# World Fuel Services Europe, Ltd.

## Annual Report and Financial Statements

### For the Year Ended 31 December 2023

**Company Number 04846814**

## Company Information

| | |
|---|---|
| **Directors** | Michael John Ranger<br>Richard Donald McMichael |
| **Company secretary** | Reed Smith Corporate Services Limited |
| **Registered number** | 04846814 |
| **Registered office** | 1 Blossom Yard<br>Fourth Floor<br>London<br>E1 6RS |
| **Independent auditor** | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU |

# Contents

# Strategic Report for the year ended 31 December 2023

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 2023.

## 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 providing 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 measure 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 2023 of $2,299.5 million, which decreased from $3,346.4 million in the year ended 31 December 2022, primarily as a result of a decrease in prices and volumes in the marine segment and a decrease in prices in the aviation segment.

Lower revenue of $1,428.9 million in the marine segment in the year ended 31 December 2023 compared to $2,353 million in the year ended 31 December 2022 was driven by a 24% decrease in the average price per metric ton of bunker fuel sold. In addition, total volumes decreased by 20% in the year ended 31 December 2023 compared to the year ended 31 December 2022 primarily due to intensified competition in our resale business.

Revenue decrease in the aviation segment from $993.4 million in the year ended 31 December 2022 to $870.5 million in the year ended 31 December 2023 was driven by lower average prices, partially offset by increased volumes. Average jet fuel price per gallon sold decreased by 19% in the year ended 31 December 2023 compared to the year ended 31 December 2022. Aviation volumes increased by 3%, driven largely by growth in international passenger airline demand offset by the rationalisation of lower-return volume.

The increase in total administrative expenses of $207.5 million from $47.1 million in 2022 to $254.6 million in 2023 was primarily due to an impairment loss that relates to the Company’s investment in Avcard Services (BVI) Ltd. (for further details please refer to note 16).

In the year ended 31 December 2023 the Company had dividend income of $332.4 million (2022: $nil) which primarily consisted of $331 million dividends received from Avcard Services (BVI), Ltd..

# Strategic Report for the year ended 31 December 2023

Finance income includes interest income on several loan receivables as disclosed in note 17 and other finance income. Finance income increased by $6.8 million from $34.9 million in 2022 to $41.7 million in 2023 primarily due to an increase in interest rates, offset by decrease in outstanding principal balances.

Finance expense includes borrowing costs, exchange losses and other finance costs as disclosed in note 12. Finance expense increased by $1.6 million from $37.5 million in 2022 to $39.1 million in 2023 primarily due to increase in other finance costs.

To date market demand has remained depressed in 2024. The current directors continue to work to ensure the business adapts as required to meet all future situations.

## 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 2023 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 financial and non-financial KPIs:

| Financial KPI's | 2023 $'000 | 2022 $'000 | Change $'000 | Change % |
|---|---|---|---|---|
| Revenue | **2,299,460** | 3,346,393 | (1,046,933) | (31)% |
| Profit before income tax | **214,331** | 124,809 | 89,522 | 72 % |

| Non-financial KPI | 2023 '000 | 2022 '000 | Change '000 | Change % |
|---|---|---|---|---|
| Gallons sold | **1,064,429** | 1,238,462 | (174,033) | (14)% |

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

## Non-financial and sustainability information (NFSI) statement

**Governance**

As a global energy management company, World Kinect and its related companies in the Group are committed to operating in a safe, responsible and ethical manner through sound corporate governance that promotes accountability, transparency and engagement with stakeholders. This commitment begins with the World Kinect Board of Directors (the "WKC Board"), which plays a key role in providing oversight of the Group's business practices and related risks, while remaining informed as the Group's operations evolve and new risks emerge over time. The executive leadership team maintains the primary responsibility for setting and delivering on the Group's strategic priorities designed to create long-term sustainable value for all of its stakeholders.

# Strategic Report for the year ended 31 December 2023

The WKC Board has established a framework to regularly review and understand the nature of the material risks faced by the Group in relation to its business strategies and operations. Based upon the information provided by the business leaders responsible for managing these risks, as well as the Group's enterprise risk management ("ERM") programs, the WKC Board evaluates whether the Group's processes, policies and procedures are reasonably designed to respond to and mitigate these risks.

The WKC Board has established a standalone committee comprised entirely of independent directors, which meets quarterly and has the responsibility for overseeing the Group's programs, policies, risks and key initiatives regarding sustainability and corporate responsibility issues and impacts (collectively, "Sustainability Matters"), including climate-related risks and opportunities. Further, this committee is responsible for reviewing and providing input on the Group's strategy, goals and integration of Sustainability Matters into business activities across the Group.

The Group's Chief Sustainability Business Officer, together with business leaders across the organisation, provide regular reports and other insights to the WKC Board and the executive leadership team on topics such as the latest developments in lower and zero-carbon fuels within the transportation sector, the ongoing progress of the Group's customer-facing sustainability solutions and the latest developments in the regulatory environment.

Further, as a member of the Group, the Company's directors have implemented a number of processes and procedures with respect to climate-related risks and opportunities identified through both a "top-down" approach as well as at the subsidiary level upwards. A description of the foregoing framework and related policies and processes can be found in the World Kinect Sustainability Report (the "WKC Report") available on its website at www.world-kinect.com, which does not form a part of this report.

**Risk Assessment and Management**

Business and operational risks are regularly reviewed as part of the Group's ERM program, both at an enterprise Group level at least annually, as well as at a specific business or local subsidiary level as required. In these reviews, senior leadership, together with various business and functional leaders and governing committees, such as the Group's Centers of Excellence for Risk, Supply, and Global Physical Operations, monitor and evaluate operational risks including environmental, health, safety, and climate-related risks that are integrated within the overall Group structure and operations. Additional reviews are conducted as needed on an ad-hoc basis through the Group's Compliance, Regulatory Operations or its Internal Audit function, among others.

The principal purposes of these assessments are to:

- Ensure that risk management efforts are focused and directly linked to underlying business strategy;
- Implement a sustainable and scalable framework to identify, manage and monitor risk;
- Assign responsibility for each risk, put mitigation plans in place and then assess the effectiveness of such mitigation plans; and
- Enhance risk management capabilities for priority risks and continue the development of risk management policies and action plans.

The results of these risk assessments are regularly communicated to the WKC Board. In connection with these reviews and assessments, we have identified a number of potential climate-related risks to our business as outlined below.

## Strategic Report for the year ended 31 December 2023

- **Regulatory Risk:** Climate change continues to be an area of focus at the local, national and international levels. As a result, numerous proposals have been adopted and will likely continue to be made at various levels of governments to monitor and limit GHG emissions, reduce the use of fossil-based fuels and/or incentivise the use of lower carbon alternatives, or require substantial additional and costly disclosure relating to emissions. These include cap-and-trade programs, low carbon fuel standards, carbon taxes, GHG emissions reporting and tracking programs, GHG emissions limitations, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy. In Europe, examples of these regulations applicable to the Company's business include ReFuel EU, which mandates that beginning in 2025, approximately 2% of the aviation fuel supplied by the Company at certain locations must be sustainable aviation fuel (SAF), with increasing percentages thereafter. Furthermore, changes in government can have a significant impact on the application and interpretation of any recently enacted laws and regulations. The foregoing represents a short- to medium-term risk for the Company and its business. The Group has implemented processes and procedures throughout its various risk management functions to assess and analyse changes in the regulatory environment and ensure compliance with applicable laws and regulations. For example, the Company has implemented a number of measures to support its compliance with the recently enacted mandatory reporting and fuel supply requirements in Europe, including mandatory training of its employees, and specific protocols and procedures established through its regulatory operations supply function, among others.

- **Physical Risk:** Potential physical impacts of climate change on our operations are highly uncertain and vary amongst the geographic areas in which we operate. These include changes in rainfall, storm patterns and intensities, hurricanes and rising sea levels, any of which can cause supply disruptions and increased commodity prices. These risks can also impact the Company's physical assets both in the short-term, such as by causing structural damage at a tank farm, as well as in the medium to long-term, as in the case of rising water levels that could impact locations closer to a coastline. Furthermore, since the Company operates in a number of regional airports, the unpredictability and intensity of weather conditions can have an adverse effect on the efficiency of the Company's into-plane fueling operations.

- **Demand-related impacts:** Rising temperatures from climate change can impact the seasonality of the Company's business and the related demand. Furthermore, improvements in technology or fuel efficiency can lead to less demand for conventional fuel products and related services and there have been significant governmental incentives and mandates aimed at transitioning the aviation and marine industries toward renewable and sustainable fuel sources. Automotive, industrial and power generation manufacturers are therefore developing more fuel-efficient engines and alternative clean power systems. The more prevalent these become as a result of governmental incentives or regulations, technological advances, improved pricing or otherwise, the greater the potential negative impact on pricing and demand for the Company's conventional fuel products in the short and medium term. However, at the present time, the aviation and marine sector has generally been transitioning to "drop-in" fuels that utilise the same engines and fueling infrastructure and logistics, such that overall risk this is more of a long-term risk. In order to mitigate many of these demand related impacts, the Group has been reshaping its overall business strategy, including increasing its sales of lower-carbon alternatives and developing a number of sustainability-related solutions for customers and suppliers.

## Strategic Report for the year ended 31 December 2023

- **Other Risks**: Additional risks include geographical and political risks, supply chain disruptions, and reputational harm resulting from climate change and any negative perception of fossil fuels and the energy industry generally. Any adverse publicity in the global marketplace about the potential impact of the Group's activities on climate change could also adversely affect the Group's ability to attract or retain talent, or lead to a reduction in the demand for products that are deemed to contribute to GHGs, which can adversely impact the Group's sales of conventional fuel products. Many of these risks are more likely medium to long-term in nature as the world transitions away from fossil fuels. In order to mitigate these impacts, the Group has been engaging with its customers and other stakeholders and actively participating in the energy transition.

**Strategy**

World Kinect and its related companies in the Group are focused on driving sustainable value for customers, shareholders and the planet. Therefore, climate change presents not only risks but also a wide range of opportunities for the Group to support its customers and supply partners in navigating the energy transition.

As markets change and customers expand the scope of their energy needs, the Directors believe the Company and Group as a whole, are well positioned to have a significant impact on advancing the global energy transition. As such, the Group has been expanding and refining its portfolio of energy solutions, providing customers with greater access to sustainably sourced fuels, sharing its knowledge and best practices across industries, as well as offering mechanisms to compensate for any residual emissions.

The demand for renewable fuels in the aviation and marine sectors continues to grow in Europe. As part of its efforts to provide more sustainable, climate-resilient solutions and products, the Company is working to increase the availability of renewable and lower-carbon fuels, such as renewable diesel (also known as hydrotreated vegetable oil or HVO), biodiesel and sustainable aviation fuel ("SAF"). Renewable diesel and fuels are chemically similar to their conventional petroleum-based counterparts and can therefore be used in existing pipelines, storage tanks, and engines, while producing fewer lifecycle carbon emissions.

The Company is focused on continuing to expand its renewable fuel supply capabilities for its customers. For example, the Company is working with SAF suppliers to provide offtake with the intent to continue expanding its SAF supply capabilities at a number of airports across Europe. This allows the Company to provide a decarbonisation alternative for its customers, while also supporting lower and zero carbon solutions that are still being developed at scale.

As part of its goal to increase transparency across the renewable fuel value chain, the Company also became certified under the International Sustainability & Carbon Certification Scheme (ISCC) in 2023. These accreditations ensure that the renewable fuels the Company supplies meet strict GHG, feedstock, sustainability, and traceability criteria, which is valuable for customers who are looking for assurance that the renewable fuels they purchase meet their sustainability goals. The Company's management believes that through participation in programs like ISCC and others, it will be able to drive demand for renewable fuels and increase emissions transparency across the full lifecycle value chain.

# Strategic Report for the year ended 31 December 2023

**Metrics and Targets**
At World Kinect, the Group recognises the importance of setting near-term, achievable sustainability targets as well as long-term, comprehensive sustainability goals. While the Group has not yet established "net zero" targets in light of the industry sectors it serves and its place in the supply chain as a logistics provider and fuel distributor, it is working on establishing goals and targets aimed at reducing its Scope 1 and 2 carbon emissions. The Group's senior leadership is also working on setting goals for growing renewable fuel and energy volumes, together with developing sustainability solutions to better enable its customers, suppliers, and other stakeholders to achieve their own sustainability goals and thereby reduce GHG emissions for the various participants in the Group's value chain (e.g. Scope 3 – "Use of Sold Products").

## Streamlined Energy and Carbon Reporting

Under the Streamlined Energy and Carbon Reporting (SECR) regulations, in line with UK reporting guidelines, the table below details the UK emissions and energy consumed for the year ended 31 December 2022 and 2023.

The Group tracks and reports GHG emissions on a variety of climate-related metrics, including direct and indirect emissions (Scope 1 and 2) and renewable energy procured on behalf of our customers. GHG emissions are tracked and calculated in accordance with the World Resources Institute and World Business Council for Sustainable Development Greenhouse Gas Protocol (GHG Protocol), as well as the 2019 HM Government Environmental Reporting Guidelines. For purposes of calculating the figures in the table below, the 2021 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 SECR reporting covers only the sites operating within the UK.

Scope 1 relates to Natural Gas and Transport fuel. Natural Gas was calculated using sub-metered energy consumption provided by the landlord, while transport fuel has been calculated using fuel card data and fuel consumed from the Company's own terminals. Where the vehicle fuel type was undefined, the mileage was split assuming 70% Diesel and 30% Petrol. Scope 2 relates to Electricity and was calculated using monthly meter readings from the Company's depot sites. Scope 3 relates to transport usage and was calculated using expense claims, using pence per mile for mileage claims. Where the vehicle fuel type was undefined, the unknown fuel type emission factor was used.

# Strategic Report for the year ended 31 December 2023

| | Units | 2023 | 2022 |
|---|---|---|---|
| Emissions from combustion of gas (Scope 1) | tCO2e | — | — |
| Emissions from combustion of fuel for transport purposes (Scope 1) | tCO2e | — | — |
| Emissions from purchased electricity (Scope 2) | tCO2e | 42.98 | 52.08 |
| Emissions from generation of electricity consumed in a transmission and distribution system for which the Company does not own or control (Scope 3) | tCO2e | 3.72 | 4.76 |
| Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel (Scope 3) | tCO2e | 32.01 | 36.88 |
| Total gross emissions | | 78.71 | 93.72 |
| | | | |
| Energy consumption used to calculate above emissions | kWh | 339,583 | 418,806 |
| Intensity measurement | $’000 Turnover | 2,299,460 | 3,346,393 |
| Intensity ratio | tCO2/$M | 0.03 | 0.03 |

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 the Group is discussed in the World Kinect Report, which does not form part of this report.

The Company and its directors are committed to doing their part to reduce emissions in the Company’s operations. These initiatives generally include improving fuel economy in its fueling equipment and in certain cases, electrifying equipment. In addition, the Company also aims to source renewable power for all of its European operations through renewable energy certificates and other available alternatives.

## 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 that we believe are vital to preventing workplace incidents. These rules are designed to ensure we execute our operations safely and securely for all our stakeholders.

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, regularly measure, audit and report on our performance, and investigate near misses and incidents to determine root causes to prevent similar incidents from occurring in the future. We also expect our contractors to manage HSE matters in line with our policies and strive to maintain an open dialogue with our stakeholders and 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 2023, 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:

## Strategic Report for the year ended 31 December 2023

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.world-kinect.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 2023, 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 declared an in-kind dividend to its sole shareholder WFS UK Holding Company II Limited for an amount of $600 million;
- The Company increased the share capital of its' wholly owned subsidiary, World Fuel Services France SAS by €5.5 million ($5.9 million) and approved a reduction of the share capital by €12.5 million ($13.4 million), to cover accumulated losses. Subsequently the Company contributed its entire shareholding in World Fuel Services France SAS to its subsidiary, WFS Netherlands Holding BV. The fair market value of the shares in World Fuel Services France SAS was $35.5 million. The investment was held at cost of $18 million and therefore the Company recognised other comprehensive income of $17.5 million. For further details please refer to note 16;
- The Company performed an assessment on the recoverability of its investments during the year ended 31 December 2023. As a result, the Company recorded:
    - An impairment loss reversal of $11.1 million relating to its investment in World Fuel Services Italy S.R.L, increasing the carrying value of this investment to $55 million (note 16);
    - An impairment loss of $194.8 million relating to its investment in Avcard Services (BVI), Ltd decreasing the carrying value of this investment to $241.3 million (note 16)
- Ongoing financial reviews and resource management in order to protect the Company's financial position; and
- Communication and ongoing review of health and safety guidelines.

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; and

# Strategic Report for the year ended 31 December 2023

- 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 $212.9 million (2022: $114.2 million). At 31 December 2023 the Company has net current liabilities of $221.8 million (2022: net current assets of $372.4 million) and net assets of $398.4 million (2022: $768 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 2023, 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 2023, 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: 30 September 2024

# Directors' Report for the year ended 31 December 2023

## Directors

The Directors who served during the financial year ended 31 December 2023 and up to the date of signing the financial statements are as follows:

Richard Donald McMichael
Paul Thomas Vian (resigned 14 November 2023)
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 2023 and as at the date of approval of the Annual Report.

## Dividends

The Company paid an interim dividend for the year ended 31 December 2023 of $600 million (2022: $nil). No final dividend is proposed for the year ended 31 December 2023 (2022: $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 2023 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 2023

**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 given that certain loans with related parties bear interest at variable rates (note 17 and 21). An increase in interest rates could mean an increase in interest payable and interest receivable. A decrease in interest rates 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 2023

**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

Subsequent to the year end, with an effective date of 1 January 2024, the Company as lender and WFL (UK) Limited as borrower have agreed to amend the interest rate for the existing $25,000k loan facility from USD LIBOR + 3.5% per annum to 7.49% per annum.

On 28 August 2024, with an effective date of 29 December 2023, the Company has entered into an agreement amendment of its $12,000k loan to WFS UK Holding Company III Limited. The maturity date was extended from 29 December 2023 to 29 December 2026 and the interest rate was amended from USD Libor +3.5% per annum to 6.61% per annum, with the principal being due at the extended maturity date and interest payable annually.

On 3 September 2024, the Company as a borrower and Nordic Camp Supply ApS as lender have agreed to change the repayment date to 31 March 2024. Further it was agreed to postpone the repayment of the existing loan facility to 30 September 2024. In September 2024, the principal and all associated interest were settled.

Subsequent to the year end, the Company agreed to extend the loans with a related company, Quintessentially (UK) Limited until 28 February 2025.

## 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 25). 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 2023

## Statement of Corporate Governance

The Company's Ultimate Parent Undertaking, World Kinect Corporation (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. The Group is committed to doing the right thing in all that it does, by continuing to conduct its business in a safe and responsible manner, while maintaining the trust that it has built up among its key stakeholders, and continuing to implement its plans to grow its business and continue its success in a sustainable manner. 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. The Group continues to work to support customers' core energy requirements by providing comprehensive energy solutions and assisting them as they work to meet their short and long-term sustainability and emissions reduction goals.

- Board Composition: The composition of the Company's board of directors is regularly reviewed to ensure that its 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 2023

- 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 1) 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: 30 September 2024

# Directors' Responsibilities Statement for the year ended 31 December 2023

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.

# 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 2023 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 2023 which comprise Statement of Comprehensive Income, Balance Sheet, 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.

**Climate change**

The Company has a requirement to explain its principal risks and uncertainties as well as the Company's commitments regarding climate change in response to these. The risks and uncertainties are explained in the Non-financial and sustainability information (NFSI) statement within the Strategic Report. The climate commitments of the Company are also explained within this section.

All of these disclosures are part of the "Other information" rather than the audited financial statements. Our procedures on these unaudited disclosures, therefore, consisted solely of whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

Our work on the assessment of potential impacts of climate-related risks on the Company's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Company operates and how climate change affects this particular sector;
- Enquires and challenge of the Company's Chief Sustainability Business Officer to understand the action taken by the Company to identify and address climate-related risks and opportunities and the potential impact of these on the financial statements, and adequate disclosure of these within the Annual report; and
- Review of the minutes of Board minutes and other papers related to climate change and performance of a risk assessment as to how the impact of the Company's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of managements disclosures included as Other Information on page 2 with the financial statements and with our knowledge obtained from the audit.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, 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.

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.

*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; and
- 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) and the Companies Act 2006.

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 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 meetings 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; and
- 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 meetings 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;
- 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 the Existence of Revenue, Management Override of Controls, specifically over Manual Journal Entries and the recognition of Related Party Transactions on an arms' length basis.

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;
- Revenue cut off procedures pre and post year end, agreeing revenue generated to supporting documentation;
- Assessing any manual journal entries made to Revenue for reasonableness and agreeing to supporting documentation;
- Performance of audit procedures that specifically address the existence of revenue, which included obtaining sales invoices, goods delivered notes and cash receipt evidence;
- Verification of cash receipts post year end for a sample of trade receivables outstanding as at the balance sheet date, and agreement to underlying supporting documentation;
- A review of minutes of meetings held during the year to identify any suspected or known instances of fraud;
- Review of related party relationships and associated transactions identified by management, and an assessment of the completeness of potential related party relationships and transactions;
- Verification and review of transactions during the year, as well as associated disclosures, with related parties and the associated transactions, including outstanding balances as at the year end date, to ensure these are at arms' length;
- Assessing significant estimates made by management for bias as disclosed in Note 4 and verifying assumptions made to supporting documentation; 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:
Joseph Aswani
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Joseph Aswani (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 30 September 2024

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 2023

| | Note | 2023 $'000 | 2022 $'000 |
|---|---|---|---|
| Revenue | 5 | **2,299,460** | 3,346,393 |
| Cost of sales | | **(2,165,466)** | (3,171,842) |
| **Gross profit** | | **133,994** | 174,551 |
| | | | |
| Administrative expenses | | **(254,643)** | (47,113) |
| **Operating (loss) / profit** | 6 | **(120,649)** | 127,438 |
| | | | |
| Dividend income | 10 | **332,375** | — |
| Finance income | 11 | **41,730** | 34,893 |
| Finance expense | 12 | **(39,125)** | (37,522) |
| **Profit before taxation** | | **214,331** | 124,809 |
| | | | |
| Income tax expense | 13 | **(1,477)** | (10,603) |
| **Profit for the financial year after taxation** | | **212,854** | 114,206 |
| | | | |
| Other comprehensive income | 16 | **17,492** | — |
| **Total comprehensive income for the year** | | **230,346** | 114,206 |

All amounts presented for the year ended 31 December 2023 and 31 December 2022 relate to continuing operations.

The notes on pages 24 to 50 form part of these financial statements.

# Balance Sheet as at 31 December 2023

**Registered number: 04846814**

| | Note | 2023 $'000 | 2022 $'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 14 | **2,549** | 6,068 |
| Property, plant and equipment | | **950** | 1,080 |
| Deferred tax assets | 15 | **7,754** | 6,849 |
| Investments | 16 | **388,836** | 549,130 |
| Other facilities with group undertakings | 17 | **201,632** | 25,000 |
| Other non-current assets | 18 | **18,942** | 21,718 |
| | | **620,663** | 609,845 |
| **Current assets** | | | |
| Other facilities with group undertakings | 17 | **62,882** | 903,480 |
| Inventory | 19 | **15,229** | 17,346 |
| Income tax receivable | | **15,443** | 13,483 |
| Trade and other receivables | 20 | **904,758** | 1,053,231 |
| Cash and cash equivalents | | **96,581** | 8,937 |
| | | **1,094,893** | 1,996,477 |
| **Total assets** | | **1,715,556** | 2,606,322 |
| **Non-current liabilities** | | | |
| Borrowings | 21 | **—** | 213,653 |
| Lease obligations | | **520** | 547 |
| | | **520** | 214,200 |
| **Current liabilities** | | | |
| Borrowings | 21 | **248,136** | 236,961 |
| Trade and other payables | 22 | **1,068,540** | 1,387,147 |
| | | **1,316,676** | 1,624,108 |
| **Total liabilities** | | **1,317,196** | 1,838,308 |
| **Net current (liabilities) / assets** | | **(221,783)** | 372,369 |
| **Net assets** | | **398,360** | 768,014 |
| **Equity** | | | |
| Share capital | 24 | **—** | — |
| Share premium | 24 | **2,618** | 2,618 |
| Retained earnings | 24 | **378,250** | 765,396 |
| Other reserves | 24 | **17,492** | — |
| **Total shareholder's funds** | | **398,360** | 768,014 |

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

**Richard Donald McMichael**
Director
Date: 30 September 2024

The notes on pages 24 to 50 form part of these financial statements.

# Statement of Changes in Equity for the year ended 31 December 2023

| | Share capital $'000 | Share premium $'000 | Retained earnings $'000 | Other reserves $'000 | Total shareholder's funds $'000 |
|---|---|---|---|---|---|
| **Balance at 1 January 2022** | — | 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 |
| Dividend distribution | **—** | **—** | **(600,000)** | **—** | **(600,000)** |
| Profit for the financial year after taxation | **—** | **—** | **212,854** | **—** | **212,854** |
| Other comprehensive income for the year (note 16) | **—** | **—** | **—** | **17,492** | **17,492** |
| **Balance at 31 December 2023** | **—** | **2,618** | **378,250** | **17,492** | **398,360** |

On 20 December 2023, the Company declared an interim in-kind dividend to its sole shareholder WFS UK Holding Company II Limited for an amount of $600,000k comprised of the receivable loan from World Kinect Corporation (note 17).

The notes on pages 24 to 50 form part of these financial statements.

# Notes to the Financial Statements for the year ended 31 December 2023

## 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, (the "Ultimate Parent Undertaking"), incorporated in the state of Florida, in the United States of America.

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 providing 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 management to exercise judgement in applying the Company's accounting policies (note 4).

The following principal accounting policies, 3.2 through 3.22, 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);
- the requirements of Section 7 ‘Statement of Cash Flows’;
- the requirements of Section 3 ‘Financial Statement Presentation paragraph’ 3.17(d);

# Notes to the Financial Statements for the year ended 31 December 2023

- 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 2023 and these financial statements may be obtained from World Kinect Corporation, 9800 NW 41st Street, Miami, Florida USA 33178 or are readily available from the Investor Relation section of the World Kinect Corporation website.

**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 or are readily available from the Investor Relation section of the World Kinect Corporation website.

**3.4 Going concern**

The Company's profit after tax for the financial year was $212.9 million (2022: $114.2 million). At 31 December 2023 the Company has net current liabilities of $221.8 million (2022: net current assets of $372.4 million) and net assets of $398.4 million (2022: $768 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 2023, 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 2023, 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 2023

**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 and when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the Company will receive the consideration due under the contract.

**3.7 Interest income**

All interest income are recognised in the Statement of Comprehensive Income in the period in which they relate to using the effective interest method.

**3.8 Interest expense**

All interest expenses are recognised in the Statement of Comprehensive Income in the period in which they are incurred using the effective interest method.

# Notes to the Financial Statements for the year ended 31 December 2023

**3.9 Dividend income**

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

**3.10 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.

**3.11 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:

## Notes to the Financial Statements for the year ended 31 December 2023

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.

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.

### 3.12 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 paid, 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.

### 3.13 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, up to the original cost recorded for the asset.

# Notes to the Financial Statements for the year ended 31 December 2023

**3.14 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.

**3.15 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.

During the current and prior year, the Company is only party to operating leases. The Company has not entered into any finance leases during the current year, or in the comparative period

(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

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs incurred in negotiating and arranging the lease are included in the cost of the asset. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for indicators of impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

## Notes to the Financial Statements for the year ended 31 December 2023

**3.16 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.

**3.17 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, up to the original cost recorded for the asset.

**3.18 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. The cost of inventory includes fuel purchase costs and any related transportation or distribution costs.

**3.19 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.

**3.20 Financial instruments**

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

## Notes to the Financial Statements for the year ended 31 December 2023

(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.

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 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.

**3.21 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 2023

### 3.22 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. Judgements 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 2023

*Carrying value of investments*

The Company assesses indicators of impairment to its investments annually. When indicators are present, management derives an estimate of the recoverable value of the Company's investment. When assessing impairment of investments, management considers factors including changes in market and industry conditions, operational performance and profitability, historical experience or other relevant factors impacting the subsidiary's carrying value.

During the period, following an assessment and conclusion of indicators of impairment being present, management have derived the recoverable value of the Company's subsidiary investments using various recoverable value techniques, depending on the trade and underlying nature of the entity. This includes a combination of present value of discounted cash flows, or, where it is more appropriate, the net assets as at the balance sheet date.

*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 other facilities with group undertakings*

The Company makes an estimate of the recoverable value of other facilities receivable from group undertakings. When assessing impairment of these receivables, 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.

*Amounts due from group undertakings (non-current)*

The Company has entered into a line of credit agreement with a related party during the prior year. The Company considers a number of estimates when entering into these line of credit agreements to ensure that they are conducted on arms' length basis with interest being charged in line with relevant market conditions. When assessing whether line of credit agreements 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 world wide Group.

*Amounts owed to group undertakings*

The Company has intercompany payables, which it expects will be settled without a reduction to the principal amount owed to the fellow Group undertakings. In assessing the Company's ability to repay these amounts to the Group undertakings when called for, management considers factors including current market and industry conditions, as well as historical experience of the group's financing arrangements.

# Notes to the Financial Statements for the year ended 31 December 2023

*Borrowings from group companies*

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 notes 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 worldwide Group.

## 5. Revenue

An analysis of revenue by market is as follows:

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Marine | **1,428,944** | 2,353,024 |
| Aviation | **870,516** | 993,369 |
| | **2,299,460** | 3,346,393 |

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

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| United Kingdom | **180,268** | 190,093 |
| Rest of Europe | **2,037,938** | 3,032,129 |
| Rest of the World | **81,254** | 124,171 |
| | **2,299,460** | 3,346,393 |

## 6. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Depreciation | **230** | 464 |
| Operating lease charges | **1,263** | 515 |
| Impairment of trade receivables | **1,045** | 1,351 |
| Impairment of investment/(Reversal of impairment) in subsidiary (note 16) | **183,700** | (22,273) |
| Amortisation of intangible assets (note 14) | **3,519** | 3,569 |
| Audit fees payable to the Company's auditors | | |
| – For the audit of the Company's annual financial statements | **135** | 221 |

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 2023 (2022: $12k).

# Notes to the Financial Statements for the year ended 31 December 2023

## 7. Employee costs

Particulars of employee costs are as follows:

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Wages and salaries | **34,605** | 35,661 |
| Social security costs | **4,609** | 4,844 |
| Other pension costs | **1,040** | 1,139 |
| | **40,254** | 41,644 |

Other pension costs for the year ended 31 December 2023 and 31 December 2022 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 2023 and 31 December 2022 were as follows:

| | 2023 No. | 2022 No. |
|---|---|---|
| Commercial | **207** | 154 |
| Corporate | **106** | 128 |
| Operations | **34** | 40 |
| | **347** | 322 |

## 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 2023 of $1,963k (2022: $1,280k). 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 2023 (2022: no restricted share grants).

**Restricted Stock Unit (‘RSU’) Awards**

There were 124,533 RSU's granted during the year ended 31 December 2023 (2022: 171,146).

# Notes to the Financial Statements for the year ended 31 December 2023

## 9. Directors' Remuneration

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Aggregate remuneration | **2,418** | 1,915 |
| Company contributions to defined contribution pension scheme | **4** | 2 |
| | **2,422** | 1,917 |

The number of Directors who:

| | 2023 No. | 2022 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 |

The highest paid Director's emoluments were as follows:

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Aggregate remuneration | **1,410** | 958 |
| Company contributions to defined contribution pension scheme | **—** | — |
| | **1,410** | 958 |

The highest paid director received shares under the long-term incentive scheme (2022 - one) and exercised share options in exchange for shares during the year (2022 - one).

## 10. Dividend income

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Dividend income | **332,375** | — |

During the year ended 31 December 2023, the Company has recognised dividend income of $331,000k from Avcard Services (BVI) Ltd. and $1,375k from PPT Aviation Services Limited. Dividend from Avcard Services (BVI) Ltd. was settled by transfer of $331,000k receivable from WFS UK Finance Limited.

## 11. Finance income

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Interest on other facilities with group undertakings (note 17) | **37,932** | 30,298 |
| Interest receivable on intercompany balances | **3,228** | 3,881 |
| Other finance income | **570** | 714 |
| | **41,730** | 34,893 |

# Notes to the Financial Statements for the year ended 31 December 2023

## 12. Finance expense

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Interest on borrowings (note 21) | **19,748** | 22,942 |
| Interest on other facilities with group undertakings (note 17) | **1,587** | — |
| Other financing costs | **14,418** | 9,366 |
| Interest payable on intercompany balances | **346** | 264 |
| Foreign exchange loss | **3,026** | 4,950 |
| | **39,125** | 37,522 |

## 13. Income tax

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Current taxation:** | | |
| UK corporation tax on profit in the year | **2,751** | 12,599 |
| Adjustments in respect of previous years | **(369)** | 913 |
| **Total current taxation** | **2,382** | 13,512 |
| | | |
| **Deferred taxation:** | | |
| Originating and reversal of timing differences (note 15) | **(905)** | (2,909) |
| **Total deferred taxation** | **(905)** | (2,909) |
| | | |
| **Total tax expense on profit for the year** | **1,477** | 10,603 |

**Factors affecting tax expense for the year**

The blended rate of tax applied to the reported profit on activities is 23.5% (2022: standard rate of 19%). The differences between the total tax charge shown above and the amount calculated by applying the blended rate of UK Corporation tax to the profit before tax is as follows:

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Profit on ordinary activities before tax | **214,331** | 124,809 |
| Profit on ordinary activities multiplied by blended rate of corporation tax in the UK of 23.5% (2022: Standard rate of 19%) | **50,368** | 23,714 |
| Effects of: | | |
| Timing differences | **(168)** | (2,401) |
| Items not deductible - Dividend income | **(78,108)** | — |
| Items not deductible - Impairment of investments in subsidiaries | **43,169** | — |
| Permanent differences - items not deductible | **1,624** | 767 |
| Group losses claimed for nil consideration | **(15,039)** | (12,390) |
| Adjustments in respect of previous years | **(369)** | 913 |
| **Total tax expense for the year** | **1,477** | 10,603 |

# Notes to the Financial Statements for the year ended 31 December 2023

**Factors affecting current and future tax charges**

The main rate of corporation tax increased from 19% to 25% with effect from 1 April 2023 pursuant to the Finance Act 2021 which was substantively enacted on 24 May 2021. For the year ended 31 December 2023, a blended rate of 23.5% has been used since the main rate changed part way during the financial year.

## 14. Intangible assets

The net book value of the Company's intangible assets as at 31 December 2023 is presented below:

| | Cost $'000 | Accumulated amortisation $'000 | Net book value $'000 |
|---|---|---|---|
| **Goodwill** | | | |
| At 1 January 2023 | 70,813 | (64,745) | 6,068 |
| Amortisation | — | (3,519) | (3,519) |
| **At 31 December 2023** | **70,813** | **(68,264)** | **2,549** |
| | | | |
| **Identified intangibles** | | | |
| At 1 January 2023 | 1,493 | (1,493) | — |
| **At 31 December 2023** | **1,493** | **(1,493)** | **—** |
| | | | |
| **As at 31 December 2023** | **72,306** | **(69,757)** | **2,549** |
| **As at 31 December 2022** | 72,306 | (66,238) | 6,068 |

## 15. Deferred tax assets

| | Accelerated tax depreciation $'000 | Share based compensation $'000 | Intangible assets $'000 | Other $'000 | Total $'000 |
|---|---|---|---|---|---|
| **At 1 January 2022** | (322) | 844 | 3,884 | (466) | 3,940 |
| Credited/(charged) to income statement | (457) | 365 | 2,092 | 909 | 2,909 |
| **At 31 December 2022** | (779) | 1,209 | 5,976 | 443 | 6,849 |
| Credited/(charged) to income statement | 546 | (113) | 844 | (372) | 905 |
| **At 31 December 2023** | **(233)** | **1,096** | **6,820** | **71** | **7,754** |

# Notes to the Financial Statements for the year ended 31 December 2023

## 16. Investments

| | Shares in subsidiary undertakings $'000 |
|---|---|
| **Cost** | |
| As at 1 January 2023 | 560,241 |
| Additions | 23,406 |
| **As at 31 December 2023** | **583,647** |
| | |
| **Accumulated impairment** | |
| As at 1 January 2023 | (11,111) |
| Impairment reversal | 11,111 |
| Impairment | (194,811) |
| **As at 31 December 2023** | **(194,811)** |
| | |
| **Net book value 31 December 2023** | **388,836** |
| Net book value 31 December 2022 | 549,130 |

On 13 September 2023, the Company increased the share capital of its wholly owned subsidiary, World Fuel Services France SAS by €5,500k ($5,914k), from €11,665k ($12,094k) to €17,165k ($18,008k) through the issuance of 5,500,000 new ordinary shares of €1 each. Further, on the same day, the Company 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. This reduction of share capital had no impact to the cost of investment in the Company's subsidiary.

On 28 December 2023, the Company contributed its entire shareholding in World Fuel Services France SAS, representing 100% of the issued shares, to its subsidiary, WFS Netherlands Holding BV, in exchange of 1000 new ordinary shares. The fair market value of the shares in World Fuel Services France SAS were $35,500k. The investment was held at cost of $18,008k and therefore the Company recognised other comprehensive income of $17,492k, as well as an increase in the Company's investment in the subsidiary for the same amount.

On 20 December 2023, the Company received a dividend from its wholly owned subsidiary Avcard Services (BVI), Ltd amounting to $331,000k. As a result of the dividend, the carrying value of its investment in Avcard Services (BVI), Ltd decreased to $241,289k, therefore the Company recorded an impairment loss of $194,811k.

During the year ended 31 December 2023, 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: changes in market conditions, operational performance and profitability, or other relevant factors impacting the subsidiary's carrying value. These estimates involve a degree of judgement and uncertainty and are consistent with the Company's accounting policies for impairment assessments. As a result of this assessment, $11,111k of the previous impairment was 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.

## Notes to the Financial Statements for the year ended 31 December 2023

The following entities are wholly owned by the Company:

| Name of Company | Principal business activities | Registered address | Percentage of ownership |
|---|---|---|---|
| World Fuel Services Aviation Limited | Aviation fuel | 1 Blossom Yard, Fourth Floor, London, E1 6RS, United Kingdom | 100% |
| Kinect Energy UK Limited | Energy management | 1 Blossom Yard, Fourth Floor, London, E1 6RS, United Kingdom | 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 | 1 Blossom Yard, Fourth Floor, London, E1 6RS, United Kingdom | 100% |
| Avcard Services (BVI), Ltd. | Oil trading | Level 1, Palm Grove House, Wickham's Cay I , Road Town, Tortola, British Virgin Islands | 100% |
| NCS UK Holding Co. Limited | Dormant | 1 Blossom Yard, Fourth Floor, London, E1 6RS, United Kingdom | 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 | Registered address | Percentage of ownership |
|---|---|---|---|
| World Fuel Services Pakistan (Pvt.) Limited | Oil trading | Suite 4, 35-C Badar Commercial, Street 1, DHA-V, Karachi, 75500, Pakistan | 1.00% |
| World Fuel Services CZ S.r.o. | Oil trading | Prague 8, Karlin, 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% |
| 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. 0. 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% |

## Notes to the Financial Statements for the year ended 31 December 2023

| Name of Company | Principal business activities | Registered address | Percentage of ownership |
|---|---|---|---|
| Tramp Oil & Marine (Argentina) S.R.L. | Oil trading | Juan Maria Gutierre, 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 Gutierre, 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 2023:

| Name of Company | Immediate parent | Principal business activities | Registered address | Percentage of ownership |
|---|---|---|---|---|
| WF Aviation Services SAS | WFS Netherlands Holding B.V | Provision of manpower services | Gare De Lyon, 37-39 Av Ledr u Rollin, Paris 12, 75012, France | 100% |
| World Fuel Services France SAS | WFS Netherlands Holding B.V | Aviation fuel | 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 | 1 Blossom Yard, Fourth Floor, London, E1 6RS, United Kingdom | 100% |
| Orchard Energy Limited | Orchard (Holdings) UK Limited | Energy broker | 1 Blossom Yard, Fourth Floor, London, E1 6RS, United Kingdom | 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 Boulevar, San Jose, 5173-1000, Costa Rica | 100% |
| World Fuel Services Trading DMCC | AVCARD Services (BVI), Ltd. | Oil trading | Unit No: 1406 - A JBC3, Plot No: JLT-PH2-Y1A, Jumeirah Lake Towers, Dubai, United Arab Emirates | 100% |
| Trans-Tec international S.R.L. | AVCARD Services (BVI), Ltd. | Oil Trading | Sabana Business Centre, Piso 11, 68th Street and Boulevar, San Jose, 5173-1000, Costa Rica | 100% |
| World Fuel Services (Bahamas) LLC | World Fuel International S.R.L. | Oil Trading | GTC Corporate Services Limited, Sassoon House, Shirley Street and Victoria Av enue, City of Nassau , SS-53 83, Bahamas | 100% |

The followings entities are partly owned by the Company's subsidiaries as at 31 December 2023:

## Notes to the Financial Statements for the year ended 31 December 2023

| Name of Company | Immediate parent | Principal business activities | Registered address | Percentage of ownership |
|---|---|---|---|---|
| Tramp Oil & Marine (Argentina) S.R.L. | Tramp Oil & Marine (Chile) Limitada | Oil trading | Juan Maria Gutierre, 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 Gutierre, 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 | P.H. Dream Plaza, 9th floor, Centenario Avenue, Costa d el Este, Juan Diaz District, P anama City, Panama | 50% and 50%* |
| World Fuel Services International (Panama) LLC | World Fuel Cayman Holding Company IV | Oil trading | P.H. Dream Plaza, 9th floor, Centenario Avenue, Costa d el Este, Juan Diaz District, P anama City, Panama | 50% and 50%* |
| WFL Mozambique, LDA | World Fuel Services Trading DMCC | Oil trading | Urban District 1, Sommerschield 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% |

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

# Notes to the Financial Statements for the year ended 31 December 2023

## 17. Other facilities with group undertakings

| | Current $'000 | Non-current $'000 |
|---|---|---|
| **Balance at 31 December 2022** | 903,480 | 25,000 |
| Transfer to non-current (see *Note A* below) | (15,000) | 15,000 |
| Transfer to non-current (see *Note B below*) | (826,470) | 826,470 |
| Net repayments in the year (see *Note B below*) | — | (164,470) |
| Loan split and distribution (see *Note B below*) | — | (600,000) |
| Additions in the year (see *Note C* below) | — | 99,632 |
| Currency revaluation (see *Note D* below) | 872 | — |
| **Balance at 31 December 2023** | **62,882** | **201,632** |

**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 $2,246k (2022: $1,125k). The loan had accrued interest receivable outstanding at 31 December 2023 of $nil (2022: $8,968k). 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. Subsequent to the year end, effective 1 January 2024, the interest rate was amended to 7.49% per annum.

*Note A*

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. Effective 21 October 2023 the parties had agreed to update the fixed interest rate to 7.33% per annum and extend the loan for a period of 5 years ending on 21 October 2028. The Company recognised interest income during the year of $792k (2022: $722k). There was no accrued interest outstanding at 31 December 2023 or 31 December 2022.

*Note B*

The Company had a loan facility with the Ultimate Parent Company, World Kinect Corporation, with a maximum of $850,000k, bearing interest at 2.11% annually and maturing on 27 December 2022. During the year, with an effective date of 27 December 2022, the parties had agreed to a.) a further extension of the termination date to 27 December 2027 b.) an increase the amount of the financing facility to $1,500,000k and c.) amend the interest rate to 4.27% per annum. Since the maturity date has been extended to 27 December 2027, this balance was moved to non-current. As at 31 December 2022 a balance of $826,470k and accrued interest receivable of $70,360k was outstanding under the loan facility. The accrued interest receivable was presented in interest receivable on loan notes within trade and other receivables within the prior year since the interest was due within 12 months of the balance sheet date. This balance has decreased by $164,470k during the year due to activity during the period.

On 19 December 2023 the parties had agreed to split the existing loan facility, with the outstanding principal and accrued interest balance of $662,977k, into three separate agreements as follows:

- Split loan agreement I of $600,000k which bears interest at 6.2% per annum payable quarterly and has a maturity date of 19 December 2028;

## Notes to the Financial Statements for the year ended 31 December 2023

- Split loan agreement II of $62,000k, which bears interest at 6.2% per annum payable quarterly and has a maturity date of 19 December 2028;
- Enter into a Line of credit agreement with a maximum drawdown limit of $500,000k, which bears interest of 6.2% per annum, payable quarterly and a maturity date of the principal of 19 December 2028.

On 20 December 2023, the Company declared an in-kind dividend to its sole shareholder WFS UK Holding Company II Limited for an amount of $600,000k comprised of the Split loan agreement I.

As at 31 December 2023, a balance of $62,000k (2022: $nil) along with accrued interest receivable of $124k (2022: $nil) is outstanding on Split loan agreement II. During the year the Company recognised interest income of $29,006k (2022: $14,039k) on the loan facility before the split and $124k on Split loan agreement II.

*Note C*

Effective 15 December 2022, the Company entered into a line of credit agreement 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. The agreement serves as a line of credit allowing the Company to lend funds through deposits or borrow funds, up to an aggregate principal amount of $250,000k. The line of credit allows the Company to borrow, repay and redraw, as necessary, during the term of the agreement and, if any, any payment must be first applied to any amount of interest accrued.

No interest has been applied on outstanding balances under this agreement between 1 January 2023 and 30 June 2023 due to this being the transitional period as agreed between both parties. Beginning 1 July 2023, the Company pays or receives interest from UK FINCO based on the outstanding net position at the end of the period. Net deposits bear interest at a rate equal to the interest received for outstanding time deposits by UK Monetary Financial Institutions as published by The Bank of England, and outstanding net borrowings bear interest at this rate plus 0.25%.

The Company had net deposits with UK FINCO of $99,632k at 31 December 2023 (2022: net borrowings of $213,653k), and recognised interest income of $822k on its net deposits and interest expense of $1,587k on its net borrowing during the year ended 31 December 2023 (2022: $nil).

**Amounts due within one year (current)**

As at 1 January 2023 the Company had outstanding loan receivable with a related company, The Lubricant Company Limited, with the maturity date of 28 August 2023 and an interest rate equal to one-year USD LIBOR + 2.5% per annum and interest payable annually. Effective 28 August 2023 the parties had agreed to further extend the period for 1 year and 4 months ending 28 December 2024 and update the interest rate to be fixed at 6.2%. The Company recognised interest income during the year of $2,426k (2022: $12,984k) and as at year end there is an outstanding principal amount of $35,233k (2022: $35,233k). Principal and interest are due at the maturity date, however interest was settled during the period.

On 29 December 2015, the Company entered into a loan of $12,000k with a related company, WFS UK Holding Company III Limited, which was initially repayable on 29 December 2020. On this date, the maturity date was extended to 29 December 2023. Subsequent to the year end, effective 29 December 2023, the maturity date was further extended for another three years to 29 December 2026, and the interest rate was amended from a rate of USD Libor +3.5% per annum to 6.61% per annum, with the principal being due at the extended maturity date and interest payable annually. The Company recognised interest income during the year of $1,115k (2022: $133k). The loan had accrued interest receivable outstanding at 31 December 2023 of $4,241k (2022: 3,126k).

# Notes to the Financial Statements for the year ended 31 December 2023

*Note D*

As of 31 December 2023, the Company has two loan receivable agreements with a related company, Quintessentially (UK) Limited that matured on 31 July 2024 and bear interest based on Bank of England's base rate of lending + 6% per annum. The total outstanding principal was £12,500k ($15,911k) (2022: £12,500k ($15,121k)) and accrued interest was £2,455k ($3,125k) (2022: £1,329k ($1,608k)). The outstanding balance has increased by $872k during the year due to movements in foreign exchange as the loans are denominated in GBP. The Company recognised interest income during the year of £1,125k ($1,401k) (2022: £748k ($916k)). The Company has since agreed to extend the loans until 28 February 2025.

## 18. Other non-current assets

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Prepayments | **18,525** | 21,659 |
| Deposits | **417** | 59 |
| | **18,942** | 21,718 |

## 19. Inventory

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Marine fuel | **5,752** | 10,308 |
| Aviation fuel | **9,477** | 7,038 |
| | **15,229** | 17,346 |

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

## 20. Trade and other receivables

| | 2023 $'000 | 2022 $'000 |
|---|---|---|
| Trade receivables | **71,363** | 102,318 |
| Less: provision for impairment of receivables | **(879)** | (747) |
| **Trade receivables – net** | **70,484** | 101,571 |
| Value added tax receivable | **22,485** | 23,468 |
| Amounts due from group undertakings | **797,835** | 838,520 |
| Interest receivable on loan notes | **7,438** | 84,026 |
| Other current assets | **1,397** | 499 |
| Prepayments and accrued income | **5,119** | 5,147 |
| | **904,758** | 1,053,231 |

As at 31 December 2023, the Company sold receivables under the RPAs with an aggregate face value of $63,598k (2022: $58,865k) and has consequently derecognised these receivables as at the Balance Sheet date, and recognised RPAs fees of $6,565k (2022: $6,197k) for the year ended 31 December 2023.

# Notes to the Financial Statements for the year ended 31 December 2023

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 in 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.

## 21. Borrowings

| | Current $'000 | Non-current $'000 |
|---|---|---|
| **Balance at 31 December 2022** | 236,961 | 213,653 |
| Repayment of line of credit (see note 17) | — | (213,653) |
| Net additions (see *Note A* below) | 13,794 | — |
| Net repayments (see *Note B* below) | (3,237) | — |
| Currency revaluation (see *Note C* below) | 618 | — |
| **Balance at 31 December 2023** | **248,136** | **—** |

**Amounts owed within one year (current)**

*Note A*

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. The loan includes a maximum borrowing by the Company of $200,000k (disregarding any capitalised interest). The loan facility bears interest of Bank of America prime rate + 0.75% per annum. The Company had outstanding borrowings, including capitalised interest, under the loan facility of $208,827k at 31 December 2023 (2022: $195,033k). This balance has increased by $13,794k during the year due to activity during the period. The Company recognised interest expense on borrowings during the year ended 31 December 2023 of $18,019k (2022: $10,837k). Subsequent to the year end, the parties have agreed to change the repayment date to 31 March 2024. Further it was agreed to postpone the repayment of the loan facility until 30 September 2024. In September 2024, the principal and all associated interest were settled.

# Notes to the Financial Statements for the year ended 31 December 2023

*Note B*

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 neither, the term extends in one year periods. As at 31 December 2023, the Company had a repayable date of 1 March 2024 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. This balance has decreased by $3,237k during the year due to activity during the period. The Company had outstanding borrowings under the financing facility of $18,893k at 31 December 2023 (2022: $22,130k). The Company recognised interest expense on borrowings during the year ended 31 December 2023 of $611k (2022: $11,888k). Subsequent to the year end, since neither party has elected to notify the other, the current repayable date for this facility is 1 March 2025 in line with the terms of the facility.

*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 initial term ending on 1 November 2023 that will automatically renew for one-year periods unless either party notifies the other in advance that it does not intend to renew the facility. As at 31 December 2023, since neither party has elected to notify the other, the Company had a repayable date of 1 November 2024 with a maximum borrowing facility of €50,000k ($55,180k) (2022: €50,000k ($53,510k)). Interest is determined at one-year Euribor + 2.5% during 2022 and 2023. One-year Euribor has been used since Euro LIBOR was no longer published. The outstanding balance has increased by $618k during the year due to movements in foreign exchange as the loan is denominated in Euro. Outstanding borrowings under the facility are €18,500k ($20,416k) (2022: €18,500k ($19,798k)). The Company recognised interest expense on borrowings during the year ended 31 December 2023 of €1,033k ($1,118k) (2022: €217k ($217k)). There was no accrued interest outstanding at 31 December 2023 or 31 December 2022.

## 22. Trade and other payables

| | **2023 $'000** | **2022 $'000** |
|---|---|---|
| Trade payables | **181,402** | 180,884 |
| Customer deposits | **64,653** | 95,841 |
| Amounts owed to group undertakings | **780,210** | 1,053,902 |
| Amount owed to related parties (see note 26) | **3,319** | 3,679 |
| Other payables | **38,956** | 52,841 |
| | **1,068,540** | 1,387,147 |

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

## 23. Lease commitments

The Company had 3 offices (2022: 3), which are held as an operating lease. The Company also rents 2 storage tanks (2022: 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 2023 are as follows:

# Notes to the Financial Statements for the year ended 31 December 2023

| | 2023<br>$'000 | 2022<br>$'000 |
|---|---|---|
| **Payments due:** | | |
| Not later than one year | **927** | 937 |
| Later than one year and not later than five years | **2,098** | 2,262 |
| Later than five years | **1,677** | 2,459 |
| | **4,702** | 5,658 |

## 24. Share capital and reserves

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Authorised, allotted, called-up and fully paid: | | |
| 10 ordinary shares of £0.10 each (2022: 10) | 2 | 2 |
| 1 ordinary share of £1.00 (2022: 1) | 1 | 1 |
| **Total** | **3** | **3** |

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. On 31 July 2018 the Company issued 1 share with a nominal value of £1.00, translated to USD at an historic exchange rate of 1.31240.

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.
- Other reserves represents the cumulative unrecognised gains or losses recorded by the Company.

## 25. 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, or are readily available from the Investor Relation section of the World Kinect Corporation website.

## 26. 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 17 above for details of the loan notes receivable between the Company and Quintessentially (UK) Limited.

# Notes to the Financial Statements for the year ended 31 December 2023

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 had a balance payable to PPT Aviation Services Limited of $1,432k as at 31 December 2023 (2022: $2,476k). Revenue relating to agency commission of $888k for the year ended 31 December 2023 (2022: $684k) has been recorded. The balances outstanding are unsecured and due on demand. All transactions were undertaken on an arms-length basis. In addition, during the year ended 31 December 2023 the Company has recognised $1,375k dividend income from PPT Aviation Services Limited.

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 had a balance payable to Hellenic Aviation Fuel Company SA of $1,887k (2022: $1,203k) and a balance receivable $1,096k as at 31 December 2023 (2022: $1,188k). Revenue relating to agency commission of $2k for the year ended 31 December 2023 (2022: $30k) has been recorded. The balances outstanding are unsecured, and due on demand. All transactions were undertaken on an arms' length basis.

## 27. 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 (2022: $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 (2022: $nil).

At the year ended 31 December 2022 the Company had access to a Foreign bills of negotiation facility for an amount of $1.5m (£1.2m) and a Group foreign currency loan facility for an amount of $33.4m (£27.6m) as part of the BG Borrowing Group. No amounts were utilised under these facilities as at 31 December 2022. These facilities were reviewed and closed during 2023.

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 $80,798k (2022: $48,745k). These letters of credit and bank guarantees were denominated in various currencies and translated to USD for the purposes of these financial statements.

## 28. Post balance sheet events

Subsequent to the year end, with an effective date of 1 January 2024, the Company as lender and WFL (UK) Limited as borrower have agreed to amend the interest rate for the existing $25,000k loan facility from USD LIBOR + 3.5% per annum to 7.49% per annum.

On 28 August 2024, with an effective date of 29 December 2023, the Company has entered into an agreement amendment of its $12,000k loan to WFS UK Holding Company III Limited. The maturity date was extended from 29 December 2023 to 29 December 2026 and the interest rate was amended from USD Libor +3.5% per annum to 6.61% per annum, with the principal being due at the extended maturity date and interest payable annually.

## Notes to the Financial Statements for the year ended 31 December 2023

On 3 September 2024, the Company as a borrower and Nordic Camp Supply ApS as lender have agreed to change the repayment date to 31 March 2024. Further it was agreed to postpone the repayment of the existing loan facility to 30 September 2024. In September 2024, the principal and all associated interest were settled.

Subsequent to the year end, the Company agreed to extend the loans with a related company, Quintessentially (UK) Limited until 28 February 2025.