



**WFL (UK) Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**

Company Number 00594001

## Company Information

<b>Directors</b>	Claire Bishop Richard Leaman Shaun Galvin
<b>Company secretary</b>	Reed Smith Corporate Services Limited
<b>Registered number</b>	00594001
<b>Registered office</b>	1 Blossom Yard Fourth Floor London E1 6RS
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

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## 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 WFL (UK) Limited (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 WFS UK Holding Company III 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.

The principal activity of the Company continues to be the distribution and sale of fuel and lubricants in the land transportation market within the UK.

### Business review and future outlook

For the year ended 31 December 2023, the financial statements show revenue of £1,615 million (2022: £1,870 million), Loss before tax of £4.3 million (2022: Profit before tax £6.5 million) and net assets of £54.7 million (2022: £59.1 million).

Revenue in the year ended 31 December 2023 decreased compared to the year ended 31 December 2022 by 14%, primarily due to a 9% drop in refined product prices over the course of 2023, following the peak experienced in 2022. Sales margins reduced due to softening in market conditions. We also experienced a marginal drop in volume due to an increase in competitiveness.

Operating profit decreased in the year ended 31 December 2023 by 157% compared to the year ended 31 December 2022, from an operating profit of £8,311k to an operating loss of £4,730k. The movement in Gross profit is a primary driver behind the operating loss that has occurred in 2023.

Considering all the above, Profit before income tax has decreased in the year ended 31 December 2023 by 167% from a profit before income tax of £6,509k to a loss before income tax of £4,336k.

Net assets have decreased by £4,383k compared to the year ended 31 December 2022 due to the loss in the year.

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.

## Strategic Report for the year ended 31 December 2023

### Key performance indicators (“KPIs”)

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

Financial KPIs	2023 £'000	2022 £'000	Change £'000	Change %
Revenue	1,614,980	1,869,787	(254,807)	(14)%
Operating (loss)/profit	(4,730)	8,311	(13,041)	(157)%
(Loss)/profit before income tax	(4,336)	6,509	(10,845)	(167)%
Net assets	54,687	59,070	(4,383)	(7)%

  

Non-financial KPI	2023 (thousands)	2022 (thousands)	Change	Change %
Gallons sold	411,844	411,580	264	0.1 %

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.

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.

## Strategic Report for the year ended 31 December 2023

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](http://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.

- **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 the UK, examples of these regulations applicable to the Company's business include the Renewable Transport Fuel Obligation, which mandates that a percentage of the fuel supplied by the Company come from renewable and sustainable sources. 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. The Company has also implemented measures to reduce fuel consumption for its largest sources of emissions, such as fleet vehicles.

## Strategic Report for the year ended 31 December 2023

- **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 fuel depot, 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 a large fleet of delivery lorries, the unpredictability and intensity of weather conditions can have an adverse effect on the efficiency of the Company's delivery operations.
- **Demand-related impacts:** Rising temperatures from climate change can impact the seasonality of the Company's business and the related demand, particularly in the Company's domestic heating oil activities in the UK. 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 consumer pressure to increase the use of electric vehicles in the United States and within the United Kingdom and throughout Europe. Automotive, industrial and power generation manufacturers are therefore developing more fuel-efficient engines, hybrid engines and alternative clean power systems. Several automobile manufacturers have also announced goals to substantially increase the proportion of their new vehicle sales from battery electric, fuel cell and plug-in hybrid vehicles. The more prevalent these vehicles become as a result of governmental incentives or regulations, technological advances, consumer demand, improved pricing or otherwise, the greater the potential negative impact on pricing and demand for the Company's fuel products in the short and medium term. 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.
- **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.

## Strategic Report for the year ended 31 December 2023

The demand for renewable fuels in the land transportation sector and domestic home heating, two of the Company's principal markets, continues to grow in the UK. 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) as well as renewable heating oil. Renewable diesel and renewable heating oil are chemically the same as the fuels' conventional petroleum-based counterparts and can therefore be used in existing pipelines, storage tanks, and diesel engines, while producing fewer lifecycle carbon emissions.

The Company is focused on continuing to expand its renewable diesel supply capabilities for its customers. For example, the Company is working with a supplier to procure "Greenflame," a 100% renewable heating oil for its residential, and industrial, customers. Compatible with most existing gas boiler applications, this offer allows the Company to provide a decarbonisation alternative for its customers, and could act as an interim solution as customers move toward non-fossil-based assets.

As part of its goal to increase transparency across the renewable diesel value chain, the Company also became a certified member of the Renewable Fuels Assurance Scheme (RFAS) in 2023. The RFAS certification process ensures that the renewable diesel it distributes meets strict criteria for GHG emissions, feedstock sustainability, and transparent supply chains. The RFAS guarantees accurate and representative GHG emission data for company carbon reporting by providing renewable fuel supply chain specific data and traceability. It is a valuable tool for customers who are looking for assurance that the renewable fuels they are purchasing meet their sustainability goals. The Company's management believes that through participation in programs like the RFAS, it will be able to drive demand for renewable fuels and increase emissions transparency across the full lifecycle value chain.

### **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 the 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.



## Strategic Report for the year ended 31 December 2023

The primary data source includes:

- 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.

	Units	2023	2022
Emissions from combustion of gas (Scope 1)	tCO <sub>2</sub> e	15	14
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO <sub>2</sub> e	9,288	9,418
Emissions from purchased electricity (Scope 2)	tCO <sub>2</sub> e	444	312
Emissions from generation of electricity consumed in a transmission and distribution system for which the Company does not own or control (Scope 3)	tCO <sub>2</sub> e	38	29
Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel (Scope 3)	tCO <sub>2</sub> e	109	90
<b>Total gross emissions</b>		<b>9,894</b>	<b>9,863</b>
Energy consumption used to calculate above emissions	kWh	41,520,215	41,119,222
Intensity measurement	\$M Turnover	1,615	1,870
Intensity ratio	tCO <sub>2</sub> /\$M	6.13	5.28

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 include improving fuel economy by reducing the overall age profile of our truck fleet through the procurement of newer, more fuel-efficient vehicles, whilst concurrently increasing the use of automation tools to optimise delivery routes and improve driver behaviour, enabling the Company to serve its customers with greater efficiency. In addition, the Company also aims to source renewable power for all of its UK operations through renewable energy certificates and other available alternatives.

### Health and safety

The Company continually seeks to minimise the impact of our operations and ensure continues 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.

## Strategic Report for the year ended 31 December 2023

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:

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

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

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

In 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:

- Ongoing development of the company's energy transition strategy.
- Ongoing financial reviews and resource management in order to protect the company's financial position.
- Communication and ongoing review of health and safety guidelines.
- Continuous overview of compliance and decisions over general transportation matters.

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

- Our customers: were considered throughout to promote the goal that decisions were made properly balanced with a desire 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.

## 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 further below in the Directors' Report.

### Going concern

The Company's loss after tax for the financial year was £4.4 million (2022: profit after tax of £4.1 million). On 31 December 2023 the Company had net current assets of £32.1 million (2022: £42.8 million) and net assets of £54.7 million (2022: £59.1 million).

World Kinect Corporation, the Ultimate Parent Undertaking of WFL (UK) Limited, 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 director has a reasonable expectation 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 Leaman  
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:

Claire Bishop  
Richard Leaman  
Shaun Galvin  
Colin Francis (resigned on 1 April 2024)

### 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 did not pay an interim dividend during the year ended 31 December 2023 (2022: £3.4 million). No final dividend is proposed for the year ended 31 December 2023 (2022: £nil).

### 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 is subject to currency risk through its USD denominated loan which has been disclosed within Note 16. A devaluation of GBP versus USD results in a larger payable balance, whilst a increase in value of GBP versus USD would result in a smaller payable balance. Whilst the industry in which the entity operates is driven by global USD commodity prices, the Company's business is largely denominated in GBP Sterling and as such, this risk is considered to be mitigated.

#### 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.

## Directors' Report for the year ended 31 December 2023

### (ii) Fuel inventory

The Company is exposed to price risk to the extent that the Company maintains fuel inventory in the normal course of business. 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

#### (i) Receivables

The Company has exposure to interest rate risk due from a line of credit with a related Group company that bears interest based on the rate equal to the interest received for outstanding time deposits by UK Monetary Financial Institutions as published by The Bank of England plus a fixed rate (see note 15).

#### (ii) Payables

In addition the Company has exposure to interest rate risk due to a loan with a related Group company that bears interest USD LIBOR + 3.5% per annum. Subsequent to the year end, this increased to 7.49% per annum (note 16). An increase in the interest rate will result in an increase to Finance expenses.

### Credit risk

The Company has exposure to credit risk through the extension of unsecured credit to most of our 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, political instability, terrorist activities and natural disasters in our market areas.

In addition, as part of our price risk management services, 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. If there is a significant fluctuation in the price of fuel there is a risk customers could decide to, or be forced to, default under their obligations to the Company.

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.

### Liquidity risk

The Company relies on credit arrangements with suppliers as a significant 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 companies with terms acceptable to the Company as the need arises.

## Post Balance Sheet events

Subsequent to the year end, with the effective date of 1 January 2024, World Fuel Services Europe, Ltd. as lender and WFL (UK) Limited as borrower had agreed to amend the interest rate for the existing USD \$25.0 million, equivalent to £20.3 million loan facility from USD LIBOR + 3.5% per annum to 7.49% per annum.

## Directors' Report for the year ended 31 December 2023

### 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 21). 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.

### 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.

### 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.

## Directors' Report for the year ended 31 December 2023

### 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 Leaman**  
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.



# WFL (UK) Limited

## Independent Auditor's Report to the members of WFL (UK) Limited

### 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 loss 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 WFL (UK) Limited ("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".

# WFL (UK) Limited

## Independent Auditor's Report to the members of WFL (UK) Limited

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.

# WFL (UK) Limited

## Independent Auditor's Report to the members of WFL (UK) Limited

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.

# WFL (UK) Limited

## Independent Auditor's Report to the members of WFL (UK) Limited

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.

# WFL (UK) Limited

## Independent Auditor's Report to the members of WFL (UK) Limited

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	1,614,980	1,869,787
Cost of sales		(1,587,957)	(1,828,563)
<b>Gross profit</b>		<b>27,023</b>	<b>41,224</b>
Administrative expenses		(31,757)	(32,920)
Other operating income		4	7
<b>Operating (loss)/profit</b>	6	<b>(4,730)</b>	<b>8,311</b>
Finance income	9	2,670	—
Finance expense	10	(2,276)	(1,802)
<b>(Loss)/Profit before taxation</b>		<b>(4,336)</b>	<b>6,509</b>
Income tax expense	11	(47)	(2,396)
<b>(Loss)/Profit for the financial year after taxation and total comprehensive income for the year</b>		<b>(4,383)</b>	<b>4,113</b>

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

There was no other comprehensive income or loss during the year ended 31 December 2023, or the year ended 31 December 2022.

The notes on pages 22 to 41 form part of these financial statements.

## Balance Sheet as at 31 December 2023

Registered number: 00594001

	Note	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Intangible assets	12	1,533	2,089
Property, plant and equipment	13	28,499	27,966
Trade and other receivables	15	24,854	25,564
		<b>54,886</b>	<b>55,619</b>
<b>Current assets</b>			
Inventories	14	14,599	16,896
Trade and other receivables	15	154,395	171,873
Cash and cash equivalents		771	450
		<b>169,765</b>	<b>189,219</b>
<b>Total assets</b>		<b>224,651</b>	<b>244,838</b>
<b>Non-current liabilities</b>			
Borrowings	16	29,371	37,659
Deferred tax liabilities	17	2,961	1,655
		<b>32,332</b>	<b>39,314</b>
<b>Current liabilities</b>			
Income tax payable		—	1,259
Borrowings	16	2,530	2,764
Trade and other payables	18	135,102	142,431
		<b>137,632</b>	<b>146,454</b>
<b>Total liabilities</b>		<b>169,964</b>	<b>185,768</b>
<b>Net current assets</b>		<b>32,133</b>	<b>42,765</b>
<b>Net assets</b>		<b>54,687</b>	<b>59,070</b>
<b>Equity</b>			
Share capital	20	542	542
Share premium		33,745	33,745
Revaluation reserve		2,144	2,144
Capital redemption reserve		437	437
Retained earnings		17,819	22,202
<b>Total shareholder's funds</b>		<b>54,687</b>	<b>59,070</b>

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



**Richard Leaman**  
Director

Date: 30 September 2024

The notes on pages 22 to 41 form part of these financial statements.

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

	Share capital £'000	Share premium £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total shareholder's funds £'000
<b>Balance on 1 January 2022</b>	<b>542</b>	<b>33,745</b>	<b>2,144</b>	<b>437</b>	<b>21,489</b>	<b>58,357</b>
Dividend distribution	—	—	—	—	(3,400)	(3,400)
Profit for the financial year after taxation and total comprehensive income for the year	—	—	—	—	4,113	4,113
<b>Balance on 31 December 2022</b>	<b>542</b>	<b>33,745</b>	<b>2,144</b>	<b>437</b>	<b>22,202</b>	<b>59,070</b>
Loss for the financial year after taxation and total comprehensive income for the year	—	—	—	—	(4,383)	(4,383)
<b>Balance on 31 December 2023</b>	<b>542</b>	<b>33,745</b>	<b>2,144</b>	<b>437</b>	<b>17,819</b>	<b>54,687</b>

The aggregate amount of dividends paid in the financial year is £nil (2022: £3.4 million). The dividend in the year ended 31 December 2022 represented £6.27 per share.

The notes on pages 22 to 41 form part of these financial statements.



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

## 1. General information

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

The principal activity of the Company continues to be the distribution and sale of fuel and lubricants in the land transportation market within the UK.

## 2. Statement of compliance

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

## 3. Accounting policies

### 3.1 Basis of preparation of financial statements

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

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

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

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

This information is included in the consolidated financial statements of World Kinect Corporation and as at 31 December 2023. These financial statements are readily available from the investor Relation section of the World Kinect Corporation website.

### 3.3 Going concern

The Company's loss after tax for the financial year was £4.4 million (2022: profit after tax of £4.1 million). On 31 December 2023 the Company had net current assets of £32.1 million (2022: £42.8 million) and net assets of £54.7million (2022: £59.1 million).

World Kinect Corporation, the Ultimate Parent Undertaking of WFL (UK) Limited, 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 director has a reasonable expectation 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.

### 3.4 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentation currency is the Pound Sterling (GBP). All amounts in the financial statements have been rounded to the nearest thousand (£'000).

#### 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).

### 3.5 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.

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

### (i) Sale of land fuel

The Company supplies fuel to the commercial sector, concentrating on gas oil and road diesel deliveries. In addition, the Company also delivers home heating oil, gas oil and road diesel to individual customers throughout the UK. Revenue from the sale of land 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.

### (ii) Sale of lubricants

The Company stocks and delivers industrial lubricants from a wide range of brands which have been manufactured and approved to suit applications within the agriculture, automotive, commercial, industrial and other sectors. Revenue from the sale of lubricants is recognised when the Company has transferred the risks and rewards of the lubricant to the customer; the customer has accepted the lubricant, the amount of revenue can be reliably measured; and it is probable that future economic benefits will flow to the Company.

### (iii) Deferred income

For certain products or services and customer types, we require payment before the products or services are delivered to the customer. We defer revenue recognition on such payments until the products or services are delivered to the customer.

## 3.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income in the period in which it relates to using the effective interest method.

## 3.7 Interest expense

Interest expense is recognised using the effective interest rate method.

## 3.8 Other operating income

Other operating income is recognised when the right to receive payment is established.

## 3.9 Employee benefits

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

### (i) Short term benefits

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

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

### (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 cut off 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.

### 3.10 Current and deferred income tax

Tax is recognised in Income tax credit/(expense) in the Statement of Comprehensive Income, with the exception of changes attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity, which are recognised directly in other comprehensive income or equity, respectively.

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

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

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

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

### 3.11 Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

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

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

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

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

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

### 3.12 Intangible assets

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

Concept	Years
Customer relationships	3 to 10

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. Reversals of impairment are recognised up to but not in excess of cost when the reasons for the impairment no longer apply.

### 3.13 Property, plant and equipment

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

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

Concept	Years
Freehold and leasehold buildings	10 to 50
Plant, machinery and office equipment	2 to 10
Motor vehicles	3 to 8

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.

Assets under construction are not depreciated until they are placed into service.

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 and included within 'administrative expenses'.

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

### 3.14 Leased assets

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

#### (i) Operating leased assets

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

#### (ii) Finance leases

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.

### 3.15 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.

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

### 3.16 Inventories

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

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

### 3.17 Cash and cash equivalents

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

### 3.18 Financial instruments

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

#### (i) Financial assets

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

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

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

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

#### (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)

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

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.

### 3.19 Share capital and reserves

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.

The Company's reserves are as follows:

- 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.
- The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which were revalued to fair value, between 1988 and 1990. Freehold land and buildings are held at deemed cost from the point of transition to FRS 102.
- The capital redemption reserve is a non-distributable reserve that represents paid up share capital.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

### 3.20 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.



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

### (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.

#### *Intercompany transactions*

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.

#### *The valuation of inventory*

The Company's inventory consists of land fuel and lubricant products. In calculating the net realisable value of inventory, Management considers the nature and condition of the inventory, as well as applying assumptions around the saleability of inventory and the amount of related transportation costs to include within the valuation calculations.

#### *Classification of leases*

Determine of whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease- by- lease basis.

### (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 receivables. When assessing impairment of trade and other receivables, management considers factors including current market and industry conditions and historical experience.

#### *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 an 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 worldwide Group.

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

### *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.

### *Useful economic life of Property, Plant and Equipment*

Property, plant and equipment is depreciated over their useful lives taking into account residual values where appropriate. Property, plant and equipment useful lives vary depending on the category of asset, of which, multiple categories are used. The useful lives of these assets are estimated based on life cycles and the historical lives of similar assets used by the Company.

### *Carrying value of Property, Plant and Equipment*

The Company considers whether property, plant and equipment, is impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGU's). This requires estimation of the future cash flows from the CGU's and also a selection of appropriate discount rates in order to calculate the net present value of those cash flows. From this assessment, the net book value of the specified assets is reduced to the higher of the recoverable value or the value in use.

## 5. Revenue

An analysis of revenue by market is as follows:

	2023 £'000	2022 £'000
Lubricants	23,094	22,450
Land Fuel	1,591,886	1,847,337
<b>Total</b>	<b>1,614,980</b>	<b>1,869,787</b>

The Company generates all revenue in the United Kingdom and revenue is from the Company's principal activities as disclosed above.

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

### 6. Operating (loss)/profit

Operating profit is stated after charging/(crediting):

	2023 £'000	2022 £'000
Employee costs (Note 7)	18,028	18,607
Depreciation (Note 13)	5,097	5,498
Amortisation of intangible assets (Note 12)	556	557
Operating lease expense	2,877	2,526
Impairment of trade receivables	1,231	768
Profit on sale of property, plant and equipment	—	7
Fees payable to the Company's auditor:		
– For the audit of the Company's annual financial statements	117	91

Fees payable to the Company's auditor for the year ended 31 December 2023 are settled by a Group Company.

### 7. Employee costs

Particulars of employee costs, including directors are as follows:

	2023 £'000	2022 £'000
Wages and salaries	15,392	16,119
Social security costs	1,713	1,687
Other pension costs	680	623
Share based payments	243	178
	<b>18,028</b>	<b>18,607</b>

The amounts above represent remuneration paid to employees.

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	212	205
Corporate	137	132
Operations	281	272
	<b>630</b>	<b>609</b>

### 8. Directors' Remuneration

	2023 £'000	2022 £'000
Aggregate remuneration	944	767
Company contributions to defined contribution pension scheme	36	35
	<b>980</b>	<b>802</b>

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

The number of Directors who:

	2023 No.	2022 No.
Are members of a defined contribution pension scheme	4	4
Exercised share options	—	—
Had awards receivable in the form of shares under a long-term incentive scheme	4	4

The highest paid Director's emoluments were as follows:

	2023 £'000	2022 £'000
Aggregate remuneration	377	302
Company contributions to defined contribution pension scheme	11	11
	<b>388</b>	<b>313</b>

### 9. Finance income

	2023 £'000	2022 £'000
Foreign exchange gain	1,896	—
Interest income receivable from group companies (note 15)	547	—
Other interest income	227	—
	<b>2,670</b>	<b>—</b>

### 10. Finance expense

	2023 £'000	2022 £'000
Finance leases and hire purchase contracts (note 16)	476	500
Foreign exchange loss	—	469
Loan notes interest payable to group companies (note 16)	1,800	833
	<b>2,276</b>	<b>1,802</b>

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

### 11. Income tax

	2023 £'000	2022 £'000
<b>Current taxation:</b>		
UK corporation tax on losses in the year	—	1,259
Adjustments in respect of previous years	(1,259)	—
<b>Total current taxation</b>	<b>(1,259)</b>	<b>1,259</b>
<b>Deferred taxation:</b>		
Originating and reversal of timing differences	1,088	(305)
Adjustments in respect of previous years	218	1,442
<b>Total deferred taxation</b>	<b>1,306</b>	<b>1,137</b>
<b>Total tax expense on profit for the year</b>	<b>47</b>	<b>2,396</b>

#### Factors affecting tax expense for the year

The blended rate of tax applied to the reported loss 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 loss before tax is as follows:

	2023 £'000	2022 £'000
(Loss)/Profit on ordinary activities before tax	(4,336)	6,509
(Loss)/Profit on ordinary activities multiplied by blended rate of UK corporation tax rate of 23.5% (2022: Standard rate of 19%)	(1,019)	1,237
Effects of:		
Group losses claimed for nil consideration	879	(209)
Expenses not deductible for tax purposes	113	—
Timing difference	25	231
Adjustments to tax charge in respect of prior periods	(1,041)	—
Other differences	1,090	1,137
<b>Total tax expense for the year</b>	<b>47</b>	<b>2,396</b>

#### 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.

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

### 12. 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
<b>Goodwill</b>			
On 1 January 2023	28,689	(27,030)	1,659
Amortisation	—	(474)	(474)
<b>On 31 December 2023</b>	<b>28,689</b>	<b>(27,504)</b>	<b>1,185</b>
<b>Customer relationships</b>			
On 1 January 2023	629	(199)	430
Amortisation	—	(82)	(82)
<b>On 31 December 2023</b>	<b>629</b>	<b>(281)</b>	<b>348</b>
<b>As on 31 December 2023</b>	<b>29,318</b>	<b>(27,785)</b>	<b>1,533</b>
<b>As on 31 December 2022</b>	<b>29,318</b>	<b>(27,229)</b>	<b>2,089</b>

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

### 13. Property, plant and equipment

	Assets under construction £'000	Freehold land and buildings, and leasehold buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Office equipment £'000	Total £'000
<b>Cost</b>						
On 1 January 2023	880	16,990	22,315	40,183	10,903	91,271
Acquisitions	1,969	—	6	3,058	597	5,630
Transfers	(2,411)	—	1,105	—	1,306	—
<b>On 31 December 2023</b>	<b>438</b>	<b>16,990</b>	<b>23,426</b>	<b>43,241</b>	<b>12,806</b>	<b>96,901</b>
<b>Accumulated depreciation</b>						
On 1 January 2023	—	9,530	13,753	33,182	6,840	63,305
Charge for the year	—	221	480	3,359	1,037	5,097
<b>On 31 December 2023</b>	<b>—</b>	<b>9,751</b>	<b>14,233</b>	<b>36,541</b>	<b>7,877</b>	<b>68,402</b>
<b>As on 31 December 2023</b>	<b>438</b>	<b>7,239</b>	<b>9,193</b>	<b>6,700</b>	<b>4,929</b>	<b>28,499</b>
<b>As on 31 December 2022</b>	<b>880</b>	<b>7,460</b>	<b>8,562</b>	<b>7,001</b>	<b>4,063</b>	<b>27,966</b>

The net book value of Motor vehicles includes an amount of £6,700k (2022: £7,001k) in respect of assets held under finance leases and hire purchase contracts.

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

### 14. Inventories

	2023 £'000	2022 £'000
Land fuel	12,392	14,101
Lubricants	2,207	2,795
	<b>14,599</b>	<b>16,896</b>

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

### 15. Trade and other receivables

#### *Non-current trade and other receivables*

	2023 £'000	2022 £'000
Amounts due from group undertakings	24,854	25,564
	<b>24,854</b>	<b>25,564</b>

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. This agreement serves as a line of credit which allowing the Company to lend funds through deposits or borrow funds from up to an aggregate principal amount of USD \$25 million (£19.6 million). 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 will pay or receive 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 £24.9 million at 31 December 2023 (2022: £25.6 million), and recognised £0.5 million interest income during the year ended 31 December 2023 (2022: £nil).



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

### Current trade and other receivables

	2023 £'000	2022 £'000
Trade receivables	141,012	162,075
Less: provision for impairment of receivables	(2,688)	(1,457)
<b>Trade receivables – net</b>	<b>138,324</b>	<b>160,618</b>
Value added tax receivable	2,951	502
Other current assets	6,410	5,151
Prepayments and accrued income	6,710	5,602
	<b>154,395</b>	<b>171,873</b>

All trade and other receivables presented above are due within one year.

## 16. Borrowings

	2023 £'000	2022 £'000
<b>Non-current</b>		
Loan facility with related companies	19,640	20,666
Interest payable to related companies	—	7,404
Financial lease obligation	9,731	9,589
	<b>29,371</b>	<b>37,659</b>
<b>Current</b>		
Finance lease obligation	2,530	2,764
<b>Total borrowings</b>	<b>31,901</b>	<b>40,423</b>

At 29 December 2015 the Company borrowed USD \$25.0 million, equivalent to £20.3 million, at the date of issuance, from a related company, World Fuel Services Europe, Ltd. The loan has no fixed date of settlement. The loan bears interest at US LIBOR+3.5% per annum. As at 31 December 2023, the balance outstanding was £19.6 million (2022: £20.7million). The Company recorded interest expense on the borrowings during the year of £1.8 million (2022: £0.8 million). At 31 December 2023, the company has no accumulated interest outstanding on this facility (2022: £7.4 million). This facility has been presented as non-current since the Directors have received written confirmation from World Fuel Services Europe, Ltd. that they will not seek repayment within 12 months of the Balance Sheet date.

Subsequent to the year end, with the effective date of 1 January 2024, World Fuel Services Europe, Ltd. as lender and WFL (UK) Limited as borrower had agreed to amend the interest rate for the existing USD \$25.0 million loan facility from USD LIBOR + 3.5% per annum to 7.49% per annum.

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

### Finance lease obligations

The Company has finance lease obligations in relation to leasing arrangements for motor vehicles used during the ordinary course of business. The future minimum finance lease payments are as follows:

	2023 £'000	2022 £'000
Not later than one year	2,993	2,940
Later than one year and not later than five years	9,484	8,582
Later than five years	1,252	2,160
<b>Total finance lease liability</b>	<b>13,729</b>	<b>13,682</b>
less: finance charges	(1,468)	(1,329)
<b>Carrying amount of liability</b>	<b>12,261</b>	<b>12,353</b>
Financial lease obligation - current	2,530	2,764
Financial lease obligation - non-current	9,731	9,589
<b>Total financial lease obligation</b>	<b>12,261</b>	<b>12,353</b>

Interest expense of £476k (2022: £500k) in relation to finance lease obligations has been recorded during the year ended 31 December 2023.

### 17. Deferred tax liabilities

The analysis of deferred tax liabilities is as follows:

	Capital allowances £'000	Intangible assets £'000	Other £'000	Total £'000
<b>On 1 January 2022</b>	(946)	596	(168)	(518)
(Charged) /Credited to the Statement of Comprehensive Income	(1,497)	253	107	(1,137)
<b>As of 31 December 2022</b>	<b>(2,443)</b>	<b>849</b>	<b>(61)</b>	<b>(1,655)</b>
(Charged) /Credited to the Statement of Comprehensive Income	(1,553)	167	80	(1,306)
<b>As of 31 December 2023</b>	<b>(3,996)</b>	<b>1,016</b>	<b>19</b>	<b>(2,961)</b>

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

### 18. Trade and other payables

	2023 £'000	2022 £'000
Trade payables	99,678	118,686
Amounts owed to group undertakings	22,741	8,429
Customer deposits	5,780	5,650
Accruals and deferred income	6,895	9,600
Other payables	8	66
	<b>135,102</b>	<b>142,431</b>

The amounts owed to group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand. All amounts presented in both the current and prior year are repayable within one year.

### 19. Lease commitments

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2023 £'000	2022 £'000
Payments due:		
Not later than one year	1,047	871
Later than one year and not later than five years	2,528	3,686
Later than five years	1,032	2,044
	<b>4,607</b>	<b>6,601</b>

### 20. Share capital

	2023 £'000	2022 £'000
<b>Authorised</b>		
1,000,000 (2022: 1,000,000) Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called-up and fully paid</b>		
542,030 (2022: 542,030) Ordinary shares of £1 each	542	542

### 21. Ultimate parent undertaking

The immediate parent undertaking is WFS UK Holding Company III 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 are readily available from the investor Relation section of the World Kinect Corporation website.

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

### 22. Guarantees

The Company participates in the senior credit agreement by and among the Company's ultimate parent, World Kinect Corporation, and certain of its subsidiaries, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (the "Credit Agreement"). The Company is a guarantor for three of the borrowers under the Credit Agreement, World Fuel Services Europe Ltd., World Fuel Services Singapore Pte. Ltd. and WFS UK Holding Company IV Limited (collectively, the "Foreign Borrowers"). As of 31 December 2023, there are no outstanding amounts owed by the Foreign Borrowers under the Credit Agreement (2022:£nil).

### 23. Post Balance Sheet Events

Subsequent to the year end, with the effective date of 1 January 2024, World Fuel Services Europe, Ltd. as lender and WFL (UK) Limited as borrower had agreed to amend the interest rate for the existing USD \$25.0 million, equivalent to £20.3 million loan facility from USD LIBOR + 3.5% per annum to 7.49% per annum.