



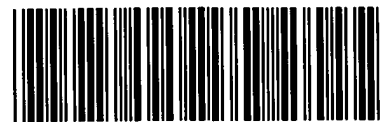
World Fuel Services Europe, Ltd

Annual Report and Financial Statements

For the Year Ended 31 December 2022

Company Number 04846814

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Company Information

Directors	Michael John Ranger Richard Donald McMichael Paul Thomas Vian
Company secretary	Reed Smith Corporate Services Limited
Registered number	04846814
Registered office	The Broadgate Tower, Third Floor 20 Primrose Street London EC2A 2RS
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

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Strategic Report for the year ended 31 December 2022

The Directors present herewith their Strategic Report and Directors' Report together with the audited financial statements of World Fuel Services Europe, Ltd. (the "Company") for the year ended 31 December 2022.

Principal activities

The Company, incorporated in England and Wales in the United Kingdom ("UK"), is a wholly-owned subsidiary of World Fuel Services UK Holding Company II Limited, also incorporated in England and Wales in the United Kingdom, which is a wholly-owned subsidiary of World Kinect Corporation (formerly known as World Fuel Services Corporation), (the "Ultimate Parent Undertaking"), incorporated in the state of Florida, in the United States of America. On 15 June 2023, the Ultimate Parent Undertaking's shareholders approved an amendment to its Articles of Incorporation, as amended, changing the Ultimate Parent Undertaking's name from World Fuel Services Corporation to World Kinect Corporation.

The Company offers fuel and related products and services to commercial and industrial customers in the Aviation and Marine transportation industries.

In the aviation segment, the Company primarily purchases and resells fuel and other products, as well as provides aviation fuelling and other related services. In the marine segment, the Company primarily purchases and resells fuel and also acts as brokers for others. Corporate expenses are allocated to each segment based on usage, where possible, or other factors according to the nature of the activity. The Company evaluates and manages business segments using the performance measurement of operating profit / loss. Within each of the segments, the Company may utilise related group companies to enter into derivative contracts to mitigate the risk of market price fluctuations and also to offer customers fuel pricing alternatives to meet their needs.

Business review and future outlook

The financial statements show total revenue, for the year ended 31 December 2022 of \$3,346.4 million (2021: \$1,950.5 million), primarily as a result of an increase in prices and volumes in the aviation segment and increase in prices in the marine segment.

Revenue increase in the aviation segment was driven by higher average prices and increased volumes. Average jet fuel price per gallon sold increased by 59% in the year ended 31 December 2022 compared to the year ended 31 December 2021 as a result of the rise in global oil prices. Aviation volumes increased by 29% in the year ended 31 December 2022 compared to the year ended 31 December 2021 as demand for air travel continued to recover from the impact of the pandemic.

Higher revenue in the marine segment in the year ended 31 December 2022 compared to the year ended 31 December 2021 was driven by a 63% increase in the average price per metric ton of bunker fuel sold.

The decrease in total administrative expenses by \$44 million from \$91.1 million in 2021 to \$47.1 million in 2022 was primarily due to an impairment loss reversal that relates to the Company's investment in World Fuel Services Italy S.R.L., partially offset by higher employee costs and travel expenses.

Finance income includes interest income on several loan receivables as disclosed in note 16 and other finance income. The finance income decreased by \$2.6 million from \$37.5 million in 2021 to \$34.9 million in 2022 primarily due to a decrease in outstanding principal balances during 2022, offset by increases in interest receivable on intercompany balance of \$3.6m.

Strategic Report for the year ended 31 December 2022

Finance expense includes exchange losses and borrowing costs as disclosed in note 11. The finance expense increased by \$3.8 million from \$33.7 million in 2021 to \$37.5 million in 2022 primarily due to increase in foreign exchange losses and other finance costs, offset by a decrease in interest payable on intercompany balances due to movement in the intercompany balances..

The current Directors are satisfied with the results for the financial year and are satisfied with performance in 2023 to date and the expected forecast for the remainder of the year. To the date of this report:

- The extreme market volatility experienced in 2022 has moderated in 2023 and the Company remains able to adapt to future changing market conditions as they occur.
- The current Directors believe the Company is well positioned for the long term and there are no significant changes planned in the Company's operations in the foreseeable future.

Principal risks and uncertainties

The Company's principal risks and uncertainties are integrated with the principal risks of the World Kinect Group (further referred to as 'Group') and are not managed separately. World Kinect Corporation is the Ultimate Parent Undertaking of the only group of undertakings to consolidate these financial statements. The principal risks and uncertainties of World Kinect Corporation, the Ultimate Parent Undertaking, are discussed from page 8 of 2022 annual report on Form 10-K which does not form part of this report but is publicly available. Principal risks and uncertainties have been discussed further in the Directors' Report.

Key performance indicators ("KPIs")

The Company's Directors monitor progress and strategy by reference to the following KPIs:

	2022 \$'000	2021 \$'000	Change \$'000	Change %
Revenue	3,346,393	1,950,512	1,395,881	72 %
Profit/(loss) before income tax	124,809	(19,028)	143,837	756 %

Refer to the business review and future outlook on page 1 for details explaining the operating results for the year.

Streamlined Energy and Carbon Reporting

In line with the UK reporting guidelines, under the new Streamlined Energy and Carbon Reporting (SECR) regulations, in the table below the Company details the UK emissions and energy consumed for the year ended 31 December 2022.

The calculation methodologies followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. The 2022 UK Government's Conversion Factors for Company Reporting have been used as well as an operational approach to define boundary and scope. Reasonable estimates and assumptions consistent with such guidance have been used where necessary.

The primary data source includes:

- Sub-metered energy consumption which has been provided by the landlord for both gas and electricity emissions;
- Transport usage was calculated using expense claims, on pence per mile for mileage claims. Vehicle fuel type was undefined, therefore the emissions factor for unknown fuel type was used.

Strategic Report for the year ended 31 December 2022

The SECR reporting covers only the sites operating within the UK.

	Units	2022	2021
Emissions from combustion of gas (Scope 1)	tCO2e	—	21.49
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO2e	—	—
Emissions from purchased electricity (Scope 2)	tCO2e	52.08	52.22
Emissions from generation of electricity consumed in a transmission and distribution system for which the Company does not own or control (Scope 3)	tCO2e	4.76	4.62
Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel (Scope 3)	tCO2e	36.88	0.74
Total gross emissions		93.72	79.07
Energy consumption used to calculate above emissions	kWh	418,806	366,423
Intensity measurement	\$'000 Turnover	3,346,393	1,950,512
Intensity ratio	tCO2/\$M	0.03	0.04

The Company's energy usage and carbon footprint are integrated with the sustainability reporting of the Group and are not managed separately. The environmental commentary of World Kinect Corporation Group is discussed in its Sustainability Report, which does not form part of this report.

World Kinect Corporation Group believes that environmental stewardship is at the core of our business. As such, we must continuously seek to identify opportunities to make a positive contribution to protect our environment and reduce the impact of our global operations. We are committed to doing our part by reducing emissions in our operations.

The Group continues to improve fuel economy by reducing the overall age profile of our truck fleet through the procurement of newer, more fuel-efficient vehicles, whilst concurrently increasing the use of automation tools to optimise our delivery routes, enabling us to serve more customers per mile travelled.

From the second half of 2022, our offices reopened, however we continue to maximize remote work where we can throughout our global offices. Together with transitioning our data centres to the cloud, these initiatives are expected to reduce office energy consumption, along with lessening the requirement for Heating, Ventilation and Air Conditioning (HVAC).

Further to reducing energy consumption, we currently source 100% renewable power for all our UK operations and have offset all residual emissions associated with our transport fleet since 2019 and will continue to do so each year.

Health and safety

The Company is committed to protecting the health and safety of our employees, contractors, customers, suppliers and the communities in which we operate. We are committed to playing a leading role in promoting best practices within the transportation industry and are closely involved in developing, setting, and maintaining health, safety and environment ("HSE") industry standards. We have established a set of "Rules to Live By" to help strengthen our existing Integrated Management System and drive appropriate safety behaviours and practices, which we believe are vital to preventing workplace incidents. These rules are designed to ensure the safety of our employees, contractors, customers, suppliers and communities in which we operate.

Strategic Report for the year ended 31 December 2022

We have developed what we believe to be a comprehensive process designed to identify, assess and manage HSE risks in our operations. We set targets for performance improvements and regularly measure, audit and report on our performance both internally and in accordance with applicable laws. We also expect our contractors to manage HSE matters in line with our policies and strive to maintain an open dialogue with our stakeholders to better align our policies with the priorities within the communities where we operate.

Section 172(1) statement

In line with the Directors' duties, under section 172(1) of the Companies Act 2006, the Directors must act in a way that is considered in good faith and would most likely promote the success of the Company, for the benefit of its members, as a whole. In 2022, whilst fulfilling their duties to promote the success of the Company, the Directors considered the interests of key stakeholders, having regard, amongst other matters to:

- a. The likely consequences of any decision in the long term;
- b. The interest 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 between members of the Company.

The Directors discharge their section 172 duty by taking these and other relevant factors into consideration when making decisions. The Directors ensure key decisions are aligned with the strategy, vision and values of the Group, details of which can be found at: <https://ir.wfscorp.com/corporate-responsibility>.

The Directors' duties and decisions made on behalf of the Company, are supported by access to the Group and corporate governance policies and practices. The Group believes that good corporate governance is critical to support its efforts to achieve performance goals, while delivering long-term value to its shareholders, employees, customers, suppliers, communities and other stakeholders. Further, the Group collectively believes that successful stewardship of the environment and natural resources, as well as positive engagement with the communities in which the Group operates, will translate to long-term value for society and ultimately define the Company's success.

In 2022, the Directors discussed new opportunities and projects within various areas, taking into consideration the benefits and impacts to key stakeholders. The principal decisions made by the directors in the financial year included the following:

- The Company performed an assessment on the recoverability of its investments during the year ended 31 December 2022. As a result, the Company recorded an impairment loss reversal of \$22.3 million relating to its investment in World Fuel Services Italy S.R.L., increasing the carrying value of this investment to \$43.9 million. For further details please refer to note 15;
- The Company has approved the share capital reduction of its wholly owned subsidiary World Fuel Services Italy S.R.L., to cover the subsidiary's losses accumulated as of 31 December 2021 (note 15).
- The Company has contributed a loan note receivable and accrued interest of \$2.1 million to World Fuel Services Argentina S.R.L., increasing the total amount of shares owned by the Company to 82% of World Fuel Services Argentina S.R.L share capital (note 15 and 16);
- Ongoing financial reviews and resource management in order to protect the Company's financial position;
- Communication and ongoing review of health and safety guidelines;

Strategic Report for the year ended 31 December 2022

The impact of the key decisions included the following stakeholder considerations:

- Our customers: were considered throughout to promote the goal that decisions made were properly balanced to avoid adverse impact on the high standards and/or reliability of the services provided.;
- Our people: appropriate consultations were held to consider the well-being and safety of our employees;
- Our community and regulators: were considered through continuous review of new and existing regulations in relation to the Company's impact on the environment and local community, to promote the goal that decisions made by the Company were in compliance with the relevant laws and regulations.

Principal risks and uncertainties that could impact the Company's long-term performance are integrated with the principal risks of the Group, which are discussed above in the Strategic Report (page 2).

Going concern

The Company's profit after tax for the financial year was \$114.2 million (2021: loss \$12.7 million). At 31 December 2022 the Company had net current assets of \$372.4 million (2021: net current liabilities \$139.4 million) and net assets of \$768 million (2021: \$653.8 million).

The Ultimate Parent Undertaking of World Fuel Services Europe, Ltd. has agreed to provide adequate financial support for a period of at least 12 months following the date of the Independent Auditor's Report for the Company's year ended 31 December 2022, to the extent necessary to enable the Company to meet its continuing operating liabilities, as well as any known liabilities on the Company's Balance Sheet as at 31 December 2022, as and when they fall due, and further confirms that no credit loss will be incurred by the Company in respect of the amounts owed to it by fellow group undertakings for the periods presented within these financial statements. As a result of the support from the Ultimate Parent Undertaking, the Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

This report was approved by the board and signed on its behalf by:



Richard Donald McMichael
Director

Date: 28 September 2023

Directors' Report for the year ended 31 December 2022

Directors

The Directors who served during the financial year ended 31 December 2022 and up to the date of signing the financial statements are as follows:

Richard Donald McMichael
Paul Thomas Vian
Michael John Ranger

Directors' indemnities

The Company provides an indemnity for the Directors of the Company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. In addition, the Ultimate Parent Undertaking maintains liability insurance for its directors and officers. The qualifying third party indemnity was in place during the year ended 31 December 2022 and as at the date of approval of the Annual Report.

Dividends

The Company did not pay an interim dividend for the year ended 31 December 2022 (2021: \$nil). No final dividend is proposed for the year ended 31 December 2022 (2021: \$nil).

Employee involvement and employment of disabled persons

The employees of the Company are systematically provided with information on matters which concern them as employees. Employees or their representation are regularly consulted when decisions are taken which are likely to affect their interests. The Directors continue to provide information to the employees in order to achieve employee awareness of financial and economic factors affecting the Company. The Company maintains a policy of giving fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled, the Company uses its best endeavours to ensure continued employment.

Financial risk management

The financial risk management of the Company is handled by the Ultimate Parent Undertaking as part of the operations of the Group. The financial risk objectives, policies and exposures are described in the financial statements of the Ultimate Parent Undertaking from page 8 of the 2022 Annual Report on Form 10-K which does not form part of this report.

The Company is exposed to the following risks arising in the normal course of business:

Currency risk

The Company's cash flows are largely denominated in US Dollars. There are certain occasions, during the normal course of business, whereby the Company is required to enter into transactions in foreign currencies. The Company limits the associated risk from these transactions to an acceptable level through the use of foreign currency hedging contracts. The Company does not enter into these derivative contracts directly, as the wider Group manages this through specified group undertakings.

Directors' Report for the year ended 31 December 2022

Price risk

(i) Fixed price purchases and sales

The Company is exposed to price risk to the extent that it enters into fixed price fuel purchase and/or sale commitment contracts. The Company will mitigate its price risk associated with these fixed price fuel commitment contracts through the use of offsetting fixed price fuel commitment contracts or commodity derivative contracts for fuel purchases. The Company does not enter into these derivative contracts for fuel purchases directly, as the wider Group manages this through specified group undertakings.

(ii) Fuel inventory

The Company is exposed to price risk to the extent that the Company may maintain fuel inventory for competitive and logistical reasons. The Company may not be able to sell inventory at market value or average cost reflected in the financial statements due to a decline in fuel price which may result in a write-down of inventory cost. The Company mitigates its price risk associated with fuel inventory holdings through the use of commodity derivative contracts. The Company does not enter into these derivative contracts directly, as the wider Group manages this through specified group undertakings.

Interest rate risk

The Company has exposure to interest rate risk due to various loans with related parties, of which, interest is based on (USD) LIBOR and EURIBOR plus a fixed rate (note 16 and 19). An increase in (USD) LIBOR and EURIBOR could mean an increase in interest payable and interest receivable. A decrease in (USD) LIBOR and EURIBOR could mean a decrease in interest payable and interest receivable.

Credit risk

The Company has exposure to credit risk through the extension of unsecured credit to customers in the normal course of business. The Company's exposure to credit losses will depend on the financial condition of customers and other factors beyond the control of the Company, such as deteriorating conditions in the world economy or in the aviation and marine transportation industries, political instability, terrorist activities, military action and natural disasters in our market areas.

As part of the price risk management services offered by the Company, the Company offers customers various pricing structures on future purchases of fuel, as well as derivative products designed to assist customers in hedging their exposure to fluctuations in fuel prices through another Group company. The Company does not enter into these derivative contracts directly, as the wider Group manages this through specified group undertakings.

The Company has credit standards and performs credit evaluations of customers and suppliers, which are based in part on the credit history with the applicable party.

Cash flow risk

The Company is exposed to cash flow risk to the extent that customers do not settle outstanding amounts as they fall due, and suppliers do not extend favourable terms of credit to the Company.

The Company mitigates this risk by negotiating terms of payment with both suppliers and customers to ensure that the Company has sufficient funds to continue to trade and settle outstanding amounts as they fall due.

Directors' Report for the year ended 31 December 2022

Liquidity risk

The Company relies on financing from related group companies and short term supplier credit as a source of liquidity. Tightening of the global credit markets could adversely affect the Company's ability to obtain credit as and when needed on commercially reasonable terms. Management believes that the Company can obtain financing from either third parties or related group companies with terms acceptable to the Company as the need arises.

Post balance sheet events

On 31 July 2023, the Company as lender and Quintessentially (UK) Limited as borrower further amended the existing loan agreement, originally dated 3 September 2019, to extend the maturity date to 31 July 2024. Also on this date, the Company as lender and Quintessentially (UK) Limited as borrower amended a second existing loan agreement, originally dated 31 July 2018, to also extend the maturity date of this facility to 31 July 2024.

Subsequent to the year end on 27 June 2023, with the effective date of 27 December 2022, the Company as lender and World Kinect Corporation as borrower had agreed to following amendment to the existing loan facility a.) further extension of the termination date to 27 December 2027 b.) increase the amount of the financing facility to \$1,500,000k and c.) amend the interest rate to 4.27% per annum.

On 13 September 2023, the Company has decided to increase the share capital of its wholly owned subsidiary, World Fuel Services France SAS by €5,500k, from €11,665k to €17,165k through the issuance of 5,500,000 new ordinary shares of €1 each. Further, on the same day, the Company has approved a reduction of the share capital by €12,500k, from €17,165k to €4,665k, by offsetting accumulated losses, through the cancellation of 12,500,000 shares.

Stakeholders' engagement statement

The Company's key stakeholder engagement and decision making are integrated with the principles of the Ultimate Parent Undertaking, World Kinect Corporation (note 23). The Company does not manage key stakeholder engagement separately. The Group regularly engages with key stakeholders to better understand their perspectives, including areas such as our business strategies, financial performance and matters of corporate governance. This dialogue has helped inform the Group's decision-making processes and ensure interests remain well-aligned with those of its key stakeholders.

The Group assessed the importance of a variety of stakeholders and the potential impact of the Group's operations and actions on those stakeholders in determining its key stakeholders. The key stakeholders to the Company include the other Group companies, our customers and suppliers, our people, and the communities in which we operate. The Group engages with key stakeholders in a number of ways. Stakeholder engagement includes, but is not limited to, regular communication with customers, suppliers and members of the communities in which the Company operates on matters that of importance to such stakeholders, regular employee town hall meetings, quarterly and year-end performance presentations and investing back into its communities through supporting charities and other initiatives.

Directors' Report for the year ended 31 December 2022

Statement of Corporate Governance

The Company's Ultimate Parent Undertaking, World Kinect Corporation (f/k/a World Fuel Services Corporation) (the "Parent" and together with its subsidiaries, the "Group"), is publicly listed on the New York Stock Exchange and has established a comprehensive framework for oversight, control and regulation of the Parent and the Group, which includes among other things, Corporate Governance Principles, Related Person Transaction Policy, and a Code of Conduct that applies to the Group and its respective employees, directors and officers (including its principal executive, financial and accounting officers) (collectively, the "Policies"). The Policies can be found on the Parent's website at <https://ir.worldkinect.com/corporate-governance> and/or described in its filings with the United States Securities and Exchange Commission ("SEC") at www.sec.gov. The Parent has also implemented a set of internal controls, processes, practices and procedures (collectively, the "Controls," and together with the Policies, the "Governing Principles") designed to enable the effective and efficient operation of the Group and its businesses, promote the Group's success and deliver long-term sustainable value to the Group's stakeholders.

As the Governing Principles apply to the Company and incorporate the essential elements of effective corporate governance, the Company has not adopted a separate corporate governance code such as the Wates Corporate Governance Principles. However, the following describes a number of the ways in which the Company applied the Governing Principles during the financial year in the context of the Wates Principles:

- **Purpose and Leadership:** The Company's board of directors' actions are aimed at continuously developing and promoting the purpose of the Company and ensuring that the values, strategy, and cultures align with that of the Group. In 2023, the Parent's shareholders approved an amendment to the Parent's Articles of Incorporation, as amended, changing the Parent's name from World Fuel Services Corporation to World Kinect Corporation. This change is intended to better reflect the Group's ongoing transformation into a more resilient, diversified energy and solutions provider. As the energy transition unfolds, this name change reflects the Group's commitment to continue evolving alongside its customers. The Group will support customers' core energy requirements, while also meeting their growing energy transition needs with an expanding portfolio of products and services, empowering them to navigate their sustainability journeys most successfully.
- **Board Composition:** The composition of the Board is regularly reviewed to ensure that the Board's size and structure is appropriate in light of the scale and complexity of the Company's business and that the Directors possess the experience, skills, diversity of background and qualities necessary to perform his or her duties as a director and to contribute to the Company's success. Each Director is an employee of the Company or another entity in the Group.
- **Director Responsibilities:** To assist in their stewardship of the Company, the Directors utilize various processes and procedures established within the Group, including access to legal and corporate secretarial resources, to obtain a variety of information and operating metrics that support effective decision-making. Through these means, the Directors are able to monitor the performance of management to assure that the long-term interests of the Company's stakeholders are served.

Directors' Report for the year ended 31 December 2022

- **Opportunity and Risk:** The Governing Principles reflect the underlying premise that the Group's ability to deliver sustainable long-term value requires that its governance structure support opportunities for growth as well as manage material risks. The Group's risk management framework and internal controls enable the Directors to leverage global functional resources to effectively oversee opportunities, risks and rewards that promote the long-term success of the Company. Recent examples of matters considered through this framework include environmental, social and governance issues, such as climate change, human rights and employee development, health and well-being.
- **Remuneration:** Each Director is an employee of the Company or another entity within the Group. The compensation program for senior management and all other employees of the Group is structured to directly align compensation levels with current and future performance that creates value for the Group's shareholders, employees, suppliers, customers and other stakeholders. A detailed description of the compensation program philosophy and objectives can be found in the Parent's filings with the SEC.
- **Shareholder Relationships and Engagement:** The Directors strive to foster effective stakeholder relationships aligned to the Company's values and purpose. The Company's key stakeholders and the directors' considerations in respect such stakeholders are integrated with the principles of the Group and discussed further below.

Future developments

Refer to the Strategic Report (page 2) for a description of future developments in the business.

Disclosure of information to auditors

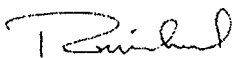
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be re-appointed during the year in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



Richard Donald McMichael
Director

Date: 28 September 2023

Directors' Responsibilities Statement for the year ended 31 December 2022

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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

World Fuel Services Europe, Ltd.

Independent Auditor's Report to the members of World Fuel Services Europe, Ltd.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of World Fuel Services Europe, Ltd. ("the Company") for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

World Fuel Services Europe, Ltd.

Independent Auditor's Report to the members of World Fuel Services Europe, Ltd.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

World Fuel Services Europe, Ltd.

Independent Auditor's Report to the members of World Fuel Services Europe, Ltd.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance, including legal counsel and Internal Audit;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations

We considered the significant laws and regulations to be UK Tax legislation, adherence to Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice),

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Health and Safety at Work Act 1974, The Hydrocarbon Oil Duties Act 1979 and the Data Protection Act 2018.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit, where required; and a
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Revenue, Trade Receivables, Journal Entries, Investments and Related Party Transactions.

World Fuel Services Europe, Ltd.

Independent Auditor's Report to the members of World Fuel Services Europe, Ltd.

Our procedures in respect of the above included:

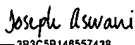
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing any manual journal entries made to Revenue for reasonableness and agreeing to supporting documentation;
- A review of minutes held during the year to identify any suspected or known instances of fraud;
- Assessing significant estimates made by management for bias as disclosed in Note 4, and verifying assumptions made to supporting documentation;
- A review of Related Party relationships for identification and to ensure sufficient disclosure of these transactions and relationships is included within the financial statements;
- Verification of transactions and balances outstanding at the year end date with these identified related parties; and
- We used an engagement team with appropriate competence and capabilities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

383C5B148557438...

Joseph Aswani (*Senior Statutory Auditor*)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
Date: 28 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Revenue	5	3,346,393	1,950,512
Cost of sales		(3,171,842)	(1,882,273)
Gross profit		174,551	68,239
Administrative expenses		(47,113)	(91,096)
Other operating income		—	12
Operating profit / (loss)	6	127,438	(22,845)
Finance income	10	34,893	37,479
Finance expense	11	(37,522)	(33,662)
Profit / (loss) before taxation		124,809	(19,028)
Income tax (expense) / credit	12	(10,603)	6,328
Profit / (loss) for the financial year after taxation and total comprehensive income / (loss) for the year		114,206	(12,700)

All amounts presented for the year ended 31 December 2022 and 31 December 2021 relate to continuing operations.

There was no other comprehensive income or loss during the year ended 31 December 2022, or the year ended 31 December 2021.

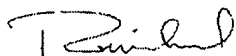
The notes on pages 19 to 44 form part of these financial statements.

Balance Sheet as at 31 December 2022

Registered number: 04846814

	Note	2022 \$'000	2021 \$'000
Non-current assets			
Intangible assets	13	6,068	9,637
Property, plant and equipment		1,080	1,614
Deferred tax assets	14	6,849	3,940
Investments	15	549,130	524,878
Loan notes receivable	16	25,000	428,326
Prepayments and accrued interest		21,718	27,431
		609,845	995,826
Current assets			
Loan notes receivable	16	903,480	576,492
Inventory	17	17,346	12,403
Income tax receivable		13,483	18,639
Trade and other receivables	18	1,053,231	768,330
Cash and cash equivalents		8,937	81,776
		1,996,477	1,457,640
Total assets		2,606,322	2,453,466
Non-current liabilities			
Borrowings	19	213,653	202,166
Lease obligations		547	486
		214,200	202,652
Current liabilities			
Borrowings	19	236,961	392,751
Trade and other payables	20	1,387,147	1,204,255
		1,624,108	1,597,006
Total liabilities		1,838,308	1,799,658
Net current assets / (liabilities)		372,369	(139,366)
Net assets		768,014	653,808
Equity			
Share capital	22	—	—
Share premium	22	2,618	2,618
Retained earnings	22	765,396	651,190
Total shareholder's funds		768,014	653,808

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Richard Donald McMichael
Director

Date: 28 September 2023

The notes on pages 19 to 44 form part of these financial statements.

Statement of Changes in Equity for the year ended 31 December 2022

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total shareholder's funds \$'000
Balance at 1 January 2021	—	2,618	663,890	666,508
Loss for the financial year after taxation and total comprehensive loss for the year	—	—	(12,700)	(12,700)
Balance at 31 December 2021	—	2,618	651,190	653,808
Profit for the financial year after taxation and total comprehensive income for the year	—	—	114,206	114,206
Balance at 31 December 2022	—	2,618	765,396	768,014

The notes on pages 19 to 44 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2022

1. General information

World Fuel Services Europe, Ltd. ("the Company") is a private company, limited by share capital, incorporated and domiciled in England and Wales in the United Kingdom. The Company is a wholly-owned subsidiary of WFS UK Holding Company II Limited, also incorporated in England and Wales in the United Kingdom, which is a wholly-owned subsidiary of World Kinect Corporation (formerly known as World Fuel Services Corporation), (the "Ultimate Parent Undertaking"), incorporated in the state of Florida, in the United States of America. On 15 June 2023, the Ultimate Parent Undertaking's shareholders approved an amendment to its Articles of Incorporation, as amended, changing the Ultimate Parent Undertaking's name from World Fuel Services Corporation to World Kinect Corporation.

The Company offers fuel and related products and services to commercial and industrial customers in the Aviation and Marine transportation industries.

In the aviation segment, the Company primarily purchases and resells fuel and other products, as well as provides aviation fuelling and other related services. In the marine segment, the Company primarily purchases and resells fuel and also acts as brokers for others. Corporate expenses are allocated to each segment based on usage, where possible, or other factors according to the nature of the activity. The Company evaluates and manages business segments using the performance measurement of operating profit / loss. Within each of the segments, the Company may utilise related group companies to enter into derivative contracts to mitigate the risk of market price fluctuations and also to offer customers fuel pricing alternatives to meet their needs.

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (note 4).

The following principal accounting policies, 3.2 through 3.21, have been applied consistently in all periods presented:

3.2 Financial reporting standard 102 - reduced disclosure exemptions

As a qualifying entity, the Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 'Statement of Financial Position' paragraph 4.12(a)(iv);

Notes to the Financial Statements for the year ended 31 December 2022

- the requirements of Section 7 'Statement of Cash Flows';
- the requirements of Section 3 'Financial Statement Presentation paragraph' 3.17(d);
- the requirements of Section 11 'Financial Instruments' paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 'Other Financial Instruments' paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 'Share-based Payment' paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 'Related Party Disclosures' paragraph 33.7

This information is included in the consolidated financial statements of World Kinect Corporation as at 31 December 2022 and these financial statements may be obtained from World Kinect Corporation, 9800 NW 41st Street, Miami, Florida USA 33178.

3.3 Consolidated financial statements

The financial statements contain information about World Fuel Services Europe, Ltd. as an individual Company and do not contain consolidated financial information as the parent of a group of investment undertakings. The Company has taken the exemption under Section 401 of the Companies Act 2006 from the requirement to prepare, for the current year, consolidated financial statements as it and its subsidiary undertakings are included in the consolidated statements of its Ultimate Parent Undertaking, World Kinect Corporation, a company incorporated in the United States of America, and may be obtained from World Kinect Corporation, 9800 NW 41st Street, Miami, Florida USA 33178.

3.4 Going concern

The Company's profit after tax for the financial year was \$114.2 million (2021: loss \$12.7 million). At 31 December 2022 the Company had net current assets of \$372.4 million (2021: net current liabilities \$139.4 million) and net assets of \$768 million (2021: \$653.8 million).

World Kinect Corporation, the Ultimate Parent Undertaking of World Fuel Services Europe, Ltd. has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended 31 December 2022, to the extent necessary to enable the Company to meet its continuing operating liabilities, as well as any known liabilities on the Company's Balance Sheet as at 31 December 2022, as and when they fall due, and further confirms that no credit loss will be incurred by the Company in respect of the amounts owed to it by fellow group undertakings for the periods presented within these financial statements. As a result of the support from the Ultimate Parent Undertaking, the directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

3.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is United States dollar ("USD"). All amounts in the financial statements have been rounded to the nearest thousand (\$'000) unless otherwise specified.

Notes to the Financial Statements for the year ended 31 December 2022

Transactions and balances

Foreign currency transactions are translated into the functional currency using the average rate during the period in which the transaction occurred.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income within finance income / (expenses).

3.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, and discounts allowed by the Company and value added taxes and other sales taxes.

(i) Sale of fuel

Revenue from the sale of fuel is recognised when the Company has delivered fuel to the customer; the customer has accepted the fuel, the amount of revenue can be reliably measured; and it is probable that future economic benefits will flow to the Company.

The Company generates fuel sales as a fuel reseller as well as from on-hand inventory supply. When acting as a fuel reseller, the Company generally purchases fuel from the supplier, and contemporaneously resells the fuel to the customer, normally taking delivery for purchased fuel at the same place and time as the delivery is made to the customer.

Revenue and costs arising from the sale of the fuel are therefore presented gross in the Statement of Comprehensive Income as the Company generally takes inventory risk, has latitude in establishing the sales price, has discretion in the supplier selection, maintains credit risk and is the primary obligor in the sales arrangement.

(ii) Rendering of services

Revenue from services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

3.7 Interest income

Interest income is recognised using the effective interest rate method.

3.8 Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the Financial Statements for the year ended 31 December 2022

3.9 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations: The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the Statement of Comprehensive Income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

(iv) Share-based payments

World Kinect Corporation, the Ultimate Parent Undertaking has established several share-based payment plans under which it makes share-based awards to certain of its employees as well as employees of its subsidiaries.

The Company records expenses for the share-based payments based on a direct charge from the Ultimate Parent Undertaking. This charge is based on the fair value of the awards made to employees of the Company under the share award schemes.

3.10 Current and deferred income tax

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- a. The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- b. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Notes to the Financial Statements for the year ended 31 December 2022

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is not discounted.

3.11 Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the Company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life, which as at the Balance Sheet date does not exceed 10 years. Goodwill is assessed for impairment annually and any impairment is charged to the Statement of Comprehensive Income.

3.12 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Identified intangibles	3 to 10 years
------------------------	---------------

Amortisation is charged to administrative expenses in the Statement of Comprehensive Income. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. Impairments are charged to the Statement of Comprehensive Income as they are required. If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements for the year ended 31 December 2022

3.13 Property, plant and equipment

Property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Furniture, fixture and office ventures	3 to 8 years
Plant, machinery and equipment	5 years
Leasehold improvements	3 to 15 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Comprehensive Income.

3.14 Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(ii) Finance leases

The Company has not entered into any finance leases during the current year, or in the comparative period.

3.15 Investments

(i) Investments in subsidiary companies

Investments in subsidiary companies are held at cost less accumulated impairment losses.

(ii) Investments in associates

Investments in associates are held at cost less accumulated impairment losses.

Notes to the Financial Statements for the year ended 31 December 2022

3.16 Impairment of non-financial assets

At each Balance Sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

3.17 Inventory

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined using the average cost method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

3.18 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.19 Financial instruments

The Company has chosen to apply the recognition and measurement provisions of Section 11 of FRS 102.

(i) Financial assets

The Company classifies its financial assets in the following categories: financial assets held for trading and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Notes to the Financial Statements for the year ended 31 December 2022

Loans and receivables are non-derivative financial assets from related and non-related parties with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the Balance Sheet date which are classified as non-current assets. The Company's loans and receivables are within loan notes receivable in the Balance Sheet.

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company has entered into a trade receivable finance arrangement whereby certain of its trade receivables are sold to a third party. Trade receivables subject to the arrangement are derecognised if it is assessed that substantially all risks and rewards and rights to receive cash flows have been transferred. Where the de-recognition criteria are not met, the trade receivables continue to be recognised in the financial statements with a corresponding payable recorded under trade and other payables for any amounts of cash advanced to the Company under the arrangement.

(ii) Financial liabilities

Trade payables represent obligations to pay for goods and services provided to the Company in the ordinary course of business. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements for the year ended 31 December 2022

3.21 Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Statement of Changes in Equity.

4. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Judgements in applying accounting policies

The judgements in applying accounting policies at the Balance Sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Transfer pricing

The Company enters into a number of transactions with related group companies. The Company considers a number of estimates when entering these transactions to ensure that they are conducted on an arms' length basis. When assessing whether transactions with other group companies have been conducted on an arms' length basis, the Directors note that these decisions involve the input of internal and external tax advisers to the Company, including an analysis of comparable companies and groups who operate in similar markets to the worldwide Group.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the Balance Sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Carrying value of trade receivables

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including current market and industry conditions and historical experience.

Notes to the Financial Statements for the year ended 31 December 2022

Carrying value of investments

The Company reviews the valuation of its investments for impairment annually or if events and changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present value of these cash flows.

Carrying value of amounts due from group undertakings

The Company makes an estimate of the recoverable value of amounts due from group undertakings. When assessing impairment of amounts due from group undertakings, management considers factors including current market and industry conditions, historical experience and World Kinect Corporation, the Ultimate Parent Undertaking, pledging to correct the financial position of the entities, so that no credit loss is incurred by the Company.

Carrying value of loan notes receivable from group undertakings

The Company makes an estimate of the recoverable value of loan notes receivable from group undertakings. When assessing impairment of loan notes receivable, management considers factors including current market and industry conditions, and historical experience and World Kinect Corporation, the Ultimate Parent Undertaking, pledges to provide adequate financial support for a period of at least 12 months following the date of the Independent Auditor's Report for the Company's year end, to ensure the balances are recovered by the Company.

Loan payable to a related party

The Company has entered into a new loan agreement with a related party during the year. The Company considers a number of estimates when entering into these loan agreements to ensure that they are conducted on arms' length basis with interest being charged in line with relevant Market conditions. When assessing whether borrowings with other group companies have been conducted on an arms' length basis, the directors note that these decisions involve the input of internal and external tax advisers to the Company, including an analysis of comparable basic financial instruments between companies and groups who operate in similar markets to the Group.

5. Revenue

An analysis of revenue by market is as follows:

	2022 \$'000	2021 \$'000
Marine	2,353,024	1,439,665
Aviation	993,369	510,847
Total	3,346,393	1,950,512

Notes to the Financial Statements for the year ended 31 December 2022

A geographical analysis of revenue by geographical location is as follows:

	2022 \$'000	2021 \$'000
United Kingdom	190,093	78,576
Rest of Europe	3,032,129	1,812,733
Rest of the World	124,171	59,203
	3,346,393	1,950,512

6. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2022 \$'000	2021 \$'000
Depreciation	464	448
Operating lease charges	515	241
Impairment of trade receivables	1,351	15
(Reversal of impairment)/impairment of investment in subsidiary (note 15)	(22,273)	33,384
Amortisation of intangible assets (note 13)	3,569	3,573
Audit fees payable to the Company's auditors		
– For the audit of the Company's annual financial statements	221	131

The Company is a participant in a multi-currency notional cash pooling arrangement that allows the daily excess in certain currencies that may exist in any single group member to be used by other participating Group members. The Group participants are all related companies. The Company pays \$1k per month to World Fuel Services European Holding Company I, Limited, the Group leader of the multi-currency notional cash pooling arrangement. The Company paid \$12k during the year ended 31 December 2022 (2021: \$12k).

7. Employee costs

Particulars of employee costs are as follows:

	2022 \$'000	2021 \$'000
Wages and salaries	35,661	29,464
Social security costs	4,844	3,794
Other pension costs	1,139	1,950
	41,644	35,208

The amounts above represent remuneration paid to employees, however during 2021 the Company received government grants of \$12k in relation to the furlough. No amounts were received in respect of this scheme in 2022.

Other pension costs for the year ended 31 December 2022 and 31 December 2021 relate entirely to defined contribution pension plans.

The average monthly number of persons employed by the Company, including Directors, during the year ended 31 December 2022 and 31 December 2021 were as follows:

Notes to the Financial Statements for the year ended 31 December 2022

	2022 No.	2021 No.
Commercial	154	80
Corporate	128	198
Operations	40	33
	322	311

The 2021 figures above are inclusive of 1 employee who was placed on furlough under the UK Government's Coronavirus Job Retention Scheme. The employee was placed on furlough for 2 months during the year ended 31 December 2021. No employee were placed on furlough in 2022.

8. Share-based payments

The Ultimate Parent Undertaking operates several share-based payment plans under which it awards share-based payments to certain of its employees and to certain employees of the Company. The Company recognised an equity-settled share-based compensation expense for the year ended 31 December 2022 of \$1,280k (2021: \$2,058k), included within wages and salaries in Note 7. The current share based compensation plan (the "Plan") is administered by the Compensation Committee of the Board of Directors (the "Compensation Committee") of the Ultimate Parent Undertaking. The Plan is unlimited in duration and, in the event of its termination, the Plan will remain in effect as long as any awards granted under it remain outstanding. No awards may be granted under the Plan after May 2031. The persons eligible to receive awards under the Plan are employees, officers, and members of the Board of Directors, or any consultant or other person who performs services for the Group. The term and vesting period of awards granted are established on a per grant basis, but options or share appreciation rights may not remain exercisable after the seven-year anniversary of the date of the grant.

Restricted Share Equity Awards

There were no restricted share grants during the year ended 31 December 2022 (2021: no restricted share grants).

Restricted Stock Unit ('RSU') Awards

There were 171,146 RSU's granted during the year ended 31 December 2022 (2021: 100,147).

9. Directors' Remuneration

	2022 \$'000	2021 \$'000
Aggregate remuneration	1,915	1,705
Company contributions to defined contribution pension scheme	2	2
	1,917	1,707

The number of Directors who:

	2022 No.	2021 No.
Are members of a defined contribution pension scheme	1	1
Exercised share options	2	2
Had awards receivable in the form of shares under a long-term incentive scheme	2	2

Notes to the Financial Statements for the year ended 31 December 2022

The highest paid Director's emoluments were as follows:

	2022 \$'000	2021 \$'000
Aggregate remuneration	958	900
Company contributions to defined contribution pension scheme	—	—
	958	900

The highest paid director received shares under the long-term incentive scheme (2021 - one) and exercised share options in exchange for shares during the year (2021 - one).

10. Finance income

	2022 \$'000	2021 \$'000
Interest receivable on loan notes with related companies	30,298	35,591
Interest receivable on intercompany balances	3,881	235
Other finance income	714	637
Dividend income	—	1,016
	34,893	37,479

11. Finance expense

	2022 \$'000	2021 \$'000
Interest payable on borrowings with related companies	22,942	17,588
Other financing costs	9,366	3,333
Interest payable on intercompany balances	264	11,784
Foreign exchange loss	4,950	957
	37,522	33,662

12. Income tax

	2022 \$'000	2021 \$'000
Current taxation:		
UK corporation tax on losses in the year	12,599	—
Adjustments in respect of previous years	913	(6,778)
Total current taxation	13,512	(6,778)
Deferred taxation:		
Originating and reversal of timing differences (note 14)	(2,909)	450
Total deferred taxation	(2,909)	450
Total tax expense/(credit) on profit/(loss) for the year	10,603	(6,328)

Notes to the Financial Statements for the year ended 31 December 2022

Factors affecting tax expense/(credit) for the year

The tax charge is lower (2021: lower) than the standard UK Corporation tax of 19% (2021 - 19%) due to certain factors. The factors affecting the tax charge are reconciled below:

	2022 \$'000	2021 \$'000
Profit/(loss) on ordinary activities before tax	124,809	(19,028)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 19%)	23,714	(3,615)
Effects of:		
Timing differences	(2,401)	178
Permanent differences - items not deductible	767	6,995
Group losses claimed for nil consideration	(12,390)	(3,108)
Adjustments in respect of previous years	913	(6,778)
Total tax expense/(credit) for the year	10,603	(6,328)

Factors affecting current and future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that from 1 April 2023, there is no longer a single Corporation Tax rate for non-ring fence profits. From 1 April 2023, the Corporation Tax main rate for non-ring fence profits will increase to 25% for profits above £250,000. For profits of £50,000 or less, a small profits rate of 19% will be applicable. A marginal relief scheme with a gradual increase in the effective Corporation Tax rate for profits in between these amounts will also be applicable.

13. Intangible assets

The net book value of the Company's intangible assets as at 31 December 2022 is presented below:

	Cost \$'000	Accumulated amortisation \$'000	Net book value \$'000
Goodwill			
At 1 January 2022	70,813	(61,176)	9,637
Amortisation	—	(3,569)	(3,569)
At 31 December 2022	70,813	(64,745)	6,068
Identified intangibles			
At 1 January 2022	1,493	(1,493)	—
At 31 December 2022	1,493	(1,493)	—
As at 31 December 2022	72,306	(66,238)	6,068
As at 31 December 2021	72,306	(62,669)	9,637

Notes to the Financial Statements for the year ended 31 December 2022

14. Deferred tax assets

	Accelerated tax depreciation \$'000	Share based compensation \$'000	Other \$'000	Total \$'000
At 1 January 2021	(539)	955	3,974	4,390
Credited/(charged) to income statement	217	(111)	(556)	(450)
At 31 December 2021	(322)	844	3,418	3,940
Credited/(charged) to income statement	(457)	365	3,001	2,909
At 31 December 2022	(779)	1,209	6,419	6,849

15. Investments

	Shares in subsidiary undertakings \$'000
Cost	
As at 1 January 2022	558,262
Additions	1,979
As at 31 December 2022	560,241
Accumulated impairment	
As at 1 January 2022	(33,384)
Impairment reversal	22,273
As at 31 December 2022	(11,111)
Net book value 31 December 2022	549,130
Net book value 31 December 2021	524,878

During the year ended 31 December 2022, the Company reviewed the carrying value of its investment in World Fuel Services Italy S.R.L through an assessment performed by management, considering various factors, including but not limited to: improved market conditions, favourable operational performance, or other relevant factors impacting the subsidiary's carrying value. These estimates involve a degree of judgment and uncertainty and are consistent with the Company's accounting policies for impairments. As a result of this assessment, \$22,273k of the previous \$33,384k impairment has been reversed and recognised as a credit in administrative expenses within the Statement of Comprehensive Income. Additionally, the carrying value of the subsidiary subject to the reversal has been adjusted in the Balance Sheet to reflect the revised recoverable amount.

On 1 July 2022, the Company as lender and World Fuel Services Argentina S.R.L. as borrower has agreed to contribute a loan note receivable of \$1,300k and accrued interest of \$769k to World Fuel Services Argentina S.R.L., in exchange for 48,000 shares, increasing the total amount of shares owned by the Company to 49,200 shares, representing 82% of World Fuel Services Argentina S.R.L share capital. The Company's investment in the subsidiary increased by \$1,971k, which is the amount of the contributed loan note and accrued interest, net of withholding tax.

Notes to the Financial Statements for the year ended 31 December 2022

On 22 September 2022, the Company has approved the share capital reduction of its wholly owned subsidiary World Fuel Services Italy S.R.L, to cover the subsidiary's losses accumulated as of 31 December 2021. The losses totalling €44,382k (\$43,654k) were covered through use of the following reserves i) The subsidiary's legal reserve totalling €382k (\$376k) ii) €7,257k (\$7,138k) of the subsidiary's other reserve and iii) €36,743k (\$36,141k) of the subsidiary's share capital. This has decreased the subsidiary's share capital from €50,592k (\$49,762k) to €13,849k (\$13,622k). The capital reduction had no impact to the Company's investment in the subsidiary.

On 6 December 2022, the Company approved an additional capital contribution into World Fuel Services Peru S.R.L., consisting of 7,696 shares at a value of PEN 1 per share, with a total contribution in cash of \$2k (approx. PEN 7,696).

The following entities are wholly owned by the Company:

Name of Company	Principal business activities	Address	Percentage of ownership
World Fuel Services Aviation Limited	Aviation fuel	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, UK	100%
World Fuel Services France SAS	Aviation fuel	Gare De Lyon, 37-39 Av Ledru Rollin, Paris 12, 75012, France	100%
Kinect Energy UK Limited	Energy management	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, UK	100%
World Fuel Services Italy S.R.L	Aviation fuel	Corso Vercelli 40, Milano (MI) CAP 20145, Italy	100%
Orchard (Holdings) UK Limited	Investment holding company	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, UK	100%
Avcard Services (BVI), Ltd.	Oil trading	ECSL, Jayla Place, Wickham's Cay I, Road Town, Tortola, British Virgin Islands	100%
NCS UK Holding Co. Limited	Dormant	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, UK	100%
WFS Netherlands Holding B.V.	Investment holding company	Vasteland 6, 3011 BK , Rotterdam, Netherlands	100%

The Company has interest in the following entities:

Name of Company	Principal business activities	Address	Percentage of ownership
World Fuel Services Pakistan (Pvt.) Limited	Oil trading	#730, 7th Floor, Executive Tower Dolmen Mall, Clifton, Karachi, Pakistan	1.00%
World Fuel Services CZ S.r.o.	Oil trading	Prague 8, Karlín, Karolinska 661/4, 186 00, Czech Republic	1.00%
World Fuel Services Belgium BVBA	Land fuel	De Keyserlei 58-60 bus 19, 2018 Antwerpen, Belgium	47.83%
PPT Aviation Services Limited	Oil trading	1 Kilkis Street, Larnaca, Cyprus	25.00%

Notes to the Financial Statements for the year ended 31 December 2022

Name of Company	Principal business activities	Address	Percentage of ownership
World Fuel Services Peru S.R.L.	Provision of fuel	D AV. Victor A. Belaunde 147, Centro Empresarial Real Edificio Real 3, Piso 12 Lima 27, Peru	0.10%
World Fuel Services Kenya Limited	Oil trading	Plot LR No. 209/8287, ICEA Building, 4th Floor, Kenyatta Avenue, P. O. Box 30333-00100, Nairobi, Kenya	99.90%
PT Servicios de Guatemala, Limitada	Aviation fuel	Diagonal 6 10-01, Zona 10, Centro Gerencial Las Margaritas Torre, 2 Oficina, 1101 Guatemala	1.00%
Hellenic Aviation Fuel Company S.A.	Aviation fuels marketing	145 Vasileos Pavtlou, 1900, Spata, Athens, Greece	51.00%
Exeno Yamamizu Corporation	Marine transportation	4-4-2, Nihonbashi Hon-cho Chuo-ku, Tokyo, 103-0023, Japan	5.00%
Tramp Oil & Marine (Chile) Limitada	Oil trading	Avenida Nueva Libertad, 1405, Vina del Mar, Chile	99.99%
Tramp Oil & Marine (Argentina) S.R.L.	Oil trading	Juan Maria Gutierrez, Piso 7, Oficina 703, Buenos Aires, 3765 Argentina	5.00%
WFS Agencia de Naves, Limitada	Oil trading	Avenida Nueva Libertad 1405, Vina del Mar, Chile	1.00%
World Fuel Services Argentina S.R.L.	Oil trading	Juan Maria Gutierrez, Piso 7, Oficina 703, Buenos Aires, 3765 Argentina	82.00%

The followings entities are wholly owned by the Company's subsidiaries as at 31 December 2022:

Name of Company	Immediate parent	Principal business activities	Address	Percentage of ownership
WF Aviation Services SAS	WFS Netherlands Holding B.V	Provision of manpower services	Gare De Lyon, 37-39 Av Ledru Rollin, Paris 12, 75012, France	100%
Redline Oil Services Limited	World Fuel Services Aviation Limited	Provision of manpower services	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, UK	100%
Orchard Energy Limited	Orchard (Holdings) UK Limited	Energy broker	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, UK	100%
World Fuel Cayman Holding Company IV	AVCARD Services (BVI), Ltd.	Investment holding company	Clifton House, 75 Fort Street, Grand Cayman KY1-1108, PO Box 1350, Cayman Islands	100%
World Fuel International S.R.L.	AVCARD Services (BVI), Ltd.	Oil trading	Sabana Business Centre, Piso 11, 68th Street and Boulevard, San Jose, 5173-1000, Costa Rica	100%
World Fuel Services Trading DMCC	AVCARD Services (BVI), Ltd.	Oil trading	Office 2003 A, Swiss Tower, Cluster Y, Jumeirah Lakes Towers, PO Box 340513, Dubai, UAE	100%

Notes to the Financial Statements for the year ended 31 December 2022

Name of Company	Immediate parent	Principal business activities	Address	Percentage of ownership
Trans-Tec international S.R.L.	AVCARD Services (BVI), Ltd.	Oil Trading	Sabana Business Centre, Piso 11, 68th Street and Boulevard, San Jose, 5173-1000, Costa Rica	100%
World Fuel Services (Bahamas) LLC	World Fuel International S.R.L.	Oil Trading	Suite 12, Caves Village Plaza, PO Box CB - 11148, Nassau, Bahamas	100%

The followings entities are partly owned by the Company's subsidiaries as at 31 December 2022:

Name of Company	Immediate parent	Principal business activities	Address	Percentage of ownership
Tramp Oil & Marine (Argentina) S.R.L.	Tramp Oil & Marine (Chile) Limitada	Oil trading	Juan Maria Gutierrez, Piso 7, Oficina 703, Buenos Aires, 3765 Argentina	95%*
WFS Agencia de Naves, Limitada	Tramp Oil & Marine (Chile) Limitada	Oil trading	Avenida Nueva Libertad 1405, Vina del Mar Vina del Mar, Chile	99%*
World Fuel Services Chile, Limitada	Tramp Oil & Marine (Chile) Limitada	Oil trading	Avenida Nueva Libertad 1405, Vina del Mar Vina del Mar, Chile	75% and 25%*
World Fuel Services Argentina S.R.L.	Tramp Oil & Marine (Chile) Limitada	Oil trading	Juan Maria Gutierrez, Piso 7, Oficina 703, Buenos Aires, 3765 Argentina	18%*
World Fuel Services (KG) LLC	World Fuel Services Aviation Limited	Fuel storage	154 Kievskaya Street, Apartment 61, Bishkek, Kyrgyz Republic	5%
World Fuel Services (Panama) Limited Liability Company, Sociedad De Responsabilidad Limitada	World Fuel Cayman Holding Company IV	Oil trading	Nicanor de Obarrio Avenue, 50th Street, Credicorp Bank Building, 26th Floor, Panama City, Panama	50% and 50%*
World Fuel Services International (Panama) LLC	World Fuel Cayman Holding Company IV	Oil trading	Nicanor de Obarrio Avenue, 50th Street, Credicorp Bank Building, 26th Floor, Panama City, Panama	50% and 50%*
WFL Mozambique, LDA	World Fuel Services Trading DMCC	Oil trading	Urban District 1, Sommerschild Area, Kenneth Kaunda Ave; No 783, Maputo City, Mozambique	99%
Manchester Airport Storage and Hydrant Company Limited	World Fuel Services Aviation Limited	Fuel storage and hydrant system operation	One, Bartholomew Close, London, United Kingdom, EC1A 7BL	25%
Seram S.p.A.	World Fuel Services Italy S.r.L	Aviation fuel	Via Carlo del Prete S.n.c., 00054 Aeroporto di Fiumicino (Roma)	12.5%

Notes to the Financial Statements for the year ended 31 December 2022

*The Company indirectly holds 100% ownership of this entity through being the sole shareholder of the parent.

16. Loan notes receivable

	Current \$'000	Non-current \$'000
Balance at 1 January 2021	2,735	1,287,555
Additions in year	35,380	
Transfer to short term	859,229	(859,229)
Repayments in year	(320,852)	
Balance at 31 December 2021	576,492	428,326
Capitalisation of loan (see Note A below)	—	(1,300)
Transfer to short term (see Note B and Note C below)	27,000	(27,000)
Repayments and transfer to short term (see Note D below)	35,233	(375,026)
Additions in year (see Note E and Note F below)	1,135	—
Additions in year (see Note G below)	297,322	—
Repayments in the year (see Note H below)	(33,702)	—
Balance at 31 December 2022	903,480	25,000

Amounts due in greater than one year (non-current)

On 29 December 2015, the Company entered into a loan facility of \$25,000k with a related company, WFL (UK) Limited. The loan has no date of settlement required of either party in the foreseeable future. The loan bears interest of USD LIBOR + 3.5% per annum, payable annually. The Company recognised interest income during the year of \$1,125k (2021: \$980k). The loan has accrued interest receivable outstanding at 31 December 2022 of \$8,968k (2021: \$7,843k). The principal has been recognised as non-current since the Directors have provided written confirmation to WFL (UK) Limited that they will not seek repayment within 12 months of the Balance Sheet date.

Note A

On 1 November 2018 an existing loan note of \$1,300k at interest of 7% with World Fuel Services Argentina S.A. was extended for 5 years ending on 1 November 2023 (previously due on 20 December 2018). Interest is payable annually. The Company recognised interest income during the year of \$45k (2021: \$91k). On 1 July 2022, the Company has agreed to contribute the loan note receivable of \$1,300k and accrued interest of \$769k to World Fuel Services Argentina S.R.L., a subsidiary of the Company, increasing the Company's investment in the subsidiary and extinguishing the loan note receivable.

Amounts due within one year (current)

Note B

On 21 October 2016, the Company entered into a loan facility of \$15,000k with World Fuel Services France SAS for a period of 7 years ending on 21 October 2023. The loan bears a fixed interest rate of 4.81% per annum, with interest payable annually. The Company recognised interest income during the year of \$722k (2021: \$1,207k). The loan has accrued interest receivable outstanding at 31 December 2022 of \$nil (2021: \$722k).

Notes to the Financial Statements for the year ended 31 December 2022

Note C

On 29 December 2015, the Company entered into a loan of \$12,000k with a related company, WFS UK Holding Company III Limited, for a period of 5 years ending on 29 December 2020. The loan bears interest of USD LIBOR + 3.5%, payable annually. On 29 December 2020, the Company agreed to an extension of the maturity date to 29 December 2023 with interest payable at the end of the term. All other terms remained unchanged. The Company recognised interest income during the year of \$133k (2021: \$780k). The loan has accrued interest receivable outstanding at 31 December 2022 of \$3,126k (2021: 2,993k), presented within interest receivable on loan notes in Note 18 as at 31 December 2022 and within non current prepayments and accrued interest as at 31 December 2021.

Note D

On 28 August 2019, the Company entered into a one year term loan agreement of \$625,026k with a related company, The Lubricant Company Limited. The loan bears a fixed rate of interest equal to one-year USD LIBOR + 2.5% per annum, with interest to be paid in full at the end of the term. At 28 August 2020, the loan was amended to reduce the principal balance to \$375,026k and to extend the term until 28 August 2023 with interest payable annually. All other terms remained unchanged. On 29 December 2022, the borrower made partial payment on the loan of \$385,000k, consisting of a principal of \$339,793k and accrued interest of \$45,207k. On 31 December 2022, the borrower paid \$1,190k to settle the outstanding accrued interest as of the balance sheet date. The Company recognised interest income during the year of \$12,984k (2021: \$10,583k) and as at year end there is an outstanding principal amount of \$35,233k (2021: \$375,026k). Subsequent to the year end and up to the date of issuing these financial statements, the outstanding balance of the loan has not been repaid. The outstanding balance is considered due on demand, and the terms of the loan are currently being re-negotiated at the date of issuance of these financial statements.

Note E

As at 1 January 2022, the Company had a loan receivable agreement with a related company, Quintessentially (UK) Limited of £2,000k with an interest premium of 25%, and a maturity date of 31 July 2022. On 29 July 2022, the Company agreed to i.) a further extension of the termination date to 31 July 2023 ii.) to capitalise the interest premium outstanding under the original loan agreement at that date of £500k, increasing the principal to £2,500k and iii) change the interest rate to be an interest rate equal to the Bank of England's base rate of lending + 6% per annum. The maximum available of £2,500k (\$3,024k) (2021: £2,000k (\$2,706k)) is outstanding at 31 December 2022 along with accrued interest of £78k (\$94k) (2021: £500k (\$676k)). On 31 July 2023, the Company agreed to a further extension of the termination date to 31 July 2024. The Company recognised interest income during the year of £78k (\$93k) (2021: £30k (\$41k)).

Note F

As at 1 January 2022, the Company had a loan receivable agreement with Quintessentially (UK) Limited of £10,000k, with an interest rate equal to the Bank of England's base rate of lending + 6% per annum and a maturity date of 31 July 2022. On 29 July 2022, the Company agreed to a further extension of the termination date to 31 July 2023. The maximum available of £10,000k (\$12,097k) (2021: £8,250k (\$11,161k)) is borrowed under the loan at 31 December 2022 along with accrued interest receivable at 31 December 2022 of £1,251k or \$1,514k (2021: £581k or \$787k). On 31 July 2023, the Company agreed to a further extension of the termination date to 31 July 2024. The Company recognised interest income during the year of £670k (\$823k) (2021: £436k (\$599k)).

Notes to the Financial Statements for the year ended 31 December 2022

Note G

As at 31 December 2022, a balance of \$826,470k (2021: \$529,148k), along with accrued interest receivable of \$70,360k (2021: \$56,322k) is outstanding on a loan facility with the Ultimate Parent Company, World Kinect Corporation. The facility has a maximum of \$850,000k, bears interest at 2.11% annually and has a maturity date of 27 December 2022. The Company recognised interest income in relation to this facility during the year of \$14,039k (2021: \$21,302k). Subsequent to the year end, with the effective date of 27 December 2022, the parties had agreed to a.) further extension of the termination date to 27 December 2027 b.) increase the amount of the financing facility to \$1,500,000k and c.) amend the interest rate to 4.27% per annum.

Note H

On 21 December 2021, the Company entered a loan agreement of \$35,000k with a related company, Norse Bunker AS, maturing on 20 September 2022. The loan earns interest at one-year Euro Interbank offered rate ("Euribor") plus 1.0% per annum, but if Euribor is less than 0%, it shall be deemed to be 0%. The outstanding principal and interest shall be due at the end of the term. The Company recognised interest income in relation to this facility during the year of \$334k (2021: \$9k). On 21 December 2022, Norse Bunker AS has repaid \$34,045k, consisting of a principal of \$33,702k and accrued interest of \$343k. As of the payment date, the loan has been cancelled and is no longer in effect.

17. Inventory

	2022 \$'000	2021 \$'000
Marine fuel	10,308	8,943
Aviation fuel	7,038	3,460
	<u>17,346</u>	<u>12,403</u>

There is no material difference between the replacement cost of inventories and the amounts stated above.

18. Trade and other receivables

	2022 \$'000	2021 \$'000
Trade receivables	102,318	209,790
Less: provision for impairment of receivables	(747)	(529)
Trade receivables – net	101,571	209,261
Value added tax receivable	23,468	12,885
Amounts due from group undertakings	838,520	433,243
Interest receivable on loan notes	84,026	100,471
Other current assets	499	1,774
Prepayments and accrued income	5,147	10,696
	<u>1,053,231</u>	<u>768,330</u>

As at 31 December 2022, the Company sold receivables under the RPAs with an aggregate face value of \$58,865k (2021: \$41,448k) and has consequently derecognised these receivables as at the Balance Sheet date, and recognised RPAs fees of \$6,197k (2021: \$2,120k) for the year ended 31 December 2022.

Notes to the Financial Statements for the year ended 31 December 2022

The Company determines whether the sales meet the legal criteria for derecognition. If the criteria are not met, the receivables continue to be recognised in the financial statements. For those that qualify, the accounts receivable sold under the Receivables Purchase Agreements ("RPAs") with banks are accounted for as a sale of the receivable and are appropriately de-recognised from accounts receivable, net of allowance for credit losses. Fees paid under the RPAs are recorded within Finance expense, net on the Statement of Comprehensive Income.

Amounts due from group undertakings are unsecured, non-interest bearing and are repayable on demand.

All amounts are due within 1 year.

19. Borrowings

	Current \$'000	Non-current \$'000
Balance at 31 December 2021	392,751	202,166
New line of credit with a related company (see <i>Note A</i> below)	—	213,653
Additions in year and the year and transfer to short term (see <i>Note B</i> and <i>Note C</i> below)	214,831	(202,166)
Additions and repayments in the year (see <i>Note D</i> below)	(370,621)	—
Balance at 31 December 2022	236,961	213,653

Amounts owed in greater than one year (non-current)

Note A

On 15 December 2022, as the effective date, the Company entered into an intercompany line of credit with a related company, WFS UK Finance Limited ("UK FINCO"), with an initial term ending on 30 June 2025 that will automatically renew for two periods of one year each. This agreement is intended as a line of credit which allows the Company to lend funds through deposits, or, alternatively, borrow funds from UK FINCO up to an aggregate principal amount of \$250,000k, of which, either position must be maintained net as either debtor or creditor with UK FINCO at the end of each period. The line of credit allows the Company to borrow, repay and redraw, as necessary, during the term of the agreement up to the limit mentioned above.

The net deposit position with UK FINCO bears interest at a rate determined based on the interest received for outstanding time deposits by UK Monetary Financial Institutions as published by The Bank of England, and, for any borrowing position, the applicable interest rate will be this rate plus 0.25%, with the first interest period beginning on 1 July 2023. No interest has been applied, due or payable by either party on any balance position of either the Company or UK FINCO, during the transitional period which begins on the effective date and ends on 30 June 2023.

The Company has outstanding borrowings with UK FINCO of \$213,653k at 31 December 2022 (2021: \$nil), and recognised zero interest expense on its net borrowings position during the year ended 31 December 2022.

Notes to the Financial Statements for the year ended 31 December 2022

Amounts owed within one year (current)

Note B

On 1 March 2011, the Company entered into a loan facility with a related company, Nordic Camp Supply ApS, for a period of 5 years. On 1 March 2016, the facility was extended by a further 5 years expiring on 1 March 2021, and again on 1 March 2021 for a further 2 years to 1 March 2023, as such, the loan is presented as non-current in the prior year and current in the current year. The loan includes a maximum borrowing by the Company of \$200,000k. The loan facility bears interest of three-month USD LIBOR + 3.5%. The Company has outstanding borrowings under the loan facility of \$195,033k at 31 December 2022 (2021: \$191,366k). The Company recognised interest expense on borrowings during the year ended 31 December 2022 of \$10,837k (2021: \$5,861k). The borrowings and any interest payable were due and payable on 1 March 2023. Subsequent to the year end and up to the date of issuing these financial statements, the outstanding balance of the loan has not been repaid. The outstanding balance is considered due on demand, and the terms of the loan are currently being re-negotiated at the date of issuance of these financial statements.

Note C

On 1 November 2020, the Company entered into a demand note and financing facility agreement as borrower from Kinect Energy Netherlands B.V with a term of 3 years, expiring on 1 November 2023. As such, the loan is presented as non-current in the prior year and current in the current year. The facility includes a maximum availability of €50,000k. Interest is determined at one-year Euribor + 2.5% during 2022. One-year Euribor has been used since Euro LIBOR was no longer published in 2022. Outstanding borrowings under the facility are €18,500k or \$19,798k (2021: €9,500k or \$10,800k) along with accrued interest payable at 31 December 2022 of €nil (2021: €365k or \$415k). The Company recognised interest expense on borrowings during the year ended 31 December 2022 of €217k or \$217k (2021: €358k or \$422k).

Note D

On 1 March 2015, the Company entered into a demand note and financing facility with a related company, Nordic Camp Supply B.V., for a period of 5 years with an initial repayable date 1 March 2020. As per the terms, if either party does not notify the other, the term extends in one year periods. As at 1 January 2022, the Company had a repayable date of 1 March 2022, with a maximum borrowing facility of \$500,000k. The facility bears interest at a rate determined based on an average of a benchmark group of B rated UK corporate bond yields for a 12-month period. On 29 December 2022, the Company settled \$30,522k via a set-off agreement. On this same day, the Company also paid an additional \$385,000k against the principal financing facility amount. The Company has outstanding borrowings under the financing facility of \$22,130k at 31 December 2022 (2021: \$392,751k). The Company recognised interest expense on borrowings during the year ended 31 December 2022 of \$11,888k (2021: \$11,300k). Subsequent to the year end, since neither party has elected to notify the other, the current repayable date for this facility is 1 March 2024 in line with the terms of the facility.

Notes to the Financial Statements for the year ended 31 December 2022

20. Trade and other payables

	2022 \$'000	2021 \$'000
Trade payables	180,884	205,598
Customer deposits	95,841	93,678
Amounts owed to group undertakings	1,053,902	855,582
Amount owed to related parties (see note 24)	3,679	1,331
Other payables	52,841	47,651
Interest payable on loan notes	—	415
	<u>1,387,147</u>	<u>1,204,255</u>

The amounts owed to group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

21. Lease commitments

The Company had 3 offices (2021: 2), which are held as an operating lease. The Company also rents 2 storage tanks (2021: 2) for fuel storage and office equipment also held as operating leases. The future aggregate minimum lease payments under non-cancellable operating leases as at 31 December 2022 are as follows:

	2022 \$'000	2021 \$'000
Payments due:		
Not later than one year	937	473
Later than one year and not later than five years	2,262	2,592
Later than five years	2,459	2,991
	<u>5,658</u>	<u>6,056</u>

22. Share capital and reserves

	2022 \$	2021 \$
Allotted, called-up and fully paid:		
10 ordinary shares of £0.10 each (2021: 10)	2	2
1 ordinary share of £1.00 (2021: 1)	1	1
Total	<u>3</u>	<u>3</u>

	2022 \$'000	2021 \$'000
Share premium account	2,618	2,618

The Company has issued 10 shares with a nominal value of £0.10 per share translated to USD at an historic exchange rate of 1.79389.

Notes to the Financial Statements for the year ended 31 December 2022

The Company's reserves are as follow:

- Called up share capital represents the nominal value of the shares issued.
- Share premium represents the amounts received in excess of the value of each individual ordinary share in issue.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Ultimate parent undertaking

The immediate parent undertaking is WFS UK Holding Company II Limited, a company incorporated in England and Wales in the United Kingdom.

The Ultimate Parent Undertaking and controlling party is World Kinect Corporation, a company incorporated in the United States of America.

World Kinect Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The consolidated financial statements of World Kinect Corporation may be obtained from World Kinect Corporation, 9800 NW 41st Street, Miami, Florida USA 33178.

24. Related party transactions

The Company holds two loan note receivables with Quintessentially (UK) Limited, whereby the Company is the lender. A wider group undertaking, WFS UK Holding Partnership LP, holds interest of 26.75% in the entity thereby making Quintessentially (UK) Limited a related party. Refer to note 16 above for details of the loan notes receivable between the Company and Quintessentially (UK) Limited.

The Company entered into transactions with PPT Aviation Services Limited, an entity in which the Company owns 25%. The Company acts as an agent for the supply of fuel to customers in Cyprus on behalf of PPT Aviation Services Limited, with the risk and rewards of the transactions remaining with PPT Aviation Services Limited. The Company has a balance payable to PPT Aviation Services Limited of \$2,476k as at 31 December 2022 (2021: \$588k). Revenue relating to agency commission of \$684k for the year ended 31 December 2022 (2021: \$673k) has been recorded. The balances outstanding are unsecured and due on demand. All transactions were undertaken on an arms-length basis.

The Company entered into transactions with a subsidiary, Hellenic Aviation Fuel Company SA, of which the Company owns 51%. The Company acts as an agent for the supply of fuel to customers in Greece on behalf of Hellenic Aviation Fuel Company SA, with the risk and rewards of the transactions remaining with Hellenic Aviation Fuel Company SA. The Company has a balance payable to Hellenic Aviation Fuel Company SA of \$1,203k (2021: \$743k) and a balance receivable \$1,188k as at 31 December 2022 (2021: \$41k). Revenue relating to agency commission of \$30k for the year ended 31 December 2022 (2021: \$7k) has been recorded. The balances outstanding are unsecured, and due on demand. All transactions were undertaken on an arms-length basis.

25. Guarantees

The Ultimate Parent Company has a senior credit facility which includes the Company as an additional borrower. As at the year end, no amounts were utilised under this facility by the Company (2021: \$nil). In addition, the Company, along with other non-US subsidiaries of the World Kinect Corporation Group, has cross guaranteed any amounts due under a senior credit facility held by fellow non-US group undertakings. At the balance sheet date, the amount outstanding under these facilities guaranteed by non-US subsidiaries was \$nil (2021: \$41.6m).

Notes to the Financial Statements for the year ended 31 December 2022

The Company has access to a Foreign bills of negotiation facility for an amount of \$1.5m (£1.2m) (2021: \$8.0m (£6.0m)) and a Group foreign currency loan facility for an amount of \$33.4m (£27.6m) (2021: \$35m) as part of the BG Borrowing Group. As at the year end, no amounts were utilised under these facilities (2021: \$nil). These facilities are due for review in December 2023 and no changes are expected as at the date of approving these financial statements.

The Company is required to provide letters of credit to certain suppliers in the normal course of business. At the year end the Company's outstanding letters of credit and bank guarantees totalled to \$48,745k (2021: \$41,455k). These letters of credit and bank guarantees were denominated in various different currencies and retranslated to USD for the purposes of these financial statements.

26. Post balance sheet events

On 31 July 2023, the Company as lender and Quintessentially (UK) Limited as borrower further amended the existing loan agreement, originally dated 3 September 2019, to extend the maturity date to 31 July 2024. Also on this date, the Company as lender and Quintessentially (UK) Limited as borrower amended a second existing loan agreement, originally dated 31 July 2018, to also extend the maturity date of this facility to 31 July 2024.

Subsequent to the year end on 27 June 2023, with the effective date of 27 December 2022, the Company as lender and World Kinect Corporation as borrower had agreed to following amendment to the existing loan facility a.) further extension of the termination date to 27 December 2027 b.) increase the amount of the financing facility to \$1,500,000k and c.) amend the interest rate to 4.27% per annum.

On 13 September 2023, the Company has decided to increase the share capital of its' wholly owned subsidiary, World Fuel Services France SAS by €5,500k, from €11,665k to €17,165k through the issuance of 5,500,000 new ordinary shares of €1 each. Further, on the same day, the Company has approved a reduction of the share capital by €12,500k, from €17,165k to €4,665k, by offsetting accumulated losses, through the cancellation of 12,500,000 shares.