

Flogas Britain Limited

Annual report and financial statements

for the year ended 31 March 2020

Registered number: 00993638



Flogas Britain Limited

Annual report and financial statements for the year ended 31 March 2020

	Page
Directors and advisers for the year ended 31 March 2020.....	1
Strategic report for the year ended 31 March 2020.....	2
Directors' report for the year ended 31 March 2020	6
Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements	8
Independent auditor's report to the members of Flogas Britain Limited	9
Profit and Loss account and Other Comprehensive Income for the year ended 31 March 2020	11
Balance sheet as at 31 March 2020	12
Statement of changes in equity as at 31 March 2020	13
Notes to the Financial Statements.....	14

Directors and advisers for the year ended 31 March 2020

Executive directors

J Cubbon
J Rudman
W Gannon
M Plyte (resigned 5th August 2019)
A Kirk
I Trevor (appointed 5th August 2019)
S Johnston

Company secretary and registered office

O Hall

81 Rayns Way
Watermead Business Park
Syston
Leicestershire
LE7 1PF

Independent auditor

KPMG LLP
Chartered Accountants and Statutory Auditor
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Solicitor

Freeths
1 Colton Square
Leicester
LE1 1QH

Banker

National Westminster Bank PLC
Bradford Service Centre
27 Bolton Road
Bradford
West Yorkshire
BD1 4DF

Strategic report for the year ended 31 March 2020

Business review and principal activities

The principal activity of Flogas Britain Limited (the “company”) is the processing and distribution of liquefied petroleum gas (LPG), the distribution of liquified natural gas (LNG), and related equipment and the distribution of fuels and lubricants in the United Kingdom.

The results for the company show a pre-tax profit of £17.0 million (2019: £9.9 million) for the year and sales of £258.3 million (2019: £246.6 million). Gross margin for the year of 43.9% has increased on prior year (2019: 39.1%) due to movement in the underlying cost of product, hedging and margin management activities.

A full business review of the Energy division of DCC plc, of which Flogas Britain Limited is a part, is included in the Annual Report of DCC plc for the year ended 31 March 2020.

No dividend is either receivable or payable as at 31 March 2020 (31 March 2019 - £nil).

Principal risks and uncertainties

The management of the business and the execution of the company’s strategy are subject to a number of risks. The key continuing business risks and uncertainties affecting the company are considered to relate to competition from both national and independent LPG resellers, fluctuations in commodity price and the dollar exchange rate, weather fluctuations, product availability and refining capacity in the UK.

As with many industries, the company and the sector face some uncertainties from the potential impact of Brexit, including UK refining capacity, cost of product, migrant workers and the impact on the wider economy. The Directors consider that the company has taken the necessary steps and preparation in order to mitigate these risks; and continue to monitor this in light of the current transitional period and forthcoming withdrawal date, as well as being mindful of the changing nature of the process.

The global Covid-19 pandemic became an emerging global threat in early 2020, having a limited impact on the year under review with the UK going into ‘lockdown’ on 23 March, a week before the end of the company’s financial year. Covid-19 continues to have a significant impact, forcing a number of commercial premises to temporarily close, offset by increased activity in the residential markets. The business has remained trading during this period, with our primary concern being the safety, health and well-being of our colleagues, and continuing to meet the energy needs of our customers. The company has adapted flexibly and with pace to the new reality, taking measured and appropriate action given the nature of the crisis, and as a result is well-positioned to navigate through this period.

Employees and employee engagement

The company employs 1,064 colleagues (2019: 1,055), working within a broad range of roles across the depot network, sales force and in the support functions.

The company operates a suite of well-defined policies to ensure compliance with applicable laws, regulations and related codes of practice. These policies cover a wide range of employment issues such as disciplinary, grievance, harassment, discrimination, anti-bribery, anti-corruption and ‘whistleblowing’, and outlines the protections and expectations for colleagues at Flogas Britain Limited.

The company is committed to driving diversity and inclusion across its workforce, striving to attract and develop the best talent regardless of gender, age, sexual orientation, disability, ethnicity or any other factor, and building a diverse and supportive culture of respect and fairness for all.

Strategic report for the year ended 31 March 2020 (continued)

Employees and employee engagement (continued...)

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

We have a continued commitment to training and personal development for our colleagues, with a focus on compliance, conduct, and health and safety-based training ensuring our colleagues are safe, well and focused on mitigation of risk for themselves and the company.

The company undertakes regular talent and succession planning to ensure the ongoing development of capability across the organisation.

The company has a number of performance schemes linked to the company's results that are designed to retain and reward employees.

The company strives for a high level of engagement with its workforce, with both 'through the line activities' such as 1:1s, team meetings and regular trading and safety meetings, as well as focus groups, conferences, newsletters, regular and ad-hoc online content to foster a culture of empowerment and knowledge, as well as two-way dialogue and consultation.

There is clear communication sharing the strategic direction and performance of the business. The company has an overarching engagement plan in place, which is supported by locally-owned plans across the network.

Stakeholder engagement

The company recognises that its success is predicated on strong and sustainable relationships with a number of key stakeholder groups and places these at the heart of its decision-making:

Customers and Suppliers – the company engages with its broad customer and supplier base on a regular basis across multiple levels in each organisation, engaging in both day to day trading decisions and fostering long term relationships and partnerships.

Colleagues – as outlined above

Shareholders – the company is a subsidiary of DCC plc and whilst the business is managed locally and with the appropriate degree of autonomy, there is regular management and business dialogue including supply of information and updates for the wider shareholder base.

Regulators and Policymakers – the company takes an active participation in engaging with regulators and policy-makers, both directly and through its membership of the industry association; Liquid Gas UK, and in particular with the HSE, BEIS and the Carbon Trust.

Community and Environment – the company recognises its impact on the wider communities and environments in which it operates across all of its distribution network. The company engages with local business, authorities and government in fulfilling its social and regulatory responsibilities, and minimises its impact on the environment through recycling of waste, refurbishment and reuse of assets, and driving efficiency into its distribution operations.

Strategic report for the year ended 31 March 2020 (continued)

Carbon reporting

From 1 April 2019, the company is required to report on its carbon emissions and energy use, which are set out below. The company has been a member of the Carbon Trust for a number of years and already monitors and reports these statistics through that regulatory body.

'000kg CO2E – year ended March	2017	2018	2019	2020
Scope 1 emissions	15,745	15,178	15,503	16,138
Scope 2 emissions	393	2	98	98
Total emissions	16,138	15,180	15,601	16,236
Carbon intensity per revenue unit	54.7	50.7	50.9	49.7
% reduction / (increase)		7.2%	(0.4)%	2.4%

Whilst the company's emissions have increased over this period, the performance has also increased both organically and by acquisition, and therefore the company considers it appropriate to measure and track its carbon footprint on a revenue unit basis.

The company has a number of strategic aims and initiatives in progress, including but not limited to energy efficiency, low CO2 distribution and enhanced scheduling. The company is in the process of redefining its sustainability strategy with a focus on increasing its carbon reduction activities through various potential initiatives across its fleet, property network and colleague base.

The company has offset its entire Scope 1 and Scope 2 emissions since 2019 through investing in Verified Emission Reductions (VERs).

In addition to the company's activities to reduce its direct footprint, the products and technical expertise also offer a lower carbon alternative for customers to certain other fossil fuels which are more widely used in the company's addressable industries and sectors, and alongside renewable technology such as anaerobic digestion. As a result, the company is heavily engaged with customers, suppliers, regulators and policy-makers as to the role the company can play in reducing the UK's carbon footprint by working with prospective customers to convert to LPG and LNG. Over the longer term, the company is working with suppliers, research laboratories and regulators to pursue the potential of bio-fuels which may ultimately provide a lower carbon and sustainable substitute to fossil fuels.

Health and Safety

The key risk faced by the employees of the business is the handling and storage of LPG and road safety. There is a dedicated health and safety team within the business who have this as their sole responsibility, encompassing both process safety as well as occupational and workplace safety.

All staff are required to take health and safety e-learning modules on starting with the business and members of staff in high risk roles are required to perform additional and refresher training. Health and safety performance is reported internally on a monthly basis to the board of directors.

Strategic report for the year ended 31 March 2020 (continued)

Key performance indicators

The directors of DCC plc manage the group's operation on a divisional basis. Key performance indicators (KPI) for DCC plc are available within the published annual report. The directors of Flogas Britain Limited have calculated the following key performance indicators which are also included in the DCC plc annual return and have been considered relevant for the individual company:

KPI	Explanation	2020	2019 (restated)
Financial			
Return on capital employed (ROCE)	ROCE is defined as operating profit before amortisation and exceptional items expressed as a percentage of the capital employed. Capital employed represents net assets, excluding financing and inter-company	17.2%	13.3%
Capital Expenditure (£m)	Measures investment including deferred and contingent amounts as well as acquisitions and asset purchases committed to during the year	29.1	42.8
KPI	Explanation	2020	2019
Non Financial			
Lost time injury frequency rate	Lost Time Injury Frequency Rate ('LTIFR') measures the number of lost time injuries per 200,000 hours worked.	3.0	1.2
Lost time injury severity rate	Lost Time Injury Severity Rate ('LTISR') measures the number of calendar days lost per 200,000 hours worked.	37	29

Going concern

After making enquiries, including making an assessment regarding the ongoing impact of Covid-19, the directors have the expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. DCC Holdings (UK) Limited has indicated its intention, that repayment of amounts due to them at the balance sheet date will not be sought within twelve months of the date of signing these accounts, and additional financial support will be provided during that period. For this reason, they continue to adopt the going concern basis in preparing the financial statements – see note 1 for the basis of preparation.

Future outlook

The directors continue to balance short term risks and long term growth objectives, and pursue all avenues for growth both within the liquefied petroleum gas sector and other complementary industry areas, including but not limited to renewable energy technology.

By order of the board



I Trevor
Director

30 September 2020

Directors' report for the year ended 31 March 2020

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

Future Developments

These are set out in the strategic report.

Dividends

No dividends were declared in the year.

Financial risk management

The company is exposed to commodity price risk as a result of its operations. Suitable derivative instruments are used to hedge the price risk and such instruments are traded on internationally recognised exchanges within guidelines approved by the directors.

Overall liquidity and interest rate risk is managed by the ultimate parent company's treasury department. As part of this policy the company has bank overdrafts and intercompany borrowings. These operate with a mixture of fixed and variable interest rates. The group treasury policies are summarised in the DCC plc financial statements.

The company has a detailed policies and procedures manual that sets out specific guidelines to manage credit risk. These guidelines include a range of matters including checking the creditworthiness of new customers.

Charitable and political contributions

There were no donations made by the company during the year for political purposes (2019: £nil). Charitable donations of £2,000 (2019: £2,537) were made in the year.

Directors

The directors of the company during the year and up to the date of signing of the financial statements, together with changes within the year ended 31 March 2020, are listed below:

J Cubbon
J Rudman
M Plyte (resigned 5th August 2019)
A Kirk
W Gannon (Managing Director)
I Trevor (appointed 5th August 2019)
S Johnston

The company maintains directors' and officers' liability insurance. All of the directors have received an indemnity to the extent permitted by law from the company. Neither the indemnity nor the insurance will provide cover in situations where a director has acted fraudulently or dishonestly.

Directors' report for the year ended 31 March 2020 (continued)

Statement by the directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006

The Companies (Miscellaneous) Reporting Regulations 2018 introduced a new statutory reporting requirement for financial reporting years beginning on or after 1 January 2019. As a result, the directors of Flogas Britain Limited are required to give a statement which describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when discharging their duty under that section.

The directors acknowledge and understand their duties and responsibilities, including that, under section 172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term;
- (b) The interests of the company's employees;
- (c) The need to foster the company's business relationships with suppliers, customers and others;
- (d) The impact of the company's operations on the community and the environment;
- (e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members of the company.

The company is a wholly owned subsidiary of DCC plc. DCC plc's objective is to build a growing, sustainable and cash generative business which consistently provides returns on capital employed significantly ahead of its cost of capital, delivered through its core values of; Safety, Integrity, Partnership and Excellence.

DCC plc foster a culture of high performance and entrepreneurship in their management teams and businesses, underpinned by high standards of compliance and integrity embodied by the Group Code of Conduct, which was introduced in 2017 (available on DCC plc's website www.dcc.ie). Disciplined and selective capital investment is made available for deployment into organic growth and acquisition opportunities within its businesses where returns can be achieved in line with the group's objectives.

As a result, this culture of sustainable performance matched by high standards of conduct runs through the company, led by the directors and the management team as a whole. Decisions are focused on delivering growth and shareholder returns which are sustainable over the long term, through maintaining and developing deep and long-lasting relationships with its stakeholders, maintaining a high degree of integrity and compliance, and taking account of both short term and long term risks and trends.

The Strategic Report sets out the company's principal activities and business model, and how it engages with its employees, business, group and community stakeholders in this regard.

Statement of disclosure of information to auditor

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved, the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board



I Trevor
Director

30 September 2020

Registered office address:
Flogas Britain Limited
81 Rayns Way
Watermead Business Park
Syston
Leicestershire
LE7 1PF

Independent auditor's report to the members of Flogas Britain Limited

Opinion

We have audited the financial statements of Flogas Britain Limited ("the company") for the year ended 31 March 2020 which comprise the profit and loss account and Other Comprehensive Income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Independent auditor's report to the members of Flogas Britain Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Anthony Hambleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House, Nottingham, 31 Park Row, Nottingham, NG16FQ

2 October 2020

Flogas Britain Limited

Profit and Loss account and Other Comprehensive Income for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	2	258,262	246,605
Cost of sales		(144,983)	(150,085)
Gross profit		113,279	96,520
Operating expenses	3	(89,839)	(80,949)
Operating profit		23,440	15,571
Income from shares in group undertakings		-	249
Interest payable and similar charges	6	(6,558)	(5,993)
Other finance credit		100	55
Profit before taxation	7	16,982	9,882
Tax on profit	8	(4,637)	(2,624)
Profit for the financial year	21	12,345	7,258
Other comprehensive income			
Actuarial gain/(loss) on pension scheme	18	796	(129)
Movement on deferred tax relating to pension surplus	17	(171)	(123)
Effective portion of changes in fair value of cash flow hedges net of deferred tax	22	(12,511)	(298)
		459	6,708

The notes on pages 14 to 37 form an integral part of these financial statements.

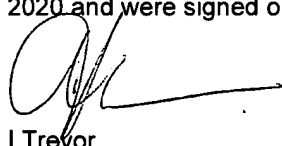
Flogas Britain Limited

Balance sheet as at 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	28,778	32,694
Tangible assets	11	156,636	147,626
Investments	12	16,534	16,534
		201,948	196,854
Current assets			
Stock	13	5,381	5,957
Debtors	14	52,248	46,357
Cash at bank and in hand		11,188	9,222
		68,817	61,536
Creditors: amounts falling due within one year	15	(153,428)	(139,198)
Net current liabilities		(84,611)	(77,662)
Total assets less current liabilities		117,337	119,192
Creditors: amounts falling due after more than one year	16	(56,022)	(55,158)
Provisions for liabilities	17	(4,609)	(5,682)
Net assets excluding pension surplus		56,706	58,352
Pension surplus	18	3,800	1,695
Net assets including pension surplus		60,506	60,047
Capital and reserves			
Called up share capital	19	48,052	48,052
Profit and loss account	21	26,843	13,873
Cash flow hedge reserve	22	(14,389)	(1,878)
Total shareholders' funds		60,506	60,047

The notes on pages 14 to 37 form an integral part of these financial statements.

The financial statements on pages 11 to 37 were approved by the board of directors on 30 September 2020 and were signed on its behalf by:



I Trevor
Director

Registered number: 0993638

Flogas Britain Limited

Statement of changes in equity as at 31 March 2020

		Share capital	Retained earnings	Cash flow hedge reserve	Total equity
	Note	£'000	£'000	£'000	£'000
Balance as at 1 April 2018		48,052	6,867	(1,580)	53,339
Profit for the financial year		-	7,258	-	7,258
Actuarial loss on defined benefit pension scheme		-	(129)	-	(129)
Movement on deferred tax relating to pension liability		-	(123)	-	(123)
Effective portion of changes in fair value of cash flow hedges net of deferred tax		-	-	(298)	(298)
Balance as at 31 March 2019		48,052	13,873	(1,878)	60,047
Balance as at 1 April 2019		48,052	13,873	(1,878)	60,047
Profit for the financial year	21		12,345	-	12,345
Actuarial gain on defined benefit pension scheme	18		796	-	796
Movement on deferred tax relating to pension surplus	21		(171)	-	(171)
Effective portion of changes in fair value of cash flow hedges net of deferred tax	22		-	(12,511)	(12,511)
Balance as at 31 March 2020		48,052	26,843	(14,389)	60,506

All amounts shown in the statement of changes in equity are attributable to the equity holders of Flogas Britain Limited.

The notes on pages 14 to 37 form an integral part of these financial statements.

Flogas Britain Limited

Notes to the financial statements

for the year ended 31 March 2020 (continued)

1. Principal accounting policies

Flogas Britain Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). As part of this, the amendments made as part of the FRS 102 triennial review (effective for periods beginning on or after 1 January 2019) have been early adopted. The only effect on the financial statements is in relation to the recognition of intangibles acquired in business combinations. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions were taken in the Company's financial statements for the year ending 31st March 2017, when FRS102 was adopted, and continue to be taken:

- Business combinations – Business combinations that took place prior to 31st March 2015 have not been restated.
- Lease incentives – for leases commenced before 31st March 2015 the Company continued to account for lease incentives under previous UK GAAP.

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

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time; and
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation; and
- Certain disclosures required by FRS 102.26 Share Based Payments; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, in the Company's accounts for the year ended 31st March 2017, the Company did not retrospectively change its accounting under old UK GAAP for hedge accounting for any hedging relationships that no longer existed at the date of transition or accounting estimates. The directors consider there to be one cash generating unit.

The accounting policies where judgements have been made are the estimate of the useful economic life of goodwill and intangible assets (see accounting policies below), the useful economic life of cylinders and their existence, and pensions assumptions and estimates. The useful economic life and existence of cylinders is based on historical scrappage and refurbishment rates and the experience of cylinders being returned by customers.

The Company's total obligation in respect of defined benefit plans is calculated by independent, qualified actuaries and updated annually. 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 Company.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

1. Principal accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

Group financial statements

The financial statements contain information about Flogas Britain Limited as an individual company and do not contain consolidated financial information. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, DCC plc, a company incorporated in the Republic of Ireland.

Turnover

Turnover, which excludes value added tax and trade discounts, comprises amounts receivable for goods and services supplied by the company in respect of the company's principal activities, adjusted for accrued and deferred income as appropriate. All turnover arises within the United Kingdom.

Revenue Recognition

Turnover is recognised when the risk and rewards are transferred to the customer. Where non metered supplies are used this is on delivery to customer premises or customer collection. Metered supplies are recognised on a consumption basis.

Pensions

The company operates a defined benefit pension scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. The resulting pension scheme surplus or deficit is recognised immediately on the balance sheet net of deferred taxation and any resulting actuarial gains and losses are recognised immediately in other comprehensive income. This scheme is closed to new entrants and to future benefit accrual.

The interest cost of the pension liabilities and the return on the assets are shown as a net amount within other finance costs.

The company also operates a defined contribution pension scheme by which it makes contributions into individual employee pension plans. The contributions are charged as incurred.

Foreign exchange

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

1. Principal accounting policies (continued)

Derivative financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments).

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except hedging instruments in a designated hedging relationship shall be recognised as set out below.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

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 forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income ("OCI"). Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Goodwill

Goodwill is stated at cost less any accumulated amortisation and impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. The directors consider there to be one cash generating unit.

Brand

Brand is stated at fair value at acquisition less accumulated amortisation and impairment losses.

Amortisation

Amortisation is charged to the profit or loss account on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives and basis of amortisation charge are as follows:

- Goodwill 15 years straight line basis
- Purchased Brand 4 years on economic consumption basis

The basis for choosing the useful life of Goodwill is due to customer churn from acquisitions, which demonstrates that this purchased customer base will be lost or would be won organically over a minimum of 15 years. The useful life of the Brand has been deemed to be 4 years, which is in line with the expected period of its economic consumption.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

1. Principal accounting policies (continued)

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated annual depreciation rates, as a percentage of cost, are as follows:

	%
Freehold land	Nil
Freehold buildings	2
Tanks	4
Other plant and machinery, fixtures and fittings and equipment	10 to 20
Cylinders	6.7
Refurbished cylinders	6.7 to 10
Motor cars and tractor units	20
Trailers	10
Second hand vehicles	20 to 100

Improvements to Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease.

Investments

The Company's investments in subsidiaries are stated at cost less any impairment provision for diminution in value. Impairment provisions are made if the diminution is considered by the directors to be permanent.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

1. Principal accounting policies (continued)

Impairment of goodwill, intangible and tangible assets

The Company performs impairment reviews where there is an indication that the carrying amount of goodwill, intangible or tangible assets may not be recoverable. The impairment review involves using measurement techniques to estimate the asset's recoverable amount, based upon the higher of post-tax net realisable value and value in use, and comparing that with the carrying value of the asset.

Where it is established that an asset has been impaired, then an amount equal to the impairment is charged to the profit and loss account in the period of the impairment. Where an impairment review has been carried out and the recoverable amount has been based on value in use, the Company monitors the results of the review of the next five periods. If, during this monitoring period, the results of the original impairment review are no longer considered to be appropriate, then a reversing credit or increased charge is made to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. LPG stock cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

1. Principal accounting policies (continued)

Group relief

The company is part of the DCC plc group for tax purposes and accordingly may use the group relief provisions whereby current taxable profits can be offset by current tax losses arising in other UK companies in the group. Payment has been made for the whole gross amount of losses surrendered under the group relief provision.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Leased assets

Tangible fixed assets acquired under a lease which transfer substantially all of the risks and rewards of ownership to the company, are capitalised as fixed assets. Amounts payable under such leases (finance leases), net of finance charges, are shown as short or medium term lease obligations as appropriate. Finance charges on finance leases are charged to the profit and loss account over the term of the lease on an actuarial basis.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for the period to 30 September 2021 which indicate that, taking account of severe but plausible downsides, the Company will have sufficient funds, through its cash generated from operations, and in downside cases funding from its fellow subsidiary company, DCC Holdings Limited, to meet its liabilities as they fall due for that period. In particular, the directors have taken the current Covid-19 situation into consideration in all cash flow forecasts, as well as including normal sensitivities such as above average temperatures in the severe but plausible downside scenario.

The current unprecedented economic environment has created uncertainty in relation to the timing of a return to normal operations, the ongoing availability and extent of certain government supports, future consumer behaviour and the associated recovery of volumes and margins. The timing and shape of recovery is uncertain and accordingly, the Company has modelled a number of severe but plausible downside scenarios, taking account of current levels of trading and the consequential impact on cashflows, including working capital. These scenarios included a possible second wave of Covid-19 resulting in a lockdown from September to October 2020 which is protracted and impacts demand until January 2021, combined with above average temperatures in September 2020 to March 2021 which further reduces demand.

The company had net current liabilities of £(84,611k) as at 31 March 2020. The above forecasts are dependent on the company's fellow subsidiary, DCC Holdings Limited, not seeking repayment of the amounts currently due to the group, which at 31 March 2020 amounted to £48,645k, and providing additional financial support during that period. DCC Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2. Turnover

Turnover, which excludes value added tax and trade discounts, comprises amounts receivable for goods and services supplied by the company to customers in respect of the company's principal activities, adjusted for accrued and deferred income as appropriate. All turnover arises within the United Kingdom.

3. Operating expenses

	2020	2019
	£'000	£'000
Distribution costs	53,518	50,144
Administrative expenses	36,321	30,805
	89,839	80,949

4. Directors' emoluments

	2020	2019
	£'000	(restated) £'000
Aggregate emoluments (including benefits in kind)	1,957	1,891
Company contribution to money purchase pension scheme	72	65
	2,029	1,956

Retirement benefits are accruing to two (2019: two) directors under the company's defined benefits pension scheme and two (2019: two) directors under a money purchase pension scheme.

	2020	2019
	£'000	£'000
Highest paid director		
Aggregate emoluments (including benefits in kind)	458	767
Compensation for loss of office	224	-
	682	767
Defined contribution pension scheme		
Contributions during the year	-	-

No (2019: nil) director exercised share options in the year which resulted in a gain of £nil (2019: £nil).

No directors have received emoluments from other companies within the DCC group for their services to the DCC group as a whole (2019: nil), and no amounts are rechargeable to the company for their service.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

5. Staff Numbers and Costs

The average number of persons (including executive directors) employed by the company during the year was:

	2020	2019
	Number	Number
By activity		
Administration	108	109
Sales and operations	971	946
	1,079	1,055

	2020	2019
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	39,520	34,711
Social security costs	3,969	3,699
Other pension costs	1,694	1,314
	45,183	39,724

The comparative figures have been restated to show the payroll costs that were included in capital projects as well as the profit and loss account.

6. Interest payable and similar charges

	2020	2019
	£'000	£'000
On loans from group undertakings	6,558	5,993
	6,558	5,993

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

7. Expenses and auditor's remuneration

	2020	2019
	£'000	£'000
Included in profit are the following:		
(Profit) on disposal of tangible fixed assets	(107)	(294)
Depreciation charge for the year:		
Tangible owned assets	19,725	17,135
Amortisation of goodwill	3,013	2,612
Amortisation of brand	1,623	1,965
Operating lease rentals:		
Land and Buildings	2,214	2,141
Other	3,683	3,495

Auditor's remuneration:

Audit of these financial statements	100	96
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	-	-

Amounts receivable by the company's auditor and its associates in respect of the audit of financial statements of associated pension schemes is £nil (2019: £nil). The defined benefit pension scheme auditor is Grant Thornton UK LLP.

The amortisation of goodwill and brand has been charged to operating expenses.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

8. Tax on profit

	2020	2019
	£'000	£'000
Current tax		
Current year	3,029	1,973
Adjustments in respect of previous years	(138)	(317)
Total current tax	2,891	1,656
Deferred tax		
Current year origination and reversal of timing differences	1,110	840
Current year changes in tax rates	688	-
Adjustments in respect of previous years	(52)	128
Total deferred tax charge	1,746	968
Tax on profit	4,637	2,624

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 March 2020 has been calculated at 19% (2019: 17%).

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
Profit before tax	16,982	9,882
Profit multiplied by standard rate in the UK of 19% (2019: 19%)	3,227	1,878
Effects of:		
Net expenses not deductible for tax purposes	340	742
Changes in tax rates	688	-
Other timing differences	-	(256)
Non-taxable dividend income	-	(47)
Goodwill amortisation	572	496
Adjustments to tax charge in respect of previous years	(190)	(189)
Total tax expense included in profit	4,637	2,624

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

9. Dividends paid

No dividend was paid or declared in the year.

10. Intangible assets

	Goodwill	Purchased Brand	Total
	£'000	£'000	£'000
Cost			
At 1 April 2019	61,480	6,008	67,488
Acquisitions	720	-	720
At 31 March 2020	62,200	6,008	68,208
Accumulated amortisation			
At 1 April 2019	32,829	1,965	34,794
Charge for the year	3,013	1,623	4,636
At 31 March 2020	35,842	3,588	39,430
Net book amount			
At 31 March 2020	26,358	2,420	28,778
At 31 March 2019	28,651	4,043	32,694

The acquisitions represent the trades of businesses acquired in the year pertaining to the element of consideration in excess of the fair value of assets. There were no share additions.

Details of Individually significant intangible assets and their remaining amortisation periods are shown below:

	Brand related intangibles	Remaining Amortisation period in years
	£'000	
Countrywide LPG	2,420	2.5

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

11. Tangible assets

	Land and buildings	Cylinders and tanks	Plant and machinery	Fixtures fittings and equipment	Motor vehicles	Capital WIP	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2019	9,705	172,285	152,607	19,065	41,035	10,229	404,926
Additions	277	11,542	12,280	1,152	1,827	2,061	29,139
Disposals	-	(2,541)	(985)	(28)	(159)	-	(3,713)
Reclassification	(228)	(2,543)	6,924	4,508	(8,661)	-	-
At 31 March 2020	9,754	178,743	170,826	24,697	34,042	12,290	430,352
Depreciation							
At 1 April 2019	1,897	122,378	94,475	14,395	24,155	-	257,300
Charge for the year	94	6,261	9,386	1,711	2,273	-	19,725
Disposals	-	(2,541)	(611)	(2)	(155)	-	(3,309)
Reclassification	62	(5,680)	6,924	3,731	(5,037)	-	-
At 31 March 2020	2,053	120,418	110,174	19,835	21,236	-	273,716
Net book amount							
At 31 March 2020	7,701	58,325	60,652	4,862	12,806	12,290	156,636
At 31 March 2019	7,808	49,907	58,132	4,670	16,880	10,229	147,626

The net book value of land and buildings comprises:

	2020 £'000	2019 £'000
Freehold	5,351	5,426
Short leasehold	2,350	2,382
	7,701	7,808

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

12. Investments

The directors consider the value of the investments to be supported by their underlying assets.

	Interests in subsidiary undertakings
	£'000
Cost and Net Book Value	
At 1 April 2019	16,534
Impairments	-
31 March 2020	16,534

Interests in subsidiary undertakings.

The subsidiary undertakings in which the investments are held are as follows:

Name of undertaking	Principal activity	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held
DCC Energy Limited	Gas distribution	Northern Ireland	Ordinary	100%
Flogas Direct Limited	Non trading	Great Britain	Ordinary	100%
Unitedcustom Limited	Holding company	Great Britain	Ordinary	99%
Avontide Limited	Non trading	Great Britain	Ordinary	100%
LPG Management Limited	Non trading	Great Britain	Ordinary	100%
Medical Gas Solutions Limited	Medical gas distribution	Great Britain	Ordinary	100%
GB LPG Limited	Non trading	Great Britain	Ordinary	100%
BGUK Newco Limited	Non trading	Great Britain	Ordinary	100%

All the above companies operated principally in their country of incorporation or registration.

The Registered Office of all companies listed above, with the exception of DCC Energy Limited, is 81 Rayns Way, Watermead Business Park, Syston, Leicester, LE7 1PF.

The Registered Office of DCC Energy Limited is Airport Road West, Sydenham, Belfast, BT3 9ED.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

13. Stock

	2020	2019
	£'000	£'000
Goods for resale	5,381	5,957

There is not a material difference between the balance sheet amount of stock and its replacement cost.

The expense in cost of sales through the purchase of stock is £106,494k (2019: £124,725k).

14. Debtors

	2020	2019
	£'000	£'000
Trade debtors	31,523	28,408
Amounts owed by subsidiary undertakings	1,737	3,459
Amounts owed by group undertakings	6,743	1,548
Corporation tax recoverable – group relief	-	2,267
Other financial assets	3,376	306
Other debtors	33	1,143
Prepayments and accrued income	8,836	9,226
	52,248	46,357

The amounts owed by group and subsidiary undertakings are unsecured, non-interest bearing and repayable on demand.

In addition to the above trade debtors certain of the company's trade debtors have been factored with another group company without recourse.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

15. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	15,453	20,862
Amounts owed to subsidiary undertakings	2,638	2,625
Amounts owed to group undertakings	112,722	98,875
Other taxation and social security	1,451	1,123
Corporation tax - HMRC	1,004	976
Other financial liabilities	-	2,570
Accruals and deferred income	20,160	12,167
	153,428	139,198

Amounts owed to group undertakings include borrowings of £48,645k (2019: £37,109k) with DCC Holdings (UK) Limited. Interest was paid on these borrowings at Bank of England base rate plus 3.00%. All other amounts owed to group undertakings are unsecured, interest free and repayable on demand. Amounts owed to group undertakings will be repaid only if the company is able to do so without affecting its ability to continue as a going concern.

Amounts owed to subsidiary undertakings are unsecured and interest free. These are repayable on demand.

16. Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	50,000	50,000
Other financial liabilities	786	-
Accruals and deferred income	5,236	5,158
	56,022	55,158

Amounts owed to group undertakings comprise borrowings as follows:

Counterparty	£'000	Repayment date	Interest basis
DCC Holdings (UK) Limited	20,000	28-Feb-24	3m LIBOR plus 4.0%.
Divisional Finance UK Limited	30,000	31-Aug-21	3m LIBOR plus 3.5%

There is no security associated with the above loans.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

17. Provisions for liabilities

	Deferred Tax £'000
At 1 April 2019	5,682
Charged to the profit and loss account	1,746
Charged direct to equity	(2,819)
At 31 March 2020	4,609

Deferred tax:

Deferred tax provided in the financial statements is as follows:

	31-Mar-19 £'000	Profit and loss £'000	Other compre- hensive income £'000	31-Mar-20 £'000
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	(5,539)	(1,782)	-	(7,321)
Short term timing differences	(211)	270	-	59
Financial instruments	385	-	2,990	3,375
Pension related deferred tax	(317)	(234)	(171)	(722)
Provision for deferred tax	(5,682)	(1,746)	2,819	(4,609)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Excess of capital allowances over depreciation	-	-	(7,321)	(5,539)	(7,321)	(5,539)
Short term timing differences	59	-	-	(211)	59	(211)
Financial instruments	3,375	385	-	-	3,375	385
Pension related deferred tax	-	-	(722)	(317)	(722)	(317)
Tax assets/(liabilities)	3,434	385	(8,043)	(6,067)	(4,609)	(5,682)

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

18. Pension commitments

The company operates a defined benefit scheme in the UK. The Triennial valuation as at 1st April 2019 has been completed by a qualified independent actuary and was signed on 19th May 2020.

The funding level of the scheme at the latest actuarial valuation date of 1st April 2019 was 100%. However, recognising the Scheme's secondary funding objective, the Trustees and Employer have agreed for the Employer to continue to pay contributions to the Scheme each April of £250,000 on the first working day of April 2021, and £250,000 on the first working day of April 2022.

The contribution to the defined benefit scheme in the year was £1,334,000 (2019: £923,000). The scheme was closed to future pension accrual with effect from 31 July 2010. The major assumptions used by the actuary were (in nominal and updated terms):

	2020	2019
	%	%
Rate of increase of pensions in payment	2.55	3.25
Rate of increase for pensions in deferment	2.55	3.25
Discount rate	2.3	2.5
Inflation assumption	2.55	3.25

Mortality assumptions used were S2PA "light" Year of Birth tables with a -1/-2 year age rating for males/females and CMI 2017 1.5% p.a. projections.

The mortality assumptions used were as follows:

	2020	2019
	Years	Years
Longevity at age 65 for current pensioners:		
- male	24.3	24.2
- female	26.0	25.9
Longevity at age 65 for future pensioners:		
- male	26.4	26.3
- female	28.3	28.2

The assets in the scheme were:

	2020	2019
	£'000	£'000
Cash	116	87
Debt – government gilts and bonds	9,993	9,381
Investment Funds	2,971	3,067
Total market value of assets	13,080	12,535
Actuarial value of liability	(9,280)	(10,840)
Surplus in the scheme	3,800	1,695

The investment returns are shown net of expenses paid for from the fund.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

18. Pension commitments (continued)

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Analysis of the amount (debited) to operating profit:

	2020	2019
	£'000	£'000
Service cost	-	(107)
Administrative expenses	(99)	(9)
Total operating cost	(99)	(116)

Analysis of net finance credit included in other finance costs:

	2020	2019
	£'000	£'000
Interest on pension liabilities	(263)	(261)
Expected return on pension scheme assets	337	310
Net finance credit	74	49

Analysis of amount recognised in Other Comprehensive Income (OCI):

	2020	2019
	£'000	£'000
Actual return less expected return on assets	(404)	654
Changes in assumptions	1,200	(783)
Actuarial gain/(loss) recognised in OCI	796	(129)

The cumulative amount of actuarial losses recognised in OCI is £3,852,000 (2019: £3,056,000).

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

18. Pension commitments (continued)

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2020	2019
	£'000	£'000
Scheme liabilities at start of year	(10,840)	(10,963)
Past service cost	-	(107)
Interest cost	(263)	(261)
Actuarial gain/(loss)	1,200	(783)
Benefits paid	623	1,274
Scheme liabilities at end of year	(9,280)	(10,840)

Reconciliation of fair value of scheme assets

	2020	2019
	£'000	£'000
Scheme assets at start of year	12,535	11,931
Expected return on scheme assets	337	310
Actuarial (loss)/gain	(404)	654
Benefits paid	(623)	(1,274)
Expenses paid from plan assets	(99)	(9)
Contributions paid by employer	1,334	923
Scheme assets at end of year	13,080	12,535

The actual gain/(loss) on scheme assets in the year was £(67,000) (2019: gain of £964,000).

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

18. Pension commitments (continued)

Movement in surplus during the year:

	2020	2019
	£'000	£'000
Surplus in scheme at beginning of the year	1,695	968
Contributions	1,334	923
Past service (costs)	-	(107)
Expenses paid from plan assets	(99)	(9)
Net finance credit	74	49
Actuarial gain/(loss)	796	(129)
Surplus in scheme at end of the year	3,800	1,695

History of experience gains and losses:

	2020	2019	2018	2017	2016
Difference between expected and actual return on scheme assets:					
Amount (£'000)	404	(654)	517	(1,884)	321
Percentage of scheme assets	3%	5%	4%	15%	3%
Experience gains and losses on scheme liabilities:					
Amount (£'000)	(221)	-	-	-	-
Percentage of scheme liabilities	2%	0%	0%	0%	0%
Total amount recognised in statement of total recognised gains and losses:					
Amount (£'000)	796	(129)	603	(921)	347
Percentage of scheme liabilities	9%	1%	6%	7%	3%

Defined contribution scheme

The company also operates a scheme by which it made contributions into individual employee pension plans of £1,361,644 (2019: £1,288,000). £109,473 contributions were payable at 31 March 2020 (2019: £82,798).

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

19. Called up share capital

	2020 £'000	2019 £'000
Authorised		
96,101,000,000 (2019: 96,101,000,000) ordinary shares of 0.05p each	48,050	48,050
50,000,000 (2019: 50,000,000) A ordinary shares of 0.001p each	-	-
2,000 (2019: 2,000) deferred shares of £1 each	2	2
	48,052	48,052
Allotted, called up and fully paid		
96,100,527,935 (2019: 96,100,527,935) ordinary shares of 0.05p each	48,050	48,050
2,000 (2019: 2,000) deferred shares of £1 each	2	2
	48,052	48,052

The ordinary and A ordinary shares rank *pari passu* in their rights to dividends, on winding up and voting rights.

Rights to dividends

The deferred shares are not entitled to receive any dividend out of the profits of the company available for distribution.

Winding up

In the event of winding up, the holders of the deferred shares shall be entitled to the repayment of a sum equal to the nominal capital paid up or credited as paid up on the deferred shares held by them respectively after repayment to each of the holders of the ordinary shares.

Voting rights

The holders of the deferred shares are not entitled to receive notice of or to attend any general meeting of the company or to vote on any resolution to be proposed.

Share option and share save schemes

Flogas Britain Limited participates in the ultimate parent undertaking, DCC plc share option and share save schemes. The details, assumptions and calculation methods are summarised in the DCC plc financial statements. The charge for the year amounted to £nil (2019: £nil) and on the grounds of materiality no further disclosures are made in relation to the schemes.

20. Capital commitments

As at 31 March 2020 the company had capital expenditure commitments as follows: plant and machinery, expected value £2,252k; vehicles, expected value £200k; freehold property, expected value £1,415k.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

21. Profit and loss account

	£'000
At 1 April 2019	13,873
Actuarial gain on pension scheme	796
Movement on deferred tax relating to pension scheme	(171)
Profit for the financial year	12,345
At 31 March 2020	26,843

22. Cash flow hedge reserve

	£'000
At 1 April 2019	(1,878)
Effective portion of changes in fair value of cash flow hedges	(15,886)
Movement on deferred tax relating to cash flow reserve	3,375
At 31 March 2020	(14,389)

23. Financial commitments

Non-cancellable operating lease rentals are payable as follows:

	2020	2019
	£'000	£'000
Less than one year	4,715	5,603
Between one and five years	11,456	12,078
More than five years	14,629	14,005
	30,800	31,686

During the year £5,897k was recognised as an expense in the profit and loss account in respect of operating leases (2019: £5,636k).

24. Contingent liabilities

The company, together with certain other DCC Group Companies, participates in cash pooling arrangements with National Westminster Bank plc in respect of which National Westminster Bank plc has the right to offset overdraft balances against cash balances. The company had a cash balance of £11,096k at 31 March 2020 with National Westminster Bank plc (2019: £7,011k).

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

25. Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2020	2019
	£'000	£'000
<i>Assets measured at fair value through profit and loss:</i>		
Forward foreign currency contracts	-	-
Cash flow commodity contracts	5	306
<i>Liabilities measured at fair value through profit and loss:</i>		
Forward foreign currency contracts	-	-
Cash flow commodity contracts	(17,769)	(2,570)

Financial instruments measured at fair value

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur as required by FRS 102.29(a) for the cash flow hedge accounting models, and indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to affect profit or loss:

	2020					2019				
	Carrying amount	Expected cash flows	1 year or less	1 to 2 years	2 to 5 years	Carrying amount	Expected cash flows	1 year or less	1 to 2 years	2 to 5 years
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets	5	5	5	-	-	306	306	296	10	-
Liabilities	(17,769)	(17,769)	(16,983)	(786)	-	(2,570)	(2,570)	(2,021)	(549)	-

The fair value of forward exchange contracts is estimated by discounting the contractual forward price and the current forward price for the residual maturity of the contract using recognised industry pricing publications.

Hedge accounting

Cash flow hedges are recognised on a monthly basis as they crystallise and are settled in the following month. The hedges are to cover the price exposure of movement in LPG pricing on a back to back basis with customer demand.

A loss of £(6,868)k was recognised in the profit and loss account.

Collateral Payments

Refundable collateral payments totalling £20,355k at year end were made to hedging counterparties to offset the short term hedging liability.

Flogas Britain Limited
Notes to the financial statements
for the year ended 31 March 2020 (continued)

26. Related party transactions

The Company is a wholly owned subsidiary within the DCC plc group. Transactions with wholly owned group companies and key management personnel are not required to be disclosed in accordance with the exemption given in FRS 102.

There were no other transactions with related parties.

27. Post balance sheet events

There are no post balance sheet events.

28. Ultimate parent undertaking and controlling party

The immediate holding company is Flogas Limited, a company registered in the Republic of Ireland.

The directors regard DCC plc, a company registered in the Republic of Ireland as the ultimate parent company. The smallest and largest group of undertakings which the company is consolidated for which group financial statements are prepared is DCC plc. Copies of the ultimate parent company's consolidated financial statements may be obtained from The Secretary, DCC plc, DCC House, Leopardstown Road, Foxrock, Co Dublin, Ireland.