



Group Income Statement

For the year ended 31 March 2013

	Note	2013			2012		
		Pre exceptionals €'000	Exceptionals (note 11) €'000	Total €'000	Pre exceptionals €'000	Exceptionals (note 11) €'000	Total €'000
Revenue	4	12,966,257	-	12,966,257	10,690,341	-	10,690,341
Cost of sales		(12,057,508)	-	(12,057,508)	(9,934,168)	-	(9,934,168)
Gross profit		908,749	-	908,749	756,173	-	756,173
Administration expenses		(303,370)	-	(303,370)	(266,950)	-	(266,950)
Selling and distribution expenses		(394,884)	-	(394,884)	(317,281)	-	(317,281)
Other operating income	5	23,460	6,869	30,329	16,583	17,676	34,259
Other operating expenses	5	(4,789)	(36,078)	(40,867)	(3,499)	(40,033)	(43,532)
Operating profit before amortisation of intangible assets	4	229,166	(29,209)	199,957	185,026	(22,357)	162,669
Amortisation of intangible assets	4	(17,684)	-	(17,684)	(11,379)	-	(11,379)
Operating profit		211,482	(29,209)	182,273	173,647	(22,357)	151,290
Finance costs	12	(52,334)	(1,682)	(54,016)	(50,447)	-	(50,447)
Finance income	12	35,075	-	35,075	32,578	670	33,248
Share of associates' profit/(loss) after tax	14	32	(350)	(318)	(40)	(1,068)	(1,108)
Profit before tax		194,255	(31,241)	163,014	155,738	(22,755)	132,983
Income tax expense	15	(32,239)	-	(32,239)	(27,703)	(2,234)	(29,937)
Profit after tax for the financial year		162,016	(31,241)	130,775	128,035	(24,989)	103,046
Profit attributable to:							
Owners of the Parent				130,359			102,428
Non-controlling interests				416			618
				130,775			103,046
Earnings per ordinary share							
Basic	18			155.96c			122.78c
Diluted	18			155.47c			122.46c

Michael Buckley, Tommy Breen, Directors

Group Statement of Comprehensive Income For the year ended 31 March 2013

	2013 €'000	2012 €'000
Group profit for the financial year	130,775	103,046
Other comprehensive income:		
Currency translation effects	(13,807)	46,711
Group defined benefit pension obligations:		
- actuarial loss	(11,747)	(8,791)
- movement in deferred tax asset	1,847	1,178
(Losses)/gains relating to cash flow hedges	(2,368)	189
Movement in deferred tax liability on cash flow hedges	248	11
Other comprehensive (expense)/income for the financial year, net of tax	(25,827)	39,298
Total comprehensive income for the financial year	104,948	142,344
Attributable to:		
Owners of the Parent	104,532	141,726
Non-controlling interests	416	618
	104,948	142,344

Michael Buckley, Tommy Breen, Directors



Group Balance Sheet As at 31 March 2013

	Note	2013 €'000	2012 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	20	522,114	451,097
Intangible assets	21	886,136	785,205
Investments in associates	22	955	1,173
Deferred income tax assets	32	11,209	6,397
Derivative financial instruments	29	148,902	134,531
		1,569,316	1,378,403
Current assets			
Inventories	24	460,650	338,170
Trade and other receivables	25	1,347,287	1,291,698
Derivative financial instruments	29	13,948	4,294
Cash and cash equivalents	28	613,677	630,023
		2,435,562	2,264,185
Assets classified as held for sale	19	-	142,614
		2,435,562	2,406,799
Total assets		4,004,878	3,785,202
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital	37	22,057	22,057
Share premium	38	124,687	124,687
Other reserves - share options	39	12,408	11,086
Cash flow hedge reserve	39	(933)	1,187
Foreign currency translation reserve	39	(92,232)	(78,425)
Other reserves	39	1,400	1,400
Retained earnings	40	985,063	929,331
		1,052,450	1,011,323
Non-controlling interests	41	2,827	2,656
Total equity		1,055,277	1,013,979
LIABILITIES			
Non-current liabilities			
Borrowings	30	795,548	848,365
Derivative financial instruments	29	15,889	17,493
Deferred income tax liabilities	32	38,904	32,011
Post employment benefit obligations	33	22,885	14,745
Provisions for liabilities and charges	35	20,271	15,438
Deferred and contingent acquisition consideration	34	66,885	85,271
Government grants	36	1,861	2,458
		962,243	1,015,781
Current liabilities			
Trade and other payables	26	1,730,521	1,533,882
Current income tax liabilities		34,655	38,813
Borrowings	30	182,190	70,999
Derivative financial instruments	29	2,805	1,020
Provisions for liabilities and charges	35	14,243	9,966
Deferred and contingent acquisition consideration	34	22,944	13,428
		1,987,358	1,668,108
Liabilities associated with assets classified as held for sale	19	-	87,334
		1,987,358	1,755,442
Total liabilities		2,949,601	2,771,223
Total equity and liabilities		4,004,878	3,785,202

Group Statement of Changes in Equity

For the year ended 31 March 2013

	Attributable to owners of the Parent					Non-controlling interests €'000	Total equity €'000
	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total €'000		
At 1 April 2012	22,057	124,687	929,331	(64,752)	1,011,323	2,656	1,013,979
Profit for the financial year	-	-	130,359	-	130,359	416	130,775
Other comprehensive income/(expense):							
Currency translation	-	-	-	(13,807)	(13,807)	-	(13,807)
Group defined benefit pension obligations:							
- actuarial loss	-	-	(11,747)	-	(11,747)	-	(11,747)
- movement in deferred tax asset	-	-	1,847	-	1,847	-	1,847
Losses relating to cash flow hedges	-	-	-	(2,368)	(2,368)	-	(2,368)
Movement in deferred tax liability on cash flow hedges	-	-	-	248	248	-	248
Total comprehensive income	-	-	120,459	(15,927)	104,532	416	104,948
Re-issue of treasury shares	-	-	2,087	-	2,087	-	2,087
Share based payment	-	-	-	1,322	1,322	-	1,322
Dividends	-	-	(66,814)	-	(66,814)	-	(66,814)
Other movements in non-controlling interests	-	-	-	-	-	(245)	(245)
At 31 March 2013	22,057	124,687	985,063	(79,357)	1,052,450	2,827	1,055,277

For the year ended 31 March 2012

	Attributable to owners of the Parent					Non-controlling interests €'000	Total equity €'000
	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total €'000		
At 1 April 2011	22,057	124,687	895,108	(112,212)	929,640	2,234	931,874
Profit for the financial year	-	-	102,428	-	102,428	618	103,046
Other comprehensive income/(expense):							
Currency translation	-	-	-	46,711	46,711	-	46,711
Group defined benefit pension obligations:							
- actuarial loss	-	-	(8,791)	-	(8,791)	-	(8,791)
- movement in deferred tax asset	-	-	1,178	-	1,178	-	1,178
Gains relating to cash flow hedges	-	-	-	189	189	-	189
Movement in deferred tax liability on cash flow hedges	-	-	-	11	11	-	11
Total comprehensive income	-	-	94,815	46,911	141,726	618	142,344
Re-issue of treasury shares	-	-	2,372	-	2,372	-	2,372
Share based payment	-	-	-	549	549	-	549
Dividends	-	-	(62,964)	-	(62,964)	-	(62,964)
Other movements in non-controlling interests	-	-	-	-	-	(196)	(196)
At 31 March 2012	22,057	124,687	929,331	(64,752)	1,011,323	2,656	1,013,979

Michael Buckley, Tommy Breen, Directors



Group Cash Flow Statement

For the year ended 31 March 2013

	Note	2013 €'000	2012 €'000
Cash generated from operations	42	324,519	277,322
Exceptionals		(30,879)	(2,774)
Interest paid		(49,019)	(43,056)
Income tax paid		(38,353)	(49,829)
Net cash flows from operating activities		206,268	181,663
Investing activities			
Inflows			
Proceeds from disposal of property, plant and equipment		6,184	4,614
Government grants received	36	-	13
Disposal of subsidiaries		14,376	(1,285)
Interest received		31,387	27,155
		51,947	30,497
Outflows			
Purchase of property, plant and equipment		(76,659)	(70,229)
Acquisition of subsidiaries	46	(191,534)	(160,076)
Deferred and contingent acquisition consideration paid		(14,680)	(8,063)
		(282,873)	(238,368)
Net cash flows from investing activities		(230,926)	(207,871)
Financing activities			
Inflows			
Re-issue of treasury shares		2,087	2,372
Increase in finance lease liabilities		1,748	-
		3,835	2,372
Outflows			
Repayment of interest-bearing loans and borrowings		-	(6,091)
Repayment of finance lease liabilities		(692)	(397)
Dividends paid to owners of the Parent	17	(66,814)	(62,964)
Dividends paid to non-controlling interests	41	(245)	(196)
		(67,751)	(69,648)
Net cash flows from financing activities		(63,916)	(67,276)
Change in cash and cash equivalents		(88,574)	(93,484)
Translation adjustment		(1,720)	27,435
Cash and cash equivalents at beginning of year		600,079	666,128
Cash and cash equivalents at end of year	31	509,785	600,079
Cash and cash equivalents consists of:			
Cash and short term bank deposits	28	613,677	630,023
Overdrafts	31	(103,892)	(70,758)
Cash and short term bank deposits attributable to asset held for sale	19	-	40,814
		509,785	600,079

Michael Buckley, Tommy Breen, Directors

Company Statement of Comprehensive Income For the year ended 31 March 2013

	Note	2013 €'000	2012 €'000
Profit for the financial year	16	49,268	40,444
Total comprehensive income for the financial year		49,268	40,444
Attributable to:			
Owners of the Parent		49,268	40,444

Company Balance Sheet As at 31 March 2013

	Note	2013 €'000	2012 €'000
ASSETS			
Non-current assets			
Investments in associates	22	-	250
Investments in subsidiary undertakings	23	170,065	168,065
		170,065	168,315
Current assets			
Trade and other receivables	25	373,264	409,656
Cash and cash equivalents	28	3,998	867
		377,262	410,523
Total assets		547,327	578,838
EQUITY			
Capital and reserves attributable to owners of the Parent			
Share capital	37	22,057	22,057
Share premium	38	124,687	124,687
Other reserves	39	344	344
Retained earnings	40	74,121	89,580
Total equity		221,209	236,668
LIABILITIES			
Non-current liabilities			
Amounts due to subsidiary undertakings		43,694	43,694
		43,694	43,694
Current liabilities			
Trade and other payables	26	282,424	298,476
		282,424	298,476
Total liabilities		326,118	342,170
Total equity and liabilities		547,327	578,838

Michael Buckley, Tommy Breen, Directors



Company Statement of Changes in Equity

For the year ended 31 March 2013

	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total equity €'000
At 1 April 2012	22,057	124,687	89,580	344	236,668
Profit for the financial year	-	-	49,268	-	49,268
Total comprehensive income	-	-	49,268	-	49,268
Re-issue of treasury shares	-	-	2,087	-	2,087
Dividends	-	-	(66,814)	-	(66,814)
At 31 March 2013	22,057	124,687	74,121	344	221,209

For the year ended 31 March 2012

	Share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (note 39) €'000	Total equity €'000
At 1 April 2011	22,057	124,687	109,728	344	256,816
Profit for the financial year	-	-	40,444	-	40,444
Total comprehensive income	-	-	40,444	-	40,444
Re-issue of treasury shares	-	-	2,372	-	2,372
Dividends	-	-	(62,964)	-	(62,964)
At 31 March 2012	22,057	124,687	89,580	344	236,668

Michael Buckley, Tommy Breen, Directors

Company Cash Flow Statement For the year ended 31 March 2013

	Note	2013 €'000	2012 €'000
Cash generated from operations	42	21,517	19,977
Interest paid		(1,986)	(2,417)
Net cash flows from operating activities		19,531	17,560
Investing activities			
Inflows			
Interest received		14,265	13,869
Dividend received from subsidiary		36,062	30,000
		50,327	43,869
Outflows			
Acquisition of subsidiary		(2,000)	-
		(2,000)	-
Net cash flows from investing activities		48,327	43,869
Financing activities			
Inflows			
Re-issue of treasury shares		2,087	2,372
		2,087	2,372
Outflows			
Dividends paid to owners of the Parent	17	(66,814)	(62,964)
		(66,814)	(62,964)
Net cash flows from financing activities		(64,727)	(60,592)
Change in cash and cash equivalents		3,131	837
Cash and cash equivalents at beginning of year		867	30
Cash and cash equivalents at end of year		3,998	867

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 2012 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 73 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.

Basis of Preparation

The consolidated financial statements, which are presented in euro, 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 2013 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.

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 IFRS 7 Disclosures - Transfer of financial assets.** The amendment addresses disclosures required to help users of financial statements evaluate the risk exposures relating to the transfer of financial assets and the effect of those risks on an entity's financial position. This amendment did not have a significant impact on the Group's financial statements.
- **Amendment to IAS 12 Recovery of underlying assets.** The amendment provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 *Investment Property*. The amendment is subject to EU endorsement. This amendment did not have a significant impact on the Group's 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. These include the following:

- **Amendment to IAS 19 Employee benefits** (effective date: DCC financial year beginning 1 April 2013). This amendment (which was EU endorsed on 6 June 2012) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and significantly increases the volume of disclosures. The main impact on the Group, apart from the additional required disclosures, is that the expected return on defined benefit pension assets included in the Income Statement will no longer be based on an estimate of asset returns but will now be equal to the discount rate. As the Group currently has a significant proportion of its defined benefit pension scheme assets invested in bonds where the expected return is generally lower than the discount rate, it is expected that the Income Statement impact of this amendment will be marginally favourable to the Group.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

- Amendment to IAS 1 *Presentation of items of other comprehensive income (OCI)* (effective date: DCC financial year beginning 1 April 2013). This amendment (which was EU endorsed on 6 June 2012) introduces 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 will result in some presentation changes but is not expected to have a significant impact on the Group's financial statements.
- 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 13 *Fair value measurement* (effective date: DCC financial year beginning 1 April 2013). This standard (which was EU endorsed on 29 December 2012) explains how to measure fair value and enhances fair value disclosures. This standard will not have a significant impact on the Group's financial statements.
- IFRS 13 *Fair value measurement* (effective date: DCC financial year beginning 1 April 2013). This standard (which was EU endorsed on 29 December 2012) explains how to measure fair value and enhances fair value disclosures. This standard will not have a significant impact on the Group's financial statements.
- Amendment to IFRS 7 *Disclosures - Offsetting financial assets and financial liabilities* (effective date: DCC financial year beginning 1 April 2013). This amendment (which was EU endorsed on 29 December 2012) enhances current disclosures about offsetting financial assets and financial liabilities. This amendment will not have a significant impact on the Group's financial statements.
- Amendment to IFRS 1 *Government loans* (effective date: DCC financial year beginning 1 April 2013). The amendment is subject to EU endorsement. The amendment adds an exception to the retrospective application of IFRSs to require that first-time adopters apply the requirements of IFRS 9 *Financial Instruments* and IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* prospectively to government loans existing at the date of transition to IFRS. This amendment will not have a significant impact on the Group's financial statements.
- *Improvements to IFRSs (2009-2011)*; (effective date: DCC financial year beginning 1 April 2013). This amendment was EU endorsed on 27 March 2013. The Annual Improvements process provides a vehicle for making non-urgent but necessary amendments to IFRSs. These amendments will not have a significant impact on the Group's financial statements.
- IFRIC 20 *Stripping costs in the production of a surface mine* (effective date: DCC financial year beginning 1 April 2013). The IFRIC was EU endorsed on 29 December 2012 and sets out the accounting for overburden waste removal costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. This interpretation will not 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*. This standard will impact the Group financial statements as the Group currently has adopted an accounting policy of proportionate consolidation for jointly controlled entities. On adoption of IFRS 11 the Group will be required to equity account for its interests in jointly controlled entities.
- 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.
- Amendment to IAS 32 *Offsetting financial assets and financial liabilities* (effective date: DCC financial year beginning 1 April 2014). The amendment was EU endorsed on 29 December 2012 and clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. This amendment will not have a significant impact on the Group's financial statements.



1. Summary of Significant Accounting Policies (continued)

- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12); (effective date: DCC financial year beginning 1 April 2014). The amendments are subject to EU endorsement. The amendments clarify the IASB's intention when first issuing the transition guidance in IFRS 10 and provide similar relief from the presentation or adjustment of comparative information for periods prior to the immediately preceding period. These amendments will not have a significant impact on the Group's financial statements.
- Amendment to IFRS 10 and IFRS 12 *Investment Entities* (effective date: DCC financial year beginning 1 April 2014). The amendments are subject to EU endorsement. The amendment provides certain consolidation exemptions to funds and similar entities from consolidating controlled investees in certain circumstances. These amendments will not have a significant impact on the Group's financial statements.
- IFRS 9 *Financial instruments* (effective date: DCC financial year beginning 1 April 2015). This standard is still subject to EU endorsement. IFRS 9 is the first step in the process to replace IAS 39 *Financial instruments: recognition and measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets. IFRS 9 replaces the multiple classification models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the entity's business model for managing financial assets and the contractual characteristics of the financial assets. IFRS 9 removes the requirement to separate embedded derivatives from financial asset hosts. IFRS 9 removes the cost exemption for unquoted equities. These amendments will not have a significant impact on the Group's financial statements.

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.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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.

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 SerCom, DCC Healthcare, DCC Environmental and DCC Food & Beverage.

Foreign Currency Translation

Functional and presentation currency

The consolidated financial statements are presented in euro which is the Company's functional 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 the euro as their functional currency are translated into euro 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.



1. Summary of Significant Accounting Policies (continued)

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.

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 $\frac{1}{3}$ %
Cylinders	6 $\frac{2}{3}$ %
Motor vehicles	10 - 33 $\frac{1}{3}$ %
Fixtures, fittings & office equipment	10 - 33 $\frac{1}{3}$ %

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.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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 IAS39 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. 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.



1. Summary of Significant Accounting Policies (continued)

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.

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.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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.

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.

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.

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.

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.



1. Summary of Significant Accounting Policies (continued)

Derivative Financial Instruments

The Group uses derivative financial instruments (principally interest rate, currency and cross currency interest rate swaps and forward foreign exchange and commodity contracts) to hedge its exposure to interest rate and foreign exchange risks and to changes in the prices of certain commodity products arising from operational, financing and investment activities.

Derivative financial instruments are recognised at inception at fair value, being the present value of estimated future cash flows. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in the fair value of currency swaps that are hedging borrowings and for which the Group has not elected to apply hedge accounting, along with changes in the fair value of derivatives hedging borrowings, that are part of designated fair value hedge relationships, are reflected in the Income Statement in 'Finance Costs' 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 29 and the movements on the cash flow hedge reserve in equity are shown in note 39. 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)

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.

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.

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 finance cost on defined benefit pension scheme liabilities is recognised in the Income Statement in accordance with IAS 19.



1. Summary of Significant Accounting Policies (continued)

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 expected return on defined benefit pension scheme assets 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', both as defined above, are included in 'Finance Income' in the case of a net gain.

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.

Notes to the Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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. In accordance with IAS 19 *Employee Benefits* the Group recognises actuarial gains and losses immediately in the Group Statement of Comprehensive Income.

When the benefits of a defined benefit plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the Income Statement.

Settlements and curtailments trigger immediate recognition of the consequent change in obligations and related assets or liabilities 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.



1. Summary of Significant Accounting Policies (continued)

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 'Other Reserves - Share Options'. 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.

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.

Notes to the Financial Statements (continued)

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 47.

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 and cross currency 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 47.

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 105 to 117. 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 €811.2 million at 31 March 2013. 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 21.



3. Critical Accounting Estimates and Judgements (continued)

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 €139.8 million at 31 March 2013. At 31 March 2013 the Group also has plan assets totalling €116.9 million, giving a net pension liability of €22.9 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 33.

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 2013 of €10.4 million as disclosed in note 35. 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.

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.

Notes to the Financial Statements (continued)

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 SerCom, 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 SerCom sells, markets and distributes IT, communications and home entertainment products in Britain, Ireland and France primarily to retail and business customers. DCC SerCom also includes a supply chain management business.

DCC Healthcare sells, markets and distributes pharmaceutical and medical devices and provides related value added services to the Irish and British hospital and community 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 distribution 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.



4. Segment Information (continued)

The segment results for the year ended 31 March 2013 are as follows:

Income Statement items

	Year ended 31 March 2013					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	
Segment revenue	9,948,666	2,269,127	393,173	142,393	212,898	12,966,257
Operating profit*	130,206	50,872	27,218	13,362	7,508	229,166
Amortisation of intangible assets	(12,435)	(1,660)	(1,043)	(1,646)	(900)	(17,684)
Net operating exceptionals (note 11)	(32,286)	3,026	(2,502)	442	2,111	(29,209)
Operating profit	85,485	52,238	23,673	12,158	8,719	182,273
Finance costs						(54,016)
Finance income						35,075
Share of associates' loss after tax						(318)
Profit before income tax						163,014
Income tax expense						(32,239)
Profit for the year						130,775

* Operating profit before amortisation of intangible assets and net operating exceptionals

	Year ended 31 March 2012					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	
Segment revenue	7,822,971	2,181,212	330,022	132,702	223,434	10,690,341
Operating profit*	83,493	53,235	23,428	14,211	10,659	185,026
Amortisation of intangible assets	(5,835)	(2,348)	(1,090)	(1,206)	(900)	(11,379)
Net operating exceptionals (note 11)	(14,960)	(11,083)	12,311	(252)	(8,373)	(22,357)
Operating profit	62,698	39,804	34,649	12,753	1,386	151,290
Finance costs						(50,447)
Finance income						33,248
Share of associates' loss after tax						(1,108)
Profit before income tax						132,983
Income tax expense						(29,937)
Profit for the year						103,046

* Operating profit before amortisation of intangible assets and net operating exceptionals

Notes to the Financial Statements (continued)

4. Segment Information (continued)

Balance Sheet items

	As at 31 March 2013					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	
Segment assets	1,773,962	796,419	333,115	196,013	116,678	3,216,187

Reconciliation to total assets as reported in the Group Balance Sheet

Investments in associates	955
Derivative financial instruments (current and non-current)	162,850
Deferred income tax assets	11,209
Cash and cash equivalents	613,677

Total assets as reported in the Group Balance Sheet	4,004,878
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Segment liabilities	1,079,867	526,302	93,208	34,280	54,196	1,787,853
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Reconciliation to total liabilities as reported in the Group Balance Sheet

Interest-bearing loans and borrowings (current and non-current)	977,738
Derivative financial instruments (current and non-current)	18,694
Income tax liabilities (current and deferred)	73,559
Deferred and contingent acquisition consideration (current and non-current)	89,829
Government grants (current and non-current)	1,928

Total liabilities as reported in the Group Balance Sheet	2,949,601
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	As at 31 March 2012					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	
Segment assets	1,666,993	656,212	233,358	197,999	111,608	2,866,170

Reconciliation to total assets as reported in the Group Balance Sheet

Investments in associates	1,173
Derivative financial instruments (current and non-current)	138,825
Deferred income tax assets	6,397
Cash and cash equivalents	630,023
Assets classified as held for sale	142,614

Total assets as reported in the Group Balance Sheet	3,785,202
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Segment liabilities	1,088,048	326,338	74,249	34,652	50,677	1,573,964
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Reconciliation to total liabilities as reported in the Group Balance Sheet

Interest-bearing loans and borrowings (current and non-current)	919,364
Derivative financial instruments (current and non-current)	18,513
Income tax liabilities (current and deferred)	70,824
Deferred and contingent acquisition consideration (current and non-current)	98,699
Government grants (current and non-current)	2,525
Liabilities associated with assets classified as held for sale	87,334

Total liabilities as reported in the Group Balance Sheet	2,771,223
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4. Segment Information (continued)

Other segment information

	Year ended 31 March 2013					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	
Capital expenditure - additions	44,859	4,103	8,801	10,724	2,867	71,354
Capital expenditure - business combinations	63,734	577	13,490	-	-	77,801
Depreciation	44,002	5,068	5,376	9,024	3,042	66,512
Total consideration - business combinations	128,148	7,048	71,485	-	586	207,267
Intangible assets acquired - business combinations	75,197	5,385	48,523	-	276	129,381
Impairment of goodwill	-	-	-	-	-	-

	Year ended 31 March 2012					Total €'000
	DCC Energy €'000	DCC SerCom €'000	DCC Healthcare €'000	DCC Environmental €'000	DCC Food & Beverage €'000	
Capital expenditure	48,163	3,086	8,840	11,741	3,295	75,125
Capital expenditure - business combinations	21,804	90	685	3,645	-	26,224
Depreciation	32,585	5,815	4,213	9,289	3,533	55,435
Total consideration - business combinations	138,480	6,897	20,549	30,764	41	196,731
Intangible assets acquired - business combinations	125,670	6,800	16,771	28,512	41	177,794
Impairment of goodwill	-	5,500	-	-	5,869	11,369

Notes to the Financial Statements (continued)

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							
	Republic of Ireland		UK		Rest of the World		Total	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Income Statement items								
Revenue	1,024,435	957,831	9,913,509	7,883,888	2,028,313	1,848,622	12,966,257	10,690,341
Operating profit*	24,592	26,526	168,869	125,349	35,705	33,151	229,166	185,026
Amortisation of intangible assets	(1,683)	(1,571)	(10,293)	(7,689)	(5,708)	(2,119)	(17,684)	(11,379)
Net operating exceptionals	(1,615)	(13,102)	(23,798)	(29)	(3,796)	(9,226)	(29,209)	(22,357)
Segment result	21,294	11,853	134,778	117,631	26,201	21,806	182,273	151,290
Balance Sheet items								
Segment assets	418,511	409,698	2,342,087	2,093,840	455,589	362,632	3,216,187	2,866,170
Segment liabilities	178,169	184,489	1,317,569	1,140,857	292,115	248,618	1,787,853	1,573,964
Other segment information								
Non-current assets**	232,936	230,596	1,031,162	917,913	145,107	88,966	1,409,205	1,237,475
Capital expenditure - business combinations	280	35	56,693	25,828	20,828	361	77,801	26,224
Depreciation	12,255	12,892	50,570	39,669	3,687	2,874	66,512	55,435
Total consideration - business combinations	6,533	828	130,968	159,160	69,766	36,743	207,267	196,731
Intangible assets acquired	6,006	3,654	82,946	133,017	40,429	41,123	129,381	177,794
Impairment of goodwill	-	5,869	-	-	-	5,500	-	11,369

* 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.



5. Other Operating Income/Expense

	2013 €'000	2012 €'000
Other operating income and expense comprise the following credits/(charges):		
<i>Other income</i>		
Fair value gains on non-hedge accounted derivative financial instruments - commodities	149	40
Fair value gains on non-hedge accounted derivative financial instruments - forward exchange contracts	2,575	995
Throughput	6,771	6,648
Haulage	617	53
Rental income	4,625	3,483
Other operating income	8,723	5,364
	23,460	16,583
Other operating income included in net exceptional items	6,869	17,676
Total other operating income	30,329	34,259
<i>Other expenses</i>		
Expensing of employee share options (note 10)	(1,322)	(549)
Fair value losses on non-hedge accounted derivative financial instruments - forward exchange contracts	(1,966)	(857)
Fair value losses on non-hedge accounted derivative financial instruments - commodities	(196)	-
Other operating expenses	(1,305)	(2,093)
	(4,789)	(3,499)
Other operating expenses included in net exceptional items	(36,078)	(40,033)
Total other operating expenses	(40,867)	(43,532)

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):

	2013 €'000	2012 €'000
Provision for impairment of trade receivables (note 47)	4,158	1,830
Profit on sale of property, plant and equipment	(1,271)	(838)
Foreign exchange loss	221	268
Amortisation of government grants (note 36)	(584)	(604)
Operating lease rentals		
- land and buildings	18,340	14,749
- plant and machinery	873	788
- motor vehicles	12,672	11,559
	31,885	27,096

During the year the Group obtained the following services from the Group's auditors (PricewaterhouseCoopers):

Audit fees	1,780	1,454
Tax compliance and advisory services	783	623
Other non-audit services	60	102
	2,623	2,179

Auditor statutory disclosure

The audit fee for the Parent Company is €16,300 (2012: €16,000). This amount is paid to PricewaterhouseCoopers, Ireland, the statutory auditor.

Notes to the Financial Statements (continued)

7. Directors' Emoluments and Interests

Directors' emoluments (which are included in operating costs) and interests are presented in the Remuneration Report on pages 81 to 94.

8. Proportionate Consolidation of Joint Ventures

Impact on Group Income Statement

Year ended 31 March	2013	2012
Group share of:	€'000	€'000
Revenue	24,887	19,550
Cost of sales	(16,133)	(12,339)
Gross profit	8,754	7,211
Operating costs	(7,208)	(5,789)
Exceptional items	(481)	-
Operating profit	1,065	1,422
Finance income (net)	8	8
Profit before income tax	1,073	1,430
Income tax expense	(127)	(195)
Profit for the financial year	946	1,235

Impact on Group Balance Sheet

As at 31 March	2013	2012
Group share of:	€'000	€'000
Non-current assets	7,314	7,096
Current assets	3,593	3,890
Total assets	10,907	10,986
Total equity	5,888	6,592
Non-current liabilities	-	15
Current liabilities	5,019	4,379
Total liabilities	5,019	4,394
Total equity and liabilities	10,907	10,986

Impact on Group Cash Flow Statement

Year ended 31 March	2013	2012
Group share of:	€'000	€'000
Net cash flow from operating activities	123	1,165
Net cash flow from investing activities	(1,036)	(1,031)
Net (decrease)/increase in cash and cash equivalents	(913)	134
Cash and cash equivalents at beginning of year	1,737	1,603
Cash and cash equivalents at end of year	824	1,737

Reconciliation of cash and cash equivalents to net cash

Cash and cash equivalents as above	824	1,737
Net cash at 31 March	824	1,737

The Group's share of its joint ventures' capital commitments for property, plant and equipment at 31 March 2013 is €0.703 million (2012: €0.584 million).

Details of the Group's principal joint ventures are shown in the Group directory on pages 169 to 173.



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:

	2013 Number	2012 Number
DCC Energy	4,507	3,687
DCC SerCom	1,573	1,735
DCC Healthcare	1,280	1,137
DCC Environmental	903	893
DCC Food & Beverage	890	903
	9,153	8,355

	2013 €'000	2012 €'000
The employee benefit expense (excluding termination payments - note 11) for the above were:		
Wages and salaries	345,368	298,705
Social welfare costs	35,067	36,581
Share based payment expense (note 10)	1,322	549
Pension costs - defined contribution plans	11,973	7,773
Pension costs - defined benefit plans (note 33)	1,196	1,477
	394,926	345,085

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 €1.322 million (2012: €0.549 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	
					2013 €'000	2012 €'000
DCC plc Long Term Incentive Plan 2009						
20 August 2009	15.63	3 years	255,406	8.97	(572)	746
15 November 2010	21.25	3 years	212,525	12.00	850	850
15 November 2011	17.50	3 years	252,697	9.17	772	257
12 November 2012	22.66	3 years	215,489	12.09	290	-
					1,340	1,853
DCC plc 1998 Employee Share Option Scheme						
12 November 2002	10.38	3 and 5 years	609,500	2.81	-	(748)
22 December 2003	10.70	3 and 5 years	132,500	2.76	-	(192)
18 May 2004	12.75	3 and 5 years	162,500	3.42	-	(212)
9 November 2004	15.65	3 and 5 years	219,500	4.15	-	(220)
23 June 2006	18.05	3 years	223,500	4.54	(18)	-
20 May 2008	15.68	3 years	315,500	4.32	-	68
					(18)	(1,304)
Total expense					1,322	549

Share options and awards

DCC plc Long Term Incentive Plan 2009

At 31 March 2013, under the DCC plc Long Term Incentive Plan 2009, Group employees hold awards to subscribe for 733,414 ordinary shares.

The general terms of the DCC plc Long Term Incentive Plan 2009 are set out in the Remuneration Report on pages 81 to 94.

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:

	2013 Number of share awards	2012 Number of share awards
At 1 April	714,755	462,058
Granted	215,489	252,697
Exercised	(11,776)	-
Expired	(185,054)	-
At 31 March	733,414	714,755

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 €22.16. The share awards outstanding at the year end have a weighted average remaining contractual life of 5.5 years (2012: 5.6 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 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:

	2013	2012
Risk-free interest rate (%)	0.67	1.88
Dividend yield (%)	2.50	2.50
Expected volatility (%)	30.0	30.0
Expected life in years	5.0	5.0

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	2013 Number of share awards	2012 Number of share awards
20 August 2009	20 August 2016	52,703	249,533
15 November 2010	15 November 2017	212,525	212,525
15 November 2011	15 November 2018	252,697	252,697
12 November 2012	12 November 2019	215,489	-
Total outstanding at 31 March		733,414	714,755

Analysis of closing balance - exercisable at end of year

As at 31 March 2013, 52,703 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 2013, under the DCC plc 1998 Employee Share Option Scheme, Group employees hold basic tier options to subscribe for 867,350 ordinary shares and second tier options to subscribe for 157,000 ordinary shares.

The general terms of the DCC plc 1998 Employee Share Option Scheme are set out in the Remuneration Report on pages 81 to 94.

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:

	2013		2012	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 April	15.51	1,443,000	14.42	1,896,000
Exercised	13.61	(153,150)	11.27	(210,500)
Expired	10.50	(265,500)	10.70	(242,500)
At 31 March	17.09	1,024,350	15.51	1,443,000
Total exercisable at 31 March	17.94	867,350	17.29	1,024,500

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 €23.40 (2012: €18.61). The share options outstanding at the year end have a weighted average remaining contractual life of 3.3 years (2012: 3.4 years).

Analysis of closing balance - outstanding at end of year

Date of grant	Date of expiry	2013		2012	
		Exercise price in € per share	Options	Exercise price in € per share	Options
12 November 2002	12 November 2012	10.38	-	10.38	332,000
22 December 2003	22 December 2013	10.70	75,000	10.70	84,000
18 May 2004	18 May 2014	12.75	118,000	12.75	119,500
9 November 2004	9 November 2014	15.65	120,500	15.65	120,500
15 December 2005	15 December 2015	16.70	107,350	16.70	120,000
23 June 2006	23 June 2016	18.05	131,500	18.05	162,000
23 July 2007	23 July 2017	23.35	222,000	23.35	226,000
20 December 2007	20 December 2017	19.50	12,500	19.50	12,500
20 May 2008	20 May 2018	15.68	237,500	15.68	266,500
Total outstanding at 31 March			1,024,350		1,443,000

Analysis of closing balance - exercisable at end of year

Date of grant	Date of expiry	2013		2012	
		Exercise price in € per share	Options	Exercise price in € per share	Options
12 November 2002	12 November 2012	10.38	-	10.38	70,500
22 December 2003	22 December 2013	10.70	7,500	10.70	16,500
18 May 2004	18 May 2014	12.75	58,500	12.75	60,000
9 November 2004	9 November 2014	15.65	90,500	15.65	90,500
15 December 2005	15 December 2015	16.70	107,350	16.70	120,000
23 June 2006	23 June 2016	18.05	131,500	18.05	162,000
23 July 2007	23 July 2017	23.35	222,000	23.35	226,000
20 December 2007	20 December 2017	19.50	12,500	19.50	12,500
20 May 2008	20 May 2018	15.68	237,500	15.68	266,500
Total exercisable at 31 March			867,350		1,024,500



11. Exceptionals

	2013 €'000	2012 €'000
Restructuring costs	(20,704)	(13,715)
Acquisition and related costs	(14,896)	(6,568)
Adjustments to deferred and contingent acquisition consideration (note 34)	6,869	-
Other operating exceptional items	(478)	(4,611)
Net loss on disposal of subsidiaries	-	(1,770)
Restructuring of Group defined benefit pension schemes	-	3,587
Impairment of property, plant and equipment	-	(2,000)
Gain arising from Taiwanese legal claim	-	14,089
Impairment of goodwill	-	(11,369)
Operating exceptional items	(29,209)	(22,357)
Mark to market of swaps and related debt (note 12)	(1,682)	670
Impairment of associate company investment and loan receivable from associate	(350)	(1,068)
Net exceptional items before taxation	(31,241)	(22,755)
Exceptional taxation charge	-	(2,234)
Net exceptional items after taxation	(31,241)	(24,989)

The Group incurred an exceptional charge of €20.704 million in relation to the restructuring of acquired and existing businesses. Most of this related to the planned integration into DCC Energy's existing operations of certain oil distribution assets previously owned by Total and of the BP UK LPG business, following the clearance of these acquisitions by the relevant competition authorities.

Acquisition and related costs of €14.896 million include the professional and tax costs (such as stamp duty) relating to the evaluation and completion of acquisitions. These costs also include the legal and other professional costs relating to the review and ultimate clearance by the relevant competition authorities of the Total and BP UK LPG acquisitions.

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. Net reductions in deferred and contingent consideration payable by the Group amounted to €6.869 million during the year.

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 fair value hedges offset by foreign exchange translation gains or losses on that related fixed rate debt, is charged or credited as an exceptional item. In the year to 31 March 2013 this amounted to a total exceptional loss of €1.682 million.

Notes to the Financial Statements (continued)

12. Finance Costs and Finance Income

	2013 €'000	2012 €'000
Finance costs		
On bank loans, overdrafts and Unsecured Notes		
- repayable within 5 years, not by instalments	(26,212)	(22,252)
- repayable within 5 years, by instalments	(148)	(1,106)
- repayable wholly or partly in more than 5 years	(17,146)	(19,576)
On loan notes		
- repayable within 5 years, not by instalments	-	(41)
On finance leases	(295)	(86)
Facility fees	(1,806)	(739)
Other interest	(1,373)	(1,015)
	(46,980)	(44,815)
Other finance costs:		
Interest on defined benefit pension scheme liabilities (note 33)	(5,354)	(5,632)
Mark to market of swaps and related debt* (note 11)	(1,682)	-
	(54,016)	(50,447)
Finance income		
Interest on cash and term deposits	2,883	4,525
Net income on interest rate and currency swaps	28,116	22,314
Mark to market of swaps and related debt* (note 11)	-	670
Other income	18	1,378
Expected return on defined benefit pension scheme assets (note 33)	4,058	4,361
	35,075	33,248
Net finance cost	(18,941)	(17,199)
*Mark to market of swaps and related debt		
Interest rate swaps designated as fair value hedges	(5,065)	4,714
Cross currency interest rate swaps designated as fair value hedges	27,016	48,738
Adjusted hedged fixed rate debt	(23,745)	(53,165)
Mark to market of designated swaps and related debt	(1,794)	287
Currency movements on fixed rate debt not designated as hedged	(6,444)	(8,969)
Currency swaps not designated as hedges	6,556	9,352
Mark to market of undesignated swaps and related debt	112	383
Total mark to market of swaps and related debt	(1,682)	670

13. Foreign Currency

The exchange rates used in translating sterling Balance Sheets and Income Statement amounts were as follows:

	2013 €1=Stg£	2012 €1=Stg£
Balance Sheet (closing rate)	0.846	0.834
Income Statement (average rate)	0.815	0.868



14. Share of Associates' Loss after Tax

The Group's share of associates' loss after tax is equity-accounted and is presented as a single line item in the Group Income Statement. The loss after tax generated by the Group's associates is analysed as follows:

	2013 €'000	2012 €'000
Group share of:		
Revenue	6,171	5,732
Operating profit/(loss)	42	(32)
Impairment of associate company investment and loan receivable from associate	(350)	(1,068)
Loss before finance costs	(308)	(1,100)
Finance costs (net)	(10)	(14)
Loss before income tax	(318)	(1,114)
Income tax credit	-	6
Loss after tax	(318)	(1,108)

15. Income Tax Expense

(i) Income tax expense recognised in the Income Statement

	2013 €'000	2012 €'000
Current taxation		
Irish corporation tax at 12.5%	4,539	4,514
Exceptional taxation charge (note 11)	-	2,234
United Kingdom corporation tax at 24% (2012: 26%)	21,373	11,402
Other overseas tax	9,832	10,187
(Over)/under provision in respect of prior years	(837)	175
Total current taxation	34,907	28,512

Deferred tax

Irish at 12.5%	(2,820)	(1,373)
United Kingdom at 23% (2012: 24%)	(634)	2,696
Other overseas deferred tax	1,057	88
(Over)/under provision in respect of prior years	(271)	14
Total deferred tax (credit)/charge	(2,668)	1,425

Total income tax expense

32,239 29,937

(ii) Deferred tax recognised directly in Equity

Defined benefit pension obligations	(1,847)	(1,178)
Cash flow hedges	(248)	(11)
	(2,095)	(1,189)

(iii) Reconciliation of effective tax rate

Profit on ordinary activities before taxation	163,014	132,983
Add back: share of associates' loss after tax	318	1,108
Add back: amortisation of intangible assets	17,684	11,379
	181,016	145,470

At the standard rate of corporation tax in Ireland of 12.5%	22,627	18,184
Adjustments in respect of prior years	(1,108)	189
Effect of earnings taxed at higher rates	14,841	12,884
Permanent and other differences	(336)	(1,169)
Income tax expense	36,024	30,088
Tax on exceptional gain	-	2,234
Deferred tax attaching to amortisation of intangible assets	(3,785)	(2,385)
Total income tax expense	32,239	29,937

Notes to the Financial Statements (continued)

15. Income Tax Expense (continued)

	2013 %	2012 %
Income tax expense as a percentage of profit before share of associates' profit/(loss) after tax, amortisation of intangible assets and net exceptionals	17.0%	18.0%
Impact of associates' profit/(loss) after tax, amortisation of intangible assets and net exceptionals	2.8%	4.5%
Total income tax expense as a percentage of profit before tax	19.8%	22.5%

(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 26% to 24% with effect from 1 April 2012. A tax rate of 23% applies with effect from 1 April 2013 and this will reduce by a further 2% on 1 April 2014 when the tax rate will be 21%. The UK March 2013 budget announcement included a further proposal to reduce the tax rate to 20%. As the legislation to give statutory effect to the reduction in the rate to 21% from 1 April 2014 has not been substantially enacted as at the balance sheet date, no 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 €49.268 million (2012: €40.444 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.

17. Dividends

	2013 €'000	2012 €'000
Dividends paid per Ordinary Share are as follows:		
Final - paid 50.47 cent per share on 26 July 2012 (2012: paid 48.07 cent per share on 21 July 2011)	42,157	40,061
Interim - paid 29.48 cent per share on 30 November 2012 (2012: paid 27.42 cent per share on 2 December 2011)	24,657	22,903
	66,814	62,964

The Directors are proposing a final dividend in respect of the year ended 31 March 2013 of 56.20 cent per ordinary share (€47.036 million). This proposed dividend is subject to approval by the shareholders at the Annual General Meeting.



18. Earnings per Ordinary Share

	2013 €'000	2012 €'000
Profit attributable to owners of the Parent	130,359	102,428
Amortisation of intangible assets after tax	13,899	8,994
Exceptionals (note 11)	31,241	24,989
Adjusted profit after taxation and non-controlling interests	175,499	136,411

	2013 cent	2012 cent
Basic earnings per ordinary share		
Basic earnings per ordinary share	155.96c	122.78c
Amortisation of intangible assets after tax	16.63c	10.78c
Exceptionals	37.37c	29.95c
Adjusted basic earnings per ordinary share	209.96c	163.51c
Weighted average number of ordinary shares in issue (thousands)	83,586	83,427

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.

	2013 cent	2012 cent
Diluted earnings per ordinary share		
Diluted earnings per ordinary share	155.47c	122.46c
Amortisation of intangible assets after tax	16.57c	10.75c
Exceptionals	37.26c	29.88c
Adjusted diluted earnings per ordinary share	209.30c	163.09c
Weighted average number of ordinary shares in issue (thousands)	83,850	83,639

The earnings used for the purposes of the diluted earnings per share calculations were €130.359 million (2012: €102.428 million) and €175.499 million (2012: €136.411 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 2013 was 83.850 million (2012: 83.639 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:

	2013 '000	2012 '000
Weighted average number of ordinary shares in issue	83,586	83,427
Dilutive effect of options and awards	264	212
Weighted average number of ordinary shares for diluted earnings per share	83,850	83,639

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. Assets Classified as Held for Sale

As at 31 March 2012, DCC SerCom's Enterprise distribution business Altimate Group SA ('Altimate') was classified as a disposal group held for sale. On 2 July 2012 the Group announced the completion of the disposal of Altimate following competition clearance from the European Commission. Details of the disposal were set out in a DCC Stock Exchange announcement on 3 April 2012.

20. 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 2013					
Opening net book amount	163,447	173,391	34,861	79,398	451,097
Exchange differences	(1,557)	(4,188)	(152)	(816)	(6,713)
Arising on acquisition (note 46)	15,133	60,177	1,106	1,385	77,801
Additions	6,558	39,665	10,358	14,773	71,354
Disposals	(1,372)	(1,340)	(124)	(2,077)	(4,913)
Depreciation charge	(3,721)	(32,330)	(10,528)	(19,933)	(66,512)
Reclassifications	(1,290)	4,100	(2,805)	(5)	-
Closing net book amount	177,198	239,475	32,716	72,725	522,114
At 31 March 2013					
Cost	221,083	612,836	118,446	170,300	1,122,665
Accumulated depreciation	(43,885)	(373,361)	(85,730)	(97,575)	(600,551)
Net book amount	177,198	239,475	32,716	72,725	522,114
Year ended 31 March 2012					
Opening net book amount	145,362	150,980	35,963	63,180	395,485
Exchange differences	5,586	7,836	1,475	3,666	18,563
Arising on acquisition (note 46)	8,374	11,500	1,905	4,445	26,224
Disposal of subsidiaries	-	-	(127)	-	(127)
Additions	9,363	30,493	8,914	26,355	75,125
Disposals	(106)	(1,131)	(424)	(2,115)	(3,776)
Depreciation charge	(3,407)	(24,737)	(10,154)	(17,137)	(55,435)
Impairment charge (note 11)	(2,000)	-	-	-	(2,000)
Assets classified as held for sale (note 19)	(2)	(3)	(2,957)	-	(2,962)
Reclassifications	277	(1,547)	266	1,004	-
Closing net book amount	163,447	173,391	34,861	79,398	451,097
At 31 March 2012					
Cost	199,731	445,096	112,061	164,003	920,891
Accumulated depreciation	(36,284)	(271,705)	(77,200)	(84,605)	(469,794)
Net book amount	163,447	173,391	34,861	79,398	451,097

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:

	2013 €'000	2012 €'000
Cost	57,337	58,465
Accumulated depreciation	(55,601)	(57,626)
Net book amount	1,736	839
Depreciation charge for the year	946	881



21. Intangible Assets

Group	Goodwill €'000	Customer related €'000	Total €'000
Year ended 31 March 2013			
Opening net book amount	723,389	61,816	785,205
Exchange differences	(8,313)	(541)	(8,854)
Arising on acquisition (note 46)	97,997	31,384	129,381
Other movements (note 34)	(1,912)	-	(1,912)
Amortisation charge	-	(17,684)	(17,684)
Closing net book amount	811,161	74,975	886,136
At 31 March 2013			
Cost	834,516	145,017	979,533
Accumulated amortisation	(23,355)	(70,042)	(93,397)
Net book amount	811,161	74,975	886,136
Year ended 31 March 2012			
Opening net book amount	597,597	38,517	636,114
Exchange differences	24,392	1,984	26,376
Arising on acquisition (note 46)	143,658	34,136	177,794
Disposal of subsidiaries	(2,381)	-	(2,381)
Impairment charge (note 11)	(11,369)	-	(11,369)
Other movements (note 34)	(441)	-	(441)
Amortisation charge	-	(11,379)	(11,379)
Assets classified as held for sale (note 19)	(28,067)	(1,442)	(29,509)
Closing net book amount	723,389	61,816	785,205
At 31 March 2012			
Cost	747,562	114,993	862,555
Accumulated amortisation	(24,173)	(53,177)	(77,350)
Net book amount	723,389	61,816	785,205

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 3.4 years (2012: 3.9 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 29 CGUs (2012: 24 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)	
	2013 number	2012 number	2013 €'000	2012 €'000
DCC Energy	11	6	475,265	426,481
DCC SerCom	5	5	81,766	79,260
DCC Healthcare	4	4	138,755	101,372
DCC Environmental	4	4	90,698	91,779
DCC Food & Beverage	5	5	24,677	24,497
	29	24	811,161	723,389

Notes to the Financial Statements (continued)

21. 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:

	2013 €'000	2012 €'000
GB Oils Group	297,708	298,283
Fannin Healthcare Group	119,830	83,557

For the purpose of impairment testing, the discount rates applied to these CGUs to which significant amounts of goodwill have been allocated were 9% (2012: 9%) for the GB Oils Group and 10% (2012: 10%) for the Fannin Healthcare Group.

The remaining goodwill balance of €393.623 million is allocated across 27 CGUs (2012: €341.549 million over 22 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. Goodwill is tested for impairment by review of profit and cash flow forecasts and budgets.

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 terminal value reflecting inflation (2013: 2.5%; 2012: 2.5%) is applied to the year five cash flows. A present value of the future cash flows is calculated using a before-tax discount rate representing the Group's estimated before-tax average cost of capital, adjusted to reflect risks associated with each CGU. The range of discount rates applied ranged from 7% to 10% (2012: 7% to 10%).

Applying these techniques, no impairment charge arose in 2013 (2012: impairment charge of €11.369 million).

Key assumptions include management's estimates of future profitability, capital expenditure requirements, working capital investment and tax considerations. 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.

Sensitivity analysis was performed by increasing the discount rate by 2% and applying a terminal growth rate of 1.5% which resulted in an excess in the recoverable amount of all CGUs over their carrying amount. 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.

22. Investments in Associates

	2013 €'000	2012 €'000
At 1 April	1,173	2,281
Share of profit after tax (before impairment of associate company investment)	32	(40)
Impairment of associate company investment	(250)	(1,068)
At 31 March	955	1,173

Investments in associates at 31 March 2013 include goodwill of €0.422 million (2012: €0.422 million).



22. Investments in Associates (continued)

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 2013					
Ireland	457	798	-	(413)	842
France	5	476	(132)	(236)	113
	462	1,274	(132)	(649)	955
As at 31 March 2012					
Ireland	516	1,296	-	(751)	1,061
France	7	449	(126)	(218)	112
	523	1,745	(126)	(969)	1,173

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.
Company				2013 €'000
At 1 April				250
Impairment of associate company investment				(250)
At 31 March				-
				2012 €'000
				1,244
				(994)
				250

23. Investments in Subsidiary Undertakings

Company	2013 €'000	2012 €'000
At 1 April	168,065	168,065
Additions	2,000	-
At 31 March	170,065	168,065

Details of the Group's principal operating subsidiaries are shown on pages 169 to 173. 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%, Comtrade SA (94%) where a deferred purchase agreement is in place to acquire the remaining 6% 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.

Notes to the Financial Statements (continued)

24. Inventories

	2013 €'000	2012 €'000
Group		
Raw materials	16,787	11,831
Work in progress	3,275	1,953
Finished goods	440,588	324,386
	460,650	338,170

25. Trade and Other Receivables

	2013 €'000	2012 €'000
Group		
Trade receivables	1,234,599	1,219,841
Provision for impairment of trade receivables (note 47)	(24,577)	(26,217)
Prepayments and accrued income	71,632	53,129
Loan to associate company	-	100
Value added tax recoverable	20,452	21,099
Other debtors	45,181	23,746
	1,347,287	1,291,698

	2013 €'000	2012 €'000
Company		
Amounts owed by subsidiary undertakings	373,264	409,554
Prepayments and accrued income	-	2
Loan to associate company	-	100
	373,264	409,656

26. Trade and Other Payables

	2013 €'000	2012 €'000
Group		
Trade payables	1,416,465	1,278,255
Other creditors and accruals	236,093	168,588
PAYE and National Insurance	17,238	12,590
Value added tax	55,980	62,148
Government grants (note 36)	67	67
Interest payable	4,569	6,643
Amounts due in respect of property, plant and equipment	109	5,591
	1,730,521	1,533,882

	2013 €'000	2012 €'000
Company		
Amounts due to subsidiary undertakings	281,813	297,798
Other creditors and accruals	611	678
	282,424	298,476



27. Movement in Working Capital

Group	Inventories €'000	Trade and other receivables €'000	Trade and other payables €'000	Total €'000
Year ended 31 March 2013				
At 1 April 2012	338,170	1,291,698	(1,533,882)	95,986
Translation adjustment	(6,673)	(14,453)	21,818	692
Arising on acquisition (note 46)	21,083	43,850	(54,237)	10,696
Exceptional items, interest accruals and other	-	(470)	5,098	4,628
Increase/(decrease) in working capital (note 42)	108,070	26,662	(169,318)	(34,586)
At 31 March 2013	460,650	1,347,287	(1,730,521)	77,416
Year ended 31 March 2012				
At 1 April 2011	248,129	1,034,275	(1,149,786)	132,618
Translation adjustment	10,611	49,740	(56,883)	3,468
Arising on acquisition (note 46)	27,205	111,106	(131,960)	6,351
Disposal of subsidiaries	-	(219)	1,238	1,019
Exceptional items, interest accruals and other	-	666	(12,142)	(11,476)
Increase/(decrease) in working capital (note 42)	56,372	158,819	(261,785)	(46,594)
Assets and liabilities classified as held for sale (note 19)	(4,147)	(62,689)	77,436	10,600
At 31 March 2012	338,170	1,291,698	(1,533,882)	95,986
Company		Trade and other receivables €'000	Trade and other payables €'000	Total €'000
Year ended 31 March 2013				
At 1 April 2012		409,656	(342,170)	67,486
Exceptional item		(100)	-	(100)
(Decrease)/increase in working capital (note 42)		(36,292)	16,052	(20,240)
At 31 March 2013		373,264	(326,118)	47,146
Year ended 31 March 2012				
At 1 April 2011		414,314	(326,837)	87,477
Decrease in working capital (note 42)		(4,658)	(15,333)	(19,991)
At 31 March 2012		409,656	(342,170)	67,486

28. Cash and Cash Equivalents

Group	2013 €'000	2012 €'000
Cash at bank and in hand	333,833	241,336
Short-term bank deposits	279,844	388,687
	613,677	630,023

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.

Notes to the Financial Statements (continued)

28. Cash and Cash Equivalents (continued)

Cash and cash equivalents include the following for the purposes of the Group Cash Flow Statement:

	2013 €'000	2012 €'000
Cash and short-term bank deposits	613,677	630,023
Bank overdrafts	(103,892)	(70,758)
Cash and short-term bank deposits attributable to assets held for sale	-	40,814
	509,785	600,079

Bank overdrafts are included within current borrowings (note 30) in the Group Balance Sheet.

Company	2013 €'000	2012 €'000
Cash at bank and in hand	3,998	867

29. Derivative Financial Instruments

Group	2013 €'000	2012 €'000
Non-current assets		
Interest rate swaps - fair value hedges	19,005	24,070
Cross currency interest rate swaps - fair value hedges	129,897	110,461
	148,902	134,531
Current assets		
Cross currency interest rate swaps - fair value hedges	11,536	-
Forward contracts - cash flow hedges	655	1,650
Commodity contracts - cash flow hedges	1,002	1,726
Forward contracts - fair value hedges	43	-
Commodity contracts - fair value hedges	268	878
Forward contracts - not designated as hedges	384	11
Commodity contracts - not designated as hedges	60	29
	13,948	4,294
Total assets	162,850	138,825
Non-current liabilities		
Currency swaps - not designated as hedges	(10,937)	(17,493)
Cross currency interest rate swaps - fair value hedges	(3,957)	-
Cross currency interest rate swaps - cash flow hedges	(995)	-
	(15,889)	(17,493)
Current liabilities		
Forward contracts - cash flow hedges	(1,125)	(389)
Commodity contracts - cash flow hedges	(1,281)	(614)
Commodity price forward contracts - not designated as hedges	(153)	-
Forward contracts - not designated as hedges	(246)	(17)
	(2,805)	(1,020)
Total liabilities	(18,694)	(18,513)
Net asset arising on derivative financial instruments	144,156	120,312

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.



29. Derivative Financial Instruments (continued)

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 2013 total US\$200.0 million, Stg£55.0 million and €20.0 million. At 31 March 2013, the fixed interest rates vary from 4.58% to 6.18% and the floating rates are based on US\$ LIBOR, sterling LIBOR and EURIBOR.

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\$683.0 million into floating rate sterling debt of Stg£306.967 million and floating rate euro debt of €110.051 million. At 31 March 2013 the fixed interest rates vary from 4.37% to 6.19%. These swaps are designated as fair value hedges under IAS 39.

As referred to in note 30 to the financial statements, on 28 February 2013 the Group committed itself to issuing US\$ denominated debt of US\$525.0 million, which was subsequently issued on 25 April 2013. The Group has entered a number of cross currency interest rate swaps to hedge the interest rate and currency risk arising from this debt issuance. These cross currency interest rate swaps swapped the fixed rate US\$525.0 million issuance to floating rate euro debt of €194.9 million, floating rate sterling debt of £92.3 million, fixed rate euro debt of €65.0 million and fixed rate sterling debt of £29.7 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 2013 total €95.312 million (2012: €91.631 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 39) at 31 March 2013 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 2013 total €19.187 million (2012: €19.444 million). Gains and losses recognised in the cash flow hedge reserve in equity (note 39) at 31 March 2013 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.

30. Borrowings

	2013 €'000	2012 €'000
Group		
Non-current		
Finance leases*	733	287
Unsecured Notes due 2014 to 2025	794,815	848,078
	795,548	848,365
Current		
Bank borrowings	103,892	70,758
Finance leases*	854	241
Unsecured Notes due 2013	77,444	-
	182,190	70,999
Total borrowings	977,738	919,364

*Secured on specific plant and equipment

Notes to the Financial Statements (continued)

30. Borrowings (continued)

The maturity of non-current borrowings is as follows:

	2013 €'000	2012 €'000
Between 1 and 2 years	222,916	76,792
Between 2 and 5 years	220,385	360,429
Over 5 years	352,247	411,144
	795,548	848,365

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 2013.

Unsecured Notes due 2013 to 2025

The Group's Unsecured Notes due 2013 to 2025 is 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\$120.0 million issued in 2008 and maturing in 2013 and 2015 (the '2013/15 Notes') and 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') and fixed rate debt of US\$525 million issued in 2013 and maturing in 2020, 2023 and 2025 (the '2020/23/25 Notes').

The 2013/15 Notes which are all 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 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.

On 28 February 2013 the Group committed to issue fixed rate US\$ denominated debt totalling \$525.0 million maturing in 2020, 2023 and 2025. Of the 2020/23/25 Notes, \$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. The 2020/23/25 Notes were drawn down on 25 April 2013. In accordance with IAS 39, the adjusted value corresponding to the portion of the 2020/23/25 Notes which has been swapped using cross currency interest rate swaps designated as fair value hedges has been included in the Group's borrowings at 31 March 2013.



30. Borrowings (continued)

The maturity and interest profile of the Unsecured Notes is as follows:

	2013	2012
Average maturity*	6.1 years	5.0 years
Average fixed interest rates**		
- US\$ denominated*	4.96%	5.54%
- sterling denominated	5.95%	5.95%
- euro denominated	4.58%	4.58%
Average floating rate including swaps		
- sterling denominated	1.84%	2.39%
- euro denominated	1.49%	2.73%

* Including the 2020/23/25 Notes

** Issued and repayable at par

31. 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 2013 is as follows:

	At 1		Fair value adjustment			At 31
	April 2012	Cash flow	Income	Cash Flow	Translation	March 2013
	€'000	€'000	Statement	Hedge Reserve	adjustment	€'000
Cash and short term bank deposits	670,837	(53,897)	-	-	(3,263)	613,677
Overdrafts	(70,758)	(34,677)	-	-	1,543	(103,892)
Cash and cash equivalents	600,079	(88,574)	-	-	(1,720)	509,785
Finance leases	(528)	(1,056)	-	-	(3)	(1,587)
Unsecured Notes due 2013 to 2025	(848,078)	-	(30,189)	-	6,008	(872,259)
Derivative financial instruments (net)	120,312	(3,753)	28,507	(995)	85	144,156
Group net debt						
(including share of net cash in joint ventures)	(128,215)	(93,383)	(1,682)	(995)	4,370	(219,905)
Group net debt						
(excluding share of net cash in joint ventures)	(129,952)	(92,470)	(1,682)	(995)	4,370	(220,729)

Notes to the Financial Statements (continued)

31. Analysis of Net Debt (continued)

The reconciliation of opening to closing net debt for the year ended 31 March 2012 is as follows:

	At 1 April 2011 €'000	Cash flow €'000	Fair value adjustment		Translation adjustment €'000	At 31 March 2012 €'000
			Income Statement €'000	Cash Flow Hedge Reserve €'000		
Cash and short term bank deposits	700,340	(59,622)	-	-	30,119	670,837
Overdrafts	(34,212)	(33,862)	-	-	(2,684)	(70,758)
Cash and cash equivalents	666,128	(93,484)	-	-	27,435	600,079
Bank loans and loan notes	(926)	929	-	-	(3)	-
Finance leases	(888)	397	-	-	(37)	(528)
Unsecured Notes due 2013 to 2022	(766,760)	5,386	(62,134)	-	(24,570)	(848,078)
Derivative financial instruments (net)	57,263	(224)	62,804	-	469	120,312
Group net debt (including share of net cash in joint ventures)	(45,183)	(86,996)	670	-	3,294	(128,215)
Group net debt (excluding cash attributable to assets classified as held for sale)	(71,649)	(101,344)	670	-	3,294	(169,029)
Group net debt (excluding share of net cash in joint ventures and cash attributable to assets classified as held for sale)	(73,252)	(101,478)	670	-	3,294	(170,766)

Currency profile

The currency profile of net debt at 31 March 2013 is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Swedish Krona €'000	Other €'000	Total €'000
Cash and cash equivalents	109,967	456,609	13,207	26,220	7,674	613,677
Borrowings	(345,101)	(630,992)	(944)	(701)	-	(977,738)
Derivatives	18,770	125,832	(446)	-	-	144,156
	(216,364)	(48,551)	11,817	25,519	7,674	(219,905)

The currency profile of net debt at 31 March 2012 is as follows:

	Euro €'000	Sterling €'000	US Dollar €'000	Swedish Krona €'000	Other €'000	Total €'000
Cash and cash equivalents	82,025	520,543	8,108	19,306	41	630,023
Borrowings	(325,953)	(592,509)	(902)	-	-	(919,364)
Derivatives	12,150	106,291	1,871	-	-	120,312
	(231,778)	34,325	9,077	19,306	41	(169,029)

Interest rate profile

Cash and cash equivalents at 31 March 2013 and 31 March 2012 have maturity periods up to three months (note 28).

Bank borrowings are at floating interest rates for periods less than six months while the Group's Unsecured Notes due 2013 to 2025 have been swapped to a combination of fixed rates and floating rates which reset on a quarterly or semi-annual basis (note 30). The majority of finance leases are at fixed rates.



32. 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 2013:

	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	12,402	17,665	(1,196)	(2,569)	(688)	25,614
Consolidated Income Statement movement	864	(3,373)	338	591	(1,088)	(2,668)
Recognised in Other Comprehensive Income	-	-	-	(1,847)	(248)	(2,095)
Arising on acquisition	288	7,824	(692)	-	(150)	7,270
Exchange differences and other	(59)	(481)	(11)	30	95	(426)
At 31 March 2013	13,495	21,635	(1,561)	(3,795)	(2,079)	27,695
Analysed as:						
Deferred tax asset	(1,020)	-	(1,561)	(3,992)	(4,636)	(11,209)
Deferred tax liability	14,515	21,635	-	197	2,557	38,904
	13,495	21,635	(1,561)	(3,795)	(2,079)	27,695

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 2012:

	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 2011	12,070	13,154	950	(3,180)	(6,888)	16,106
Consolidated Income Statement movement	(560)	(2,650)	(2,191)	1,866	4,960	1,425
Recognised in Other Comprehensive Income	-	-	-	(1,178)	(11)	(1,189)
Arising on acquisition	64	6,902	-	-	744	7,710
Disposal of subsidiary	-	-	-	-	(2)	(2)
Deferred tax attributable to assets classified as held for sale (note 19)	-	-	-	-	1,457	1,457
Exchange differences	828	259	45	(77)	(948)	107
At 31 March 2012	12,402	17,665	(1,196)	(2,569)	(688)	25,614
Analysed as:						
Deferred tax asset	(1,708)	-	(1,344)	(2,569)	(776)	(6,397)
Deferred tax liability	14,110	17,665	148	-	88	32,011
	12,402	17,665	(1,196)	(2,569)	(688)	25,614

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 2013 of €11.209 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)

33. 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 September 2009 and 1 April 2012. 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 2013 for IAS 19 by a qualified actuary.

The principal actuarial assumptions used were as follows:

	2013	2012
Republic of Ireland schemes		
Rate of increase in salaries	2.00% - 3.25%	2.00% - 3.25%
Rate of increase in pensions in payment	0.00% - 2.50%	0.00% - 2.50%
Discount rate	3.70%	4.50%
Inflation assumption	2.25%	2.25%
UK schemes		
Rate of increase in salaries	0.00% - 4.20%	0.00% - 4.30%
Rate of increase in pensions in payment	2.20% - 3.50%	3.40%
Discount rate	4.40%	5.05%
Inflation assumption	3.50%	3.40%

The expected long term rates of return on the assets of the schemes were as follows:

	2013	2012
Republic of Ireland schemes		
Equities	6.70%	7.00%
Bonds	2.30%	3.10%
Property	5.70%	5.50%
Cash	2.00%	2.00%
UK schemes		
Equities	6.80%	7.00%
Bonds	4.40%	3.50%
Property	5.80%	6.00%
Cash	0.50%	0.50%

The expected rate of return for equities and property has been calculated assuming that equities and property will outperform bonds by 4.4% and 3.4% per annum respectively over the long term in the Republic of Ireland schemes and 2.4% and 1.4% per annum respectively over the long term in the UK schemes. The expected rate of return for bonds has been based on bond indices as at 31 March.

Assumptions regarding future mortality experience are set based on advice from published statistics and experience in both geographic regions. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2013	2012
Current pensioners		
Male	23.6	23.4
Female	25.1	25.0
Future pensioners		
Male	26.5	26.5
Female	27.7	27.6

The Group does not operate any post-employment medical benefit schemes.



33. Post Employment Benefit Obligations (continued)

The net pension liability recognised in the Balance Sheet is analysed as follows:

	2013		
	ROI €'000	UK €'000	Total €'000
Equities	31,350	9,098	40,448
Bonds	60,242	12,444	72,686
Property	790	1,086	1,876
Cash	828	1,057	1,885
Total fair value at 31 March 2013	93,210	23,685	116,895
Present value of scheme liabilities	(109,886)	(29,894)	(139,780)
Net pension liability at 31 March 2013	(16,676)	(6,209)	(22,885)

	2012		
	ROI €'000	UK €'000	Total €'000
Equities	27,520	7,977	35,497
Bonds	49,039	10,783	59,822
Property	921	1,082	2,003
Cash	3,628	598	4,226
Total fair value at 31 March 2012	81,108	20,440	101,548
Present value of scheme liabilities	(90,400)	(25,893)	(116,293)
Net pension liability at 31 March 2012	(9,292)	(5,453)	(14,745)

The amounts recognised in the Group Income Statement in respect of defined benefit pension schemes is as follows:

	2013 €'000	2012 €'000
Current service cost (note 9)	(1,196)	(1,477)
Total, included in employee benefit expenses	(1,196)	(1,477)
Exceptional curtailment and settlement gains	-	3,587
Total, included in exceptional items (note 11)	-	3,587
Interest cost, included in finance costs (note 12)	(5,354)	(5,632)
Expected return on plan assets, included in finance income (note 12)	4,058	4,361
Total	(1,296)	(1,271)

Based on the assumptions employed for the valuation of assets and liabilities at 31 March 2013, the net charge in the Group Income Statement in the year ending 31 March 2014 is expected to be broadly in line with the current year figures.

Notes to the Financial Statements (continued)

33. Post Employment Benefit Obligations (continued)

The actuarial loss recognised in Other Comprehensive Income is as follows:

	2013 €'000	2012 €'000
Actual return less expected return on pension scheme assets	7,834	1,222
Experience gains and losses arising on the scheme liabilities	1,678	1,849
Changes in assumptions underlying the present value of the scheme liabilities	(21,259)	(11,862)
Total, included in Other Comprehensive Income	(11,747)	(8,791)

The movement in the fair value of plan assets is as follows:

	2013 €'000	2012 €'000
At 1 April	101,548	83,723
Expected return on assets	4,058	4,361
Actuarial gain	7,834	1,222
Contributions by employers	5,995	8,971
Contributions by members	463	480
Benefits paid	(2,590)	(1,964)
Acquisition of subsidiary	-	3,712
Exchange	(413)	1,043
At 31 March	116,895	101,548

The actual return on plan assets was a gain of €11.892 million (2012: gain of €5.583 million).

The movement in the present value of defined benefit obligations is as follows:

	2013 €'000	2012 €'000
At 1 April	116,293	103,058
Current service cost	1,196	1,477
Interest cost	5,354	5,632
Actuarial loss	19,581	10,013
Contributions by members	463	480
Benefits paid	(2,590)	(1,964)
Acquisition of subsidiary	-	3,857
Curtailment and settlement gains	-	(3,587)
Exchange and other	(517)	(2,673)
At 31 March	139,780	116,293

Employer contributions for the forthcoming financial year are estimated at €6.0 million. The difference between the actual employer contributions paid in the current year of €5.995 million and the expectation of €5.5 million included in the 2012 Annual Report was primarily due to accelerated funding requirements in certain of the Group's pension schemes which could not have been anticipated at the time of preparation of the 2012 financial statements.



33. Post Employment Benefit Obligations (continued)

History of scheme assets, liabilities and actuarial gains and losses

The five-year history in respect of assets, liabilities and actuarial gains and losses for the Group are as follows:

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Fair value of assets	116,895	101,548	83,723	79,953	52,265
Present value of liabilities	(139,780)	(116,293)	(103,058)	(103,643)	(81,763)
Net pension liability	(22,885)	(14,745)	(19,335)	(23,690)	(29,498)
Difference between the expected and actual return on scheme assets	7,834	1,222	(2,030)	13,178	(21,904)
As a percentage of scheme assets	6.7%	1.2%	(2.4%)	16.5%	(41.9%)
Experience gains and losses on scheme liabilities	1,678	1,849	1,344	2,231	(589)
As a percentage of the present value of the scheme liabilities	(1.2%)	(1.6%)	(1.3%)	(2.2%)	0.7%
Total recognised in Other Comprehensive Income	(11,747)	(8,791)	(2,590)	(1,595)	(9,517)
As a percentage of the present value of the scheme liabilities	8.4%	7.6%	2.5%	1.5%	11.6%

Cumulatively since transition to IFRS on 1 April 2004, €47.713 million has been recognised as a charge in the Group Statement of Comprehensive Income as follows:

	€'000
Recognised in the financial year ended 31 March 2005	(7,742)
Recognised in the financial year ended 31 March 2006	1,779
Recognised in the financial year ended 31 March 2007	1,576
Recognised in the financial year ended 31 March 2008	(9,086)
Recognised in the financial year ended 31 March 2009	(9,517)
Recognised in the financial year ended 31 March 2010	(1,595)
Recognised in the financial year ended 31 March 2011	(2,590)
Recognised in the financial year ended 31 March 2012	(8,791)
Recognised in the financial year ended 31 March 2013	(11,747)
	(47,713)

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 5.7%	Decrease/increase by 5.6%
Price inflation	Increase/decrease by 0.25%	Increase/decrease by 4.2%	Increase/decrease by 5.1%
Mortality	Increase/decrease by one year	Increase/decrease by 2.9%	Increase/decrease by 2.5%

Notes to the Financial Statements (continued)

34. Deferred and Contingent Acquisition Consideration

Group

The Group's deferred and contingent acquisition consideration of €89,829 million (2012: €98,699 million) as stated on the Balance Sheet consists of €71.291 million of sterling floating rate financial liabilities (2012: €77.702 million), €10.044 million of euro floating rate financial liabilities (2012: €10.998 million) and €8.494 million of swedish krona floating rate financial liabilities (2012: €9.999 million) payable as follows:

	2013 €'000	2012 €'000
Within one year	22,944	13,428
Between one and two years	9,011	8,186
Between two and five years	57,874	77,085
	89,829	98,699
Analysed as:		
Non-current liabilities	66,885	85,271
Current liabilities	22,944	13,428
	89,829	98,699

The movement in the Group's deferred and contingent acquisition consideration is as follows:

	2013 €'000	2012 €'000
At 1 April	98,699	74,344
Arising on acquisition	15,733	37,595
Amounts no longer required (adjustment to goodwill, note 21)	(1,912)	(441)
Amounts no longer required (recognised in the Income Statement, note 11)	(6,869)	-
Paid during the year	(14,680)	(8,063)
Exchange and other	(1,142)	2,417
Deferred and contingent consideration attributable to assets classified as held for sale (note 19)	-	(7,153)
At 31 March	89,829	98,699

35. Provisions for Liabilities and Charges

The reconciliation of the movement in provisions for liabilities and charges for the year ended 31 March 2013 is as follows:

Group	Rationalisation, restructuring and redundancy €'000	Environmental and remediation €'000	Insurance and other €'000	Total €'000
At 1 April 2012	10,426	9,884	5,094	25,404
Provided during the year	11,853	1,103	1,743	14,699
Utilised during the year	(7,669)	(354)	(765)	(8,788)
Arising on acquisition	1,790	-	1,964	3,754
Exchange and other	(330)	(225)	-	(555)
At 31 March 2013	16,070	10,408	8,036	34,514
Analysed as:				
Non-current liabilities	3,668	10,278	6,325	20,271
Current liabilities	12,402	130	1,711	14,243
	16,070	10,408	8,036	34,514



35. Provisions for Liabilities and Charges (continued)

The reconciliation of the movement in provisions for liabilities and charges for the year ended 31 March 2012 is as follows:

Group	Rationalisation, restructuring and redundancy €'000	Environmental and remediation €'000	Insurance and other €'000	Total €'000
At 1 April 2011	4,402	8,258	4,705	17,365
Provided during the year	7,882	245	604	8,731
Utilised during the year	(1,095)	(1,817)	(497)	(3,409)
Arising on acquisition (note 46)	-	2,769	438	3,207
Provisions for liabilities and charges attributable to assets classified as held for sale (note 19)	(675)	-	(232)	(907)
Exchange and other	(88)	429	76	417
At 31 March 2012	10,426	9,884	5,094	25,404
Analysed as:				
Non-current liabilities	3,871	9,884	1,683	15,438
Current liabilities	6,555	-	3,411	9,966
	10,426	9,884	5,094	25,404

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.

Insurance and other

The insurance provision relates to employers 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 (2012: four years).

Rationalisation, restructuring and redundancy

This provision relates to various rationalisation and restructuring programs across the Group. The majority of this provision falls due within one year.

36. Government Grants

Group	2013 €'000	2012 €'000
At 1 April	2,525	2,991
Amortisation in year	(584)	(604)
Received in year	-	13
Exchange and other adjustments	(13)	125
At 31 March	1,928	2,525
Disclosed as due within one year (note 26)	(67)	(67)
	1,861	2,458

Government grants relate to capital grants received and are amortised to the Income Statement over the estimated useful lives of the related capital assets.

Notes to the Financial Statements (continued)

37. Share Capital

	2013 €'000	2012 €'000
Group and Company		
Authorised		
152,368,568 ordinary shares of €0.25 each	38,092	38,092
Issued		
88,229,404 ordinary shares (including 4,535,981 ordinary shares held as Treasury Shares) of €0.25 each, fully paid (2012: 88,229,404 ordinary shares (including 4,700,907 ordinary shares held as Treasury Shares) of €0.25 each, fully paid)	22,057	22,057

As at 31 March 2013, the total authorised number of ordinary shares is 152,368,568 shares (2012: 152,368,568 shares) with a par value of €0.25 per share (2012: €0.25 per share).

During the year the Company re-issued 164,926 Treasury Shares for a consideration (net of expenses) of €2.087 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 81 to 94.

38. Share Premium

	2013 €'000	2012 €'000
Group and Company		
At 31 March	124,687	124,687



39. Other Reserves

Group	Share options ¹ €'000	Cash flow hedge reserve ² €'000	Foreign currency translation reserve ³ €'000	Other reserves ⁴ €'000	Total €'000
At 31 March 2011	10,537	987	(125,136)	1,400	(112,212)
Currency translation	-	-	46,711	-	46,711
Cash flow hedges					
- fair value gains in year	-	820	-	-	820
- tax on fair value gains	-	(103)	-	-	(103)
- transfers to sales	-	494	-	-	494
- transfers to cost of sales	-	(1,125)	-	-	(1,125)
- tax on transfers	-	114	-	-	114
Share based payment	549	-	-	-	549
At 31 March 2012	11,086	1,187	(78,425)	1,400	(64,752)
Currency translation	-	-	(13,807)	-	(13,807)
- fair value loss in year - private placement debt	-	(995)	-	-	(995)
- fair value loss in year - other	-	(3,110)	-	-	(3,110)
- tax on fair value losses	-	543	-	-	543
- transfers to sales	-	740	-	-	740
- transfers to cost of sales	-	997	-	-	997
- tax on transfers	-	(295)	-	-	(295)
Share based payment	1,322	-	-	-	1,322
At 31 March 2013	12,408	(933)	(92,232)	1,400	(79,357)
Company				Other reserves ⁵ €'000	
At 31 March 2013 and 31 March 2012					344

¹ The share option 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 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-euro 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 other reserves is a capital conversion reserve fund.

40. Retained Earnings

Group	2013 €'000	2012 €'000
At 1 April	929,331	895,108
Net income recognised in Income Statement	130,359	102,428
Net income recognised directly in equity		
- actuarial loss on Group defined benefit pension schemes	(11,747)	(8,791)
- deferred tax on actuarial loss	1,847	1,178
Re-issue of treasury shares (net of expenses)	2,087	2,372
Dividends	(66,814)	(62,964)
At 31 March	985,063	929,331

Notes to the Financial Statements (continued)

40. Retained Earnings (continued)

Company	2013 €'000	2012 €'000
At 1 April	89,580	109,728
Total comprehensive income for the financial year	49,268	40,444
Re-issue of treasury shares (net of expenses)	2,087	2,372
Dividends	(66,814)	(62,964)
At 31 March	74,121	89,580

The cost to the Group and the Company of €60.491 million to acquire the 4,535,981 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: €13.34) between 27 November 2003 and 19 June 2006 and are primarily held to satisfy exercises under the Group's share options and awards schemes.

41. Non-Controlling Interests

Group	2013 €'000	2012 €'000
At 1 April	2,656	2,234
Share of profit for the financial year	416	618
Dividends to non-controlling interests	(245)	(196)
At 31 March	2,827	2,656

42. Cash Generated from Operations

Group	2013 €'000	2012 €'000
Profit for the financial year	130,775	103,046
Add back non-operating expenses		
- tax (note 15)	32,239	29,937
- share of loss from associates (note 14)	318	1,108
- net operating exceptionals (note 11)	29,209	22,357
- net finance costs (note 12)	18,941	17,199
Operating profit before exceptionals	211,482	173,647
- share-based payments expense (note 10)	1,322	549
- depreciation (note 20)	66,512	55,435
- amortisation (note 21)	17,684	11,379
- profit on sale of property, plant and equipment	(1,271)	(838)
- amortisation of government grants (note 36)	(584)	(604)
- other	(5,212)	(8,840)
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
- inventories (note 27)	(108,070)	(56,372)
- trade and other receivables (note 27)	(26,662)	(158,819)
- trade and other payables (note 27)	169,318	261,785
Cash generated from operations	324,519	277,322



42. Cash Generated from Operations (continued)

Company	2013 €'000	2012 €'000
Profit for the financial year	49,268	40,444
Add back non-operating (income)/expense		
- net operating exceptionals	350	994
- net finance income	(12,279)	(11,452)
- dividend income	(36,062)	(30,000)
Operating profit/(loss) before exceptionals	1,277	(14)
Changes in working capital:		
- trade and other receivables (note 27)	36,292	4,658
- trade and other payables (note 27)	(16,052)	15,333
Cash generated from operations	21,517	19,977

43. Contingencies

Guarantees

The Company and certain subsidiaries have given guarantees of €1,578.791 million (2012: €1,390.175 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 Corporate Partners Limited, DCC Energy Limited, DCC Finance Limited, DCC Funding 2007 Limited, DCC Healthcare Limited, DCC Management Services Limited, DCC Nominees Limited, DCC SerCom Limited, Emo Oil Limited, Energy Procurement Limited, Fannin Limited, Fannin Compounding Limited, Flogas Ireland Limited, Great Gas Petroleum (Ireland) Limited, Lotus Green Limited, SerCom (Holdings) Limited, SerCom Distribution Limited, SerCom Property Limited, Shannon Environmental Holdings Limited and Sharptext Limited. As a result, these companies will be exempted from the filing provisions of Section 7, Companies (Amendment) Act, 1986.

44. Capital Expenditure Commitments

Group	2013 €'000	2012 €'000
Capital expenditure on property, plant and equipment that has been contracted for but has not been provided for in the financial statements	2,387	3,541
Capital expenditure on property, plant and equipment that has been authorised by the Directors but has not yet been contracted for	87,248	61,614
	89,635	65,155

Notes to the Financial Statements (continued)

45. Commitments under Operating and Finance Leases

Group

Operating leases

Future minimum rentals payable under non-cancellable operating leases at 31 March are as follows:

	2013 €'000	2012 €'000
Within one year	23,729	26,059
After one year but not more than five years	56,647	59,449
More than five years	81,281	91,999
	161,657	177,507

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 2013, €31.885 million (2012: €27.096 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:

	2013		2012	
	Minimum payments €'000	Present value of payments €'000	Minimum payments €'000	Present value of payments €'000
Within one year	857	854	243	241
After one year but not more than five years	749	733	295	287
	1,606	1,587	538	528
Less: amounts allocated to future finance costs	(19)	-	(10)	-
Present value of minimum lease payments	1,587	1,587	528	528



46. 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 Midsona Manufacturing AB, a Swedish based business providing product development, registration, manufacturing and packing services, completed in June 2012;
- the acquisition of BP's LPG distribution business ('BP LPG') in Britain, completed in September 2012;
- the acquisition of the trade, fixed assets, inventory and goodwill of Statoil Fuel & Retail ASA's industrial LPG business in Sweden and Norway, completed in December 2012;
- the acquisition of Benegas, BP's LPG distribution business in the Netherlands and north Belgium, completed in October 2012; and
- the acquisition of 100% of Kent Pharmaceuticals (Holdings) Limited ('Kent'), a British generic pharmaceuticals company, completed in February 2013.

There have been no acquisitions completed subsequent to the balance sheet date which would be individually material to the Group, thereby requiring disclosure under either IFRS 3 or IAS 10. 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:

	2013 €'000 Kent	2013 €'000 BP LPG	2013 €'000 Others	2013 €'000 Total	2012 €'000 Total
Assets					
Non-current assets					
Property, plant and equipment (note 20)	10,920	35,577	31,304	77,801	26,224
Intangible assets - other intangible assets (note 21)	7,668	4,680	19,036	31,384	34,136
Deferred income tax assets	779	-	38	817	81
Total non-current assets	19,367	40,257	50,378	110,002	60,441
Current assets					
Inventories (note 27)	11,180	527	9,376	21,083	27,205
Trade and other receivables (note 27)	12,142	9,355	22,353	43,850	111,106
Total current assets	23,322	9,882	31,729	64,933	138,311
Liabilities					
Non-current liabilities					
Deferred income tax liabilities	(1,764)	(1,076)	(5,247)	(8,087)	(7,791)
Post employment benefit obligations	-	-	-	-	(145)
Provisions for liabilities and charges	-	-	(3,436)	(3,436)	(3,207)
Deferred and contingent acquisition consideration	-	-	-	-	(940)
Total non-current liabilities	(1,764)	(1,076)	(8,683)	(11,523)	(12,083)
Current liabilities					
Trade and other payables (note 27)	(16,148)	(20,622)	(17,467)	(54,237)	(131,960)
Current income tax assets/(liabilities)	183	-	230	413	(1,636)
Provisions for liabilities and charges	-	-	(318)	(318)	-
Total current liabilities	(15,965)	(20,622)	(17,555)	(54,142)	(133,596)
Identifiable net assets acquired	24,960	28,441	55,869	109,270	53,073
Intangible assets - goodwill (note 21)	37,390	19,793	40,814	97,997	143,658
Total consideration (enterprise value)	62,350	48,234	96,683	207,267	196,731
Satisfied by:					
Cash	56,722	51,296	95,961	203,979	199,512
Net cash acquired	(4,895)	(3,062)	(4,488)	(12,445)	(39,436)
Net cash outflow	51,827	48,234	91,473	191,534	160,076
Deferred and contingent acquisition consideration	10,523	-	5,210	15,733	36,655
Total consideration	62,350	48,234	96,683	207,267	196,731

Notes to the Financial Statements (continued)

46. Business Combinations (continued)

The acquisitions of Kent and BP LPG have been deemed to be substantial transactions and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining 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:

	Book value €'000	Fair value adjustments €'000	Fair value €'000
Kent			
Non-current assets (excluding goodwill)	12,205	7,162	19,367
Current assets	23,582	(260)	23,322
Non-current liabilities	-	(1,764)	(1,764)
Current liabilities	(15,503)	(462)	(15,965)
Identifiable net assets acquired	20,284	4,676	24,960
Goodwill arising on acquisition	42,066	(4,676)	37,390
Total consideration (enterprise value)	62,350	-	62,350

	Book value €'000	Fair value adjustments €'000	Fair value €'000
BP LPG			
Non-current assets (excluding goodwill)	35,577	4,680	40,257
Current assets	10,825	(943)	9,882
Non-current liabilities	-	(1,076)	(1,076)
Current liabilities	(19,365)	(1,257)	(20,622)
Identifiable net assets acquired	27,037	1,404	28,441
Goodwill arising on acquisition	21,197	(1,404)	19,793
Total consideration (enterprise value)	48,234	-	48,234

	Book value €'000	Fair value adjustments €'000	Fair value €'000
Other acquisitions			
Non-current assets (excluding goodwill)	31,342	19,036	50,378
Current assets	32,044	(315)	31,729
Non-current liabilities	(3,777)	(4,906)	(8,683)
Current liabilities	(17,459)	(96)	(17,555)
Identifiable net assets acquired	42,150	13,719	55,869
Goodwill arising on acquisition	54,533	(13,719)	40,814
Total consideration (enterprise value)	96,683	-	96,683

	Book value €'000	Fair value adjustments €'000	Fair value €'000
Total			
Non-current assets (excluding goodwill)	79,124	30,878	110,002
Current assets	66,451	(1,518)	64,933
Non-current liabilities	(3,777)	(7,746)	(11,523)
Current liabilities	(52,327)	(1,815)	(54,142)
Identifiable net assets acquired	89,471	19,799	109,270
Goodwill arising on acquisition	117,796	(19,799)	97,997
Total consideration (enterprise value)	207,267	-	207,267



46. Business Combinations (continued)

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 2014 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.

€18.134 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 the Group Income Statement amounted to €14.896 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 €46.862 million. The fair value of these receivables is €43.850 million (all of which is expected to be recoverable) and is inclusive of an aggregate allowance for impairment of €1.494 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 €29.310 million.

There were no adjustments processed during the year to the fair value of business combinations completed during the year ended 31 March 2012 where those fair values were not readily determinable as at 31 March 2012.

The post-acquisition impact of business combinations completed during the year on Group profit for the financial year was as follows:

	2013 €'000	2012 €'000
Revenue	260,784	1,238,936
Cost of sales	(213,100)	(1,175,091)
Gross profit	47,684	63,845
Operating costs	(35,106)	(49,827)
Operating profit	12,578	14,018
Finance costs (net)	(765)	341
Profit before tax	11,813	14,359
Income tax expense	(2,679)	(3,322)
Profit for the financial year	9,134	11,037

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:

	2013 €'000	2012 €'000
Revenue	13,273,957	12,112,182
Group profit for the financial year	138,682	105,158

Notes to the Financial Statements (continued)

47. 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 42 to 48.

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.

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:

	2013 €'000	2012 €'000
Group		
Capital and reserves attributable to the owners of the Parent	1,052,450	1,011,323
Net debt (note 31)	219,905	169,029
Deferred and contingent acquisition consideration (note 34)	89,829	98,699
At 31 March	1,362,184	1,279,051

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 2012. 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, other than the Group's approach to the management of interest rate risk, which is outlined below.

(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



47. Financial Risk and Capital Management (continued)

with the counterparty risk limits of the Board approved treasury policy. Of the total cash and cash equivalents at 31 March 2013 of €613.677 million, 20.3% (€124.770 million) was with financial institutions with a minimum rating in the P-1 (short-term) category of Moody's and 88.8% (€544.730 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 2013 derivative transactions were with counterparties with ratings ranging from AA- to B (long-term) with Standard and Poors or Aa2 to Ba2 (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.

Included in the Group's trade and other receivables as at 31 March 2013 are balances of €132.677 million (2012: €106.031 million) which are past due at the reporting date but not impaired in the majority of cases. The aged analysis of these balances is as follows:

Group	2013 €'000	2012 €'000
Less than 1 month overdue	99,202	80,620
1 - 3 months overdue	25,002	19,069
3 - 6 months overdue	6,125	4,823
Over 6 months overdue	2,348	1,519
	132,677	106,031

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	2013 €'000	2012 €'000
At 1 April	26,217	31,202
Provision for impairment recognised in the year	4,158	1,830
Subsequent recovery of amounts previously provided for	(527)	(1,118)
Amounts written off during the year	(6,577)	(7,105)
Arising on acquisition	1,494	1,635
Provision for impairment attributable to assets classified as held for sale	-	(1,205)
Exchange	(188)	978
At 31 March	24,577	26,217

Company

There were no past due or impaired trade receivables in the Company at 31 March 2013 (31 March 2012: 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 2013 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 42 to 48.

Notes to the Financial Statements (continued)

47. 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 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total €'000
As at 31 March 2013					
<i>Financial liabilities - cash outflows</i>					
Trade and other payables	(1,730,521)	-	-	-	(1,730,521)
Interest bearing loans and borrowings	(180,888)	(213,486)	(193,649)	(702,070)	(1,290,093)
Interest payments on interest bearing loans and borrowings	(59,179)	(47,048)	(119,877)	(118,001)	(344,105)
Deferred and contingent acquisition consideration	(22,944)	(9,011)	(57,874)	-	(89,829)
Cross currency swaps - gross cash outflows	(87,645)	(202,402)	(186,259)	(732,934)	(1,209,240)
Other derivative financial instruments	(2,805)	-	-	-	(2,805)
	(2,083,982)	(471,947)	(557,659)	(1,553,005)	(4,666,593)
<i>Derivative financial instruments - cash inflows</i>					
Interest rate swaps - net cash inflows	3,677	2,163	4,574	-	10,414
Cross currency swaps - gross cash inflows	128,506	221,464	257,991	820,071	1,428,032
	132,183	223,627	262,565	820,071	1,438,446

Group	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total €'000
As at 31 March 2012					
<i>Financial liabilities - cash outflows</i>					
Trade and other payables	(1,533,882)	-	-	-	(1,533,882)
Interest bearing loans and borrowings	(70,999)	(73,288)	(331,882)	(342,199)	(818,368)
Interest payments on interest bearing loans and borrowings	(43,225)	(39,414)	(80,327)	(50,522)	(213,488)
Deferred and contingent acquisition consideration	(13,428)	(8,186)	(77,085)	-	(98,699)
Cross currency swaps - gross cash outflows	(14,881)	(80,824)	(319,621)	(306,607)	(721,933)
Other derivative financial instruments	(1,018)	-	-	-	(1,018)
	(1,677,433)	(201,712)	(808,915)	(699,328)	(3,387,388)
<i>Derivative financial instruments - cash inflows</i>					
Interest rate swaps - net cash inflows	3,182	3,182	5,555	398	12,317
Cross currency swaps - gross cash inflows	36,621	107,570	347,834	362,223	854,248
	39,803	110,752	353,389	362,621	866,565

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.

Company	Less than 1 year €'000	Between 1 and 2 years €'000	Between 2 and 5 years €'000	Over 5 years €'000	Total €'000
As at 31 March 2013					
<i>Financial liabilities - cash outflows</i>					
Trade and other payables	282,424	-	43,694	-	326,118
Company					
As at 31 March 2012					
<i>Financial liabilities - cash outflows</i>					
Trade and other payables	298,476	-	43,694	-	342,170

The Company has sufficient cash resources and liquid assets to enable it to meet its trade and other payables.



47. Financial Risk and Capital Management (continued)

(iii) Market risk management

Foreign exchange risk management

DCC's reporting currency and that in which its share capital is denominated is the euro. 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 sterling 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 portion of the Group's operating profits which are sterling denominated are offset to a limited degree by certain natural economic hedges that exist within the Group in that a proportion of the purchases by certain of its Irish businesses are sterling denominated. The Group does not hedge the remaining 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 sterling operations which are highly cash generative. Although the Group holds significant borrowings denominated or swapped into sterling, these sterling borrowings have been offset by the strong ongoing cash flow generated by the Group's sterling operations leaving the Group with a net position in sterling assets. The currency translation loss during the year ended 31 March 2013 of €13.8 million as set out in the Statement of Comprehensive Income was primarily due to the decrease in the value of sterling against the euro during the year of 1.4%. Included in this figure is a currency translation loss of €8.9 million relating to the Group's intangible assets, a significant portion of which are sterling denominated.

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 than the local currency and there is not a natural hedge with other activities within the Group, DCC generally hedges between 50% and 90% of those transactions for the subsequent two months. The Group also hedges a proportion of anticipated transactions in certain subsidiaries for periods ranging up to 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 the euro would have a €14.8 million (2012: €10.4 million) impact on the Group's profit before tax, would change the Group's equity by €76.2 million and change the Group's net debt by €0.4 million (2012: €76.1 million and €6.3 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 2013 or at 31 March 2012 and consequently has no exposure to currency movements at 31 March 2013 (31 March 2012: nil).

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 2013 a one percentage point (100 basis points) change in average floating interest rates would have a €7.1 million (2012: €3.0 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 29 and 30.

Notes to the Financial Statements (continued)

47. Financial Risk and Capital Management (continued)

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 (2012: nil) and a nil impact on the Group's equity (2012: 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.

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 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:



47. Financial Risk and Capital Management (continued)

Group

	2013		2012	
	Book value €'000	Fair value €'000	Book value €'000	Fair value €'000
Financial assets				
Derivative financial instruments	162,850	162,850	138,825	138,825
Trade and other receivables	1,347,287	1,347,287	1,291,698	1,291,698
Cash and cash equivalents	613,677	613,677	630,023	630,023
	2,123,814	2,123,814	2,060,546	2,060,546
Financial liabilities				
Borrowings	977,738	976,364	919,364	897,084
Derivative financial instruments	18,694	18,694	18,513	18,513
Trade and other payables	1,730,521	1,730,521	1,533,882	1,533,882
	2,726,953	2,725,579	2,471,759	2,449,479

Company

	2013		2012	
	Book value €'000	Fair value €'000	Book value €'000	Fair value €'000
Financial assets				
Trade and other receivables	373,264	373,264	409,656	409,656
Cash and cash equivalents	3,998	3,998	867	867
	377,262	377,262	410,523	410,523
Financial liabilities				
Trade and other payables	326,118	326,118	342,170	342,170
	326,118	326,118	342,170	342,170

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

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Fair value measurement as at 31 March 2013				
Financial assets				
Derivative financial instruments	-	162,850	-	162,850
	-	162,850	-	162,850
Financial liabilities				
Derivative financial instruments	-	18,694	-	18,694
	-	18,694	-	18,694

Group

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Fair value measurement as at 31 March 2012				
Financial assets				
Derivative financial instruments	-	138,825	-	138,825
	-	138,825	-	138,825
Financial liabilities				
Derivative financial instruments	-	18,513	-	18,513
	-	18,513	-	18,513

Company

As at 31 March 2013 and 31 March 2012 the Company had no financial assets or financial liabilities which were carried at fair value.

Notes to the Financial Statements (continued)

48. 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 105 to 117. A listing of the principal subsidiaries, joint ventures and associates is provided in the Group Directory on pages 169 to 173 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:

	2013 €'000	2012 €'000
Short-term benefits	3,048	2,046
Post-employment benefits	666	654
Share-based payment (calculated in accordance with the principles disclosed in note 10)	462	410
At 31 March	4,176	3,110

Company

Subsidiaries, joint ventures and associates

During the year the Company received dividends of €17.0 million from its subsidiary DCC Food & Beverage Limited, €11.0 million from its subsidiary DCC Energy Limited and €8.0 million from its subsidiary DCC Management Services Limited. Details of loan balances to/from subsidiaries are provided in the Company Balance Sheet on page 102, in note 25 'Trade and Other Receivables' and in note 26 'Trade and Other Payables'.

49. Events after the Balance Sheet Date

In April 2013, the Group completed a debt fundraising in the US Private Placement market raising \$525 million (€404.1 million) with maturity terms of seven, ten and twelve years (average maturity of ten years).

50. Approval of Financial Statements

The financial statements were approved by the Board of Directors on 13 May 2013.