000 to €7,500 with effect from 1 January 2012, in view of the significantly increased responsibilities which this role now entails.

The Chairman, Michael Buckley, received a total fee of €190,000 for the year ended 31 March 2014, inclusive of the basic fee and committee fees. This fee is unchanged since 1 April 2010, when it was reduced from the previous level of €225,000.

The Deputy Chairman and Senior Independent Director, David Byrne, received a total fee of €103,000, again inclusive of the basic fee and committee fees. This fee is unchanged since 1 April 2009.

Executive and Non-executive Directors' and Company Secretary's Interests

The interests of the Directors and the Company Secretary (including their respective family interests) in the share capital of DCC plc at 31 March 2014 (together with their interests at 31 March 2013) are set out below:

	No. of Ordinary Shares At 31 March 2014	No. of Ordinary Shares At 31 March 2013*
Directors		
Michael Buckley	12,000	12,000
Tommy Breen	250,000	295,000
Róisín Brennan	-	-
David Byrne	1,200	1,200
Pamela Kirby**	2,500	-
Jane Lodge	3,000	-
Kevin Melia	1,250	1,250
John Moloney	2,000	2,000
Donal Murphy	85,413	85,413
Fergal O'Dwyer	240,389	264,389
Leslie Van de Walle	670	670
Company Secretary		
Gerard Whyte	144,400	144,400

* or date of appointment if later.
** Pamela Kirby was appointed on 3 September 2013.

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 share capital or loan stock of the Company or any other Group undertaking at 31 March 2014.

The shareholdings held by the executive Directors are substantially in excess of the share ownership guidelines in place, which are set out on page 107 of this report.

The Company's Register of Directors Interests (which is open to inspection) contains full details of Directors' shareholdings and share options.

Remuneration Report (continued)

Executive Directors' and Company Secretary's Long Term Incentives

DCC plc Long Term Incentive Plan 2009

Details of the executive Directors' and the Company Secretary's awards, in the form of nominal cost options, under the DCC plc Long Term Incentive Plan 2009 are set out in the table below:

	Number of options						
	At 31 March 2013	Granted in year	Lapsed in year	At 31 March 2014	Performance period	Earliest exercise date	Market price on award
Executive Directors							
Tommy Breen	13,887	-	-	13,887	1 April 2009 – 31 March 2012	20 August 2012	€15.63
	39,529	-	(22,769)	16,760	1 April 2010 – 31 March 2013	15 November 2013	€21.25
	48,000	-	-	48,000	1 April 2011 – 31 March 2014	15 November 2014	€17.50
	37,070	-	-	37,070	1 April 2012 – 31 March 2015	12 November 2015	€22.66
	-	24,706	-	24,706	1 April 2013 – 31 March 2016	12 November 2016	£28.54
	138,486	**24,706**	**(22,769)**	**140,423**			
Donal Murphy	5,456	-	-	5,456	1 April 2009 – 31 March 2012	20 August 2012	€15.63
	18,894	-	(10,883)	8,011	1 April 2010 – 31 March 2013	15 November 2013	€21.25
	22,857	-	-	22,857	1 April 2011 – 31 March 2014	15 November 2014	€17.50
	17,652	-	-	17,652	1 April 2012 – 31 March 2015	12 November 2015	€22.66
	-	12,059	-	12,059	1 April 2013 – 31 March 2016	12 November 2016	£28.54
	64,859	**12,059**	**(10,883)**	**66,035**			
Fergal O'Dwyer	6,034	-	-	6,034	1 April 2009 – 31 March 2012	20 August 2012	€15.63
	18,894	-	(10,883)	8,011	1 April 2010 – 31 March 2013	15 November 2013	€21.25
	22,857	-	-	22,857	1 April 2011 – 31 March 2014	15 November 2014	€17.50
	17,652	-	-	17,652	1 April 2012 – 31 March 2015	12 November 2015	€22.66
	-	12,647	-	12,647	1 April 2013 – 31 March 2016	12 November 2016	£28.54
	65,437	**12,647**	**(10,883)**	**67,201**			
Company Secretary							
Gerard Whyte	3,038	-	-	3,038	1 April 2009 – 31 March 2012	20 August 2012	€15.63
	8,647	-	(4,981)	3,666	1 April 2010 – 31 March 2013	15 November 2013	€21.25
	10,500	-	-	10,500	1 April 2011 – 31 March 2014	15 November 2014	€17.50
	8,109	-	-	8,109	1 April 2012 – 31 March 2015	12 November 2015	€22.66
	-	5,559	-	5,559	1 April 2013 – 31 March 2016	12 November 2016	£28.54
	30,294	**5,559**	**(4,981)**	**30,872**			

DCC plc 1998 Employee Share Option Scheme

Details as at 31 March 2014 of the executive Directors' and the Company Secretary's options to subscribe for shares under the DCC plc 1998 Employee Share Option Scheme are set out in the table below.

	Number of options						Options exercised in year	
	At 31 March 2013	Exercised in year	Lapsed in year	At 31 March 2014	Weighted average option price at 31 March 2014 €	Normal Exercise Period	Exercise price €	Market price at date of exercise €
Executive Directors								
Tommy Breen								
Basic Tier	100,000	-	-	100,000	€19.20	Nov 2007 – May 2018	-	-
Second Tier	0	-	-	0	-	-	-	-
Donal Murphy								
Basic Tier	45,000	-	-	45,000	€18.23	Nov 2007 – May 2018	-	-
Second Tier	0	-	-	0	-	-	-	-
Fergal O'Dwyer								
Basic Tier	72,500	-	-	72,500	€18.52	Nov 2007 – May 2018	-	-
Second Tier	0	-	-	0	-	-	-	-
Company Secretary								
Gerard Whyte								
Basic Tier	45,000	-	-	45,000	€17.94	Nov 2007 – May 2018	-	-
Second Tier	0	-	-	0	-	-	-	-

Notes:
Executive Directors and other senior executives participated in the DCC plc 1998 Employee Share Option Scheme. The ten year period during which share options could be granted under this Scheme expired in June 2008. Over the life of the Scheme, the total number of basic and second tier options granted, net of options lapsed, amounted to 7.1% of issued share capital, of which 1.2% is currently outstanding. Basic tier options may not normally be exercised earlier than three years from the date of grant and second tier options not earlier than five years from the date of grant. Basic tier options may normally be exercised only if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 2%, compound, per annum over a period of at least three years following the date of grant. Second tier options may normally be exercised only if the growth in the adjusted earnings per share over a period of at least five years is such as would place the Company in the top quartile of companies on the ISEQ index in terms of comparison of growth in adjusted earnings per share and if there has been growth in the adjusted earnings per share of the Company equivalent to the increase in the Consumer Price Index plus 10%, compound, per annum in that period.

The market price of DCC shares on 31 March 2014 was £32.60 and the range during the year was £22.45 to £32.89.

Additional information in relation to the DCC plc Long Term Incentive Plan 2009 and the DCC plc 1998 Employee Share Option Scheme appears in note 10 on pages 149 to 152.

Share Ownership Guidelines

The shareholdings held by the executive Directors as at 31 March 2014, as shown below, are substantially in excess of the guidelines set out on page 96.

Executive	Number of shares held as at 31 March 2014	Shareholding as a multiple of base salary for the year ended 31 March 2014	Share ownership guideline
Tommy Breen	250,000	14.3	3.0
Donal Murphy	85,413	8.3	2.0
Fergal O'Dwyer	240,389	22.3	2.0

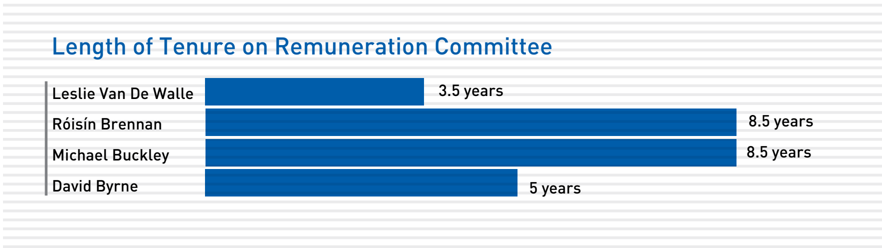
The shareholdings in the table comprise only the shares held by the executive Directors. Unvested and unexercised share options are not included. The shareholdings are calculated based on the share price at 31 March 2014 of £32.60 (€39.96).

Remuneration Report (continued)

Governance

Composition

The Remuneration Committee comprises three independent non-executive Directors, Leslie Van de Walle (Chairman), Róisín Brennan and David Byrne, and the Chairman of the Board, Michael Buckley. Each member's length of tenure at 31 March 2014 is set out in the table opposite. Further biographical details regarding the members of the Remuneration Committee are set out on pages 78 to 79.



Meetings

The Committee met six times during the year ended 31 March 2014 and there was full attendance by all members of the Committee. The main agenda items included remuneration policy and the operation of the DCC plc Long Term Incentive Plan 2009, in particular consideration of the proposed changes outlined earlier in this Report, remuneration trends and market practice, the remuneration packages of the Chairman, the Chief Executive, the other executive Directors and certain senior Group executives, pension matters, grants of share options under the Company's LTIP and approval of this report.

The Chief Executive and the Head of Group Human Resources may be invited to attend meetings of the Committee, except when their own remuneration is being discussed. No Director is involved in consideration of his or her own remuneration. The Company Secretary acts as secretary to the Remuneration Committee.

Annual Evaluation of Performance

As detailed on page 83, the Board conducts an annual evaluation of its own performance and that of its Committees, Committee Chairmen and individual Directors. This process concluded that the performance of the Remuneration Committee and of the Chairman of the Remuneration Committee were satisfactory.

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 Annual General Meeting to answer questions on the report on the Committees' activities and matters within the scope of the Committee's responsibilities.

External Advice

The Remuneration Committee seeks independent advice when necessary from external consultants. Towers Watson acts as independent remuneration advisors to the Committee and during the year provided advice in relation to market trends, competitive positioning and developments in remuneration policy and practice. Towers Watson 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 level and nature of the service received, the Committee remains satisfied that the advice is indeed objective and independent.

In the year to 31 March 2014, Towers Watson received fees of €69,750 in respect of advice provided to the Committee in regard to executive Director remuneration. Towers Watson also provided services to the Group on benchmarking, incentive design, Directors Remuneration Report and in relation to the LTIP.

Mercer acts as pension advisors to the Committee and provides specific advice on pension practice and developments and act as actuaries and pension advisors to a number of companies in the Group.

Nomination and Governance Committee Report

The Nomination and Governance Committee comprises Michael Buckley (Chairman) and three independent non-executive Directors, Róisín Brennan, David Byrne and Leslie Van de Walle. Further biographical details regarding the members of the Nomination and Governance Committee are set out on pages 78 to 79.

Dear Shareholder,

As Chairman of DCC's Nomination and Governance Committee, I am pleased to present the report of the Committee for the year ended 31 March 2014 which has been prepared by the Committee and approved by the Board.

The Nomination and Governance Committee is responsible for keeping Board renewal, structure, size and composition under constant review, including the skills, knowledge and experience required, taking account of the Group's businesses, strategic direction and diversity objectives. The Committee also actively manages a transparent process for appointment of new Directors. The Committee uses the services of executive search firms to assist with the search for suitable candidates.

The Nomination and Governance Committee has overseen the development of an excellent balance of background and experience on our Board as vacancies have arisen in recent years. Notable in this context is the fact that, following the appointment of Dr. Pamela Kirby on 3 September 2013 as a new non-executive Director, women now represent 27% of the Board. Gender balance makes good business sense. The Committee will work assiduously with management in the coming years to increase diversity in our senior management cadre.

The Committee is also responsible for reviewing corporate governance developments and in particular has reviewed the changes to the UK Corporate Governance Code issued in September 2012 ('the Code'), which applied to DCC's financial year ended 31 March 2014.

The responsibilities of the Committee are summarised in the table below and are set out in full in its Terms of Reference, which are available on the DCC website www.dcc.ie under Investor Relations/ Corporate Governance.

On behalf of the Nomination and Governance Committee

Michael Buckley
Chairman, Nomination and Governance Committee
20 May 2014

Role and Responsibilities

Board Composition and Renewal

- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Before making a nomination, to evaluate the balance of skills, knowledge, independence and experience on the Board, and, in the light of this evaluation, to prepare a description of the role and capabilities required for a particular appointment.
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Succession planning for Directors, in particular the Chairman and the Chief Executive, and senior Group management.
- Keep under review the Board Diversity Policy and the setting of measurable objectives for implementing the Policy.

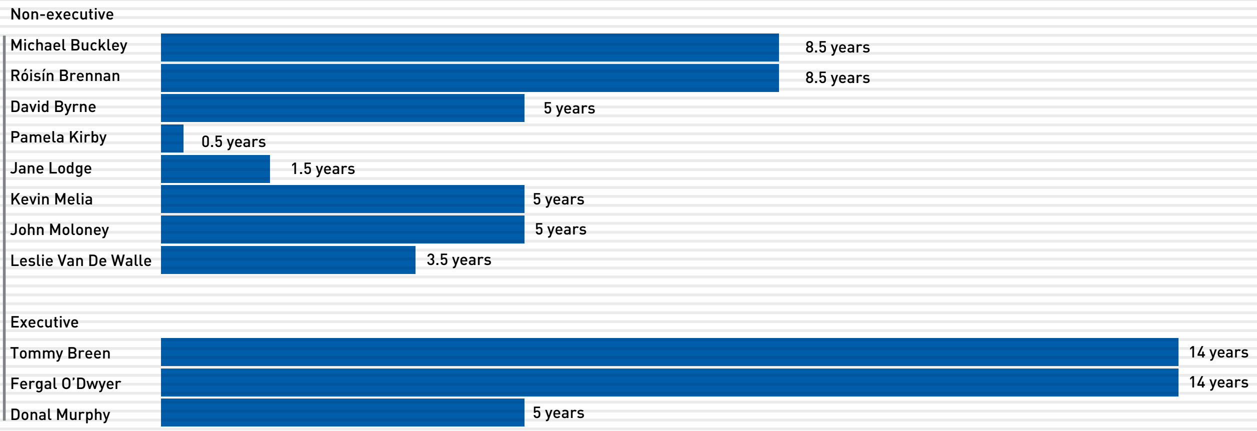
Corporate Governance

- Monitor the Company's compliance with corporate governance best practice and with applicable legal, regulatory and listing requirements (including but not limited to the Companies Acts, the UK Listing Authority's Listing Rules and the UK Corporate Governance Code) and to recommend to the Board such changes or additional action as the Committee deems necessary.
- Advise the Board of significant developments in the law and practice of corporate governance.
- Oversee the conduct of the annual evaluation of Board, Committee and individual Director performance.

Nomination and Governance Committee Report (continued)

The length of tenure of the Directors on the Board and on the Committees of the Board is set out below. The length of tenure of members of Board Committees is dealt with in the individual Committee reports.

Length of Tenure on Board



Board Composition and Renewal

At each of its meetings during the year, the Nomination and Governance Committee considered the composition of the Board to ensure the Board has the appropriate combination of skills, knowledge and experience.

The Nomination and Governance Committee identified a need for a non-executive director with deep experience of the healthcare sector internationally, at senior management and Board level, as well as a track record of business development internationally. Subject to satisfaction of the professional competencies and experience requirements, a preference was expressed for a female candidate.

An international professional search firm, JCA (who do not have any other connection with the Company) was employed to carry out a wide ranging, international search. The search firm produced a long list of possible candidates, which was reviewed by the Chairman, who interviewed a number of candidates. A short list was then drawn up, reviewed with and approved by the Committee. Those on the short list were interviewed by the Chairman at least once and in some cases by the Deputy Chairman. When a preferred candidate emerged, she was interviewed individually by the executive Directors and most of the non-executive Directors, before a formal proposal was made to the Board.

Diversity

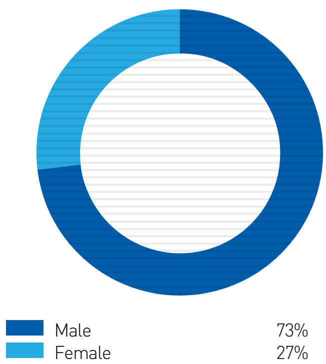
Board diversity was a regular agenda item at Committee meetings during the year. In the previous financial year, the Committee developed a Board Diversity Policy which was approved by the Board. This Policy is available on the Company's website www.dcc.ie.

In addition, upon the recommendation of the Committee, the Board has approved a Group Diversity and Equal Opportunities Policy Statement, developed by Group Human Resources, which was implemented in Group subsidiaries in conjunction with local legislative requirements.

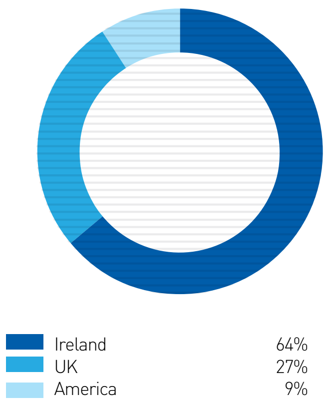
Taking account of the Davies Report, the gender disclosure requirements of the UK Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the Code and the Board Diversity Policy, the Nomination and Governance Committee remained focussed on increasing the number of female non-executive Directors and those with experience in the sectors in which we operate. Dr. Pamela Kirby's appointment to the Board in September 2013 brought the proportion of female directors to 27%. The target date set for FTSE 350 companies to reach a proportion of 25% is 2015, while DCC is one of only 17 FTSE 250 companies already to have three or more female directors on its Board.

The composition of the Board as at 31 March 2014 can be analysed as follows:

Gender Diversity



Geographical Spread (by residency)



Succession Planning

The Committee has particular regard to the leadership needs of the organisation and gives full consideration to succession planning for Directors and senior management, in particular the Chairman and Chief Executive, taking into account Group strategy, as well as the challenges and opportunities facing the Group and the skills and expertise required. A detailed succession management plan, prepared by the Chief Executive, was considered at a meeting during the year and was presented to the Board for approval.

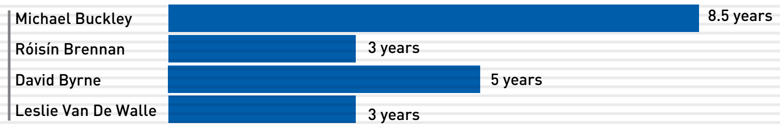
Corporate Governance

The Committee advises the Board on significant developments in the law and practice of corporate governance and monitors the Company's compliance with corporate governance best practice, with particular reference to the Code. The Committee has recommended any necessary action required to be adopted and implemented by the Board in respect of the Code.

The Nomination and Governance Committee reviewed and approved the Governance Statement in the Annual Report and other material being made public in respect of the Company's corporate governance.

The terms and conditions of appointment of non-executive Directors are set out in their letters of appointment, and include expected time commitment in respect of Board and Committee meetings, boardroom development training and visits to Group subsidiaries. The letters of appointment are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company.

Length of Tenure on Nomination and Governance Committee



Governance

Composition

The Nomination and Governance Committee comprises Michael Buckley (Chairman) and three independent non-executive Directors, Róisín Brennan, David Byrne and Leslie Van De Walle. Each member's length of tenure at 31 March 2014 is set out in the table above. Further biographical details regarding the members of the Nomination and Governance Committee are set out on pages 78 to 79.

Meetings

The Nomination and Governance Committee met five times during the year ended 31 March 2014 and there was full attendance by all members of the Committee.

The Chief Executive, other executives and external advisers are invited to attend all or part of any meeting. The Company Secretary is the secretary to the Nomination and Governance Committee.

The Chairman of the Board does not chair the Committee when it is dealing with the matter of succession to the chairmanship.

Annual Evaluation of Performance

As detailed on page 83, the Board conducts an annual evaluation of its own performance and that of it's Committees, Committee Chairman and individual Directors. This process concluded that the performance of the Nomination and Governance Committee and of the Chairman of the Nomination and Governance Committee were satisfactory.

Reporting

The Chairman of the Nomination and Governance Committee reports to the Board at each meeting on the activities of the Committee.

The Chairman of the Nomination and Governance Committee attends the Annual General Meeting to answer questions on the report on the Committees' activities and matters within the scope of the Committee's responsibilities.

Report of the Directors

The Directors of DCC plc present their report and the audited financial statements for the year ended 31 March 2014.

Results and Review of Activities

Revenue for the year amounted to £11,231.7 million (2013: £10,572.7 million). The profit for the year attributable to owners of the Parent amounted to £121.2 million (2013: £106.3 million). Adjusted earnings per share amounted to 191.20 pence (2013: 171.20 pence). Further details of the results for the year are set out in the Group Income Statement on page 120.

The Chairman's Message on page 6 to 7, the Chief Executive's Review on pages 12 to 15, the Operating Reviews on pages 22 to 57 and the Financial Review on pages 58 to 64 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 2014, of recent events and of likely future developments. Information in respect of events since the year end as required by the Companies (Amendment) Act, 1986 is included in these sections and in note 48 on page 200.

Dividends

An interim dividend of 26.12 pence per share, amounting to £22.167 million, was paid on 29 November 2013. The Directors recommend the payment of a final dividend of 50.73 pence per share, amounting to £42.5 million. Subject to shareholders' approval at the Annual General Meeting on 18 July 2014, this dividend will be paid on 24 July 2014 to shareholders on the register on 30 May 2014. The total dividend for the year ended 31 March 2014 amounts to 76.85 pence per share, a total of £64.7 million. This represents an increase of 10% on the prior year's total dividend per share.

The profit attributable to owners of the Parent, which has been transferred to reserves, and the dividends paid during the year ended 31 March 2014 are shown in note 39 on page 183.

Share Capital and Treasury Shares

DCC's authorised share capital is 152,368,568 ordinary shares of €0.25 each, of which 83,861,964 shares (excluding treasury shares) and 4,367,440 treasury shares were in issue at 31 March 2014. 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 4,535,981 (5.14 % of the issued share capital) with a nominal value of €1.134 million.

A total of 168,541 shares (0.19% of the issued share capital) with a nominal value of €0.042 million were re-issued during the year at prices ranging from €0.25 to €23.35 consequent to the exercise of share options under the DCC plc 1998 Employee Share Option Scheme and the DCC plc Long Term Incentive Plan 2009, leaving a balance held as treasury shares at 31 March 2014 of 4,367,440 shares (4.95% of the issued share capital) with a nominal value of €1.092 million.

At the Annual General Meeting held on 19 July 2013, the Company was granted authority to purchase up to 8,822,940 of its own shares (10% of the issued share capital) with a nominal value of € 2.206 million. This authority has not been exercised and will expire on 18 July 2014, the date of the next Annual General Meeting of the Company. A special resolution will be proposed at the Annual General Meeting to renew this authority.

At each Annual General Meeting, in addition to the authority to buy back shares referred to above, the Directors seek authority to exercise all the powers of the Company to allot shares up to an aggregate amount of €7,352,400, representing approximately one third of the issued share capital of the Company.

The Directors 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 of the Company.

Details of the share capital of the Company are set out in note 36 on page 181 and are deemed to form part of this Report.

Principal Risks and Uncertainties

Under Irish company law (Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended), 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 16 to 19.

Directors

The names of the Directors and a short biographical note on each Director appear on pages 78 to 79.

In accordance with the UK Corporate Governance Code, all Directors submit to re-election at each Annual General Meeting.

With the exception of Tommy Breen, who has a service agreement with a notice period of twelve months, none of the other Directors has a service contract with the Company or with any member of the Group.

Details of the Directors' interests in the share capital of the Company are set out in the Remuneration Report on pages 89 to 108.

Corporate Governance

The Corporate Governance Statement on pages 80 to 84 sets out the Company's appliance of the principles and compliance with the provisions of the UK Corporate Governance Code, the Group's system of risk management and internal control and the adoption of the going concern basis in preparing the financial statements. The Corporate Governance Statement shall be treated as forming part of the Report of the Directors.

DCC plc is fully compliant with the 2012 edition of the UK Corporate Governance Code, which applied to the Company for the year ended 31 March 2014.

For the purposes of the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, details concerning the appointment and the re-election of Directors and the amendment of the Company's Articles of Association are set out in the Corporate Governance Statement.

General Meetings

The Company's Annual General Meeting ('AGM') affords shareholders the opportunity to question the Chairman and the Board. The chairmen of the Audit, Nomination and Governance and Remuneration Committees are also available to answer questions at the AGM. 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 by a show of hands of those shareholders attending, in person or by proxy. After each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld.

If validly requested, resolutions can be voted by way of a poll. In 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 twenty one clear days' notice. Provided shareholders have passed a special resolution to that effect at the immediately preceding AGM and the Company continues to allow shareholders to vote by electronic means, an EGM to consider an ordinary resolution may be called at fourteen clear days' notice.

A quorum for an AGM or an EGM of the Company is constituted by three shareholders, present in person, by proxy or by a duly authorised representative in the case of a corporate member. The passing of resolutions at a general meeting, other than special resolutions, requires a simple majority. 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. 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 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 5% of the issued share capital of the Company, has the right to requisition a general meeting. A shareholder or a group of shareholders, holding at least 3% of the issued share capital, has the right to put an item on the agenda of an AGM or to table a draft resolution for an item on the agenda of a general meeting.

The 2014 AGM will be held at 11.00 a.m. on 18 July 2014 at The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.

Memorandum and Articles of Association

The Company's Memorandum and Articles 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.

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.

Transparency Rules

As required by the Transparency Rules published by the Central Bank of Ireland under Section 22 of the Investment Funds, Companies and Miscellaneous Provisions Act 2006, the following sections of the Annual Report shall be treated as forming part of this report: the Chairman's Message on page 6 to 7, the Chief Executive's Review on pages 12 to 15, the Operating Reviews on pages 22 to 57, the Financial Review on pages 58 to 64, the Principal Risks and Uncertainties on pages 18 to 19, the earnings per ordinary share in note 18 on page 158, the Key Performance Indicators on page 20 and the derivative financial instruments in note 1 on page 135.

Report of the Directors (continued)

Substantial Shareholdings

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 2014 and 20 May 2014:

	As at 31 March 2014		As at 20 May 2014	
	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)
FMR LLC and FIL Limited on behalf of its direct and indirect subsidiaries*	11,017,646	13.14%	10,765,602	12.84%
Invesco*	5,598,545	6.67%	5,584,021	6.65%
Blackrock*	3,075,475	3.67%	3,391,967	4.04%
Setanta Asset Management *	3,371,897	4.02%	3,102,851	3.70%
Jim Flavin	2,633,000	3.14%	2,633,000	3.14%

* notified as non-beneficial interests

Principal Subsidiaries and Joint Ventures

Details of the Company's principal operating subsidiaries and joint ventures are set out on pages 202 to 206.

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 proper books and accounting records, as outlined in Section 202 of the Companies Act, 1990, 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, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland.

Takeover Regulations

The Company has certain banking 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.

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963. A resolution authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting.

Michael Buckley, Tommy Breen
Directors
20 May 2014

Financial Statements & Notes

Income Statement
Group revenue, operating profit, earnings per share and other financial information.

Page 120

Balance Sheet
The Group's Balance Sheet as at 31 March 2014.

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Notes
Accounting policies, segmental analysis and other helpful information.

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Contents

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group.

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;
- comply with applicable International Financial Reporting Standards as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are also required by applicable law and the Listing Rules issued by the Financial Services Authority, to prepare a Report of the Directors and reports relating to Directors' remuneration and corporate governance. In accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ('the Transparency Regulations'), the Directors are required to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2013 and, as regards the Group financial statements, Article 4 of the International Accounting Standards ('IAS') Regulation. They are also responsible for safeguarding the assets of the Company and the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Statement Pursuant to the Transparency Regulations

Each of the Directors, whose names and functions are listed on pages 78 and 79, confirms that, to the best of each person's knowledge and belief:

As required by the Transparency Regulations:

- the financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities and financial position of the Company and the Group and of the profit of the Group; and
- the Report of the Directors contained in the Annual Report includes a fair review of the development and performance of the Group's business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

As required by the UK Corporate Governance Code:

- the Annual Report and consolidated financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable.

On behalf of the Board

Michael Buckley
Non-executive Chairman

Tommy Breen
Chief Executive

Report of the Independent Auditors

For the year ended 31 March 2014

Report on the financial statements

Our opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, of the state of the Group's affairs as at 31 March 2014 and of its profit and cash flows for the year then ended;
- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Acts 1963 to 2013, of the state of the Company's affairs as at 31 March 2014 and of its cash flows for the year then ended; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and Company financial statements (the 'financial statements'), which are prepared by DCC plc, comprise:

- the Group and Company Balance Sheets as at 31 March 2014;
- the Group Income Statement and the Group and Company Statements of Comprehensive Income for the year then ended;
- the Group and Company Statements of Changes in Equity and Cash Flow Statements for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises Irish law and IFRSs as adopted by the European Union and, as regards the Company, as applied in accordance with the provisions of the Companies Acts 1963 to 2013.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be £8.5 million. This represents approximately 5% of profit before tax and exceptional items. This benchmark in our professional judgement is the best measure of recurring performance.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.45 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of our audit

The Group is structured across five divisions; Energy, Technology, Healthcare, Environmental and Food & Beverage. The five divisions and ultimately the Group financial statements are a consolidation of 55 reporting units, comprising the Group's operating businesses and centralised functions.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or component auditors within PwC ROI, from other PwC network firms and other firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. Audits of the full financial information were undertaken for Group reporting purposes at 53 components of the Group and were performed to materiality levels set by the Group audit team. These reporting components represent in excess of 99% of turnover and profit before tax. Agreed upon procedures were performed based on risk assessment in respect of the remaining two reporting components. The structure of the Group's finance function is such that certain transactions and balances are accounted for by the central Group finance team. The work performed at Group level included our procedures in respect of the Group's treasury activities, aggregation of the Group's operating or reporting units, assessment of goodwill and intangible assets for impairment and evaluation of key assumptions in respect of the Group's retirement benefit obligations.

Areas of particular audit focus

In preparing the financial statements, the Directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions

Report of the Independent Auditors (continued)

For the year ended 31 March 2014

and considering future events that are inherently uncertain. We primarily focussed our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on page 86.

Area of focus	How the scope of our audit addressed the area of focus
Goodwill impairment assessment The Group has goodwill of £0.69 billion at 31 March 2014 (see note 20). There are 30 individual Cash Generating Units ('CGUs'), the most significant of which is the Group's Certas Energy UK business (£252 million) and the Group's DCC Vital business (£107 million). We focussed on this area given the scale of the assets and the judgement involved in determining key assumptions which form the basis for the assessment for impairment.	We evaluated the Directors' determination of recoverable amount in respect of each CGU. We evaluated the adequacy and appropriateness of the impairment charges of £13.9 million recorded in the year. Our evaluation included understanding and challenging cash flow forecasts, and the process by which they were prepared, including testing the extraction of the forecast cash flows from the Board approved three year plans. Our assessment of management's forecast future cash flows for the CGUs included our independent consideration of (i) past performance against plan and (ii) challenge of management's expectations of industry developments. Our work also included challenge of: • the discount rate by assessing the cost of capital for the individual businesses and comparable organisations in those sectors; and • the Directors' key assumptions included in the forecast future cash flows by comparing them to historical results, economic and industry forecasts. We also performed sensitivity analysis of the key assumptions and of the key drivers of the cash flow forecasts for the individual CGUs. Having ascertained the extent of change in those assumptions that either individually or collectively would be required for the goodwill to be impaired, we considered the likelihood of such a movement in those key assumptions arising.
Fraud in revenue recognition ISAs (UK & Ireland) presume there is a risk of fraud in revenue recognition because of the pressure management may feel to achieve the planned results. We focussed on the terms of sale arrangements with customers including the nature of discount and rebate arrangements.	We evaluated the relevant IT systems and tested the internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements. We read the relevant customer terms of sale and agreements and tested the accounting for consistency with those terms of sale for the Group's businesses. Our work included consideration of the accounting for, and presentation of, rebate and discount arrangements. We also tested journal entries posted to revenue accounts focussing on unusual or irregular items.
Risk of management override of internal controls ISAs (UK & Ireland) require that we consider this.	We assessed the overall control environment of the Group, including the arrangements for staff to 'whistle-blow' inappropriate actions, and interviewed senior management and the Group's internal audit function. We considered the incentive for management bias. We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the Directors that may represent a risk of material misstatement due to fraud. In particular, we challenged and evaluated key assumptions which formed the basis for the critical estimates and judgements in the financial statements. We also tested journal entries at each reporting component and at Group.

Going concern

As noted in the Statement of Directors' Responsibilities, the Directors have concluded that it is appropriate to prepare the Group's and Company's financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the Directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the Company.
- The Company Balance Sheet is in agreement with the books of account.
- In our opinion the information given in the Report of the Directors is consistent with the financial statements and the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the process for preparing the Group financial statements is consistent with the Group financial statements.
- The net assets of the Company, as stated in the Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2014 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Parent Company.

Matters on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Acts 1963 to 2013 we are required to report to you if, in our opinion, the disclosure of Directors' remuneration and transactions specified by law have not been made. We have nothing to report arising from these responsibilities.

Corporate Governance Statement

Under the United Kingdom Listing Authority Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Parent Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code'). We have nothing to report having performed our review.

On page 116 of the Annual Report, as required by the Code Provision C.1.1, the Directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy. On page 86, as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 116 the Directors are responsible for the preparation of the Group and Company financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the Group and Company financial statements in accordance with Irish law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Paul Hennessy
for and on behalf of
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

20 May 2014

Group Income Statement

For the year ended 31 March 2014

	Note	2014 Pre exceptionals £'000	2014 Exceptionals (note 11) £'000	2014 Total £'000	Restated 2013 Pre exceptionals £'000	Restated 2013 Exceptionals (note 11) £'000	Restated 2013 Total £'000
Revenue	4	**11,231,666**	**-**	**11,231,666**	10,572,686	-	10,572,686
Cost of sales		**(10,425,140)**	**-**	**(10,425,140)**	(9,831,692)	-	(9,831,692)
Gross profit		**806,526**	**-**	**806,526**	740,994	-	740,994
Administration expenses		**(261,910)**	**-**	**(261,910)**	(247,368)	-	(247,368)
Selling and distribution expenses		**(353,244)**	**-**	**(353,244)**	(321,988)	-	(321,988)
Other operating income	5	**19,875**	**31,101**	**50,976**	19,129	5,601	24,730
Other operating expenses	5	**(2,844)**	**(44,384)**	**(47,228)**	(3,905)	(29,418)	(33,323)
Operating profit before amortisation of intangible assets	4	**208,403**	**(13,283)**	**195,120**	186,862	(23,817)	163,045
Amortisation of intangible assets	4	**(20,416)**	**-**	**(20,416)**	(14,420)	-	(14,420)
Operating profit		**187,987**	**(13,283)**	**174,704**	172,442	(23,817)	148,625
Finance costs	12	**(50,824)**	**(2,128)**	**(52,952)**	(39,363)	(1,372)	(40,735)
Finance income	12	**29,413**	**-**	**29,413**	25,291	-	25,291
Share of associates' profit/(loss) after tax	14	**33**	**-**	**33**	26	(285)	(259)
Profit before tax		**166,609**	**(15,411)**	**151,198**	158,396	(25,474)	132,922
Income tax expense	15	**(22,000)**	**(5,255)**	**(27,255)**	(26,288)	-	(26,288)
Profit after tax for the financial year		**144,609**	**(20,666)**	**123,943**	132,108	(25,474)	106,634
Profit attributable to:							
Owners of the Parent				**121,234**			106,295
Non-controlling interests				**2,709**			339
				123,943			106,634
Earnings per ordinary share							
Basic	18			**144.70p**			127.17p
Diluted	18			**143.90p**			126.77p

Michael Buckley, Tommy Breen, Directors

Group Statement of Comprehensive Income
For the year ended 31 March 2014

	Note	2014 £'000	Restated 2013 £'000
Group profit for the financial year		**123,943**	106,634
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation:			
- arising in the year		**(7,575)**	1,853
- recycled to the Income Statement on disposal of subsidiary		**324**	-
Losses relating to cash flow hedges		**(3,455)**	(1,931)
Movement in deferred tax liability on cash flow hedges	31	**288**	202
		(10,418)	124
Items that will not be reclassified to profit or loss			
Group defined benefit pension obligations:			
- remeasurements	32	**(835)**	(9,579)
- movement in deferred tax asset	31	**152**	1,506
		(683)	(8,073)
Other comprehensive income for the financial year, net of tax		**(11,101)**	(7,949)
Total comprehensive income for the financial year		**112,842**	98,685
Attributable to:			
Owners of the Parent		**110,189**	98,309
Non-controlling interests		**2,653**	376
		112,842	98,685

Michael Buckley, Tommy Breen, Directors

Group Balance Sheet
As at 31 March 2014

	Note	2014 £'000	Restated 2013 £'000	Restated as at 1 April 2012 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	19	**469,417**	441,500	376,170
Intangible assets	20	**744,073**	749,317	654,782
Investments in associates	21	**824**	808	978
Deferred income tax assets	31	**11,260**	9,478	5,334
Derivative financial instruments	28	**56,240**	125,912	112,185
		1,281,814	1,327,015	1,149,449
Current assets				
Inventories	23	**501,765**	389,526	282,000
Trade and other receivables	24	**959,655**	1,139,266	1,077,147
Derivative financial instruments	28	**1,221**	11,794	3,581
Cash and cash equivalents	27	**963,144**	518,925	525,376
		2,425,785	2,059,511	1,888,104
Assets classified as held for sale		**-**	-	118,926
		2,425,785	2,059,511	2,007,030
Total assets		**3,707,599**	3,386,526	3,156,479
EQUITY				
Capital and reserves attributable to owners of the Parent				
Share capital	36	**14,688**	14,688	14,688
Share premium	37	**83,032**	83,032	83,032
Share based payment reserve	38	**10,630**	9,445	8,367
Cash flow hedge reserve	38	**(3,844)**	(677)	1,052
Foreign currency translation reserve	38	**49,822**	57,017	55,201
Other reserves	38	**932**	932	932
Retained earnings	39	**786,158**	725,514	680,070
		941,418	889,951	843,342
Non-controlling interests	40	**4,837**	2,391	2,215
Total equity		**946,255**	892,342	845,557
LIABILITIES				
Non-current liabilities				
Borrowings	29	**725,831**	672,715	707,452
Derivative financial instruments	28	**45,636**	13,436	14,587
Deferred income tax liabilities	31	**27,526**	32,897	26,694
Post employment benefit obligations	32	**16,033**	19,352	12,296
Provisions for liabilities and charges	34	**24,157**	17,141	12,874
Deferred and contingent acquisition consideration	33	**36,949**	56,558	71,107
Government grants	35	**1,323**	1,574	2,050
		877,455	813,673	847,060
Current liabilities				
Trade and other payables	25	**1,492,968**	1,463,330	1,279,102
Current income tax liabilities		**32,276**	29,304	32,366
Borrowings	29	**316,726**	154,060	59,206
Derivative financial instruments	28	**18,699**	2,372	851
Provisions for liabilities and charges	34	**6,846**	12,044	8,311
Deferred and contingent acquisition consideration	33	**16,374**	19,401	11,198
		1,883,889	1,680,511	1,391,034
Liabilities associated with assets classified as held for sale		**-**	-	72,828
		1,883,889	1,680,511	1,463,862
Total liabilities		**2,761,344**	2,494,184	2,310,922
Total equity and liabilities		**3,707,599**	3,386,526	3,156,479

Michael Buckley, Tommy Breen, Directors

Group Statement of Changes in Equity

For the year ended 31 March 2014

	Attributable to owners of the Parent						
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 38) £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 1 April 2013 (restated)	**14,688**	**83,032**	**725,514**	**66,717**	**889,951**	**2,391**	**892,342**
Profit for the financial year	-	-	121,234	-	121,234	2,709	123,943
Other comprehensive income:							
Currency translation:							
- arising in the year	-	-	-	(7,519)	(7,519)	(56)	(7,575)
- recycled to the Income Statement on disposal of subsidiary	-	-	-	324	324	-	324
Group defined benefit pension obligations:							
- remeasurements	-	-	(835)	-	(835)	-	(835)
- movement in deferred tax asset	-	-	152	-	152	-	152
Losses relating to cash flow hedges	-	-	-	(3,455)	(3,455)	-	(3,455)
Movement in deferred tax liability on cash flow hedges	-	-	-	288	288	-	288
Total comprehensive income	-	-	120,551	(10,362)	110,189	2,653	112,842
Re-issue of treasury shares	-	-	1,981	-	1,981	-	1,981
Share based payment	-	-	-	1,185	1,185	-	1,185
Dividends	-	-	(61,888)	-	(61,888)	(207)	(62,095)
At 31 March 2014	**14,688**	**83,032**	**786,158**	**57,540**	**941,418**	**4,837**	**946,255**

For the year ended 31 March 2013 (restated)

	Attributable to owners of the Parent						
	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 38) £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 1 April 2012 (restated)	14,688	83,032	680,070	65,552	843,342	2,215	845,557
Profit for the financial year	-	-	106,295	-	106,295	339	106,634
Other comprehensive income:							
Currency translation arising in the year	-	-	-	1,816	1,816	37	1,853
Group defined benefit pension obligations:							
- remeasurements	-	-	(9,579)	-	(9,579)	-	(9,579)
- movement in deferred tax asset	-	-	1,506	-	1,506	-	1,506
Losses relating to cash flow hedges	-	-	-	(1,931)	(1,931)	-	(1,931)
Movement in deferred tax liability on cash flow hedges	-	-	-	202	202	-	202
Total comprehensive income	-	-	98,222	87	98,309	376	98,685
Re-issue of treasury shares	-	-	1,702	-	1,702	-	1,702
Share based payment	-	-	-	1,078	1,078	-	1,078
Dividends	-	-	(54,480)	-	(54,480)	(200)	(54,680)
At 31 March 2013 (restated)	14,688	83,032	725,514	66,717	889,951	2,391	892,342

Michael Buckley, Tommy Breen, Directors

Group Cash Flow Statement

For the year ended 31 March 2014

	Note	2014 £'000	Restated 2013 £'000
Operating activities			
Cash generated from operations before exceptionals	41	**348,664**	264,614
Exceptionals		**(21,097)**	(25,179)
Cash generated from operations		**327,567**	239,435
Interest paid		**(50,011)**	(39,970)
Income tax paid		**(33,193)**	(31,273)
Net cash flows from operating activities		**244,363**	168,192
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment		**8,584**	5,042
Government grants received	35	**100**	-
Disposal of subsidiaries		**11,073**	11,722
Interest received		**30,210**	25,593
		49,967	42,357
Outflows			
Purchase of property, plant and equipment		**(79,241)**	(62,508)
Acquisition of subsidiaries	45	**(39,876)**	(156,177)
Deferred and contingent acquisition consideration paid		**(10,196)**	(11,970)
		(129,313)	(230,655)
Net cash flows from investing activities		**(79,346)**	(188,298)
Financing activities			
Inflows			
Re-issue of treasury shares		**1,981**	1,702
Increase in interest-bearing loans and borrowings		**342,950**	-
Net cash movement in derivative financial instruments		**4,554**	-
Increase in finance lease liabilities		**324**	1,425
		349,809	3,127
Outflows			
Repayment of interest-bearing loans and borrowings		**(60,364)**	-
Repayment of finance lease liabilities		**(499)**	(564)
Dividends paid to owners of the Parent	17	**(61,888)**	(54,480)
Dividends paid to non-controlling interests	40	**(207)**	(200)
		(122,958)	(55,244)
Net cash flows from financing activities		**226,851**	(52,117)
Change in cash and cash equivalents		**391,868**	(72,223)
Translation adjustment		**(8,376)**	2,891
Cash and cash equivalents at beginning of year		**431,074**	500,406
Cash and cash equivalents at end of year	30	**814,566**	431,074
Cash and cash equivalents consists of:			
Cash and short term bank deposits	27	**963,144**	518,925
Overdrafts	30	**(148,578)**	(87,851)
		814,566	431,074

Michael Buckley, Tommy Breen, Directors

Company Statement of Comprehensive Income

For the year ended 31 March 2014

	Note	2014 £'000	Restated 2013 £'000
Profit for the financial year	16	**40,894**	40,173
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation effects		**(3,489)**	2,302
Other comprehensive income for the financial year, net of tax		**(3,489)**	2,302
Total comprehensive income for the financial year		**37,405**	42,475
Attributable to:			
Owners of the Parent		**37,405**	42,475

Company Balance Sheet

As at 31 March 2014

	Note	2014 £'000	Restated 2013 £'000	Restated as at 1 April 2012 £'000
ASSETS				
Non-current assets				
Investments in associates		**-**	-	208
Investments in subsidiary undertakings	22	**142,692**	143,807	140,149
		142,692	143,807	140,357
Current assets				
Trade and other receivables	24	**335,662**	315,632	341,612
Cash and cash equivalents	27	**2,999**	3,381	723
		338,661	319,013	342,335
Total assets		**481,353**	462,820	482,692
EQUITY				
Capital and reserves attributable to owners of the Parent				
Share capital	36	**14,688**	14,688	14,688
Share premium	37	**83,032**	83,032	83,032
Other reserves	38	**59,801**	63,290	60,988
Retained earnings	39	**7,031**	26,044	38,649
Total equity		**164,552**	187,054	197,357
LIABILITIES				
Non-current liabilities				
Amounts due to subsidiary undertakings		**36,976**	36,948	36,436
		36,976	36,948	36,436
Current liabilities				
Trade and other payables	25	**279,825**	238,818	248,899
		279,825	238,818	248,899
Total liabilities		**316,801**	275,766	285,335
Total equity and liabilities		**481,353**	462,820	482,692

Michael Buckley, Tommy Breen, Directors

Company Statement of Changes in Equity

For the year ended 31 March 2014

	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 38) £'000	Total equity £'000
At 1 April 2013 (restated)	**14,688**	**83,032**	**26,044**	**63,290**	**187,054**
Profit for the financial year	-	-	40,894	-	40,894
Other comprehensive income:					
Currency translation	-	-	-	(3,489)	(3,489)
Total comprehensive income	-	-	40,894	(3,489)	37,405
Re-issue of treasury shares	-	-	1,981	-	1,981
Dividends	-	-	(61,888)	-	(61,888)
At 31 March 2014	**14,688**	**83,032**	**7,031**	**59,801**	**164,552**

For the year ended 31 March 2013 (restated)

	Share capital £'000	Share premium £'000	Retained earnings £'000	Other reserves (note 38) £'000	Total equity £'000
At 1 April 2012	14,688	83,032	38,649	60,988	197,357
Profit for the financial year	-	-	40,173	-	40,173
Other comprehensive income:					
Currency translation	-	-	-	2,302	2,302
Total comprehensive income	-	-	40,173	2,302	42,475
Re-issue of treasury shares	-	-	1,702	-	1,702
Dividends	-	-	(54,480)	-	(54,480)
At 31 March 2013	14,688	83,032	26,044	63,290	187,054

Michael Buckley, Tommy Breen, Directors

Company Cash Flow Statement

For the year ended 31 March 2014

	Note	2014 £'000	Restated 2013 £'000
Operating activities			
Cash generated from operations	41	**51,362**	17,544
Interest paid		**(2,085)**	(1,619)
Net cash flows from operating activities		**49,277**	15,925
Investing activities			
Inflows			
Interest received		**12,178**	11,632
Dividend received from subsidiary		**14**	29,405
		12,192	41,037
Outflows			
Acquisition of subsidiary		**(1,880)**	(1,631)
		(1,880)	(1,631)
Net cash flows from investing activities		**10,312**	39,406
Financing activities			
Inflows			
Re-issue of treasury shares		**1,981**	1,702
		1,981	1,702
Outflows			
Dividends paid to owners of the Parent	17	**(61,888)**	(54,480)
		(61,888)	(54,480)
Net cash flows from financing activities		**(59,907)**	(52,778)
Change in cash and cash equivalents		**(318)**	2,553
Translation adjustment		**(64)**	105
Cash and cash equivalents at beginning of year		**3,381**	723
Cash and cash equivalents at end of year		**2,999**	3,381

Michael Buckley, Tommy Breen, Directors

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Statement of Compliance

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 Acts, 1963 to 2013 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 Company has availed of the exemption in Section 148(8) of the Companies Act 1963 not to present its individual Income Statement and related notes that form part of the approved Company financial statements. The Company has also availed of the exemption from filing its individual Income Statement with the Registrar of Companies as permitted by Section 7(1A) of the Companies (Amendment) Act 1986.

The Going Concern Statement on page 84 forms part of the Group financial statements.

DCC plc, the ultimate parent company, is a publicly traded limited company incorporated and domiciled in the Republic of Ireland.

Change in Presentation Currency

On 26 February 2013 the Group announced that from the beginning of the current financial year it would be changing the currency in which it presents its financial results from euro to UK pounds sterling ('sterling'). For some time, the majority of the Group's revenue and operating profit has been generated in the UK in sterling. In the past, fluctuations in the sterling/euro exchange rate have given rise to differences between reported results and constant currency results. Accordingly, the Board determined that, with effect from 1 April 2013, DCC will present its results in sterling. The Board believes that this change will help to provide a clearer understanding of DCC's financial performance by more closely reflecting the profile of its operations. Given the current composition of the Group's activities, this change is expected to reduce the impact of currency movements on reported results.

In order to satisfy the requirements of IAS 21 with respect to a change in presentation currency, the statutory financial information as previously reported in the Group's Annual Reports has been restated from euro into sterling using the procedures outlined below:

- assets and liabilities of foreign operations where the functional currency is other than sterling were translated into sterling at the relevant closing rates of exchange. Non-sterling trading results were translated into sterling at the relevant average rates of exchange. Differences arising from the retranslation of the opening net assets and the results for the year have been taken to the foreign currency translation reserve;
- the cumulative foreign currency translation reserve was set to nil at 1 April 2004, the date of transition to IFRS. All subsequent movements comprising differences on the retranslation of the opening net assets of non-sterling subsidiaries have been taken to the foreign currency translation reserve. Share capital, share premium and other reserves were translated at the historic rates prevailing at the dates of transactions; and
- all exchange rates used were extracted from the Group's underlying financial records.

Further information on the procedures used to restate comparative information can be found on page 181 of the 2013 Annual Report.

A change in presentation currency represents a change in accounting policy which is accounted for retrospectively.

Basis of Preparation

The consolidated financial statements, which are presented in sterling, rounded to the nearest thousand, have been prepared under the historical cost convention, as modified by the measurement at fair value of share-based payments, 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 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 2014 are set out below. These policies have been applied consistently by the Group's subsidiaries, joint ventures and associates for all periods presented in these consolidated financial statements.

1. Summary of Significant Accounting Policies (continued)

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 documented in note 3.

Adoption of IFRS and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations

The Group has adopted the following standards, interpretations and amendments to existing standards during the financial year:

- Amendment to IAS 1 *Presentation of Items of Other Comprehensive Income (OCI)*. This amendment introduced a requirement for entities to group items of OCI on the basis of whether they are potentially re-classifiable to profit or loss subsequently. This amendment has resulted in some presentation changes and comparative information has been presented accordingly. The adoption of this amendment had no impact on the recognised assets, liabilities and comprehensive income of the Group;
- Amendment to IAS 19 *Employee Benefits*. The IASB has issued a number of amendments to IAS 19. This amendment (which was EU endorsed on 6 June 2012) made significant changes to the recognition and measurement of defined benefit pension expense and termination benefits. The main impact on the Group, apart from additional required disclosures, is that the expected return on defined benefit pension assets included in the Income Statement is no longer based on an estimate of asset returns but is now calculated based on the discount rate. The change in accounting policy had no impact on net assets and had no material impact on earnings per share for the current or comparative periods. Accordingly, for the comparative year ended 31 March 2013, the expected return on defined benefit pension scheme assets (previously reported under finance income) has been netted off against the interest on defined benefit pension scheme liabilities (previously reported under finance costs);
- IFRS 13 *Fair Value Measurement*. This standard sets out a single framework for measuring fair value and requires disclosures about fair value measurements. It applies when other IFRSs require or permit fair value measurements. It does not introduce new requirements to measure an asset or liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value. The disclosure requirements have been adopted in the consolidated financial statements. This standard did not have a significant impact on the Group's financial statements;
- Amendments to IFRS *7 Disclosures - Offsetting Financial Assets and Financial Liabilities*. These amendments require an entity to disclose information about rights of set-off and related arrangements (e.g. collateral agreements). The disclosures will provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The adoption of the amendments did not have a material impact on the Group's consolidated financial statements; and
- Amendment to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*. This amendment sets out the changes to the disclosures when recoverable amount is determined based on fair value less costs of disposal. The key amendment is to remove the requirement to disclose recoverable amount when a cash-generating unit ('CGU') contains goodwill or indefinite lived intangible assets but there has been no impairment. The amendment is not mandatory for the Group until 1 April 2014, however the Group has decided to early adopt the amendment as of 1 April 2013.

There are a number of other changes to IFRS which became effective for the Group during the financial year but did not result in material changes to the Group's consolidated financial statements.

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, the most significant of which are as follows:

- IFRS 10 *Consolidated Financial Statements* (effective date: DCC financial year beginning 1 April 2014). This standard (which was EU endorsed on 29 December 2012) replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single entity remains unchanged, as do the mechanics of consolidation. IAS 27 is renamed *'Separate Financial Statements'* and is now a standard dealing solely with separate financial statements. This standard and the amendment to IAS 27 are not expected to have a significant impact on the Group's financial statements;
- IFRS 11 *Joint Arrangements* (effective date: DCC financial year beginning 1 April 2014). This standard (which was EU endorsed on 29 December 2012) eliminates the existing accounting policy choice of proportionate consolidation for jointly controlled entities. IFRS 11 makes equity accounting mandatory for participants in joint ventures. Changes in definitions also mean that the types of joint arrangements have been reduced from three to two; joint operations and joint ventures. IFRS 11 also made a number of consequential amendments to IAS 28 *Investments in Associates and Joint Ventures*. On adoption of IFRS 11 the Group will be required to equity account for its interests in jointly controlled entities. This standard will impact the Group financial statements as the Group currently has adopted an accounting policy of proportionate consolidation for jointly controlled entities. The change to equity accounting will have no impact on the Group's profit after tax but will impact each line item in the Consolidated Income Statement. The impact of IFRS 11 on the current period, which will be the comparative period as of 31 March 2015, will be to increase the Group's share of equity-accounted investments (which currently only include the results of our associate investments) by £0.9 million, decrease revenue by £20.8 million and operating profit by £1.1 million, and reduce income tax expense by £0.2 million. The Group's Consolidated Balance Sheet will also be impacted on a line by line basis. The Group's investments accounted for using the equity method will increase by £5.2 million. The Group's other non-current assets will decrease by £6.0 million. The impact on current assets and current liabilities will be a reduction of £3.2 million and £4.0 million respectively;

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

- IFRS 12 *Disclosure of Interests in Other Entities* (effective date: DCC financial year beginning 1 April 2014). This standard (which was EU endorsed on 29 December 2012) sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11. IFRS 12 requires entities to disclose information about the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. This standard will not have a significant impact on the Group's financial statements; and
- IFRS 9 *Financial Instruments* (effective date not yet confirmed). This standard is designed to replace IAS 39 *Financial Instruments: Recognition and Measurement* and is being completed in a number of phases. The majority of these phases have been completed however the impairment phase of the project has yet to be concluded. In November 2013 the IASB decided that the mandatory date for accounting periods beginning on or after 1 January 2015 would not allow sufficient time for entities to prepare to apply the new standard and accordingly, that a new effective date should be decided upon when the entire IFRS 9 project is closer to completion. EU endorsement of this standard has therefore been postponed. The new standard is likely to affect the Group's accounting for some financial instruments. Subject to EU endorsement, the Group will apply IFRS 9 from its effective date. The Group will quantify the effect of IFRS 9 when the complete standard is issued.

Basis of Consolidation

Subsidiaries

Subsidiaries are entities that are controlled by the Group. Control exists where the Group has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

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.

Joint ventures

In accordance with IAS 31 *Interests in Joint Ventures*, the Group's share of results and net assets of joint ventures, which are entities in which the Group holds an interest on a long-term basis and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement, are accounted for on the basis of proportionate consolidation from the date on which the contractual agreements stipulating joint control are finalised and are derecognised when joint control ceases. All of the Group's joint ventures are jointly controlled entities within the meaning of IAS 31. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group's financial statements.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss. Goodwill attributable to investments in associates is treated in accordance with the accounting policy for goodwill.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Group Income Statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The results of associates are included from the effective date on which the Group obtains significant influence and are excluded from the effective date on which the Group ceases to have significant influence.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains arising from such transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment.

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.

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue comprises the fair value of the sale of goods and services to external customers net of value added tax, rebates and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which generally arises on delivery, or in accordance with specific terms and conditions agreed with customers. Revenue from the rendering of services is recognised in the period in which the services are rendered.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when shareholders' rights to receive payment have been established.

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 five reportable operating segments: DCC Energy, DCC Technology, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

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. 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 balance sheet 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 subsidiaries, joint ventures 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 balance sheet date. Adjustments arising on translation of the results of such subsidiaries, joint ventures 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.

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 deferred and contingent consideration (arising on business combinations from 1 April 2010) and impairment of assets. Judgement is used by the Group in assessing the particular 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)

1. Summary of Significant Accounting Policies (continued)

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 and long term leasehold buildings	2%
Plant and machinery	5 - $33^1/_3$%
Cylinders	$6^2/_3$%
Motor vehicles	10 - $33^1/_3$%
Fixtures, fittings & office equipment	10 - $33^1/_3$%

Land is not depreciated. The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each balance sheet date.

In accordance with IAS 36 *Impairment of Assets*, the carrying amounts of items of property, plant and equipment are reviewed at each balance sheet 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 in order 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.

Business Combinations

Business combinations from 1 April 2010

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 re-measured 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. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 in the Income Statement.

Goodwill is initially measured at cost being the excess 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 other shareholder's option to put its shareholding, being the fair value of the estimate of amounts payable to acquire the subsidiary shareholding. The financial liability is included in deferred and contingent consideration. The discount component is unwound as an interest charge in the Income Statement over the life of the obligation.

1. Summary of Significant Accounting Policies (continued)

Subsequent changes to the financial liability are recognised in the Income Statement.

Business combinations prior to 1 April 2010

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

Contingent consideration was recognised if the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

A financial liability was recognised in relation to the other shareholder's option to put its shareholding, being the fair value of the estimate of amounts payable to acquire the subsidiary shareholding. The financial liability was included in deferred and contingent consideration. The discount component was unwound as an interest charge in the Income Statement over the life of the obligation. Subsequent changes to the financial liability were recognised as an adjustment to goodwill.

Non-Current Assets Held for Sale

Non-current assets and disposal groups are classified as assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. The assets held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

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 at cost being the excess of the cost of the business combination over the acquirer's interest in 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.

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 on the basis of the relative values of the operation disposed of and the proportion of the cash-generating unit retained.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Intangible Assets (other than Goodwill)
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 six 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 other than goodwill.

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.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised as assets of the Group at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a short, medium or long term lease obligation as appropriate. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Income Statement.

Rentals payable under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight line basis over the term of the relevant lease.

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 provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of 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 provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the provision is recognised in the Income Statement.

1. Summary of Significant Accounting Policies (continued)

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.

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' and presented in note 12.

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' or 'Other Operating Expenses' and presented in note 5.

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 28 and the movements on the cash flow hedge reserve in equity are shown in note 38. 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 twelve months and as a current asset or current liability if the remaining maturity of the derivative is less than twelve 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 re-measurement 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.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Hedging (continued)

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' or 'Other Operating 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 Costs 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.

Provisions

A provision is recognised in the Balance Sheet when the Group has a present obligation (either legal or constructive) as a result 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 balance sheet 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's waste management and recycling activities are subject to various laws and regulations governing the protection of the environment. Full provision is made for the net present value of the Group's estimated costs in relation to restoration liabilities at its landfill sites. The net present value of the estimated costs is capitalised as property, plant and equipment and the unwinding of the discount element on the restoration provision is reflected in the Income Statement.

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. The interest expense component of finance lease payments is recognised in the Income Statement using the effective interest rate method. The net finance cost on defined benefit pension scheme liabilities is 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

Interest 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.

1. Summary of Significant Accounting Policies (continued)

Income Tax

Current tax

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 balance sheet date and taking into account any adjustments stemming from prior years.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences at the balance sheet 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 with the exception of the following:

(i) 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

(ii) where, in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures 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:

(i) 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

(ii) where, in respect of deductible temporary differences associated with investment in subsidiaries, joint ventures 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 balance sheet 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.

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 a number of 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 on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The Group's net obligation in respect of defined benefit pension schemes is calculated separately for each plan by estimating the amount 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 bid values.

The discount rate employed in determining the present value of the schemes' liabilities is determined by reference to market yields at the balance sheet 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 net surplus or deficit arising in the Group's defined benefit pension schemes are shown within either non-current assets or liabilities in the Group Balance Sheet. 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)

1. 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 effect 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 or curtailment are measured at the date on which all parties whose consent is required are irrevocably committed to the transaction. Curtailment and settlement gains and losses are dealt with in the Income Statement.

Share-Based Payment Transactions

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. The fair value at the grant date is determined using a Monte Carlo simulation technique for the DCC plc Long Term Incentive Plan 2009 and a binomial model for the DCC plc 1998 Employee Share Option Scheme.

The DCC plc Long Term Incentive Plan 2009 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 only 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.

The DCC plc 1998 Employee Share Option Scheme contains non-market based vesting conditions which are not taken into account when estimating the fair value of entitlements as at the grant date. The expense in the Income Statement represents the product of the total number of options anticipated to vest and the fair value of those options. This amount is allocated on a straight-line basis over the vesting period to the Income Statement with a corresponding credit to Share Based Payment Reserve. The cumulative charge to the Income Statement is only 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.

1. 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 total equity.

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 balance sheet date are not recognised as a liability at that balance sheet 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. 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 as a result 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.

2. Financial Risk Management

Financial Risk Factors

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 certain risk exposures, as detailed below, arising from operational, financing and investment activities. The Group does not trade in financial instruments nor does it enter into any leveraged derivative transactions.

Financial risk management within the Group is governed by policies and guidelines reviewed and approved annually by the Board of Directors. These policies and guidelines primarily cover foreign exchange risk, commodity price risk, credit risk, liquidity risk and interest rate risk. Monitoring of compliance with the policies and guidelines is managed by the Group Risk Management function.

The Group's financial risks are detailed in note 46.

Fair Value Estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of techniques and makes assumptions that are based on market conditions existing at each balance sheet date.

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. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The fair value of forward commodity contracts is determined using quoted forward commodity prices at the balance sheet date. The fair values of borrowings (none of which are listed) are measured by discounting cash flows at prevailing interest and exchange rates.

The nominal value less impairment provision of trade receivables and payables approximate to their fair values, largely due to their short-term maturities.

Fair values of the Group's financial assets and financial liabilities are summarised in note 46.

Notes to the Financial Statements (continued)

3. Critical Accounting Estimates and Judgements

The Group's main accounting policies affecting its results of operations and financial condition are set out on pages 128 to 139. In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate. Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and judgements:

Goodwill

The Group has capitalised goodwill of £690.0 million at 31 March 2014. 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 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 20.

Post Employment Benefits

The Group operates a number of defined benefit retirement plans. The Group's total obligation in respect of defined benefit plans is calculated by independent, qualified actuaries, updated at least annually and totals £119.9 million at 31 March 2014. At 31 March 2014 the Group also has plan assets totalling £103.9 million, giving a net pension liability of £16.0 million. The size of the obligation is sensitive to actuarial assumptions. These include demographic assumptions covering mortality and longevity, and economic assumptions covering price inflation, benefit and salary increases together with the discount rate used. The size of the plan assets is also sensitive to asset return levels and the level of contributions from the Group. Sensitivities to changes in assumptions are detailed in note 32.

Taxation

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 of settlement. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current tax and 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.

Business Combinations

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.

Environmental Provisions

The Group has provisions for environmental remediation costs at 31 March 2014 of £9.6 million as disclosed in note 34. The main component of this provision relates to restoration liabilities at the Group's landfill sites. Future remediation costs are affected by a number of uncertainties, the most significant of which is the estimation of the ongoing costs of treating the by-products of bio-degrading waste. Management believes that the total provision is adequate based on currently available information. However, given the inherent difficulties in estimating liabilities in this area, it cannot be guaranteed that additional costs will not be incurred in excess of the amounts accrued. The effect of the resolution of environmental matters on the results of the Group cannot be predicted due to the uncertainty concerning both the amount and the timing of future costs. Such changes that arise could impact the provisions recognised in the Balance Sheet in future periods.

3. Critical Accounting Estimates and Judgements (continued)

Provision for Impairment of Trade Receivables

The Group trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The Group uses estimates based on historical experience and current information in determining the level of debts for which a provision for impairment is required. The level of provision required is reviewed on an ongoing basis.

Useful Lives for Property, Plant and Equipment and Intangible Assets

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 depends 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 change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, 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.

4. Segment Information

Analysis by operating segment and by geography

DCC is a sales, marketing, distribution and business 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. The chief operating decision maker has been identified as Mr. Tommy Breen, Chief Executive and his executive management team. The Group is organised into five operating segments: DCC Energy, DCC Technology, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

DCC Energy markets and sells oil products and services for transport, commercial/industrial, marine, aviation and home heating use in Britain, Ireland and Continental Europe. DCC Energy markets and sells liquefied petroleum gas for similar uses in Britain, Ireland and Continental Europe.

DCC Technology sells, markets and distributes a broad range of consumer and SME focussed technology products in Europe.

DCC Healthcare sells, markets and distributes pharmaceutical and medical devices in British and Irish markets. DCC Healthcare also provides outsourced product development, manufacturing, packaging and other services to health and beauty brand owners in Europe.

DCC Environmental provides a broad range of waste management and recycling services to the industrial, commercial, construction and public sectors in Britain and Ireland.

DCC Food & Beverage markets and sells food and beverages in Ireland and wine in Britain. DCC Food & Beverage is also a provider of frozen food supply chain services in Ireland.

The chief operating decision maker monitors the operating results of segments separately in order 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. 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 below.

Intersegment revenue is not material and thus not subject to separate disclosure.

Notes to the Financial Statements (continued)

4. Segment Information (continued)

The segment results for the year ended 31 March 2014 are as follows:

Income Statement items

	Year ended 31 March 2014					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment revenue	**8,243,645**	**2,263,973**	**406,510**	**130,635**	**186,903**	**11,231,666**
Operating profit*	**110,467**	**48,092**	**30,392**	**11,746**	**7,706**	**208,403**
Amortisation of intangible assets	**(13,686)**	**(1,974)**	**(2,711)**	**(1,285)**	**(760)**	**(20,416)**
Net operating exceptionals (note 11)	**(4,219)**	**(11,371)**	**3,285**	**3,743**	**(4,721)**	**(13,283)**
Operating profit	**92,562**	**34,747**	**30,966**	**14,204**	**2,225**	**174,704**
Finance costs						**(52,952)**
Finance income						**29,413**
Share of associates' profit after tax						**33**
Profit before income tax						**151,198**
Income tax expense						**(27,255)**
Profit for the year						**123,943**

** Operating profit before amortisation of intangible assets and net operating exceptionals*

	Year ended 31 March 2013 (restated)					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment revenue	8,112,143	1,850,246	320,593	116,107	173,597	10,572,686
Operating profit*	106,170	41,481	22,194	10,895	6,122	186,862
Amortisation of intangible assets	(10,140)	(1,354)	(850)	(1,342)	(734)	(14,420)
Net operating exceptionals (note 11)	(26,325)	2,467	(2,040)	360	1,721	(23,817)
Operating profit	69,705	42,594	19,304	9,913	7,109	148,625
Finance costs						(40,735)
Finance income						25,291
Share of associates' loss after tax						(259)
Profit before income tax						132,922
Income tax expense						(26,288)
Profit for the year						106,634

** Operating profit before amortisation of intangible assets and net operating exceptionals*

4. Segment Information (continued)

Balance Sheet items

	As at 31 March 2014					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment assets	**1,400,781**	**711,053**	**301,976**	**172,558**	**88,542**	**2,674,910**
Reconciliation to total assets as reported in the Group Balance Sheet						
Investments in associates						**824**
Derivative financial instruments (current and non-current)						**57,461**
Deferred income tax assets						**11,260**
Cash and cash equivalents						**963,144**
Total assets as reported in the Group Balance Sheet						**3,707,599**
Segment liabilities	**852,116**	**516,131**	**92,376**	**36,807**	**42,554**	**1,539,984**
Reconciliation to total liabilities as reported in the Group Balance Sheet						
Interest-bearing loans and borrowings (current and non-current)						**1,042,557**
Derivative financial instruments (current and non-current)						**64,335**
Income tax liabilities (current and deferred)						**59,802**
Deferred and contingent acquisition consideration (current and non-current)						**53,323**
Government grants (current and non-current)						**1,343**
Total liabilities as reported in the Group Balance Sheet						**2,761,344**

	Year ended 31 March 2013 (restated)					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Segment assets	1,500,063	673,452	281,682	165,749	98,663	2,719,609
Reconciliation to total assets as reported in the Group Balance Sheet						
Investments in associates						808
Derivative financial instruments (current and non-current)						137,706
Deferred income tax assets						9,478
Cash and cash equivalents						518,925
Total assets as reported in the Group Balance Sheet						3,386,526
Segment liabilities	913,137	445,041	78,817	28,987	45,828	1,511,810
Reconciliation to total liabilities as reported in the Group Balance Sheet						
Interest-bearing loans and borrowings (current and non-current)						826,775
Derivative financial instruments (current and non-current)						15,808
Income tax liabilities (current and deferred)						62,201
Deferred and contingent acquisition consideration (current and non-current)						75,959
Government grants (current and non-current)						1,631
Total liabilities as reported in the Group Balance Sheet						2,494,184

Notes to the Financial Statements (continued)

4. Segment Information (continued)

Other segment information

	Year ended 31 March 2014					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Capital expenditure - additions	**62,447**	**7,976**	**6,223**	**8,062**	**1,746**	**86,454**
Capital expenditure - business combinations	**3,990**	**28**	**4,629**	**524**	**-**	**9,171**
Depreciation	**35,498**	**4,551**	**6,006**	**7,497**	**2,578**	**56,130**
Total consideration - business combinations	**10,466**	**4,799**	**25,433**	**1,536**	**1,899**	**44,133**
Intangible assets acquired - business combinations	**10,493**	**5,574**	**17,503**	**1,228**	**2,136**	**36,934**
Impairment of goodwill (note 11)	**-**	**7,286**	**1,606**	**-**	**5,031**	**13,923**

	Year ended 31 March 2013 (restated)					
	DCC Energy £'000	DCC Technology £'000	DCC Healthcare £'000	DCC Environmental £'000	DCC Food & Beverage £'000	Total £'000
Capital expenditure - additions	36,578	3,346	7,176	8,744	2,338	58,182
Capital expenditure - business combinations	51,968	470	11,000	-	-	63,438
Depreciation	35,880	4,132	4,384	7,358	2,480	54,234
Total consideration - business combinations	104,492	5,747	58,289	-	478	169,006
Intangible assets acquired - business combinations	61,316	4,391	39,566	-	225	105,498
Impairment of goodwill (note 11)	-	-	-	-	-	-

4. Segment Information (continued)

Geographical analysis

The Group has a presence in 13 countries worldwide. The following represents a geographical analysis of the segment information presented above 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.

	Year ended 31 March							
	UK		Republic of Ireland		Rest of the World		Total	
		Restated		Restated		Restated		Restated
	2014	2013	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income Statement items								
Revenue	**8,386,889**	8,083,476	**910,314**	835,324	**1,934,463**	1,653,886	**11,231,666**	10,572,686
Operating profit*	**158,735**	137,696	**23,199**	20,052	**26,469**	29,114	**208,403**	186,862
Amortisation of intangible assets	**(11,721)**	(8,394)	**(2,075)**	(1,372)	**(6,620)**	(4,654)	**(20,416)**	(14,420)
Net operating exceptionals	**2,812**	(19,405)	**(13,963)**	(1,317)	**(2,132)**	(3,095)	**(13,283)**	(23,817)
Segment result	**149,826**	109,897	**7,161**	17,363	**17,717**	21,365	**174,704**	148,625
Balance Sheet items								
Segment assets	**1,984,007**	1,980,470	**333,502**	353,893	**357,401**	385,246	**2,674,910**	2,719,609
Segment liabilities	**1,151,614**	1,114,137	**140,533**	150,660	**247,837**	247,013	**1,539,984**	1,511,810
Other segment information								
Non-current assets**	**905,113**	871,952	**187,269**	196,971	**121,932**	122,702	**1,214,314**	1,191,625
Capital expenditure - additions	**69,403**	45,220	**11,479**	7,867	**5,572**	5,095	**86,454**	58,182
Capital expenditure - business combinations	**8,709**	46,227	**84**	228	**378**	16,983	**9,171**	63,438
Depreciation	**40,785**	41,235	**10,777**	9,993	**4,568**	3,006	**56,130**	54,234
Total consideration - business combinations	**37,058**	106,792	**2,030**	5,327	**5,045**	56,887	**44,133**	169,006
Intangible assets acquired	**24,890**	67,635	**2,105**	4,897	**9,939**	32,966	**36,934**	105,498
Impairment of goodwill	**5,031**	-	**8,892**	-	**-**	-	**13,923**	-

** Operating profit before amortisation of intangible assets and net operating exceptionals*
*** Non-current assets comprise intangible assets, property, plant and equipment and investments in associates*

Revenue and operating profit are derived almost entirely from the sale of goods and are disclosed based on the location of the entity producing the goods. There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The Balance Sheet and other segment information presented above are disclosed based on the location of the assets.

Notes to the Financial Statements (continued)

5. Other Operating Income/Expense

Other operating income and expense comprise the following credits/(charges):	2014 £'000	Restated 2013 £'000
Other operating income		
Fair value gains on non-hedge accounted derivative financial instruments - commodities	**44**	121
Fair value gains on non-hedge accounted derivative financial instruments - forward exchange contracts	**982**	2,100
Throughput	**6,226**	5,521
Haulage	**766**	503
Rental income	**4,385**	3,771
Other operating income	**7,472**	7,113
	19,875	19,129
Other operating income included in net exceptional items (note 11)	**31,101**	5,601
Total other operating income	**50,976**	24,730
Other operating expenses		
Expensing of employee share options (note 10)	**(1,185)**	(1,078)
Fair value losses on non-hedge accounted derivative financial instruments - commodities	**(57)**	(160)
Fair value losses on non-hedge accounted derivative financial instruments - forward exchange contracts	**(1,026)**	(1,603)
Other operating expenses	**(576)**	(1,064)
	(2,844)	(3,905)
Other operating expenses included in net exceptional items (note 11)	**(44,384)**	(29,418)
Total other operating expenses	**(47,228)**	(33,323)

6. Group Operating Profit

Group operating profit has been arrived at after charging/(crediting) the following amounts (including the Group's share of joint ventures accounted for on the basis of proportionate consolidation):

	2014 £'000	Restated 2013 £'000
Depreciation (note 19)	**56,130**	54,234
Amortisation of intangible assets (note 20)	**20,416**	14,420
Provision for impairment of trade receivables (note 46)	**4,904**	3,390
Profit on sale of property, plant and equipment	**(1,783)**	(1,036)
Foreign exchange loss	**416**	180
Amortisation of government grants (note 35)	**(383)**	(476)
Operating lease rentals		
- land and buildings	**15,811**	14,954
- plant and machinery	**714**	712
- motor vehicles	**11,147**	10,333
	27,672	25,999

During the year the Group obtained the following services from the Group's auditors (PricewaterhouseCoopers):

	2014 £'000	Restated 2013 £'000
Statutory auditor:		
Audit fees	**683**	615
Tax compliance and advisory services	**154**	134
Other non-audit services	**4**	49
	841	798
Other PricewaterhouseCoopers network firms:		
Audit fees	**917**	836
Tax compliance and advisory services	**572**	504
Other non-audit services	**26**	-
	1,515	1,340

Auditor statutory disclosure

The audit fee for the Parent Company is £13,759 (2013: £13,291). This amount is paid to PricewaterhouseCoopers, Ireland, the statutory auditor.

7. Directors' Emoluments and Interests

Directors' emoluments (which are included in operating costs) and interests are presented in the Remuneration Report on pages 89 to 108.

Notes to the Financial Statements (continued)

8. Proportionate Consolidation of Joint Ventures

Impact on Group Income Statement

Year ended 31 March Group share of:	2014 £'000	Restated 2013 £'000
Revenue	**20,834**	20,293
Cost of sales	**(16,029)**	(13,155)
Gross profit	**4,805**	7,138
Operating costs	**(3,669)**	(5,877)
Exceptional items	**-**	(392)
Operating profit	**1,136**	869
Finance income (net)	**-**	7
Profit before income tax	**1,136**	876
Income tax expense	**(173)**	(104)
Profit for the financial year	**963**	772

Impact on Group Balance Sheet

As at 31 March Group share of:	2014 £'000	Restated 2013 £'000
Non-current assets	**6,018**	6,185
Current assets	**3,198**	3,038
Total assets	**9,216**	9,223
Total equity	**5,200**	4,979
Non-current liabilities	**8**	-
Current liabilities	**4,008**	4,244
Total liabilities	**4,016**	4,244
Total equity and liabilities	**9,216**	9,223

Impact on Group Cash Flow Statement

Year ended 31 March Group share of:	2014 £'000	Restated 2013 £'000
Net cash flow from operating activities	**1,008**	100
Net cash flow from investing activities	**(679)**	(845)
Net increase/(decrease) in cash and cash equivalents	**329**	(745)
Translation	**(21)**	(6)
Cash and cash equivalents at beginning of year	**697**	1,448
Cash and cash equivalents at end of year	**1,005**	697

Reconciliation of cash and cash equivalents to net cash

Cash and cash equivalents as above	**1,005**	697
Net cash at 31 March	**1,005**	697

The Group's share of its joint ventures' capital commitments for property, plant and equipment at 31 March 2014, which has been authorised by the Directors but not yet contracted for, is £0.538 million (2013: £0.494 million).

Details of the Group's principal joint ventures are shown in the Group directory on pages 202 to 206.

9. Employment

The average weekly number of persons (including executive Directors and the Group's share of employees of joint ventures, applying proportionate consolidation) employed by the Group during the year analysed by class of business was:

	2014 Number	2013 Number
DCC Energy	**4,635**	4,507
DCC Technology	**1,753**	1,573
DCC Healthcare	**1,602**	1,280
DCC Environmental	**952**	903
DCC Food & Beverage	**862**	890
	9,804	9,153

The employee benefit expense (excluding termination payments - note 11) for the above were:	2014 £'000	Restated 2013 £'000
Wages and salaries	**315,851**	281,613
Social welfare costs	**33,037**	28,594
Share based payment expense (note 10)	**1,185**	1,078
Pension costs - defined contribution plans	**9,394**	9,763
Pension costs - defined benefit plans (note 32)	**614**	975
	360,081	322,023

10. Employee Share Options and Awards

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 £1.185 million (2013: £1.078 million) has been arrived at by applying a Monte Carlo simulation technique for share awards issued under the DCC plc Long Term Incentive Plan 2009 and a binomial model, which is a lattice option-pricing model, for options issued under the DCC plc 1998 Employee Share Option Scheme.

Notes to the Financial Statements (continued)

10. Employee Share Options and Awards (continued)

Impact on Income Statement

In compliance with IFRS 2 *Share-based Payment*, the Group has implemented the measurement requirements of the IFRS in respect of share options that were granted after 7 November 2002 and had not vested by 1 April 2004.

The total share option expense is analysed as follows:

Date of grant	Grant price	Minimum duration of vesting period	Number of share awards/ options granted	Weighted average fair value	Expense in Income Statement 2014 £'000	Expense in Income Statement Restated 2013 £'000
DCC plc Long Term Incentive Plan 2009						
20 August 2009	€15.63	3 years	255,406	€8.97	**-**	(465)
15 November 2010	€21.25	3 years	212,525	€12.00	**(62)**	693
15 November 2011	€17.50	3 years	252,697	€9.17	**270**	629
12 November 2012	€22.66	3 years	215,489	€12.09	**731**	236
12 November 2013	£28.54	3 years	153,430	£14.42	**246**	-
					1,185	1,093
DCC plc 1998 Employee Share Option Scheme						
23 June 2006	€18.05	3 years	223,500	€4.54	**-**	(15)
					-	(15)
Total expense					**1,185**	1,078

Share options and awards

DCC plc Long Term Incentive Plan 2009

At 31 March 2014, under the DCC plc Long Term Incentive Plan 2009, Group employees hold awards to subscribe for 742,574 ordinary shares.

The general terms of the DCC plc Long Term Incentive Plan 2009 are set out in the Remuneration Report on pages 89 to 108.

The DCC plc Long Term Incentive Plan 2009 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 only 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 Plan 2009 over the year is as follows:

	2014 Number of share awards	2013 Number of share awards
At 1 April	**733,414**	714,755
Granted	**153,430**	215,489
Exercised	**(15,941)**	(11,776)
Expired	**(128,329)**	(185,054)
At 31 March	**742,574**	733,414

The weighted average share price at the dates of exercise for share awards exercised during the year under the DCC plc Long Term Incentive Plan 2009 was £29.39 (2013: €22.16). The share awards outstanding at the year end have a weighted average remaining contractual life of 5.1 years (2013: 5.5 years).

10. Employee Share Options and Awards (continued)

The weighted average fair values assigned to share awards granted under the DCC plc Long Term Incentive Plan 2009, which were computed in accordance with the Monte Carlo valuation methodology, were as follows:

Granted during the year ended 31 March 2014	**£14.42**
Granted during the year ended 31 March 2013	€12.09
Granted during the year ended 31 March 2012	€9.17
Granted during the year ended 31 March 2011	€12.00
Granted during the year ended 31 March 2010	€8.97

The fair values of share awards granted under the DCC plc Long Term Incentive Plan 2009 were determined taking account of peer group total share return volatilities and correlations together with the following assumptions:

	2014	2013
Risk-free interest rate (%)	**1.65**	0.67
Dividend yield (%)	**3.1**	2.5
Expected volatility (%)	**23.3**	30.0
Expected life in years	**5.0**	5.0
Share price at date of grant	**£28.54**	€22.65

The expected volatility is based on historic volatility over the past 5 years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon government bonds of a term consistent with the assumed option life.

Analysis of closing balance - outstanding at end of year

Date of grant	Date of expiry	2014 Number of share awards	2013 Number of share awards
20 August 2009	20 August 2016	**47,148**	52,703
15 November 2010	15 November 2017	**79,066**	212,525
15 November 2011	15 November 2018	**249,211**	252,697
12 November 2012	12 November 2019	**214,143**	215,489
12 November 2013	12 November 2020	**153,006**	-
Total outstanding at 31 March		**742,574**	733,414

Analysis of closing balance - exercisable at end of year

As at 31 March 2014, 126,214 of the outstanding share awards under the DCC plc Long Term Incentive Plan 2009 were exercisable.

DCC plc 1998 Employee Share Option Scheme

At 31 March 2014, under the DCC plc 1998 Employee Share Option Scheme, Group employees hold basic tier options to subscribe for 714,750 ordinary shares and second tier options to subscribe for 89,500 ordinary shares.

The general terms of the DCC plc 1998 Employee Share Option Scheme are set out in the Remuneration Report on pages 89 to 108.

The DCC plc 1998 Employee Share Option Scheme contains non-market based vesting conditions which are not taken into account when estimating the fair value of entitlements as at the grant date. The expense in the Income Statement represents the product of the total number of options anticipated to vest and the fair value of those options. This amount is allocated on a straight-line basis over the vesting period to the Income Statement. The cumulative charge to the Income Statement is only 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.

Notes to the Financial Statements (continued)

10. Employee Share Options and Awards (continued)

A summary of activity under the DCC plc 1998 Employee Share Option Scheme over the year is as follows:

	2014		2013	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 April	**17.09**	**1,024,350**	15.51	1,443,000
Exercised	**15.35**	**(152,600)**	13.61	(153,150)
Expired	**10.70**	**(67,500)**	10.50	(265,500)
At 31 March	**17.96**	**804,250**	17.09	1,024,350
Total exercisable at 31 March	**18.49**	**714,750**	17.94	867,350

The weighted average share price at the dates of exercise for share options exercised during the year under the DCC plc 1998 Employee Share Option Scheme was £27.87 (2013: €23.40). The share options outstanding at the year end have a weighted average remaining contractual life of 2.6 years (2013: 3.3 years).

Analysis of closing balance - outstanding at end of year

		2014		2013	
Date of grant	Date of expiry	Exercise price per share	Options	Exercise price per share	Options
22 December 2003	22 December 2013	**€10.70**	**-**	€10.70	75,000
18 May 2004	18 May 2014	**€12.75**	**67,000**	€12.75	118,000
9 November 2004	9 November 2014	**€15.65**	**93,000**	€15.65	120,500
15 December 2005	15 December 2015	**€16.70**	**81,250**	€16.70	107,350
23 June 2006	23 June 2016	**€18.05**	**117,000**	€18.05	131,500
23 July 2007	23 July 2017	**€23.35**	**212,000**	€23.35	222,000
20 December 2007	20 December 2017	**€19.50**	**12,500**	€19.50	12,500
20 May 2008	20 May 2018	**€15.68**	**221,500**	€15.68	237,500
Total outstanding at 31 March			**804,250**		1,024,350

Analysis of closing balance - exercisable at end of year

		2014		2013	
Date of grant	Date of expiry	Exercise price per share	Options	Exercise price per share	Options
22 December 2003	22 December 2013	**€10.70**	**-**	€10.70	7,500
18 May 2004	18 May 2014	**€12.75**	**7,500**	€12.75	58,500
9 November 2004	9 November 2014	**€15.65**	**63,000**	€15.65	90,500
15 December 2005	15 December 2015	**€16.70**	**81,250**	€16.70	107,350
23 June 2006	23 June 2016	**€18.05**	**117,000**	€18.05	131,500
23 July 2007	23 July 2017	**€23.35**	**212,000**	€23.35	222,000
20 December 2007	20 December 2017	**€19.50**	**12,500**	€19.50	12,500
20 May 2008	20 May 2018	**€15.68**	**221,500**	€15.68	237,500
Total exercisable at 31 March			**714,750**		867,350

11. Exceptionals

	2014 £'000	Restated 2013 £'000
Restructuring costs	**(19,720)**	(16,882)
Impairment of goodwill	**(13,923)**	-
Acquisition and related costs	**(5,638)**	(12,146)
Impairment of property, plant and equipment	**(550)**	-
Adjustments to deferred and contingent acquisition consideration	**16,165**	5,601
Gain arising from Taiwanese legal claim	**6,962**	-
Net profit on disposal of subsidiaries	**5,294**	-
Restructuring of Group defined benefit pension schemes	**1,435**	-
Legal and other operating exceptional items	**(3,308)**	(390)
Net operating exceptional items	**(13,283)**	(23,817)
Mark to market of swaps and related debt	**(2,128)**	(1,372)
Impairment of associate company investment and loan receivable from associate	**-**	(285)
Net exceptional items before taxation	**(15,411)**	(25,474)
Tax on Taiwanese legal claim	**(5,255)**	-
Net exceptional items after taxation	**(20,666)**	(25,474)
Non-controlling interest share of profit on disposal of subsidiary	**(2,055)**	-
Net exceptional items attributable to owners of the Parent	**(22,721)**	(25,474)

The analysis of the net operating exceptional items of £13.283 million (2013: £23.817 million) is as follows:

	2014 £'000	Restated 2013 £'000
Exceptional operating income	**31,101**	5,601
Exceptional operating expense	**(44,384)**	(29,418)
	(13,283)	(23,817)

The Group incurred an exceptional charge of £19.720 million in relation to restructuring of acquired and existing businesses. Most of this related to the costs of integration of previously acquired oil and LPG businesses, the relocation of DCC Healthcare's Swedish health and beauty manufacturing activities to Britain, which was planned for at the time of the acquisition of those assets, and the closure of DCC Technology's Irish DVD business.

There was a non-cash exceptional charge of £13.923 million relating to the impairment of subsidiary goodwill. Included in this charge is an impairment charge of £7.286 million in relation to the carrying value of MSE Limited, a subsidiary of DCC Technology, primarily arising on the closure of the company's Irish DVD business. In addition, an impairment charge of £5.031 million was recognised in relation to Bottle Green Limited, a subsidiary of DCC Food & Beverage which was primarily due to weak demand in the current year whilst the recovery in profits is forecasted at a slower rate than previously anticipated. There was also a non-cash impairment of a property asset of £0.550 million.

Acquisition and related costs include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisition opportunities. During the year, acquisition and related costs amounted to £5.638 million.

Most of the Group's debt has been raised in the US Private Placement market and swapped, using long term interest, currency and cross currency derivatives, to both fixed and floating rate sterling and euro. The level of ineffectiveness calculated under IAS 39 on the fair value and cash flow hedge relationships relating to fixed rate debt, together with gains or losses arising from marking to market swaps not designated as hedges, offset by foreign exchange translation gains or losses on the related fixed rate debt, is charged or credited as an exceptional item. In the year to 31 March 2014 this amounted to a total exceptional loss of £2.128 million.

Notes to the Financial Statements (continued)

11. Exceptionals (continued)

There was a non-cash credit of £16.165 million for deferred and contingent acquisition consideration overprovided in previous years. In accordance with IFRS 3 (revised), deferred and contingent consideration is measured at fair value at the time of the business combination. If the amount of deferred and contingent consideration changes as a result of a post-acquisition event then the changed amount is recognised in the Income Statement.

In January 2004, the High Court in London awarded £12.2 million in damages and associated interim costs, together with interest, to DCC's former British based mobility and rehabilitation subsidiary for breach of an exclusive supply agreement by a Taiwanese supplier. A further amount in respect of costs of £2.9 million was subsequently determined by the High Court to be payable. In order to enforce the High Court judgements, it has been necessary to pursue the collection of all outstanding amounts through the Taiwanese courts. In March 2012, DCC received the initial £12.2 million referred to above which was accounted for in DCC's financial year ended 31 March 2012. In December 2013 and January 2014 a further aggregate amount of £6.962 million was recovered in respect of the accumulated interest on the £12.2 million from which there was a deduction of £5.255 million for Taiwanese withholding tax which is being challenged by DCC. The recovery of the £2.9 million, plus interest, continues to be pursued through the Taiwanese courts. DCC has not accrued the amount of this outstanding claim.

In March 2014, DCC Healthcare disposed of Virtus Inc., a small US based subsidiary which contract manufactures a range of mattress covers for hospital beds and stretchers and in February 2014 DCC Food & Beverage disposed of part of its chilled and frozen food distribution activities. The business activities disposed of accounted for less than 1% of DCC's operating profit for the year ended 31 March 2014. The assets disposed of comprised non-current assets of £1.050 million and net current assets (including cash and cash equivalents of £2.828 million) of £7.233 million. In addition, net foreign currency translation losses previously recognised in the foreign currency translation reserve of £0.324 million were recycled to the Income Statement. The net cash inflow from these transactions was £11.073 million and resulted in a gain on disposal (before a non-controlling interest charge) on their book carrying values of £5.294 million.

There was a tax charge of £5.255 million, as referred to above, for Taiwanese withholding tax, which is being challenged by DCC and a non-controlling interest charge of £2.055 million relating to the net exceptional items. The cash impact in the year of net exceptional charges relating to the year to 31 March 2014 and the prior year was £21.097 million.

12. Finance Costs and Finance Income

	2014 £'000	Restated 2013 £'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes		
- repayable within 5 years, not by instalments	**(19,817)**	(21,372)
- repayable within 5 years, by instalments	**(92)**	(121)
- repayable wholly or partly in more than 5 years	**(26,276)**	(13,980)
On finance leases	**(204)**	(241)
Facility fees	**(1,632)**	(1,472)
Other interest	**(2,130)**	(1,120)
	(50,151)	(38,306)
Other finance costs:		
Net interest on defined benefit pension scheme liabilities (note 32)	**(673)**	(1,057)
Mark to market of swaps and related debt* (note 11)	**(2,128)**	(1,372)
	(52,952)	(40,735)
Finance income		
Interest on cash and term deposits	**2,546**	2,351
Net income on interest rate and currency swaps	**26,830**	22,925
Other income	**37**	15
	29,413	25,291
Net finance cost	**(23,539)**	(15,444)

***Mark to market of swaps and related debt**

	2014	2013
Interest rate swaps designated as fair value hedges	**(8,430)**	(4,130)
Cross currency interest rate swaps designated as fair value hedges	**(95,148)**	22,029
Adjusted hedged fixed rate debt	**101,589**	(19,362)
Mark to market of swaps designated as fair value hedges and related debt	**(1,989)**	(1,463)
Currency movements on fixed rate debt not designated as hedged	**9,399**	(5,255)
Currency swaps not designated as hedges	**(8,903)**	5,346
Mark to market of undesignated swaps and related debt	**496**	91
Movement on cross currency interest rate swaps designated as cash flow hedges	**(8,935)**	(811)
Transferred to cash flow hedge reserve	**8,300**	811
	(635)	-
Total mark to market of swaps and related debt	**(2,128)**	(1,372)

13. Foreign Currency

The exchange rates used in translating non-sterling Income Statement and Balance Sheet amounts into sterling were as follows:

	Average rate		Closing rate	
	2014 Stg£1=	2013 Stg£1=	2014 Stg£1=	2013 Stg£1=
Euro	**1.1847**	1.2264	**1.2074**	1.1826
Danish Krone	**8.8386**	9.1366	**9.0146**	8.8162
Swedish Krona	**10.3362**	10.5862	**10.8045**	9.8806
Norwegian Krone	**9.5103**	9.1035	**9.9674**	8.8836

Notes to the Financial Statements (continued)

14. Share of Associates' Profit/(Loss) after Tax

The Group's share of associates' profit/(loss) after tax is equity-accounted and is presented as a single line item in the Group Income Statement. The profit/(loss) after tax generated by the Group's associates is analysed as follows:

	2014 £'000	Restated 2013 £'000
Group share of:		
Revenue	**5,106**	5,032
Operating profit	**40**	34
Impairment of associate company investment and loan receivable from associate	**-**	(285)
Profit/(loss) before finance costs	**40**	(251)
Finance costs (net)	**(7)**	(8)
Profit/(loss)	**33**	(259)

15. Income Tax Expense

(i) Income tax expense recognised in the Income Statement	2014 £'000	Restated 2013 £'000
Current taxation		
Irish corporation tax at 12.5%	**4,130**	3,700
Exceptional taxation charge (note 11)	**5,255**	-
United Kingdom corporation tax at 23% (2013: 24%)	**20,669**	17,428
Other overseas tax	**6,036**	8,017
Over provision in respect of prior years	**-**	(682)
Total current taxation	**36,090**	28,463
Deferred tax		
Irish at 12.5%	**(3,797)**	(2,299)
United Kingdom at 20% (2013: 23%)	**(284)**	(517)
Other overseas deferred tax	**(2,345)**	862
Over provision in respect of prior years	**(2,409)**	(221)
Total deferred tax credit	**(8,835)**	(2,175)
Total income tax expense	**27,255**	26,288

The deferred tax over provision in respect of prior years principally arose following substantially enacted legislation in the UK to reduce the UK tax rate to 20% with effect from 1 April 2015.

15. Income Tax Expense (continued)

(ii) Deferred tax recognised directly in Equity	2014 £'000	Restated 2013 £'000
Defined benefit pension obligations	**(152)**	(1,506)
Cash flow hedges	**(288)**	(202)
	(440)	(1,708)

(iii) Reconciliation of effective tax rate

Profit on ordinary activities before taxation	**151,198**	132,922
Add back: share of associates' (profit)/loss after tax	**(33)**	259
Add back: amortisation of intangible assets	**20,416**	14,420
	171,581	147,601
At the standard rate of corporation tax in Ireland of 12.5%	**21,448**	18,450
Adjustments in respect of prior years	**(2,409)**	(903)
Effect of earnings taxed at higher rates	**9,328**	12,101
Permanent and other differences	**(2,188)**	(273)
Income tax expense	**26,179**	29,375
Tax on exceptional gain	**5,255**	-
Deferred tax attaching to amortisation of intangible assets	**(4,179)**	(3,087)
Total income tax expense	**27,255**	26,288

	2014 %	2013 %
Income tax expense as a percentage of profit before share of associates' profit/(loss) after tax, amortisation of intangible assets and net exceptionals	**14.0%**	17.0%
Impact of associates' profit/(loss) after tax, amortisation of intangible assets and net exceptionals	**4.0%**	2.8%
Total income tax expense as a percentage of profit before tax	**18.0%**	19.8%

(iv) Factors that may affect future tax rates and other disclosures

No significant change is expected 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 reduced from 24% to 23% with effect from 1 April 2013. A tax rate of 21% applies with effect from 1 April 2014 and the UK March 2013 budget announcement included a further proposal to reduce the UK corporation tax rate to 20% with effect from 1 April 2015. As the legislation to give statutory effect to the reduction in the rate to 20% from 1 April 2015 had been substantially enacted as at the balance sheet date, account has been taken of this change in these financial statements.

The Group has not provided deferred tax in relation to temporary differences applicable to investments in subsidiaries 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 to remit earnings.

16. Profit Attributable to DCC plc

Profit after taxation for the year attributable to owners of the Parent amounting to £40.894 million (2013: £40.173 million) has been accounted for in the financial statements of the Company. In accordance with Section 148(8) of the Companies Act 1963, 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 7(1A) of the Companies (Amendment) Act 1986.

Notes to the Financial Statements (continued)

17. Dividends

Dividends paid per Ordinary Share are as follows:	2014 £'000	Restated 2013 £'000
Final - paid 56.20 cent per share on 25 July 2013 (2013: paid 50.47 cent per share on 26 July 2012)	**39,721**	34,375
Interim - paid 26.12 pence per share on 29 November 2013 (2013: paid 29.48 cent per share on 30 November 2012)	**22,167**	20,105
	61,888	54,480

The Directors are proposing a final dividend in respect of the year ended 31 March 2014 of 50.73 pence per ordinary share (£42.543 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.

Interim and final dividends declared previously in euro have been translated to sterling using the relevant average sterling/euro exchange rate for the period.

18. Earnings per Ordinary Share

	2014 £'000	Restated 2013 £'000
Profit attributable to owners of the Parent	**121,234**	106,295
Amortisation of intangible assets after tax	**16,237**	11,333
Exceptionals after tax (note 11)	**22,721**	25,474
Adjusted profit after taxation and non-controlling interests	**160,192**	143,102

Basic earnings per ordinary share	2014 pence	Restated 2013 pence
Basic earnings per ordinary share	**144.70p**	127.17p
Amortisation of intangible assets after tax	**19.38p**	13.56p
Exceptionals	**27.12p**	30.47p
Adjusted basic earnings per ordinary share	**191.20p**	171.20p
Weighted average number of ordinary shares in issue (thousands)	**83,781**	83,586

Basic earnings per share is calculated by dividing the profit attributable to owners of the Parent 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 are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

18. Earnings per Ordinary Share (continued)

Diluted earnings per ordinary share	2014 pence	Restated 2013 pence
Diluted earnings per ordinary share	**143.90p**	126.77p
Amortisation of intangible assets after tax	**19.27p**	13.51p
Exceptionals	**26.97p**	30.38p
Adjusted diluted earnings per ordinary share	**190.14p**	170.66p
Weighted average number of ordinary shares in issue (thousands)	**84,250**	83,850

The earnings used for the purposes of the diluted earnings per share calculations were £121.234 million (2013: £106.295 million) and £160.192 million (2013: £143.102 million) for the purposes of the adjusted diluted earnings per share calculations.

The weighted average number of ordinary shares used in calculating the diluted earnings per share for the year ended 31 March 2014 was 84.250 million (2013: 83.850 million). A reconciliation of the weighted average number of ordinary shares used for the purposes of calculating the diluted earnings per share amounts is as follows:

	2014 '000	2013 '000
Weighted average number of ordinary shares in issue	**83,781**	83,586
Dilutive effect of options and awards	**469**	264
Weighted average number of ordinary shares for diluted earnings per share	**84,250**	83,850

Diluted earnings per 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.

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 have not been satisfied as at the end of the reporting period.

The adjusted figures for diluted earnings per ordinary share are intended to demonstrate the results of the Group after eliminating the impact of amortisation of intangible assets and net exceptionals.

Notes to the Financial Statements (continued)

19. Property, Plant and Equipment

Group	Land & buildings £'000	Plant & machinery & cylinders £'000	Fixtures & fittings & office equipment £'000	Motor vehicles £'000	Total £'000
Year ended 31 March 2014					
Opening net book amount (restated)	**149,839**	**202,500**	**27,665**	**61,496**	**441,500**
Exchange differences	**(1,111)**	**(1,667)**	**(192)**	**(207)**	**(3,177)**
Arising on acquisition (note 45)	**5,701**	**2,595**	**426**	**449**	**9,171**
Disposal of subsidiaries	**(875)**	**(129)**	**(46)**	**-**	**(1,050)**
Additions	**7,606**	**39,756**	**13,347**	**25,745**	**86,454**
Disposals	**(712)**	**(1,026)**	**(760)**	**(4,303)**	**(6,801)**
Depreciation charge	**(3,785)**	**(29,563)**	**(10,255)**	**(12,527)**	**(56,130)**
Impairment charge (note 11)	**(550)**	**-**	**-**	**-**	**(550)**
Reclassifications	**(1,238)**	**(1,414)**	**2,475**	**177**	**-**
Closing net book amount	**154,875**	**211,052**	**32,660**	**70,830**	**469,417**
At 31 March 2014					
Cost	**195,750**	**552,380**	**108,814**	**156,648**	**1,013,592**
Accumulated depreciation and impairment losses	**(40,875)**	**(341,328)**	**(76,154)**	**(85,818)**	**(544,175)**
Net book amount	**154,875**	**211,052**	**32,660**	**70,830**	**469,417**
Year ended 31 March 2013 (restated)					
Opening net book amount	136,298	144,591	29,071	66,210	376,170
Exchange differences	1,060	610	219	62	1,951
Arising on acquisition (note 45)	12,339	49,068	902	1,129	63,438
Additions	5,347	32,343	8,446	12,046	58,182
Disposals	(1,119)	(1,093)	(101)	(1,694)	(4,007)
Depreciation charge	(3,034)	(26,362)	(8,585)	(16,253)	(54,234)
Reclassifications	(1,052)	3,343	(2,287)	(4)	-
Closing net book amount	149,839	202,500	27,665	61,496	441,500
At 31 March 2013 (restated)					
Cost	186,948	518,214	100,158	144,005	949,325
Accumulated depreciation and impairment losses	(37,109)	(315,714)	(72,493)	(82,509)	(507,825)
Net book amount	149,839	202,500	27,665	61,496	441,500

Assets held under finance leases

The net carrying amount and the depreciation charge during the year in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment are as follows:

	2014 £'000	Restated 2013 £'000
Cost	**45,047**	48,484
Accumulated depreciation	**(43,605)**	(47,016)
Net book amount	**1,442**	1,468
Depreciation charge for the year	**276**	771

20. Intangible Assets

Group	Goodwill £'000	Customer related £'000	Total £'000
Year ended 31 March 2014			
Opening net book amount (restated)	**685,918**	**63,399**	**749,317**
Exchange differences	**(6,392)**	**(1,239)**	**(7,631)**
Arising on acquisition (note 45)	**24,601**	**12,333**	**36,934**
Impairment charge (note 11)	**(13,923)**	**-**	**(13,923)**
Other movements (note 33)	**(208)**	**-**	**(208)**
Amortisation charge	**-**	**(20,416)**	**(20,416)**
Closing net book amount	**689,996**	**54,077**	**744,073**
At 31 March 2014			
Cost	**723,876**	**133,721**	**857,597**
Accumulated amortisation and impairment losses	**(33,880)**	**(79,644)**	**(113,524)**
Net book amount	**689,996**	**54,077**	**744,073**
Year ended 31 March 2013 (restated)			
Opening net book amount	603,234	51,548	654,782
Exchange differences	4,336	680	5,016
Arising on acquisition (note 45)	79,907	25,591	105,498
Other movements (note 33)	(1,559)	-	(1,559)
Amortisation charge	-	(14,420)	(14,420)
Closing net book amount	685,918	63,399	749,317
At 31 March 2013 (restated)			
Cost	705,667	122,627	828,294
Accumulated amortisation and impairment losses	(19,749)	(59,228)	(78,977)
Net book amount	685,918	63,399	749,317

Customer related intangible assets principally comprise contractual and non-contractual customer relationships arising from business combinations and are amortised over their estimated useful lives. The weighted average remaining amortisation period is 2.7 years (2013: 3.2 years).

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 30 CGUs (2013: 29 CGUs) have been identified and these are analysed between the five operating segments below together with a summary of the allocation of the carrying value of goodwill by segment.

	Cash-generating units		Goodwill (£'000)	
	2014 number	2013 number	2014 £'000	Restated 2013 £'000
DCC Energy	**12**	11	**406,511**	401,885
DCC Technology	**5**	5	**63,643**	69,141
DCC Healthcare	**4**	4	**125,197**	117,331
DCC Environmental	**4**	4	**78,909**	76,694
DCC Food & Beverage	**5**	5	**15,736**	20,867
	30	29	**689,996**	685,918

Notes to the Financial Statements (continued)

20. Intangible Assets (continued)

In accordance with IAS 36 *Impairment of Assets*, the CGUs to which significant amounts of goodwill have been allocated are as follows:

	2014 £'000	Restated 2013 £'000
Certas Energy UK Group	**252,408**	251,742
DCC Vital Group	**106,700**	101,328

For the purpose of impairment testing, the discount rates applied to these CGUs to which significant amounts of goodwill have been allocated were 8.5% (2013: 9%) for the Certas Energy UK Group and 8.5% (2013: 10%) for the DCC Vital Group. The long term growth rate assumed in both cases was 2.3% (2013: 2.5%). The remaining goodwill balance of £330.888 million is allocated across 28 CGUs (2013: £332.848 million over 27 CGUs), none of which are individually significant.

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 extracted from a three year plan that has been formally approved by the Board of Directors and specifically excludes future acquisition activity. Cash flows for a further two years are based on the assumptions underlying the three year plan. 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 2.3% (2013: 2.5%).

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 7.5% to 8.5% (2013: 7% to 10%).

Key assumptions include management's estimates of future profitability, working capital investment and capital expenditure requirements. 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. The prior year assumptions were prepared on the same basis.

Applying these techniques, an impairment charge of £13.923 million arose in 2014 (2013: nil). The impairment charge, which is included in the Income Statement in other operating expenses, primarily arose in MSE Limited (a subsidiary of the Group's Technology division) following the closure of the Irish DVD business and in Bottle Green Limited (a subsidiary of the Group's Food & Beverage division) as this CGU experienced weak demand in the current year whilst the recovery in profits is forecasted at a slower rate than previously anticipated. The recoverable amounts for both CGUs were determined on a value in use basis. For the purpose of impairment testing, the discount rates applied to these CGUs were 8.4% (2013: 8.0%) for MSE Limited and 8.0% (2013: 8.0%) for Bottle Green Limited.

Sensitivity analysis was performed by increasing the discount rate by 1.5%, 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 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.

21. Investments in Associates

	2014 £'000	Restated 2013 £'000
At 1 April	**808**	978
Share of profit after tax (before impairment of associate company investment)	**33**	26
Impairment of associate company investment	**-**	(204)
Exchange	**(17)**	8
At 31 March	**824**	808

Investments in associates at 31 March 2014 include goodwill of £0.350 million (2013: £0.357 million).

The Group's geographical share of the assets (including goodwill) and liabilities of its associates is as follows:

	Non-current assets £'000	Current assets £'000	Non-current liabilities £'000	Current liabilities £'000	Net assets £'000
As at 31 March 2014					
Ireland	**404**	**460**	**-**	**(132)**	**732**
France	**3**	**427**	**(118)**	**(220)**	**92**
	407	**887**	**(118)**	**(352)**	**824**
As at 31 March 2013 (restated)					
Ireland	386	676	-	(349)	713
France	4	403	(112)	(200)	95
	390	1,079	(112)	(549)	808

Details of the Group's associates are as follows:

Name and Registered Office	Nature of Business	Financial Year End	% Shareholding	Relevant Share Capital
Lee Oil (Cork) Limited, Clonminam Industrial Estate, Portlaoise, Co Laois.	Sale and distribution of oil products.	31 March	50.0%	100 ordinary shares of €1.26 each.
SAS Blue Stork Industry 300, rue du Président Salvador Allende, 92700 Colombes, France.	Sale and distribution of computer hardware, software and peripherals.	31 March	20.0%	740 ordinary shares of €10 each.

Notes to the Financial Statements (continued)

22. Investments in Subsidiary Undertakings

Company	2014 £'000	Restated 2013 £'000
At 1 April	**143,807**	140,149
Additions	**1,880**	1,631
Exchange	**(2,995)**	2,027
At 31 March	**142,692**	143,807

Details of the Group's principal operating subsidiaries are shown on pages 202 to 206. Non-wholly owned subsidiaries comprises DCC Environmental Britain Limited (70%) (which owns 100% of Wastecycle Limited and William Tracey Limited) where put and call options exist to acquire the remaining 30%, and Virtus Limited (51%).

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 Teleport Boulevard 140, 1043 EJ Amsterdam, The Netherlands.

23. Inventories

Group	2014 £'000	Restated 2013 £'000
Raw materials	**14,229**	14,195
Work in progress	**2,476**	2,769
Finished goods	**485,060**	372,562
	501,765	389,526

24. Trade and Other Receivables

Group	2014 £'000	Restated 2013 £'000
Trade receivables	**878,698**	1,043,977
Provision for impairment of trade receivables (note 46)	**(17,284)**	(20,782)
Prepayments and accrued income	**52,796**	60,572
Value added tax recoverable	**13,634**	17,294
Other debtors	**31,811**	38,205
	959,655	1,139,266

Company	2014 £'000	Restated 2013 £'000
Amounts owed by subsidiary undertakings	**335,662**	315,632

25. Trade and Other Payables

Group	2014 £'000	Restated 2013 £'000
Trade payables	**1,245,238**	1,197,764
Other creditors and accruals	**173,199**	199,640
PAYE and National Insurance	**11,944**	14,576
Value added tax	**50,539**	47,337
Government grants (note 35)	**20**	57
Interest payable	**4,740**	3,864
Amounts due in respect of property, plant and equipment	**7,288**	92
	1,492,968	1,463,330

Company	2014 £'000	Restated 2013 £'000
Amounts due to subsidiary undertakings	**279,319**	238,301
Other creditors and accruals	**506**	517
	279,825	238,818

26. Movement in Working Capital

Group	Inventories £'000	Trade and other receivables £'000	Trade and other payables £'000	Total £'000
Year ended 31 March 2014				
At 1 April 2013 (restated)	**389,526**	**1,139,266**	**(1,463,330)**	**65,462**
Translation adjustment	**(1,693)**	**(11,376)**	**12,259**	**(810)**
Arising on acquisition (note 45)	**6,748**	**22,209**	**(25,811)**	**3,146**
Disposal of subsidiaries	**(2,209)**	**(1,525)**	**(671)**	**(4,405)**
Exceptional items, interest accruals and other	**-**	**969**	**(9,006)**	**(8,037)**
Increase/(decrease) in working capital (note 41)	**109,393**	**(189,888)**	**(6,409)**	**(86,904)**
At 31 March 2014	**501,765**	**959,655**	**(1,492,968)**	**(31,548)**
Year ended 31 March 2013 (restated)				
At 1 April 2012	282,000	1,077,147	(1,279,102)	80,045
Translation adjustment	2,215	5,007	(6,097)	1,125
Arising on acquisition (note 45)	17,191	35,755	(44,225)	8,721
Exceptional items, interest accruals and other	-	(383)	4,155	3,772
Increase/(decrease) in working capital (note 41)	88,120	21,740	(138,061)	(28,201)
At 31 March 2013	389,526	1,139,266	(1,463,330)	65,462

Notes to the Financial Statements (continued)

26. Movement in Working Capital (continued)

Company	Trade and other receivables £'000	Trade and other payables £'000	Total £'000
Year ended 31 March 2014			
At 1 April 2013 (restated)	**315,632**	**(275,766)**	**39,866**
Translation adjustment	**(7,003)**	**6,573**	**(430)**
Dividends receivable	**29,476**	**-**	**29,476**
Decrease in working capital (note 41)	**(2,443)**	**(47,608)**	**(50,051)**
At 31 March 2014	**335,662**	**(316,801)**	**18,861**
Year ended 31 March 2013 (restated)			
At 1 April 2012	341,612	(285,336)	56,276
Translation adjustment	3,694	(3,519)	175
Exceptional item	(82)	-	(82)
(Decrease)/increase in working capital (note 41)	(29,592)	13,089	(16,503)
At 31 March 2013	315,632	(275,766)	39,866

27. Cash and Cash Equivalents

Group	2014 £'000	Restated 2013 £'000
Cash at bank and in hand	**313,792**	282,289
Short-term bank deposits	**649,352**	236,636
	963,144	518,925

Cash at bank earns interest at floating rates based on daily bank deposit rates. The short-term 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:

	2014 £'000	Restated 2013 £'000
Cash and short-term bank deposits	**963,144**	518,925
Bank overdrafts	**(148,578)**	(87,851)
	814,566	431,074

Bank overdrafts are included within current borrowings (note 29) in the Group Balance Sheet.

Company	2014 £'000	Restated 2013 £'000
Cash at bank and in hand	**2,999**	3,381

28. Derivative Financial Instruments

Group	2014 £'000	Restated 2013 £'000
Non-current assets		
Interest rate swaps - fair value hedges	**7,323**	16,071
Cross currency interest rate swaps - fair value hedges	**48,917**	109,841
	56,240	125,912
Current assets		
Interest rate swaps - fair value hedges	**318**	-
Cross currency interest rate swaps - fair value hedges	**253**	9,754
Foreign exchange forward contracts - cash flow hedges	**373**	554
Commodity forward contracts - cash flow hedges	**20**	847
Foreign exchange forward contracts - fair value hedges	**2**	36
Commodity forward contracts - fair value hedges	**193**	227
Foreign exchange forward contracts - not designated as hedges	**28**	325
Commodity forward contracts - not designated as hedges	**34**	51
	1,221	11,794
Total assets	**57,461**	137,706
Non-current liabilities		
Currency swaps - not designated as hedges	**(4,308)**	(9,249)
Cross currency interest rate swaps - fair value hedges	**(31,671)**	(3,346)
Cross currency interest rate swaps - cash flow hedges	**(9,657)**	(841)
	(45,636)	(13,436)
Current liabilities		
Currency swaps - not designated as hedges	**(13,843)**	-
Cross currency interest rate swaps - fair value hedges	**(950)**	-
Foreign exchange forward contracts - cash flow hedges	**(129)**	(951)
Commodity forward contracts - cash flow hedges	**(3,348)**	(1,083)
Foreign exchange forward contracts - fair value hedges	**(240)**	-
Commodity forward contracts - fair value hedges	**(8)**	-
Foreign exchange forward contracts - not designated as hedges	**(109)**	(209)
Commodity forward contracts - not designated as hedges	**(72)**	(129)
	(18,699)	(2,372)
Total liabilities	**(64,335)**	(15,808)
Net (liability)/asset arising on derivative financial instruments	**(6,874)**	121,898

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than twelve months and as a current asset or liability if the maturity of the hedged item is less than twelve 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 2014 total US$200.0 million, Stg£55.0 million and €20.0 million. At 31 March 2014, the fixed interest rates vary from 4.58% to 6.18% and the floating rates are based on US$ LIBOR, sterling LIBOR and EURIBOR.

Notes to the Financial Statements (continued)

28. Derivative Financial Instruments (continued)

In addition to the above and as referred to in note 29 to the financial statements, on 20 March 2014 the Group committed itself to issuing US$, euro and sterling denominated debt of US$516.0 million, €85.0 million and £70.0 million. This debt will be drawn down on 21 May 2014 (US$436.0 million, €85.0 million and £70.0 million) and on 23 September 2014 (US$80.0 million). The Group has entered a number of cross currency interest rate swaps and interest rate swaps to hedge the interest rate and currency risk arising from this debt issuance. The interest rate swaps swapped the fixed rate €85.0 million issuance to floating rate euro debt, and swapped the fixed rate £70.0 million to floating rate sterling debt. The swaps to floating rate euro and sterling are designated as fair value hedges under IAS 39.

Currency swaps

The Group utilises currency swaps in conjunction with interest rate swaps designated as fair value hedges (as noted above) to swap fixed rate US$ denominated debt into floating rate euro debt. The currency swaps (which swap floating US$ denominated debt based on US$ LIBOR into floating euro denominated debt based on EURIBOR) have notional principal amounts of US$200.0 million/€167.113 million and are not designated as hedges under IAS 39.

Cross currency interest rate swaps

The Group utilises cross currency interest rate swaps to swap fixed rate US$ denominated debt of US$980.5 million into floating rate sterling debt of Stg£343.445 million and floating rate euro debt of €304.961 million. At 31 March 2014 the fixed interest rates vary from 3.41% to 6.19%. These swaps are designated as fair value hedges under IAS 39.

The Group utilises cross currency interest rate swaps to swap fixed rate US$ denominated debt of US$130.0 million into fixed rate sterling debt of Stg£29.664 million and floating rate euro debt of €64.970 million. At 31 March 2014 the fixed US$ interest rates vary from 4.04% to 4.19%. These swaps are designated as cash flow hedges under IAS 39.

In addition to the above, the cross currency interest rate swaps entered into in connection with the 20 March 2014 fundraising commitment referred to above and in note 29, swapped the fixed rate US$516.0 million issuance to floating rate euro debt of €195.4 million, floating rate sterling debt of £36.4 million, fixed rate euro debt of €98.1 million and fixed rate sterling debt of £31.5 million. The swaps to floating rate euro and sterling are designated as fair value hedges under IAS 39 and the swaps to fixed rate euro and sterling are designated as cash flow hedges under IAS 39.

Forward foreign exchange contracts

The notional principal amounts of outstanding forward foreign exchange contracts at 31 March 2014 total £62.204 million (2013: £80.596 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 38) at 31 March 2014 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 twelve months after the balance sheet date.

Commodity price forward contracts

The notional principal amounts of outstanding forward commodity contracts at 31 March 2014 total £41.056 million (2013: £16.225 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 38) at 31 March 2014 on forward commodity contracts designated as cash flow hedges under IAS 39 will be released to the Income Statement at various dates up to twelve months after the balance sheet date.

29. Borrowings

Group	2014 £'000	Restated 2013 £'000
Non-current		
Finance leases*	**619**	619
Unsecured Notes	**725,212**	672,096
	725,831	672,715
Current		
Bank borrowings	**148,578**	87,851
Finance leases*	**501**	722
Unsecured Notes	**167,647**	65,487
	316,726	154,060
Total borrowings	**1,042,557**	826,775

**Secured on specific plant and equipment*

The maturity of non-current borrowings is as follows:	2014 £'000	Restated 2013 £'000
Between 1 and 2 years	**14,697**	188,498
Between 2 and 5 years	**152,708**	186,358
Over 5 years	**558,426**	297,859
	725,831	672,715

Bank borrowings and finance leases

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 LIBOR and US$ LIBOR) and consequently fair value approximates carrying amounts. The majority of finance leases are at fixed rates.

In January 2012, the Group put in place a five year committed revolving credit facility with four relationship banks: Barclays, HSBC, JP Morgan and RBS. The Group had various other uncommitted bank facilities available at 31 March 2014.

Unsecured Notes

The Group's Unsecured Notes which fall due between 2014 and 2029 are comprised of fixed rate debt of US$200.0 million and Stg£30.0 million issued in 2004 and maturing in 2014 and 2016 (the '2014/16 Notes'), fixed rate debt of US$200.0 million and Stg£25.0 million issued in 2007 and maturing in 2017 and 2019 (the '2017/19 Notes'), fixed rate debt of US$22.5 million issued in 2008 and maturing in 2015 (the '2015 Notes'), fixed rate debt of US$363.0 million and €20.0 million issued in 2010 and maturing in 2015, 2017, 2020 and 2022 (the '2015/17/20/22 Notes'), fixed rate debt of US$525 million issued in 2013 and maturing in 2020, 2023 and 2025 (the '2020/23/25 Notes') and fixed rate debt of US$516.0 million, €85.0 million and £70.0 million committed to be issued in 2014 and maturing in 2021, 2024, 2026 and 2029 (the '2021/24/26/29 Notes').

The 2015 Notes denominated in US$ have 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 LIBOR.

Notes to the Financial Statements (continued)

29. Borrowings (continued)

The 2014/16 Notes denominated in US$ have been swapped from fixed to floating US$ rates (using interest rate swaps designated as fair value hedges under IAS 39) and further swapped (using currency swaps not designated as hedges under IAS 39) from floating US$ to floating euro rates, repricing semi-annually based on EURIBOR. The 2014/16 Notes denominated in sterling have been swapped from fixed to floating sterling rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing semi-annually based on sterling LIBOR.

The 2017/19 Notes denominated in US$ have 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 LIBOR. The 2017/19 Notes denominated in sterling have been swapped from fixed to floating sterling rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing quarterly based on sterling LIBOR.

Of the 2015/17/20/22 Notes denominated in US$, $213.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating sterling rates, repricing quarterly based on sterling LIBOR and $150.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ to floating euro rates, repricing quarterly based on EURIBOR. The 2015/17/20/22 Notes denominated in euro have been swapped from fixed to floating euro rates (using an interest rate swap designated as a fair value hedge under IAS 39), repricing quarterly based on EURIBOR.

Of the 2020/23/25 Notes denominated in US$, $255.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ 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 LIBOR, $85.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ 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.

On 20 March 2014 the Group committed to issue fixed rate US$, sterling and euro denominated debt of US$516.0 million, €85.0 million and £70.0 million maturing in 2021, 2024, 2026 and 2029. Of the 2021/24/26/29 Notes, $269.0 million has been swapped (using cross currency interest rate swaps designated as fair value hedges under IAS 39) from fixed US$ 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 LIBOR, $135.0 million has been swapped (using cross currency interest rate swaps designated as cash flow hedges under IAS 39) from fixed US$ 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, €85.0 million has 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 and £70.0 million has been swapped (using rate swaps designated as fair value hedges under IAS 39) from fixed sterling to floating sterling rates, repricing quarterly based on LIBOR. The 2021/24/26/29 Notes will be drawn down on 21 May 2014 (US$436.0 million, €85.0 million and £70.0 million) and on 23 September 2014 (US$80.0 million). In accordance with IAS 39, the adjusted value corresponding to the portion of the 2021/24/26/29 Notes which has been swapped using cross currency interest rate swaps designated as fair value hedges and using interest rate swaps designated as fair value hedges has been included in the Group's borrowings at 31 March 2014.

29. Borrowings (continued)

The maturity and interest profile of the Unsecured Notes is as follows:

	2014	2013
Average maturity*	**7.8 years**	6.1 years
Average fixed interest rates**		
- US$ denominated*	**4.76%**	4.96%
- sterling denominated*	**4.91%**	5.95%
- euro denominated*	**3.49%**	4.58%
Average floating rate including swaps		
- sterling denominated	**1.94%**	1.84%
- euro denominated	**1.84%**	1.49%

** Including the 2021/24/26/29 Notes and excluding the portion of the 2004 Notes repaid on 22 April 2014 (US$157.0 million and £30.0 million).*
***Issued and repayable at par.*

30. Analysis of Net Debt

Reconciliation of opening to closing net debt

The reconciliation of opening to closing net debt for the year ended 31 March 2014 is as follows:

	Restated At 1 April 2013 £'000	Cash flow £'000	Fair value adjustment Income Statement £'000	Fair value adjustment Cash Flow Hedge Reserve £'000	Translation adjustment £'000	At 31 March 2014 £'000
Cash and short term bank deposits	518,925	452,873	-	-	(8,654)	963,144
Overdrafts	(87,851)	(61,005)	-	-	278	(148,578)
	431,074	391,868	-	-	(8,376)	814,566
Finance leases	(1,341)	175	-	-	46	(1,120)
Unsecured Notes	(737,583)	(282,586)	110,988	-	16,322	(892,859)
Derivative financial instruments (net)	121,898	(7,500)	(113,116)	(8,300)	144	(6,874)
Group net debt (including share of net cash in joint ventures)	(185,952)	101,957	(2,128)	(8,300)	8,136	(86,287)
Group net debt (excluding share of net cash in joint ventures)	(186,649)	101,628	(2,128)	(8,300)	8,157	(87,292)

Notes to the Financial Statements (continued)

30. Analysis of Net Debt (continued)

The reconciliation of opening to closing net debt for the year ended 31 March 2013 (restated) is as follows:

	Restated At 1 April 2012 £'000	Cash flow £'000	Fair value adjustment Income Statement £'000	Fair value adjustment Cash Flow Hedge Reserve £'000	Translation adjustment £'000	Restated At 31 March 2013 £'000
Cash and short term bank deposits	559,411	(43,947)	-	-	3,461	518,925
Overdrafts	(59,005)	(28,276)	-	-	(570)	(87,851)
	500,406	(72,223)	-	-	2,891	431,074
Finance leases	(440)	(861)	-	-	(40)	(1,341)
Unsecured Notes	(707,212)	-	(24,617)	-	(5,754)	(737,583)
Derivative financial instruments (net)	100,328	(3,060)	23,245	(811)	2,196	121,898
Group net debt (including share of net cash in joint ventures)	(106,918)	(76,144)	(1,372)	(811)	(707)	(185,952)
Group net debt (excluding share of net cash in joint ventures)	(108,366)	(75,399)	(1,372)	(811)	(701)	(186,649)

Currency profile

The currency profile of net debt at 31 March 2014 is as follows:

	Euro £'000	**Sterling £'000**	**US Dollar £'000**	**Swedish Krona £'000**	**Other £'000**	**Total £'000**
Cash and cash equivalents	**242,777**	**674,728**	**13,777**	**16,972**	**14,890**	**963,144**
Borrowings	**(392,873)**	**(571,121)**	**(78,162)**	**(401)**	**-**	**(1,042,557)**
Derivatives	**(33,200)**	**26,455**	**(129)**	**-**	**-**	**(6,874)**
	(183,296)	**130,062**	**(64,514)**	**16,571**	**14,890**	**(86,287)**

The currency profile of net debt at 31 March 2013 (restated) is as follows:

	Euro £'000	Sterling £'000	US Dollar £'000	Swedish Krona £'000	Other £'000	Total £'000
Cash and cash equivalents	92,987	386,109	11,168	22,172	6,489	518,925
Borrowings	(291,817)	(533,567)	(798)	(593)	-	(826,775)
Derivatives	15,871	106,404	(377)	-	-	121,898
	(182,959)	(41,054)	9,993	21,579	6,489	(185,952)

Interest rate profile

Cash and cash equivalents at 31 March 2014 and 31 March 2013 have maturity periods up to three months (note 27).

Bank borrowings are at floating interest rates for periods less than six months while the Group's Unsecured Notes due 2014 to 2029 have been swapped to a combination of fixed rates and floating rates which reset on a quarterly or semi-annual basis (note 29). The majority of finance leases are at fixed rates.

31. Deferred Income Tax

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 2014:

	Property plant and equipment £'000	Intangible assets £'000	Tax losses and credits £'000	Retirement benefit obligations £'000	Short term temporary differences and other differences £'000	Total £'000
At 1 April 2013 (restated)	**11,411**	**18,294**	**(1,319)**	**(3,209)**	**(1,758)**	**23,419**
Consolidated Income Statement movement	**(1,737)**	**(5,841)**	**(1,815)**	**879**	**(321)**	**(8,835)**
Recognised in Other Comprehensive Income	**-**	**-**	**-**	**(152)**	**(288)**	**(440)**
Arising on acquisition	**-**	**2,402**	**-**	**-**	**106**	**2,508**
Exchange differences and other	**(85)**	**(417)**	**125**	**62**	**(71)**	**(386)**
At 31 March 2014	**9,589**	**14,438**	**(3,009)**	**(2,420)**	**(2,332)**	**16,266**
Analysed as:						
Deferred tax asset	**(998)**	**-**	**(3,009)**	**(2,638)**	**(4,615)**	**(11,260)**
Deferred tax liability	**10,587**	**14,438**	**-**	**218**	**2,283**	**27,526**
	9,589	**14,438**	**(3,009)**	**(2,420)**	**(2,332)**	**16,266**

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 2013 (restated):

	Property plant and equipment £'000	Intangible assets £'000	Tax losses and credits £'000	Retirement benefit obligations £'000	Short term temporary differences and other differences £'000	Total £'000
At 1 April 2012 (restated)	10,342	14,731	(997)	(2,142)	(574)	21,360
Consolidated Income Statement movement	705	(2,751)	276	482	(887)	(2,175)
Recognised in Other Comprehensive Income	-	-	-	(1,506)	(202)	(1,708)
Arising on acquisition	235	6,380	(564)	-	(122)	5,929
Exchange differences	129	(66)	(34)	(43)	27	13
At 31 March 2013 (restated)	11,411	18,294	(1,319)	(3,209)	(1,758)	23,419
Analysed as:						
Deferred tax asset	(863)	-	(1,319)	(3,376)	(3,920)	(9,478)
Deferred tax liability	12,274	18,294	-	167	2,162	32,897
	11,411	18,294	(1,319)	(3,209)	(1,758)	23,419

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 net deferred tax asset at 31 March 2014 of £11.260 million is expected to be settled/recovered more than twelve months after the balance sheet 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 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.

Notes to the Financial Statements (continued)

32. Post Employment Benefit Obligations

Group

The Group operates defined benefit and defined contribution schemes. The pension scheme assets are held in separate trustee administered funds.

The Group operates eight defined benefit pension schemes in the Republic of Ireland and four in the UK. 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 2010 and 1 May 2013. 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 2014 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 balance sheet 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.

The principal actuarial assumptions used were as follows:

	2014	2013
Republic of Ireland schemes		
Rate of increase in salaries	**2.00% - 3.00%**	2.00% - 3.25%
Rate of increase in pensions in payment	**2.50%**	2.50%
Discount rate	**3.40%**	3.70%
Inflation assumption	**2.00%**	2.25%
UK schemes		
Rate of increase in salaries	**3.50%**	4.20%
Rate of increase in pensions in payment	**1.75% - 3.50%**	2.20% - 3.50%
Discount rate	**4.50%**	4.40%
Inflation assumption	**3.50%**	3.50%

32. Post Employment Benefit Obligations (continued)

The 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 both geographic regions and are in accordance with the underlying funding valuations. The average future life expectancy factored into the relevant valuations, based on retirement at 65 years of age, for current and future retirees is as follows:

	2014	2013
Current retirees		
Male	**23.7**	23.6
Female	**25.3**	25.1
Future retirees		
Male	**26.6**	26.5
Female	**27.8**	27.7

The Group does not operate any post-employment medical benefit schemes.

The net pension liability recognised in the Balance Sheet is analysed as follows:

	2014		
	ROI £'000	UK £'000	Total £'000
Equities	**30,011**	**8,398**	**38,409**
Bonds	**50,670**	**11,144**	**61,814**
Property	**725**	**1,027**	**1,752**
Cash	**1,002**	**945**	**1,947**
Total fair value at 31 March 2014	**82,408**	**21,514**	**103,922**
Present value of scheme liabilities	**(94,940)**	**(25,015)**	**(119,955)**
Net pension liability at 31 March 2014	**(12,532)**	**(3,501)**	**(16,033)**

	2013 (restated)		
	ROI £'000	UK £'000	Total £'000
Equities	26,510	7,693	34,203
Bonds	50,940	10,523	61,463
Property	668	918	1,586
Cash	700	894	1,594
Total fair value at 31 March 2013	78,818	20,028	98,846
Present value of scheme liabilities	(92,920)	(25,278)	(118,198)
Net pension liability at 31 March 2013	(14,102)	(5,250)	(19,352)

Notes to the Financial Statements (continued)

32. Post Employment Benefit Obligations (continued)

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes are as follows:

	2014 £'000	Restated 2013 £'000
Current service cost	**(870)**	(975)
Past service costs	**316**	-
Administration expenses	**(60)**	-
Total, included in employee benefit expenses (note 9)	**(614)**	(975)
Exceptional curtailment and settlement gains	**1,435**	-
Total, included in exceptional items (note 11)	**1,435**	-
Interest cost on scheme liabilities	**(4,517)**	(4,366)
Interest income on scheme assets	**3,844**	3,309
Net interest expense, included in finance costs (note 12)	**(673)**	(1,057)

Based on the assumptions employed for the valuation of assets and liabilities at 31 March 2014, the net charge in the Group Income Statement in the year ending 31 March 2015 (excluding the exceptional item above) is expected to be broadly in line with the current year figures.

Remeasurements recognised in Other Comprehensive Income are as follows:

	2014 £'000	Restated 2013 £'000
Return on scheme assets excluding interest income	**1,110**	6,388
Experience variations	**818**	1,368
Actuarial loss from changes in financial assumptions	**(2,763)**	(17,335)
Total, included in Other Comprehensive Income	**(835)**	(9,579)

There were no changes to the demographic assumptions underlying the Group's defined benefit pension liabilities and, consequently, there were no actuarial gains or losses arising from changes in demographic assumptions in the current year (2013: nil).

Cumulatively since transition to IFRS on 1 April 2004, £38.904 million has been recognised as a charge in the Group Statement of Comprehensive Income.

32. Post Employment Benefit Obligations (continued)

The movement in the fair value of plan assets is as follows:

	2014 £'000	Restated 2013 £'000
At 1 April	**98,846**	84,681
Interest income on scheme assets	**3,844**	3,309
Remeasurements:		
- return on scheme assets excluding interest income	**1,110**	6,388
Contributions by employers	**3,741**	4,888
Contributions by members	**268**	378
Administration expenses	**(60)**	-
Benefits paid	**(2,105)**	(2,112)
Exchange	**(1,722)**	1,314
At 31 March	**103,922**	98,846

The actual return on plan assets was a gain of £4.954 million (2013: gain of £9.697 million).

The movement in the present value of defined benefit obligations is as follows:

	2014 £'000	Restated 2013 £'000
At 1 April	**118,198**	96,977
Current service cost	**870**	975
Past service costs	**(316)**	-
Interest cost	**4,517**	4,366
Remeasurements:		
- experience variations	**(818)**	(1,368)
- actuarial loss from changes in financial assumptions	**2,763**	17,335
Contributions by members	**268**	378
Benefits paid	**(2,105)**	(2,112)
Curtailment and settlement gains	**(1,435)**	-
Exchange and other	**(1,987)**	1,647
At 31 March	**119,955**	118,198

The weighted average duration of the defined benefit obligation at 31 March 2014 was 21.6 years (2013: 22.9 years).

Notes to the Financial Statements (continued)

32. Post Employment Benefit Obligations (continued)

Employer contributions for the forthcoming financial year are estimated at £5.0 million. The difference between the actual employer contributions paid in the current year of £3.7 million and the expectation of £4.9 million included in the 2013 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 2013 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 and UK 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
Discount rate	Increase/decrease by 0.25%	Decrease/increase by 5.4%	Decrease/increase by 5.4%
Price inflation	Increase/decrease by 0.25%	Increase/decrease by 2.4%	Increase/decrease by 4.8%
Mortality	Increase/decrease by one year	Increase/decrease by 3.0%	Increase/decrease by 2.6%

Split of scheme assets

	Year ended 31 March					
	UK		Republic of Ireland		Total	
	2014	2013	**2014**	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Investments quoted in active markets:						
Equity instruments:						
- developed markets	**7,524**	6,915	**28,874**	26,293	**36,398**	33,208
- emerging markets	**874**	778	**1,137**	217	**2,011**	995
Debt instruments:						
- non government debt instruments	**7,142**	6,978	**15,447**	17,796	**22,589**	24,774
- government debt instruments	**4,019**	3,545	**35,206**	33,144	**39,225**	36,689
Cash and cash equivalents	**928**	894	**1,019**	700	**1,947**	1,594
Unquoted investments:						
Property	**1,027**	918	**725**	668	**1,752**	1,586
	21,514	20,028	**82,408**	78,818	**103,922**	98,846

33. Deferred and Contingent Acquisition Consideration

Group

The Group's deferred and contingent acquisition consideration of £53.323 million (2013: £75.959 million) as stated on the Balance Sheet consists of £46.997 million of sterling floating rate financial liabilities (2013: £60.284 million), £5.374 million of euro floating rate financial liabilities (2013: £8.493 million) and £0.952 million of swedish krona floating rate financial liabilities (2013: £7.182 million) payable as follows:

	2014 £'000	Restated 2013 £'000
Within one year	**16,374**	19,401
Between one and two years	**2,972**	7,620
Between two and five years	**33,977**	48,938
	53,323	75,959
Analysed as:		
Non-current liabilities	**36,949**	56,558
Current liabilities	**16,374**	19,401
	53,323	75,959

The movement in the Group's deferred and contingent acquisition consideration is as follows:

	2014 £'000	Restated 2013 £'000
At 1 April	**75,959**	82,305
Arising on acquisition	**4,257**	12,829
Amounts no longer required (adjustment to goodwill, note 20)	**(208)**	(1,559)
Amounts no longer required (recognised in the Income Statement, note 11)	**(16,165)**	(5,601)
Paid during the year	**(10,196)**	(11,970)
Exchange and other	**(324)**	(45)
At 31 March	**53,323**	75,959

34. Provisions for Liabilities and Charges

The reconciliation of the movement in provisions for liabilities and charges for the year ended 31 March 2014 is as follows:

Group	Rationalisation, restructuring and redundancy £'000	Environmental and remediation £'000	Insurance and other £'000	Total £'000
At 1 April 2013 (restated)	**13,589**	**8,801**	**6,795**	**29,185**
Provided during the year	**16,675**	**(750)**	**3,000**	**18,925**
Utilised during the year	**(16,606)**	**(288)**	**(1,405)**	**(18,299)**
Arising on acquisition	**-**	**1,930**	**-**	**1,930**
Exchange and other	**(393)**	**(84)**	**(261)**	**(738)**
At 31 March 2014	**13,265**	**9,609**	**8,129**	**31,003**
Analysed as:				
Non-current liabilities	**7,177**	**9,352**	**7,628**	**24,157**
Current liabilities	**6,088**	**257**	**501**	**6,846**
	13,265	**9,609**	**8,129**	**31,003**

Notes to the Financial Statements (continued)

34. Provisions for Liabilities and Charges (continued)

The reconciliation of the movement in provisions for liabilities and charges for the year ended 31 March 2013 (restated) is as follows:

Group	Rationalisation, restructuring and redundancy £'000	Environmental and remediation £'000	Insurance and other £'000	Total £'000
At 1 April 2012 (restated)	8,694	8,242	4,249	21,185
Provided during the year	9,665	899	1,419	11,983
Utilised during the year	(6,253)	(289)	(626)	(7,168)
Arising on acquisition (note 45)	1,460	-	1,599	3,059
Exchange and other	23	(51)	154	126
At 31 March 2013 (restated)	13,589	8,801	6,795	29,185
Analysed as:				
Non-current liabilities	3,102	8,691	5,348	17,141
Current liabilities	10,487	110	1,447	12,044
	13,589	8,801	6,795	29,185

Rationalisation, restructuring and redundancy

This provision relates to various rationalisation and restructuring programs across the Group. The Group expects that the majority of this provision will be utilised within one year.

Environmental and remediation

This provision relates to obligations governing site remediation and improvement costs to be incurred in compliance with environmental regulations. 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. Provision is made for the net present value of post closure costs based on the quantity of waste input into the landfill during the year. 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.

Insurance and other

The insurance provision relates to employers liability, motor liability and public and products liability and reflects an estimation of the excess not recoverable from insurers arising from claims against Group companies. A significant element of the provision is subject to external assessments. The claims triangles applied in valuation indicate that these provisions have an average life of four years (2013: four years).

35. Government Grants

Group	**2014 £'000**	Restated 2013 £'000
At 1 April	**1,631**	2,106
Amortisation in year	**(383)**	(476)
Received in year	**100**	-
Exchange and other adjustments	**(5)**	1
At 31 March	**1,343**	1,631
Disclosed as due within one year (note 25)	**(20)**	(57)
	1,323	1,574

Government grants relate to capital grants received and are amortised to the Income Statement over the estimated useful lives of the related capital assets.

36. Share Capital

Group and Company	2014 £'000	Restated 2013 £'000
Authorised		
152,368,568 ordinary shares of €0.25 each	**25,365**	25,365
Issued		
88,229,404 ordinary shares (including 4,367,440 ordinary shares held as Treasury Shares) of €0.25 each, fully paid (2013: 88,229,404 ordinary shares (including 4,535,981 ordinary shares held as Treasury Shares) of €0.25 each, fully paid)	**14,688**	14,688

As at 31 March 2014, the total authorised number of ordinary shares is 152,368,568 shares (2013: 152,368,568 shares) with a par value of €0.25 per share (2013: €0.25 per share).

During the year the Company re-issued 168,541 Treasury Shares for a consideration (net of expenses) of £1.981 million.

All 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 10 to the financial statements and in the Remuneration Report on pages 89 to 108.

Restriction on transfer of shares

The Directors may, in 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 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 save where the transferor is a Stock Exchange Nominee (ii) it is in respect of only one class of shares and (iii) it is in favour of not more than four transferees.

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 per cent 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 specified shares; and/or 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.

Notes to the Financial Statements (continued)

37. Share Premium

Group and Company	2014 £'000	Restated 2013 £'000
At 31 March	**83,032**	83,032

Share premium of £83.032 million relates to the share premium arising on the issue of shares.

38. Other Reserves

Group	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 2012 (restated)	8,367	1,052	55,201	932	65,552
Currency translation arising in the year	-	-	1,816	-	1,816
Cash flow hedges					
- fair value loss in year - private placement debt	-	(811)	-	-	(811)
- fair value loss in year - other	-	(2,536)	-	-	(2,536)
- tax on fair value losses	-	443	-	-	443
- transfers to sales	-	603	-	-	603
- transfers to cost of sales	-	813	-	-	813
- tax on transfers	-	(241)	-	-	(241)
Share based payment	1,078	-	-	-	1,078
At 31 March 2013 (restated)	**9,445**	**(677)**	**57,017**	**932**	**66,717**
Currency translation:					
- arising in the year	**-**	**-**	**(7,519)**	**-**	**(7,519)**
- recycled to the Income Statement on disposal of subsidiary	**-**	**-**	**324**	**-**	**324**
Cash flow hedges					
- fair value loss in year - private placement debt	**-**	**(8,300)**	**-**	**-**	**(8,300)**
- fair value loss in year - other	**-**	**(3,828)**	**-**	**-**	**(3,828)**
- tax on fair value losses	**-**	**536**	**-**	**-**	**536**
- transfers to sales	**-**	**(676)**	**-**	**-**	**(676)**
- transfers to cost of sales	**-**	**2,546**	**-**	**-**	**2,546**
- transfers to operating expenses	**-**	**6,803**	**-**	**-**	**6,803**
- tax on transfers	**-**	**(248)**	**-**	**-**	**(248)**
Share based payment	**1,185**	**-**	**-**	**-**	**1,185**
At 31 March 2014	**10,630**	**(3,844)**	**49,822**	**932**	**57,540**

38. Other Reserves (continued)

Company	Foreign currency translation reserve[5] £'000	Other reserves[6] £'000	Total £'000
At 31 March 2012 (restated)	60,759	229	60,988
Currency translation	2,302	-	2,302
At 31 March 2013 (restated)	**63,061**	**229**	**63,290**
Currency translation	**(3,489)**	**-**	**(3,489)**
At 31 March 2014	**59,572**	**229**	**59,801**

[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 all foreign exchange differences from 1 April 2004 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 balance sheet date.
[4] The Group's other reserves comprise a capital conversion reserve fund and an unrealised gain on the disposal of an associate.
[5] 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.
[6] The Company's other reserves is a capital conversion reserve fund.

39. Retained Earnings

Group	2014 £'000	Restated 2013 £'000
At 1 April	**725,514**	680,070
Net income recognised in Income Statement	**121,234**	106,295
Net income recognised directly in equity		
- remeasurements of defined benefit pension obligations	**(835)**	(9,579)
- deferred tax on remeasurements	**152**	1,506
Re-issue of treasury shares (net of expenses)	**1,981**	1,702
Dividends	**(61,888)**	(54,480)
At 31 March	**786,158**	725,514

Company	2014 £'000	Restated 2013 £'000
At 1 April	**26,044**	38,649
Total comprehensive income for the financial year	**40,894**	40,173
Re-issue of treasury shares (net of expenses)	**1,981**	1,702
Dividends	**(61,888)**	(54,480)
At 31 March	**7,031**	26,044

The cost to the Group and the Company of €58.670 million to acquire the 4,367,440 shares held in Treasury has been deducted from the Group and Company Retained Earnings. These shares were acquired at prices ranging from €10.80 to €17.90 each (average: €13.43) between 27 November 2003 and 19 June 2006 and are primarily held to satisfy exercises under the Group's share options and awards schemes.

Notes to the Financial Statements (continued)

40. Non-Controlling Interests

Group	2014 £'000	Restated 2013 £'000
At 1 April	**2,391**	2,215
Share of profit for the financial year	**2,709**	339
Dividends to non-controlling interests	**(207)**	(200)
Exchange	**(56)**	37
At 31 March	**4,837**	2,391

41. Cash Generated from Operations

Group	2014 £'000	Restated 2013 £'000
Profit for the financial year	**123,943**	106,634
Add back non-operating expenses		
- tax (note 15)	**27,255**	26,288
- share of (profit)/loss from associates (note 14)	**(33)**	259
- net operating exceptionals (note 11)	**13,283**	23,817
- net finance costs (note 12)	**23,539**	15,444
Operating profit before exceptionals	**187,987**	172,442
- share-based payments expense (note 10)	**1,185**	1,078
- depreciation (note 19)	**56,130**	54,234
- amortisation (note 20)	**20,416**	14,420
- profit on sale of property, plant and equipment	**(1,783)**	(1,036)
- amortisation of government grants (note 35)	**(383)**	(476)
- other	**(1,792)**	(4,249)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
- inventories (note 26)	**(109,393)**	(88,120)
- trade and other receivables (note 26)	**189,888**	(21,740)
- trade and other payables (note 26)	**6,409**	138,061
Cash generated from operations before exceptionals	**348,664**	264,614

41. Cash Generated from Operations (continued)

Company	2014 £'000	Restated 2013 £'000
Profit for the financial year	**40,894**	40,173
Add back non-operating (income)/expense		
- net operating exceptionals	**-**	285
- net finance income	**(10,093)**	(10,012)
- dividend income	**(29,490)**	(29,405)
Operating profit	**1,311**	1,041
Changes in working capital:		
- trade and other receivables (note 26)	**2,443**	29,592
- trade and other payables (note 26)	**47,608**	(13,089)
Cash generated from operations	**51,362**	17,544

42. Contingencies

Guarantees

The Company and certain subsidiaries have given guarantees of £1,603.209 million (2013: £1,335.026 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 17, Companies (Amendment) Act, 1986, the Company has guaranteed the liabilities of the following subsidiaries; Alvabay Limited, DCC Business Expansion Fund Limited, DCC Energy Limited, DCC Finance Limited, DCC Funding 2007 Limited, DCC Healthcare Limited, DCC Management Services Limited, DCC Nominees Limited, DCC Technology Limited, DCC Treasury Ireland 2013 Limited, Emo Oil Limited, Energy Procurement Limited, Exertis Ireland Limited (formerly Sharptext Limited), Fannin Limited, Fannin Compounding Limited, Flogas Ireland Limited, Great Gas Petroleum (Ireland) Limited, Lotus Green Limited, Technology Distribution Limited, Technology (Holdings) Limited, Technology Property Limited and Shannon Environmental Holdings Limited. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

43. Capital Expenditure Commitments

Group	2014 £'000	Restated 2013 £'000
Capital expenditure on property, plant and equipment that has been contracted for but has not been provided for in the financial statements	**4,704**	3,541
Capital expenditure on property, plant and equipment that has been authorised by the Directors but has not yet been contracted for	**73,835**	61,614
	78,539	65,155

Notes to the Financial Statements (continued)

44. Commitments under Operating and Finance Leases

Group

Operating leases

Future minimum rentals payable under non-cancellable operating leases at 31 March are as follows:

	2014 £'000	Restated 2013 £'000
Within one year	**23,147**	20,065
After one year but not more than five years	**43,111**	47,901
More than five years	**62,247**	68,731
	128,505	136,697

The Group leases a number of properties under operating leases. The leases typically run for a period of 10 to 25 years. Rents are generally reviewed every five years.

During the year ended 31 March 2014, £27.672 million (2013: £25.999 million) was recognised as an expense in the Income Statement in respect of operating leases.

Finance leases

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	2014		2013 (restated)	
	Minimum payments £'000	Present value of payments £'000	Minimum payments £'000	Present value of payments £'000
Within one year	**503**	**501**	725	722
After one year but not more than five years	**630**	**619**	632	619
	1,133	**1,120**	1,357	1,341
Less: amounts allocated to future finance costs	**(13)**	**-**	(16)	-
Present value of minimum lease payments	**1,120**	**1,120**	1,341	1,341

45. Business Combinations

A key strategy of the Group is to create and sustain market leadership positions through bolt-on 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 of 100% of Bronberger & Kessler, an oil distribution business in southern Germany, completed in May 2013;
- the acquisition of 100% of Leonhard Lang UK Limited, a UK based business which is focussed on the sales, marketing and distribution of medical consumables to hospitals and ambulance services in Britain, completed in June 2013;
- the acquisition of 100% of Cohort Technology, a UK based distributor of security and networking products, completed in October 2013; and
- the acquisition of 100% of Universal Products Manufacturing (Lytham) Limited, a British contract manufacturer of creams and liquids, completed in January 2014.

The carrying amounts of the assets and liabilities acquired (excluding net cash/debt acquired), determined in accordance with IFRS before completion of the business combinations, together with the fair value adjustments made to those carrying values were as follows:

	2014 £'000	Restated 2013 £'000
Assets		
Non-current assets		
Property, plant and equipment (note 19)	**9,171**	63,438
Intangible assets - other intangible assets (note 20)	**12,333**	25,591
Deferred income tax assets	**4**	666
Total non-current assets	**21,508**	89,695
Current assets		
Inventories (note 26)	**6,748**	17,191
Trade and other receivables (note 26)	**22,209**	35,755
Total current assets	**28,957**	52,946
Liabilities		
Non-current liabilities		
Deferred income tax liabilities	**(2,512)**	(6,595)
Provisions for liabilities and charges	**(1,930)**	(2,800)
Total non-current liabilities	**(4,442)**	(9,395)
Current liabilities		
Trade and other payables (note 26)	**(25,811)**	(44,225)
Current income tax (liabilities)/assets	**(680)**	337
Provisions for liabilities and charges	**-**	(259)
Total current liabilities	**(26,491)**	(44,147)
Identifiable net assets acquired	**19,532**	89,099
Intangible assets - goodwill (note 20)	**24,601**	79,907
Total consideration (enterprise value)	**44,133**	169,006
Satisfied by:		
Cash	**51,009**	166,325
Net cash acquired	**(11,133)**	(10,148)
Net cash outflow	**39,876**	156,177
Deferred and contingent acquisition consideration	**4,257**	12,829
Total consideration	**44,133**	169,006

Notes to the Financial Statements (continued)

45. Business Combinations (continued)

None of the business combinations completed during the year 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)	9,175	12,333	21,508
Current assets	28,957	-	28,957
Non-current liabilities	(2,040)	(2,402)	(4,442)
Current liabilities	(26,491)	-	(26,491)
Identifiable net assets acquired	9,601	9,931	19,532
Goodwill arising on acquisition	34,532	(9,931)	24,601
Total consideration (enterprise value)	44,133	-	44,133

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 these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2015 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.

£2.525 million of the goodwill recognised in respect of acquisitions completed during the financial year is expected to be deductible for tax purposes.

Acquisition related costs included in other operating expenses in the Group Income Statement amounted to £5.638 million (2013: £12.146 million).

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 £22.507 million. The fair value of these receivables is £22.209 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of £0.298 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 £7.2 million.

There were no adjustments processed during the year to the fair value of business combinations completed during the year ended 31 March 2013 where those fair values were not readily determinable as at 31 March 2013.

45. Business Combinations (continued)

The post-acquisition impact of business combinations completed during the year on Group profit for the financial year was as follows:

	2014 £'000	Restated 2013 £'000
Revenue	**353,004**	212,643
Cost of sales	**(334,844)**	(173,762)
Gross profit	**18,160**	38,881
Operating costs	**(12,212)**	(28,625)
Operating profit	**5,948**	10,256
Finance costs (net)	**(205)**	(624)
Profit before tax	**5,743**	9,632
Income tax expense	**(848)**	(2,184)
Profit for the financial year	**4,895**	7,448

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:

	2014 £'000	Restated 2013 £'000
Revenue	**11,352,020**	10,823,585
Profit for the financial year	**127,485**	113,081

46. Financial Risk and Capital Management

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 in order 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. Further analysis of ROCE is included in the Financial Review on pages 58 to 64.

In order 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.

The policy for net debt is to ensure a structure of longer term debt funding and cash balances with deposit maturities up to three months.

Notes to the Financial Statements (continued)

46. Financial Risk and Capital Management (continued)

The capital structure of the Group, which comprises capital and reserves attributable to the owners of the Parent, net debt and deferred and contingent acquisition consideration, may be summarised as follows:

Group	2014 £'000	Restated 2013 £'000
Capital and reserves attributable to the owners of the Parent	**941,418**	889,951
Net debt (note 30)	**86,287**	185,952
Deferred and contingent acquisition consideration (note 33)	**53,323**	75,959
At 31 March	**1,081,028**	1,151,862

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 December 2013. 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 commodity price exposures within approved policies and guidelines.

There are no significant concentrations of risk and there has been no significant change during the financial year, or since the end of the year, to the types of financial risks faced by the Group or the Group's approach to the management of those risks.

(i) Credit risk management

Credit risk arises from credit exposure to trade receivables, cash and cash equivalents including deposits with banks and financial institutions and derivative financial instruments.

Trade receivables 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's credit risk management policy in relation to trade receivables involves periodically assessing the financial reliability of customers, taking into account 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.

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. The Group actively monitors its credit exposure to each counterparty to ensure compliance with the counterparty risk limits of the Board approved treasury policy. Of the total cash and cash equivalents at 31 March 2014 of £963.144 million, 49.7% (£478.801 million) was with financial institutions with a minimum rating in the P-1 (short-term) category of Moody's and 93.5% (£900.691 million) was with financial institutions with a minimum rating in the P-2 (short-term) category of 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 2014 derivative transactions were with counterparties with ratings ranging from AA- to BB (long-term) with Standard and Poors or Aa2 to Ba3 (long-term) with Moody's.

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.

46. Financial Risk and Capital Management (continued)

Included in the Group's trade and other receivables as at 31 March 2014 are balances of £87.420 million (2013: £112.191 million) which are past due at the reporting date but not impaired. The aged analysis of these balances is as follows:

Group	2014 £'000	Restated 2013 £'000
Less than 1 month overdue	**61,188**	83,885
1 - 3 months overdue	**18,301**	21,142
3 - 6 months overdue	**6,272**	5,179
Over 6 months overdue	**1,659**	1,985
	87,420	112,191

Trade and other receivables which are not past due nor impaired at the reporting date are expected to be fully recoverable.

The movement in the provision for impairment of trade receivables during the year is as follows:

Group	2014 £'000	Restated 2013 £'000
At 1 April	**20,782**	21,862
Provision for impairment recognised in the year	**4,904**	3,390
Subsequent recovery of amounts previously provided for	**(388)**	(430)
Amounts written off during the year	**(8,118)**	(5,363)
Arising on acquisition	**298**	1,218
Exchange	**(194)**	105
At 31 March	**17,284**	20,782

The vast majority of the provision for impairment relates to trade and other receivables balances which are over 6 months overdue.

Company

There were no past due or impaired trade receivables in the Company at 31 March 2014 (31 March 2013: none).

(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 or 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 the management accounts. Sensitivity analyses using various scenarios are applied to forecasts to assess their impact on covenants and net debt. During the year to 31 March 2014 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 on pages 58 to 64.

Notes to the Financial Statements (continued)

46. Financial Risk and Capital Management (continued)

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.

Group	Less than	Between	Between	Over	
	1 year	1 and 2 years	2 and 5 years	5 years	Total
As at 31 March 2014	£'000	£'000	£'000	£'000	£'000
Financial liabilities - cash outflows					
Trade and other payables	**(1,492,968)**	**-**	**-**	**-**	**(1,492,968)**
Interest bearing loans and borrowings	**(315,617)**	**(14,058)**	**(139,619)**	**(995,485)**	**(1,464,779)**
Interest payments on interest bearing loans and borrowings	**(55,568)**	**(53,504)**	**(143,567)**	**(168,192)**	**(420,831)**
Deferred and contingent acquisition consideration	**(16,374)**	**(2,972)**	**(33,977)**	**-**	**(53,323)**
Cross currency swaps - gross cash outflows	**(177,859)**	**(39,289)**	**(173,238)**	**(976,035)**	**(1,366,421)**
Other derivative financial instruments	**(3,256)**	**-**	**-**	**-**	**(3,256)**
	(2,061,642)	**(109,823)**	**(490,401)**	**(2,139,712)**	**(4,801,578)**
Derivative financial instruments - cash inflows					
Interest rate swaps - net cash inflows	**6,189**	**5,909**	**13,550**	**13,224**	**38,872**
Cross currency swaps - gross cash inflows	**182,672**	**59,390**	**222,545**	**999,103**	**1,463,710**
	188,861	**65,299**	**236,095**	**1,012,327**	**1,502,582**

Group	Less than	Between	Between	Over	
	1 year	1 and 2 years	2 and 5 years	5 years	Total
As at 31 March 2013 (restated)	£'000	£'000	£'000	£'000	£'000
Financial liabilities - cash outflows					
Trade and other payables	(1,463,330)	-	-	-	(1,463,330)
Interest bearing loans and borrowings	(152,959)	(180,524)	(163,750)	(593,670)	(1,090,903)
Interest payments on interest bearing loans and borrowings	(50,042)	(39,784)	(101,368)	(99,782)	(290,976)
Deferred and contingent acquisition consideration	(19,401)	(7,620)	(48,938)	-	(75,959)
Cross currency swaps - gross cash outflows	(74,113)	(171,151)	(157,501)	(619,769)	(1,022,534)
Other derivative financial instruments	(2,372)	-	-	-	(2,372)
	(1,762,217)	(399,079)	(471,557)	(1,313,221)	(3,946,074)
Derivative financial instruments - cash inflows					
Interest rate swaps - net cash inflows	3,109	1,829	3,868	-	8,806
Cross currency swaps - gross cash inflows	108,665	187,270	218,157	693,452	1,207,544
	111,774	189,099	222,025	693,452	1,216,350

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.

46. Financial Risk and Capital Management (continued)

Company **As at 31 March 2014**	**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	**279,825**	**-**	**36,976**	**-**	**316,801**

Company As at 31 March 2013 (restated)	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	238,818	-	36,948	-	275,766

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

DCC's reporting 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 they are not intended to be repatriated.

The Group has investments in non-sterling, primarily euro denominated, operations which are cash generative and 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 currency swaps or cross currency interest rate swaps) into the relevant currency, although this hedge is 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 2.1% strengthening in the value of sterling against the euro during the year ended 31 March 2014, referred to above, was the main element of the translation loss of £7.6 million arising on the translation of DCC's non-sterling denominated net asset position at 31 March 2014 as set out in the Group Statement of Comprehensive Income in the financial statements.

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 other then 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 fifteen months with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes.

Sensitivity to currency movements

Group

A change in the value of other currencies by 10% against sterling would have a £0.7 million (2013: £2.2 million) impact on the Group's profit before tax, would change the Group's equity by £5.2 million and change the Group's net debt by £21.9 million (2013: £15.1 million and £14.6 million respectively). These amounts include an insignificant amount of transactional currency exposure.

Company

The Company does not have any material assets or liabilities denominated in any currency other than euro at 31 March 2014 or at 31 March 2013 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 £1.1 million (2013: £3.8 million) impact on the Company's profit before tax, would change the Company's equity by £13.6 million and change the Company's net cash by £0.3 million (2013: £18.3 million and £0.3 million respectively).

Notes to the Financial Statements (continued)

46. Financial Risk and Capital Management (continued)

Interest rate risk management
On a net debt basis, the Group is exposed to changes in interest rates, primarily changes in EURIBOR and sterling LIBOR. 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.

Sensitivity of interest charges to interest rate movements
Group
Based on the composition of net debt at 31 March 2014 a one percentage point (100 basis points) change in average floating interest rates would have a £4.1 million (2013: £5.8 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 28 and 29.

Company
The Company holds negligible levels of cash and consequently the interest earned on cash at bank does not give rise to any significant market risk. 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.

Commodity price risk management
The Group is exposed to commodity cost price risk in its oil distribution and LPG businesses. Market dynamics are such that these commodity cost price movements are immediately reflected in oil commodity sales prices and, within a short period, in LPG commodity sales prices and in the resale prices of recycled oil products. Fixed price oil supply contracts are occasionally provided to certain customers for periods of less than one year. To manage this exposure, the Group enters into matching forward commodity contracts which are designated as hedges under IAS 39. The Group hedges a proportion of its anticipated LPG commodity exposure, with such transactions qualifying as 'highly probable' forecast transactions for IAS 39 hedge accounting purposes. In addition, to cover certain customer segments for which it is commercially beneficial to avoid price increases, a proportion of LPG commodity price and related foreign exchange exposure is hedged. 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
Group
Due to pricing dynamics in the oil distribution market and the recycled oil product market, an increase or decrease of 10% in the commodity cost price of oil would have a nil impact on the Group's profit before tax (2013: nil) and a nil impact on the Group's equity (2013: nil).

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 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.

Company
The Company has no exposure to commodity price risk.

46. 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 deferred and 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 and financial liabilities and cash and cash equivalents approximates 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 and Company's financial assets and financial liabilities:

Group	2014		2013 (restated)	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Financial assets				
Derivative financial instruments	**57,461**	**57,461**	137,706	137,706
Trade and other receivables	**959,655**	**959,655**	1,139,266	1,139,266
Cash and cash equivalents	**963,144**	**963,144**	518,925	518,925
	1,980,260	**1,980,260**	1,795,897	1,795,897
Financial liabilities				
Borrowings	**1,042,557**	**1,068,642**	826,775	825,613
Derivative financial instruments	**64,335**	**64,335**	15,808	15,808
Deferred and contingent acquisition consideration	**53,323**	**53,323**	75,959	75,959
Trade and other payables	**1,492,968**	**1,492,968**	1,463,330	1,463,330
	2,653,183	**2,679,268**	2,381,872	2,380,710

Company	2014		2013 (restated)	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	**335,662**	**335,662**	315,632	315,632
Cash and cash equivalents	**2,999**	**2,999**	3,381	3,381
	338,661	**338,661**	319,013	319,013
Financial liabilities				
Trade and other payables	**316,801**	**316,801**	275,766	275,766
	316,801	**316,801**	275,766	275,766

Notes to the Financial Statements (continued)

46. Financial Risk and Capital Management (continued)

Group

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).

Group **Fair value measurement as at 31 March 2014**	**Level 1** **£'000**	**Level 2** **£'000**	**Level 3** **£'000**	**Total** **£'000**
Financial assets				
Derivative financial instruments	**-**	**57,461**	**-**	**57,461**
	-	**57,461**	**-**	**57,461**
Financial liabilities				
Deferred and contingent acquisition consideration	**-**	**-**	**53,323**	**53,323**
Derivative financial instruments	**-**	**64,335**	**-**	**64,335**
	-	**64,335**	**53,323**	**117,658**

Group Fair value measurement as at 31 March 2013 (restated)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets				
Derivative financial instruments	-	137,706	-	137,706
	-	137,706	-	137,706
Financial liabilities				
Deferred and contingent acquisition consideration	-	-	75,959	75,959
Derivative financial instruments	-	15,808	-	15,808
	-	15,808	75,959	91,767

Company

As at 31 March 2014 and 31 March 2013 the Company had no financial assets or financial liabilities which were carried at fair value.

46. Financial Risk and Capital Management (continued)

Offsetting financial assets and financial liabilities

(i) Financial assets

The following financial assets are subject to offsetting, enforceable master netting arrangements or similar agreements:

Group
As at 31 March 2014

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance Sheet	Net amounts of financial assets presented in the Balance Sheet	Related amounts not set off in the Balance Sheet		Net amount
				Financial liabilities	Cash collateral received	
	£'000	£'000	£'000	£'000	£'000	£'000
Derivative financial instruments	**56,811**	**-**	**56,811**	**(16,885)**	**-**	**39,926**
Cash and cash equivalents	**226,255**	**-**	**226,255**	**(133,575)**	**-**	**92,680**
	283,066	**-**	**283,066**	**(150,460)**	**-**	**132,606**

Group
As at 31 March 2013 (restated)

	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the Balance Sheet	Net amounts of financial assets presented in the Balance Sheet	Related amounts not set off in the Balance Sheet		Net amount
				Financial liabilities	Cash collateral received	
	£'000	£'000	£'000	£'000	£'000	£'000
Derivative financial instruments	135,666	-	135,666	(9,663)	-	126,003
Cash and cash equivalents	186,859	-	186,859	(74,933)	-	111,926
	322,525	-	322,525	(84,596)	-	237,929

Notes to the Financial Statements (continued)

46. Financial Risk and Capital Management (continued)

(ii) Financial liabilities

The following financial liabilities are subject to offsetting, enforceable master netting arrangements or similar agreements:

Group
As at 31 March 2014

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the Balance Sheet	Net amounts of financial liabilities presented in the Balance Sheet	Related amounts not set off in the Balance Sheet		Net amount
				Financial assets	Cash collateral provided	
	£'000	£'000	£'000	£'000	£'000	£'000
Derivative financial instruments	**60,429**	**-**	**60,429**	**(16,885)**	**-**	**43,544**
Bank borrowings	**133,575**	**-**	**133,575**	**(133,575)**	**-**	**-**
	194,004	**-**	**194,004**	**(150,460)**	**-**	**43,544**

Group
As at 31 March 2013 (restated)

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the Balance Sheet	Net amounts of financial liabilities presented in the Balance Sheet	Related amounts not set off in the Balance Sheet		Net amount
				Financial assets	Cash collateral provided	
	£'000	£'000	£'000	£'000	£'000	£'000
Derivative financial instruments	13,436	-	13,436	(9,663)	-	3,773
Bank borrowings	74,933	-	74,933	(74,933)	-	-
	88,369	-	88,369	(84,596)	-	3,773

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.

47. Related Party Transactions

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, joint ventures 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:

Group

Subsidiaries, joint ventures and associates

The consolidated financial statements include the financial statements of the Company and its subsidiaries, joint ventures and associates as documented in the accounting policies on pages 128 to 139. A listing of the principal subsidiaries, joint ventures and associates is provided in the Group Directory on pages 202 to 206 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 and joint ventures 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:

	2014 £'000	Restated 2013 £'000
Short-term benefits	**2,721**	2,573
Post-employment benefits	**609**	562
Share-based payment (calculated in accordance with the principles disclosed in note 10)	**404**	390
At 31 March	**3,734**	3,525

Company

Subsidiaries, joint ventures and associates

The Company's Income Statement includes dividends of £29.476 million from its subsidiary DCC Corporate Funding and £14,000 from its subsidiary Minsley Limited. Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 125, in note 24 'Trade and Other Receivables' and in note 25 'Trade and Other Payables'.

Notes to the Financial Statements (continued)

48. Events after the Balance Sheet Date

On 9 May 2014 the Group acquired 100% of Qstar Försäljning AB, a Swedish unmanned retail petrol station company, along with its related fuel distribution and fuel card businesses ('Qstar'). The consideration, inclusive of deferred consideration, was £40 million. The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis given the timing of closure of the transaction. 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:

Qstar	Book value £'000	Fair value adjustments £'000	Fair value £'000
Non-current assets (excluding goodwill)	27,703	6,983	34,686
Current assets	34,975	-	34,975
Non-current liabilities	(5,732)	(12,144)	(17,876)
Current liabilities	(37,549)	-	(37,549)
Identifiable net assets acquired	19,397	(5,161)	14,236
Goodwill arising on acquisition	20,966	5,161	26,127
Total consideration (enterprise value)	40,363	-	40,363

49. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 20 May 2014.

Supplementary Information

Group Directory
Contact details for our principal subsidiaries and joint ventures.

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Shareholder and Corporate Information
Useful dates and information for investors.

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Five Year Review
The Group's financial performance since 2010.

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Contents

Group Directory - Principal Subsidiaries[1] and Joint Ventures

DCC Energy

Company name & address	Principal activity	Contact details
DCC Energy Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: energy@dcc.ie www.dcc.ie
Oil		
Certas Energy UK Limited 302 Bridgewater Place, Birchwood Park, Warrington WA3 6XG, England	Procurement, sales, marketing and distribution of petroleum and lubricant products	Tel: +44 1925 858 500 Fax: +44 1925 858 501 Email: info@certasenergy.co.uk www.certasenergy.co.uk
Emo Oil Limited Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +353 578 674 700 Fax: +353 578 674 775 Email: info@emo.ie www.emo.ie
Great Gas Petroleum (Ireland) Limited Market House, Churchtown, Mallow, Co. Cork, Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +353 22 23 989 Fax: +353 22 23 980 Email: info@greatgas.com www.greatgas.com
DCC Energy Limited Airport Road West, Sydenham, Belfast BT3 9ED, Northern Ireland	Procurement, sales, marketing and distribution of petroleum products	Tel: +44 28 9045 6789 Fax: +44 28 9045 7371 Email: enquiries@emooil.com www.emooil.com
DCC Energi Danmark A/S Naerum Hovedgade 8, 2850 Naerum, Danmark	Procurement, sales, marketing and distribution of petroleum products and natural gas	Tel: +45 7010 2010 Fax: +45 4558 0190 Email: info@kundeservice.dccenergi.dk www.dccenergi.dk
Energie Direct Mineralölhandelsgesmbh Alte Poststraße 400, A-8055 Graz, Austria	Procurement, sales, marketing and distribution of petroleum products	Tel: +43 316 210 Fax: +43 316 210 2110 Email: info@energiedirect.at www.energiedirect.at
Swea Energi AB Storgatan 35, 434 32 Kungsbacka, Sweden	Procurement, sales, marketing and distribution of petroleum products	Tel: +46 300 687000 Fax: +46 300 687050 Email: info@sweaenergi.se www.sweaenergi.se
Bronberger & Kessler Raiffeisenstraße 16, 82041 Oberhaching, Germany	Procurement, sales, marketing and distribution of petroleum products	Tel: +49 72 90 4001525 Fax: +49 72 90 250 www.die-starke-haendlergemeinschaft.de
Qstar Försäljning AB Spårgatan 5, 601 14 Norrköping, Sweden	Procurement, sales and marketing of petroleum products	Tel: +46 11 400 1500 Fax: +46 11 280 000 Email: info@qstar.se www.qstar.se
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	Tel: +44 113 384 6264 Fax: +44 844 870 9827 Email: info@fuelcardservices.com www.fuelcardservices.com

1. 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

Company name & address	Principal activity	Contact details
LPG		
Flogas Britain Limited 81 Rayns Way, Syston, Leicester LE7 1PF, England	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +44 116 2649 000 Fax: +44 116 2649 001 Email: enquiries@flogas.co.uk www.flogas.co.uk
Flogas Ireland Limited Knockbrack House, Matthews Lane, Donore Road, Drogheda, Co. Louth, Ireland	Procurement, sales, marketing and distribution of liquefied petroleum gas and natural gas	Tel: +353 41 9831 041 Fax: +353 41 9834 652 Email: info@flogas.ie www.flogas.ie
Benegas BV Zuiderzeestraatweg 1, 3882NC, Putten, Nederland	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +31 3417 23300 Fax: +31 3413 60216 Email: info@benegas.com www.benegas.nl
Flogas Sverige AB Brännkyrkagatan 63, 11822 Stockholm, Sweden	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +46 08 6750080 Email: info@flogas.se www.flogas.se
Flogas Norge AS Nydalsveien 153, 3 etg, 0484 Oslo, Norway	Procurement, sales, marketing and distribution of liquefied petroleum gas	Tel: +47 90248000 Email: info@flogas.no www.flogas.no

DCC Technology

Company name & address	Principal activity	Contact details
DCC SerCom Limited (in the process of changing its name to DCC Technology Limited) DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: technology@dcc.ie www.dcc.ie
Micro P Limited trading as Exertis Micro-P Shorten Brook Way, Altham Business Park, Altham, Accrington, Lancashire BB5 5YJ, England	Procurement, sales, marketing and distribution of technology products	Tel: +44 1282 776 776 Fax: +44 1282 770 001 Email: enquiries@exertismicro-p.co.uk www.exertismicro-p.co.uk
Gem Distribution Limited trading as Exertis Gem St. George House, Parkway, Harlow Business Park, Harlow, Essex CM19 5QF, England	Procurement, sales, marketing and distribution of technology products	Tel: +44 1279 822 800 Fax: +44 1279 416 228 Email: info@exertisgem.co.uk www.exertisgem.co.uk
Exertis Banque Magnetique SAS Paris Nord 2, Parc des Reflets, 99 Avenue de la Pyramide, 95700, Roissy en France, France	Procurement, sales, marketing and distribution of technology peripherals and accessories	Tel: +33 1 49 90 93 93 Fax: +33 1 49 90 94 94 Email: c.dupont@exertisbm.fr www.exertisbanquemagnetique.fr

Group Directory - Principal Subsidiaries and Joint Ventures (continued)

DCC Technology

Company name & address	Principal activity	Contact details
Exertis Comtrade SAS 300 rue du Président Salvador Allende, 92700 Colombes, France	Procurement, sales, marketing and distribution of technology peripherals and accessories	Tel: +33 1 56 47 04 70 www.exertiscomtrade.fr
Exertis Ireland Limited M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Procurement, sales, marketing and distribution of technology products	Tel: +353 1 4087 171 Fax: +353 1 4193 111 Email: ireland.webteam@exertis.com www.exertis.ie
Advent Data Limited trading as Exertis Advent Unit H4 Premier Way, Lowfields Business Park, Elland HX5 9HF, England	Procurement, sales, marketing and distribution of electronic office supplies	Tel: +44 871 222 3844 Fax: +44 871 222 3855 Email: sales@exertisadvent.co.uk www.exertisadvent.co.uk
Exertis Supply Chain Services Limited M50 Business Park, Ballymount Road Upper, Dublin 12, Ireland	Provision of supply chain management and procurement services	Tel: +353 1 4056 500 Fax: +353 1 4056 555 Email:info@exertissupplychain.com www.exertissupplychain.com

DCC Healthcare

Company name & address	Principal activity	Contact details
DCC Healthcare Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: healthcare@dcc.ie www.dcc.ie
DCC Vital		
DCC Vital Limited Fannin House, South County Business Park, Leopardstown, Dublin 18, Ireland	Holding company for the operations of the DCC Vital group of companies	Tel: +353 1 2907 000 Fax: +353 1 2954 777 Email: info@dccvital.com www.dccvital.com
Fannin Limited Fannin House, South County Business Park, Leopardstown, Dublin 18, Ireland	Sales, marketing, distribution and other services to healthcare providers and medical and pharma brand owners/ manufacturers	Tel: +353 1 2907 000 Fax: +353 1 2954 777 Email: information@fannin.ie www.fannin.eu
Fannin (UK) Limited 42-46 Booth Drive, Park Farm South, Wellingborough, Northamptonshire, NN8 6GT, England	Sales, marketing, distribution and other services to healthcare providers and medical and pharma brand owners/ manufacturers	Tel: +44 1189 305 333 Fax: +44 1189 305 111 Email: enquiries@fanninuk.com www.fanninuk.com
Kent Pharmaceuticals Limited Joshna House, Crowbridge Road, Orbital Park, Ashford, Kent TN24 0GR, England	Sales marketing and distribution of a broad range of pharmaceuticals to hospital and community pharmacies in Britain	Tel: +44 845 437 5565 Fax: +44 845 437 5567 Email: info@kentpharm.co.uk www.kentpharm.co.uk
Athlone Laboratories Limited Ballymurray, Co. Roscommon, Ireland	Manufacture and supply of oral beta – lactam antibiotics for the British, Irish and international markets	Tel: +353 9066 61109 Fax: +353 9066 61921 www.athlone-laboratories.com
Squadron Medical Limited Greaves Close, Markham Vale, Chesterfield, Derbyshire, S44 5FB, England	Provision of value-added distribution services to healthcare providers and brand owners/manufacturers	Tel: +44 1246 822 822 Fax: +44 1246 820 410 Email: enquiries@squadronmedical.co.uk www.squadronmedical.co.uk

DCC Healthcare

Company name & address	Principal activity	Contact details
The TPS Healthcare Group Limited 27-35 Napier Place, Wardpark, North Cumbernauld, Glasgow G68 0LL, Scotland	Provision of value-added distribution services to healthcare providers and brand owners/manufacturers	Tel: +44 1236 739 668 Fax: +44 1236 738 376 Email: corporate@tpshealthcare.com www.tpshealthcare.com
Leonhard Lang (UK) Ltd Units A-C Stonedale Road, Oldends Lane Industrial Estate, Stonehouse, Gloucestershire, GL10 3SA, England	Sales, marketing and distribution of a range of disposable electrode and diathermy systems and accessories	Tel: +44 1453 874 130 Fax: +44 1453 874 131 Email: sales@leonhardlang.co.uk

Health & Beauty Solutions

Company name & address	Principal activity	Contact details
DCC Health & Beauty Solutions 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Outsourced solutions for the health and beauty industry	Tel: +44 1928 573 734 Fax: +44 1420 566 566 Email: enquiries@dcchealthandbeauty.com www.dcchealthandbeauty.com
Thompson & Capper Limited 9-12 Hardwick Road, Astmoor Industrial Estate, Runcorn, Cheshire WA7 1PH, England	Development, contract manufacture and packing of tablet and hard gel capsule nutraceuticals	Tel: +44 1928 573 734 Fax: +44 1928 580 694 Email: enquiries@tablets2buy.com www.tablets2buy.com
EuroCaps Limited Crown Business Park, Dukestown, Tredegar, Gwent NP22 4EF, Wales	Development and contract manufacture of soft gel capsule nutraceuticals	Tel: +44 1495 308 900 Fax: +44 1495 308 990 Email: info@softgels.co.uk www.softgels.co.uk
Laleham Healthcare 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	Tel: +44 1420 566 500 Fax: +44 1420 566 566 Email: reception@laleham-healthcare.com www.laleham-healthcare.com
Vitamex Manufacturing AB Box 715, SE-601 16 Norrköping, Sweden	Development, contract manufacture and packing of tablet and hard gel capsule nutraceuticals	Tel: +46 11 23 00 00 Fax: +46 11 18 79 45 Email: info@vitamex.se www.vitamex.se

DCC Environmental

Company name & address	Principal activity	Contact details
DCC Environmental Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: environmental@dcc.ie www.dcc.ie
William Tracey Limited 49 Burnbrae Road, Linwood Industrial Estate, Linwood, Renfrewshire, PA3 3BD, Scotland	Recycling and waste management	Tel: +44 1505 321 000 Fax: +44 1505 335 555 Email: info@wmtracey.co.uk www.wmtracey.co.uk

Group Directory - Principal Subsidiaries and Joint Ventures (continued)

DCC Environmental

Company name & address	Principal activity	Contact details
Wastecycle Limited Enviro Building, Private Road No. 4, Colwick Industrial Estate, Nottingham NG4 2JT, England	Recycling and waste management	Tel: +44 115 9403 111 Fax: +44 115 940 4141 Email: enquiries@wastecycle.co.uk www.wastecycle.co.uk
Oakwood Fuels Limited Brailwood Road, Bilsthorpe, Newark Nottinghamshire, NG22 8UA, England	Specialist waste treatment/management services	Tel: +44 1623 871 964 Fax: +44 1623 871 905 Email: mail@oakwoodgroup.uk.com www.oakwoodfuels.co.uk
Enva Ireland Limited Clonminam Industrial Estate, Portlaoise, Co. Laois, Ireland	Specialist waste treatment/management services	Tel: +353 578 678 600 Fax: +353 578 678 699 Email: info@enva.ie www.enva.ie

DCC Food & Beverage

Company name & address	Principal activity	Contact details
DCC Food & Beverage Limited DCC House, Brewery Road, Stillorgan, Blackrock, Co. Dublin, Ireland	Holding and divisional management company	Tel: +353 1 2799 400 Fax: +353 1 2831 017 Email: foods@dcc.ie www.dcc.ie
Kelkin Limited Unit 1, Crosslands Industrial Park, Ballymount Cross, Dublin 12, Ireland	Procurement, sales, marketing and distribution of branded healthy foods, beverages and vms products	Tel: +353 1 4600 400 Fax: +353 1 4600 411 Email: info@kelkin.ie www.kelkin.ie
Robert Roberts Limited 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Procurement, sales, marketing and distribution of food and beverages	Tel: +353 1 4047 300 Fax: +353 1 4047 311 Email: info@robert-roberts.ie www.robert-roberts.ie
KP (Ireland) Limited * 79 Broomhill Road, Tallaght, Dublin 24, Ireland	Manufacture of snack foods	Tel: +353 1 4047 300 Fax: +353 1 4047 311
Allied Foods Limited Second Avenue, Cookstown Industrial Estate, Dublin 24, Ireland	Chilled and frozen food supply chain management	Tel: +353 1 466 2600 Fax: +353 1 466 2688 Email: info@alliedfoods.ie
Bottle Green Limited 19 New Street, Horsforth, Leeds LS18 4BH, England	Procurement, sales, marketing and distribution of wine	Tel: +44 113 2054 500 Fax: +44 113 2054 501 Email: info@bottlegreen.com www.bottlegreen.com
KSG* McKee Avenue, Finglas, Dublin 11, Ireland	Restaurant and hospitality service provider	Tel: +353 1 814 0600 Fax: +353 1 814 0601 Email: info@ksg.ie www.ksg.ie

*50% owned joint venture

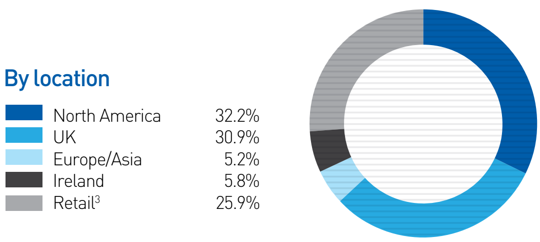
Shareholder Information

Share Price Data

Share Price Data	2014 £	2013 £
Share price at 20 May	**31.05**	25.30
Market capitalisation at 20 May	**2,604m**	2,117m
Share price at 31 March	**32.60**	22.70
Market capitalisation at 31 March	**2,734m**	1,899m
Share price movement during the year		
- High	**32.89**	23.21
- Low	**22.45**	14.81

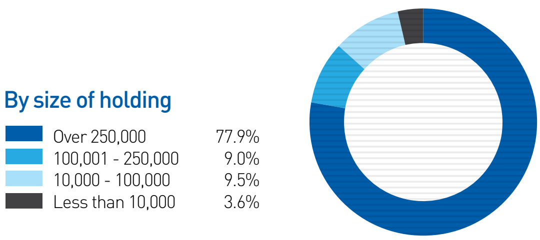
Shareholdings as at 31 March 2014

By location



Geographic division[2]	Number of Shares[1]	% of shares
North America	27,036,567	32.2
UK	25,929,910	30.9
Europe/Asia	4,299,564	5.2
Ireland	4,861,460	5.8
Retail[3]	21,734,463	25.9
Total	83,861,964	100.0

By size of holding



Range of shares held	Number of accounts	% of accounts	Number of shares[1]	% of shares
Over 250,000	66	2.0	65,380,721	77.9
100,001 – 250,000	48	1.5	7,494,605	9.0
10,000 – 100,000	218	6.8	7,940,755	9.5
Less than 10,000	2,884	89.7	3,045,883	3.6
Total	3,216	100.0	83,861,964	100.0

1 Excludes 4,367,440 shares held as Treasury Shares
2 This represents the best estimate of the number of shares controlled by fund managers resident in the relevant geographic regions
3 Retail includes private shareholders, management and broker holdings

Share Listing

As reported last year, following a review of the Company's listing arrangements, which included consultations with a wide range of large shareholders, the Board determined, as announced on 26 February 2013, that it was appropriate for DCC to seek admission to the FTSE UK Index Series. This entailed cancelling the listing of the Company's shares on the Irish Stock Exchange ('ISE') while maintaining the Premium Listing of DCC's shares on the Official List of the United Kingdom Listing Authority ('UKLA Official List'). Consequently, with effect from the close of business on 3 May 2013, DCC's listing on the Official List of the ISE was cancelled and the trading of DCC's shares on the Main Securities Market of the ISE ceased. Since 6 May 2013, DCC's shares are traded solely on the London Stock Exchange in sterling.

CREST

DCC is a member of the CREST share settlement system. Shareholders have the choice of holding their shares in electronic form or in the form of paper share certificates. Shareholders should consult their stockbroker if they wish to hold shares in electronic form.

Shareholder Information (continued)

Dividends

DCC normally pays dividends twice yearly, in July and in December. The final dividend in respect of the year ended 31 March 2014, which will be paid in July, will be paid in sterling, although shareholders have the option to elect to receive their dividends in 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.

The Company is obliged to deduct Dividend Withholding Tax ('DWT') at the standard rate of income tax in Ireland (currently 20%) 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).

An explanatory leaflet entitled 'Dividend Withholding Tax – General Information Leaflet' has been published by the Irish Revenue Commissioners and can be obtained by contacting the Company's Registrar. This leaflet can also be downloaded from the Irish Revenue Commissioners' website at www.revenue.ie. Declaration forms for claiming an exemption are available from the Company's Registrar.

Website

Through DCC's website, www.dcc.ie, stakeholders and other interested parties can access information on DCC in an easy-to-follow and user-friendly format. As well as information on the Group's activities, users can keep up to date on DCC's financial results and share price performance through downloadable reports and interactive share price tools. The site also provides access to archived financial data, annual reports, stock exchange announcements and investor presentations.

Electronic Communications

Following the introduction of the Transparency Regulations 2007, and in order to adopt a more environmentally friendly and cost-effective approach, the Company provides information concerning the Company (such as the Annual Report and Notice of Annual General Meeting) to shareholders electronically via DCC's website, www.dcc.ie, and only sends a printed copy to those shareholders who specifically request a copy. Shareholders who receive information electronically will continue to receive certain communications by post (such as share certificates, dividend cheques, dividend payment vouchers and tax vouchers). Shareholders who wish to alter the method by which they receive communications should contact the Company's Registrar.

Financial Calendar

Preliminary results announced	21 May 2014
Ex-dividend date for the final dividend	28 May 2014
Record date for the final dividend	30 May 2014
Interim Management Statement	18 July 2014
Annual General Meeting	18 July 2014
Proposed payment date for final dividend	24 July 2014
Interim results to be announced	4 November 2014
Proposed payment date for the interim dividend	December 2014
Interim Management Statement	February 2015

Annual General Meeting, Electronic Proxy Voting and CREST Voting

The 2014 Annual General Meeting will be held at The Four Seasons Hotel, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland on Friday 18 July 2014 at 11.00 a.m. The Notice of Meeting together with an explanatory letter from the Chairman and a Form of Proxy accompany this Report.

Shareholders may lodge a Form of Proxy for the 2014 Annual General Meeting via the internet. Shareholders who wish to submit their proxy in this manner may do so by accessing the Company's Registrar's website at www.eproxyappointment.com and following the instructions which are set out on the Form of Proxy or in the email broadcast that you would have received if you have elected to receive communications via electronic means.

CREST members who wish to appoint a proxy or proxies via the CREST electronic proxy appointment service should refer to the notes in the Notice of Annual General Meeting or on the Form of Proxy.

Registrar

All administrative queries about the holding of DCC shares should be addressed to the Company's Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland.

Tel: + 353 1 247 5698
Fax: + 353 1 447 5571
www.investorcentre.com/ie/contactus

Investor Relations

For investor enquiries please contact Stephen Casey, Investor Relations Manager, DCC plc, DCC House, Brewery Road, Stillorgan, Blackrock, Co Dublin, Ireland.

Tel: + 353 1 2799 400
Fax: + 353 1 2831 017
email: investorrelations@dcc.ie

Corporate Information

Registered and Head Office
DCC House
Brewery Road
Stillorgan
Blackrock
Co. Dublin
Ireland

Auditors
PricewaterhouseCoopers
Chartered Accountants
& Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Registrar
Computershare Investor Services
(Ireland) Limited
Heron House
Corrig Road
Sandyford Industrial Estate
Dublin 18
Ireland

Bankers
Allied Irish Banks
Bank of Ireland
Bank of America Merrill Lynch
Barclays
BNP Paribas
Danske Bank A/S
Deutsche Bank
HSBC
ING Bank N.V.
J.P. Morgan
KBC Bank
Lloyds Banking Group
Rabobank
Royal Bank of Scotland Group

Solicitors
William Fry
Fitzwilton House
Wilton Place
Dublin 2
Ireland

Stockbrokers
Davy
49 Dawson Street
Dublin 2
Ireland

Jefferies Hoare Govett
Vintners Place
68 Upper Thames Street
London
EC4V 3BJ
England

J.P. Morgan Cazenove Limited
10 Aldermanbury
London
EC2V 7RF
England

Non-GAAP Information

The Group reports certain financial measures 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 non-GAAP measures 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 non-GAAP financial measures 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 non-GAAP measures should be considered as an alternative to financial measures derived in accordance with GAAP. The non-GAAP measures 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.

The principal non-GAAP measures used by the Group are as follows:

Operating profit before net exceptionals and amortisation of intangible assets (EBIT)
This comprises operating profit as reported in the Group Income Statement before net operating exceptional items and amortisation of intangible assets.

EBITDA
EBITDA represents earnings before net interest, tax, depreciation, amortisation of intangible assets, share of associates' profit after tax and net exceptional items.

Net interest
The Group defines net interest as the net total of finance costs and finance income before interest related exceptional items as presented in the Group Income Statement.

Adjusted earnings per share
The Group defines adjusted earnings per share as basic earnings per share adjusted for the impact of net exceptional items and amortisation of intangible assets.

Net capital expenditure
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.

Free cash flow
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 net capital expenditure, interest paid, income tax paid and interest received.

Cash conversion ratio
The cash conversion ratio expresses free cash flow before interest paid, income tax paid and interest received as a percentage of EBIT.

Net debt
Net debt represents the net total of current and non-current borrowings, current and non-current derivative financial instruments and cash and cash equivalents as presented in the Group Balance Sheet.

Return on capital employed ('ROCE')
ROCE represents operating profit before net operating exceptional items and amortisation of intangible assets expressed as a percentage of the average capital employed. Capital employed represents total equity adjusted for net debt, goodwill and intangibles previously written off, deferred and contingent consideration and investments in associates.

Committed acquisition expenditure
The Group defines committed acquisition expenditure as the total of the acquisition of subsidiaries as presented in the Group Cash Flow Statement and future deferred and contingent consideration amounts for acquisitions committed to during the year.

Net working capital
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).

Net working capital days
Working capital days is defined by the Group as the number of day's sales represented by the closing net working capital.

5 Year Review

Group Income Statement Year ended 31 March	2010 £'m	2011 £'m	2012 £'m	2013 £'m	2014 £'m
Revenue	5,967.1	7,397.6	9,283.5	10,572.7	11,231.7
Operating profit before exceptional items and amortisation of intangible assets	171.1	195.7	160.7	186.8	208.4
Exceptional items	(8.7)	(10.8)	(19.4)	(23.8)	(13.3)
Amortisation of intangible assets	(5.4)	(9.3)	(9.9)	(14.4)	(20.4)
Operating profit	157.0	175.6	131.4	148.6	174.7
Finance costs (net)	(10.8)	(13.8)	(14.9)	(15.4)	(23.5)
Share of associates' profit/(loss) after tax	0.1	(0.2)	(1.0)	(0.3)	0.0
Profit before tax	146.3	161.6	115.5	132.9	151.2
Income tax expense	(29.5)	(37.3)	(26.0)	(26.3)	(27.3)
Non-controlling interests	(0.7)	(0.6)	(0.6)	(0.3)	(2.7)
Profit attributable to owners of the Parent	116.1	123.7	88.9	106.3	121.2
Earnings per share					
- basic (pence)	140.87p	148.69p	106.62p	127.17p	144.70p
- basic adjusted (pence)	157.93p	173.12p	141.99p	171.20p	191.20p
Dividend per share (pence)	59.84p	63.22p	67.64p	69.86p	76.85p
Dividend cover (times)	2.6	2.7	2.1	2.5	2.5
Interest cover (times)*	17.7	15.8	10.4	13.3	9.7

* excludes exceptional items

Group Balance Sheet As at 31 March	2010 £'m	2011 £'m	2012 £'m	2013 £'m	2014 £'m
Non-current and current assets					
Property, plant and equipment	318.5	349.5	376.2	441.5	469.4
Intangible assets	529.3	562.1	654.8	749.3	744.1
Investments in associates	2.1	2.0	1.0	0.8	0.8
Cash/derivatives	727.7	696.6	641.2	656.6	1,020.5
Other assets	1,039.8	1,141.5	1,483.3	1,538.3	1,472.8
Total assets	2,617.4	2,751.7	3,156.5	3,386.5	3,707.6
Equity	744.4	823.5	845.6	892.3	946.3
Non-current and current liabilities					
Borrowings/derivatives	775.3	736.5	782.0	842.6	1,106.8
Retirement benefit obligations	21.1	17.1	12.3	19.4	16.0
Other liabilities	1,076.6	1,174.6	1,516.6	1,632.2	1,638.5
Total liabilities	1,873.0	1,928.2	2,310.9	2,494.2	2,761.3
Total equity and liabilities	2,617.4	2,751.7	3,156.5	3,386.5	3,707.6
Net debt included above	(47.6)	(39.9)	(106.9)	(186.0)	(86.3)

Group Cash Flow Year ended 31 March	2010 £'m	2011 £'m	2012 £'m	2013 £'m	2014 £'m
Operating cash flow	264.2	229.7	240.8	264.6	348.7
Capital expenditure	41.9	71.1	61.0	62.5	79.2
Acquisitions	118.5	66.7	146.0	168.1	50.1

Other Information	2010	2011	2012	2013	2014
Return on capital employed (%)	18.4%	19.9%	14.2%	15.6%	16.3%
Working capital (days)	4.6	4.9	2.5	2.2	(0.6)
Average number of employees	7,396	7,925	8,355	9,153	9,804

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Notes

www.sourcedesign.ie

DCC plc
DCC House, Brewery Road,
Stillorgan, Blackrock,
Co. Dublin, Ireland.
Tel: + 353 1 279 9400
Fax: + 353 1 283 1017
Email: info@dcc.ie
www.dcc.ie