



**Henty Oil Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**

**Company Number 01453260**

## Company Information

<b>Director</b>	Richard Donald McMichael
<b>Company secretary</b>	Reed Smith Corporate Services Limited
<b>Registered number</b>	01453260
<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 Director presents herewith his Strategic Report and Director's Report together with the audited financial statements for Henty Oil Limited (the "Company") for the year ended 31 December 2023.

### Principal activities

The Company, incorporated in England and Wales in the United Kingdom, is a wholly-owned subsidiary of World Fuel Services European Holding Company I, Ltd., also incorporated in England and Wales in the United Kingdom. World Fuel Services European Holding Company I, Ltd. is a wholly owned subsidiary of World Fuel Services (Singapore) Pte. Ltd., incorporated in Singapore. The ultimate holding company is World Kinect Corporation (formerly known as World Fuel Services Corporation), incorporated in the State of Florida in the United States of America.

The Company's principal activity continues to be the supply of marine fuel, lubricants and gas oil. The Company services a large number of ports on the Irish Sea and provides fuel and gas oil to a broad range of customers throughout the United Kingdom and Republic of Ireland.

### Key performance indicators ("KPIs")

The Company's Director monitor's progress and strategy by reference to the following financial KPIs, which are discussed below:

	2023 \$	2022 \$	Change \$	Change %
Revenue	252,614,030	358,603,503	(105,989,473)	(29.6)%
Operating Profit	329,323	1,752,042	(1,422,719)	(81.2)%
Profit for the financial year after taxation	726,663	1,018,989	(292,326)	(28.7)%

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

### Business review and future outlook

For the year ended 31 December 2023 the financial statements show revenue of \$252,614,030 (2022: \$358,603,503). The Company's total revenue decreased by 29.6% (2022: increase of 49.7%) driven largely by a lower average oil price consistent with the decrease in global oil prices, following the elevated price levels experienced in 2022. This, together with a general reduction of the Company's margin on the cost of products due to increased competition, has lead to a reduction in Revenue in year and thereby a reduction in Gross Profit.

Operating profit for the year ended 31 December 2023 was \$329,323 (2022: \$1,752,042) and the profit after tax for the financial year ended 31 December 2023 was \$726,663 (2022: \$1,018,989). The overall operating profit decrease, was largely attributable to the reduction in gross margin as a result of the reasons mentioned above.

Total equity for the year ended 31 December 2023 was \$13,299,103 (2022: \$12,572,440) with movement being due to profit for the year.

The Director believes the Company is set up for the long term and will continue to manage risk whilst seeking growth opportunities.

The current Director believes the Company remains able to adapt to future changing market conditions as they occur. There are no significant changes planned in the Company's operations in the foreseeable future.

## Strategic Report for the year ended 31 December 2023

### Principal risks and uncertainties

The Company's principal risks and uncertainties are integrated with the principal risks of the World Kinect Corporation Group (further referred to as 'Group') and are not managed separately. World Kinect Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The principal risks and uncertainties of World Kinect Corporation, the Ultimate Parent Undertaking, are discussed from page 8 of the 2023 annual report on Form 10-K which does not form part of this report.

### Streamlined Energy and Carbon Reporting ('SECR')

In line with the UK reporting guidelines, under the new SECR regulations, the table below details the Company's UK emissions and energy consumed for the year ended 31 December 2023.

The calculation methodologies followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. The 2023 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.

Scope 1 relate to Marine Gas and Diesel. Marine Gas Oil data was calculated using the beginning of the year and the end of the year tank level readings and delivered quantities. Diesel data was calculated using litres of fuel utilised by on site vehicles. Scope 2 relates to Electricity and was calculated using monthly meter reads. 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 fuel for transport purposes (Scope 1)	tCO <sub>2</sub> e	5,472.29	6,172.45
Emissions from purchased electricity (Scope 2)	tCO <sub>2</sub> e	107.37	88.97
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	9.29	8.14
Vehicles where the Company is responsible for purchasing the fuel (Scope 3)	tCO <sub>2</sub> e	1.05	1.10
Total gross emissions		5,590.00	6,270.66
Energy consumption used to calculate above emissions	kWh	21,735,372	24,356,561
Intensity measurement	Turnover (\$)	252,614,030	358,603,503
Intensity ratio	tCO <sub>2</sub> e/Turnover	22.13	17.49

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

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

The Group continues to improve fuel economy by reducing the overall age profile of our truck fleet through the procurement of newer, more fuel-efficient vehicles, whilst concurrently increasing the use of automation tools to optimise our delivery routes, enabling us to serve more customers per mile travelled. We continue to maximise remote work where we can throughout our global offices. Together with transitioning our data centres to the cloud, these initiatives are expected to reduce office energy consumption, along with lessening the requirement for Heating, Ventilation and Air Conditioning (HVAC).

## Strategic Report for the year ended 31 December 2023

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

### Section 172(1) statement

In line with the Directors' duties, under section 172(1) of the Companies Act 2006, the Director 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 his duties to promote the success of the Company, the Director considered the interests of key stakeholders, having regard, amongst other matters to:

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

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

The Director's 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 Director continues developing opportunities and projects within various areas, taking into consideration the benefits and impacts to key stakeholders. During the year there were no principal decisions made by the Director of strategic importance that would require inclusion in accordance with Section 172(1).

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 in the Strategic Report (page 2).

## Strategic Report for the year ended 31 December 2023

### Health and safety

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

We have developed what we believe to be a comprehensive process designed to identify, assess and manage HSE risks in our operations. We set targets for performance improvements, regularly measure, audit and report on our performance, and investigate near misses and incidents to determine root causes to prevent similar incidents from occurring in the future. We also expect our contractors to manage HSE matters in line with our policies and strive to maintain an open dialogue with our stakeholders and within the communities where we operate.

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



Richard Donald McMichael  
Director

Date: 25 September 2024

## Director's Report for the year ended 31 December 2023

### Directors

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

Richard Donald McMichael  
Paul Thomas Vian (resigned on 14 November 2023)

### 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 for the year ended 31 December 2023 (2022: \$nil). 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 World Kinect Corporation Group. The financial risk objectives, policies and exposures are described in the financial statements of the Ultimate Parent Undertaking in the 2023 annual report on Form 10-K which does not form part of this report.

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

#### *Currency risk*

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

#### *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. The Company does not enter into these derivative contracts directly, as the wider World Kinect Corporation Group manages this through specified group undertakings.

##### *(ii) Fuel inventory*

The Company is exposed to price risk to the extent that the Company may maintain fuel inventory for competitive reasons. The Company may not be able to sell inventory at market value or average cost reflected in the financial statements due to a decline in fuel price which may result in 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 World Kinect Corporation Group manages this through specified group undertakings.



## Director's Report for the year ended 31 December 2023

### *Interest rate risk*

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 14). An increase in the base rate would increase interest expense, and a decrease would decrease interest expense.

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

### **Future developments**

Refer to the Strategic Report on page 1 for a description of future developments in the business.

### **Going concern**

The Company's profit after tax for the financial year was \$726,663 (2022: \$1,018,989) and as at 31 December 2023 the Company had net assets of \$13,299,103 (2022: \$12,572,440).

World Kinect Corporation, the Ultimate Parent Undertaking of Henty Oil 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 reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

### **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 17). 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.

## Director's Report for the year ended 31 December 2023

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.

### Disclosure of information to auditor

The Director at the time when this Director's Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has 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 auditor is aware of that information.

### Auditor

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

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



Richard Donald McMichael  
Director

Date: 25 September 2024

## Statement of Director's responsibilities for the year ended 31 December 2023

The Director is responsible for preparing the Strategic Report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law, the Director 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 year.

In preparing these financial statements, the Director is 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 Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENTY OIL 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Henty Oil Limited ("the Company") for the year ended 31 December 2023 which comprise the 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 101 Reduced Disclosure Framework (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 Director's 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 Director with respect to going concern are described in the relevant sections of this report.

## Other information

The Director is responsible for the other information. The other information comprises the information included in the Strategic report and Director's 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENTY OIL LIMITED**

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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibility of the Director**

As explained more fully in the Statement of Director's Responsibilities, the Director is 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 Director determines 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 Director is 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 Director either intends 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.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENTY OIL LIMITED

## *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;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations; and

We considered the significant laws and regulations to be Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice), UK tax legislation 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.

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; and
- We used an engagement team with appropriate competence and experience.

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HENTY OIL LIMITED

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; and
- Assessing significant estimates made by management for bias as disclosed within Note 3, and verifying assumptions made to supporting documentation; and
- Assessing any manual journal entries to Revenue for reasonableness and agreeing to supporting documentation; and
- Review of related party relationships for identification and to ensure sufficient disclosure of these transactions and relationships is included within these financial statements; and
- Performance of audit procedures that specifically address the existence of revenue, which included obtaining sales invoices, goods delivered notes and cash receipt evidence; and
- 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; and
- Verification and confirmation of transactions during the year, and balances outstanding as at the period end date with those identified related parties; and
- We used an engagement team with appropriate competence and experience.

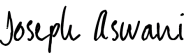
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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:  
  
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Joseph Aswani (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

Date: 26 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 \$	2022 \$
Revenue	4	252,614,030	358,603,503
Cost of sales		(249,065,357)	(352,562,975)
<b>Gross Profit</b>		<b>3,548,673</b>	<b>6,040,528</b>
Administrative expenses		(2,968,035)	(2,913,364)
Other operating expenses		(251,315)	(1,375,122)
<b>Operating Profit</b>	5	<b>329,323</b>	<b>1,752,042</b>
Finance expense	7	(590,426)	—
<b>(Loss)/Profit before income tax</b>		<b>(261,103)</b>	<b>1,752,042</b>
Income tax income/(expense)	8	987,766	(733,053)
<b>Profit for the financial year after taxation and total comprehensive income for the year</b>		<b>726,663</b>	<b>1,018,989</b>

All amounts 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 16 to 32 form part of these financial statements.



## Balance Sheet as at 31 December 2023

Registered number: 01453260

	Note	2023 \$	2022 \$
<b>Non-current assets</b>			
Property, plant and equipment	9	7,377,665	6,295,174
		<b>7,377,665</b>	<b>6,295,174</b>
<b>Current assets</b>			
Inventories	10	11,493,382	14,210,738
Trade and other receivables	11	45,001,654	45,110,653
Cash and cash equivalents		134,697	612,232
		<b>56,629,733</b>	<b>59,933,623</b>
<b>Total assets</b>		<b>64,007,398</b>	<b>66,228,797</b>
<b>Non-current liabilities</b>			
Provisions for liabilities	12	989,548	968,339
Deferred tax liability	13	1,086,767	1,713,527
Trade and other payables	14	26,364,798	22,946,713
		<b>28,441,113</b>	<b>25,628,579</b>
<b>Current liabilities</b>			
Trade and other payables	14	22,267,182	27,714,216
Income tax liability		—	313,562
		<b>22,267,182</b>	<b>28,027,778</b>
<b>Total liabilities</b>		<b>50,708,295</b>	<b>53,656,357</b>
<b>Net current assets</b>		<b>34,362,551</b>	<b>31,905,845</b>
<b>Net assets</b>		<b>13,299,103</b>	<b>12,572,440</b>
<b>Equity</b>			
Share capital	15	14,830	14,830
Retained earnings		13,284,273	12,557,610
<b>Total equity</b>		<b>13,299,103</b>	<b>12,572,440</b>

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

**Richard McMichael**  
Director



Date: 25 September 2024

The notes on pages 16 to 32 form part of these financial statements.

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

	Share capital \$	Retained earnings \$	Total equity \$
<b>Balance at 1 January 2022</b>	14,830	11,538,621	11,553,451
Profit for the financial year after taxation and total comprehensive income for the year	—	1,018,989	1,018,989
<b>Balance at 31 December 2022</b>	<b>14,830</b>	<b>12,557,610</b>	<b>12,572,440</b>
Profit for the financial year after taxation and total comprehensive income for the year	—	726,663	726,663
<b>Balance at 31 December 2023</b>	<b>14,830</b>	<b>13,284,273</b>	<b>13,299,103</b>

The notes on pages 16 to 32 form part of these financial statements.

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

### 1. General information

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

The Company's principal activity continues to be the supply of marine fuel, lubricants and gas oil. The Company services a large number of ports on the Irish Sea and provides fuel and gas oil to a broad range of customers throughout the United Kingdom and Republic of Ireland.

Management does not envisage a significant change in the principal activities of the Company in the foreseeable future.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS "101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (note 3). The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

FRS 101 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of World Kinect Corporation, which are publicly available (note 17). The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a. the requirements of IFRS 7 Financial Instruments: Disclosures;
- b. the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c. the requirements of paragraphs 8(eB), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- d. the requirements of IAS 7 Statement of Cash Flows;
- e. the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures (key management compensation);
- f. the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- g. the requirements of paragraph 30 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

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

### 2.3 Going concern

The Company's profit after tax for the financial year was \$726,663 (2022: \$1,018,989) and as at 31 December 2023 the Company had net assets of \$13,299,103 (2022: \$12,572,440).

World Kinect Corporation, the Ultimate Parent Undertaking of Henty Oil 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 reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

### 2.4 Revenue

Revenue is measured at the fair value of consideration received or receivable for the sale of marine fuel, Gas oil and lubricants in the ordinary course of the Company's activities as per the following 5 step model:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

Revenue is measured at the fair value of consideration received or receivable for the sale of marine fuel, gas oil and lubricants in the ordinary course of the Company's activities. The Company recognises revenue in accordance with the relevant master supply agreements or spot sale contracts in the period which the fuel is supplied, when the amount of revenue can be reliably measured and when it is considered probable that the future economic benefits will flow to the Company. Each unit of fuel is treated as a different performance obligation, with a clearly distinguishable obligation to provide fuel. Revenue is therefore recognised on a daily basis, in line with sales made in the year.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added taxes and other sales taxes.

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

### 2.5 Current and deferred income tax

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

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

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

- 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
- 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.

### 2.6 Foreign currency

#### Functional and presentation currency

The Company's functional and presentational currency is United States Dollar ("USD").

#### 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 other operating income or other operating expenses.

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

### 2.7 Financial instruments

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 comprise "trade and other receivables" in the Balance Sheet.

Loans payable to related parties are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.

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 investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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.

### 2.8 Trade and other receivables

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

The Company classifies its amounts due from group undertakings as assets held at Amortised Cost. Assets are initially recognised at fair value based on the underlying value of intercompany transactions. Amounts due from group undertakings are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for amounts due from group undertakings are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a change in credit risk since initial recognition of the financial asset. The Company has received confirmation from World Kinect Corporation 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 the financial statements. Credit risk has therefore been assessed to be mitigated and as such no provision for impairment of amounts due from group undertakings has been recorded within both periods presented within these financial statements.

### 2.9 Trade and other payables

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.

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

### 2.10 Inventory

Inventory consists of marine fuel products bought for resale and is stated at the lower of cost or net realisable value using the average cost method. Components of inventory cost include fuel purchase costs and related transportation costs.

### 2.11 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

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

Concept	Years
Leasehold improvements	5 to 15
Fixtures and office equipment	3 to 15
Machinery and equipment	5 to 40
Buildings	7

Assets under construction are held at historical cost until they are brought into use at which point they are depreciated at a rate dependent upon the nature of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating income or other operating expenses in the Statement of Comprehensive Income.

### 2.12 Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of property, plant and equipment are reviewed for possible reversal at each reporting date. An impairment loss is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply, up to the original cost of the asset.

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

### 2.13 Provisions

Provisions for asset retirement and other obligations are recognised when: (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are discounted to present value where the impact of such is considered to be material. Where the financial impact of discounting to net present value of the provision is not considered to be material, the provision is not discounted.

### 2.14 Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are shown in equity as a deduction from the proceeds. The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Retained earnings represents cumulative profits or losses, net of dividends paid.

### 2.15 Leases

#### *Identifying Leases*

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Company obtains substantially all the economic benefits from use of the asset; and
- The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Operating lease expenses in the current year relate to short-term and low value leases not capitalised under IFRS 16.



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

### *Lease Measurement*

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Depreciation charges on the Company's right of use assets are recognised within cost of sales.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in Statement of Comprehensive Income.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

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

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in Statement of Comprehensive Income. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

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

In the application of the Company's accounting policies, the Director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### (i) Judgements in applying accounting policies

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

##### *Carrying value of inventory*

The Company's inventory consists of marine fuel 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. Management also considers the market price of marine fuel products, comparing this to the average cost of marine fuel products recorded. Where the market price of marine fuel products is lower than the average cost recorded, a provision is recorded to the Statement of Comprehensive Income to reduce the inventory value to net realisable value, since this is the likely sales price of the products.

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

### *Intercompany transactions*

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

### **(ii) Key sources of estimation uncertainty**

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

#### *Carrying value of trade receivables*

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

#### *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.

#### *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 product life cycle and the historical lives of similar assets used by the Company.

#### *Amounts due from group undertakings - Non-current*

The Company has entered into a line of credit agreement with a related party during the prior year. The Company considers a number of estimates when entering into these line of credit agreements to ensure that they are conducted on 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.

#### *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.

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

### 4. Revenue

The Company generates all its revenue from the sale of Marine fuel and associated products in the following locations:

	2023 \$	2022 \$
United Kingdom	239,426,130	348,466,893
Ireland	13,187,900	10,136,610
	<b>252,614,030</b>	<b>358,603,503</b>

### 5. Operating profit

Operating profit is stated after charging/(crediting):

	2023 \$	2022 \$
Operating lease expenses	161,613	153,311
Inventory recognised as an expense	242,606,639	345,644,665
Foreign exchange loss	271,335	1,310,532
Depreciation of property, plant and equipment (note 9)	686,331	589,062
Depreciation of right of use assets (note 9)	111,662	127,428
Fees payable to the Company's auditor:		
- For the audit of the Company's annual financial statements	59,814	75,369

Fees payable to the Company's auditor were settled by a group company.

The Company is a participant in a multi-currency notional cash pooling arrangement that allows the daily excess in certain currencies that may exist in any single group member to be used by other participating Group members. The group participants are all related companies. The Company pays \$1,000 per month to World Fuel Services European Holding Company I, Ltd., the group leader of the multi-currency notional cash pooling arrangement. The Company paid \$12,000 during the year ended 31 December 2023 and 2022.

### 6. Employee costs

Particulars of employee costs are as follows:

	2023 \$	2022 \$
Wages and salaries	1,892,322	1,662,235
Pension costs and other employees expenses	69,283	66,814
Social security costs	218,802	224,058
	<b>2,180,407</b>	<b>1,953,107</b>

The Company's Directors received no remuneration during the year ended 31 December 2023 and 2022 in connection with their services to the Company.

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

The average number of persons employed by the Company during the year was as follows:

	2023	2022
Commercial	16	12
Administrative	8	9
	<b>24</b>	<b>21</b>

### 7. Finance expense

	2023 \$	2022 \$
Interest payable from group companies (note 14)	583,513	—
Other interest expense	6,913	—
	<b>590,426</b>	<b>—</b>

### 8. Income tax expense

	2023 \$	2022 \$
<b>Current tax</b>		
UK corporation tax on (loss)/profit for the year	—	313,562
Adjustments in respect of previous periods	(313,562)	(34,861)
<b>Total current tax (income)/charge for the year</b>	<b>(313,562)</b>	<b>278,701</b>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	54,498	112,439
Changes in tax rate	—	397,633
Adjustments in respect of prior years	(728,702)	(55,720)
<b>Total deferred taxation</b>	<b>(674,204)</b>	<b>454,352</b>
<b>Total tax (income)/charge for the year</b>	<b>(987,766)</b>	<b>733,053</b>

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

	2023 \$	2022 \$
(Loss)/Profit on ordinary activities before tax	(261,103)	1,752,042
(Loss)/Profit on ordinary activities multiplied by UK corporation tax blend rate of Corporation tax of 23.5% (2022: Standard rate of 19%)	(61,359)	332,888
Effects of:		
Expenses not deductible	—	148,833
Origination and reversal of timing differences	54,498	341,913
Adjustments in respect of previous years	(1,042,264)	(90,582)
Group losses surrendered for nil consideration	61,359	—
<b>Tax (income)/charge for the year</b>	<b>(987,766)</b>	<b>733,052</b>

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

### Factors that may affect 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

### 9. Property, plant and equipment

	Assets in construction \$	Leasehold improvements \$	Fixtures and office equipment \$	Machinery and equipment \$	Buildings \$	Right of use asset \$	Total
<b>Cost</b>							
As at 1 January 2023	472,615	2,173,480	13,530	11,685,358	140,885	1,421,390	15,907,258
Additions	1,685,565	73,536	—	121,383	—	—	1,880,484
<b>As at 31 December 2023</b>	<b>2,158,180</b>	<b>2,247,016</b>	<b>13,530</b>	<b>11,806,741</b>	<b>140,885</b>	<b>1,421,390</b>	<b>17,787,742</b>
<b>Accumulated depreciation</b>							
As at 1 January 2023	—	1,822,412	13,530	7,132,194	140,885	503,063	9,612,084
Charge for the year	—	61,710	—	624,621	—	111,662	797,993
<b>As at 31 December 2023</b>	<b>—</b>	<b>1,884,122</b>	<b>13,530</b>	<b>7,756,815</b>	<b>140,885</b>	<b>614,725</b>	<b>10,410,077</b>
<b>Carrying amounts</b>							
<b>As at 31 December 2023</b>	<b>2,158,180</b>	<b>362,894</b>	<b>—</b>	<b>4,049,926</b>	<b>—</b>	<b>806,665</b>	<b>7,377,665</b>
<b>As at 31 December 2022</b>	<b>472,615</b>	<b>351,068</b>	<b>—</b>	<b>4,553,164</b>	<b>—</b>	<b>918,327</b>	<b>6,295,174</b>

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

### 10. Inventory

	2023 \$	2022 \$
Marine fuel	11,493,382	4,964,693
Goods in transit	—	9,246,045
	<b>11,493,382</b>	<b>14,210,738</b>

All amounts relate to finished good and goods for resale. There is no material difference between the replacement cost of inventories and the amounts stated above.

### 11. Trade and other receivables

	2023 \$	2022 \$
Trade receivables	19,843,540	22,474,188
Less: provision for impairment of receivables	(18,992)	(23,931)
<b>Trade receivables - net</b>	<b>19,824,548</b>	<b>22,450,257</b>
Prepayments	269,473	240,933
Amounts owed from group undertakings	23,450,348	18,942,981
Value added tax receivable	1,401,863	3,093,330
Other receivables	55,422	383,152
	<b>45,001,654</b>	<b>45,110,653</b>

All amounts are due within one year.

Amounts owed by group undertakings are unsecured, non-interest bearing, have no fixed date and are repayable on demand.

### 12. Provision for liabilities

	Asset retirement obligation \$	Other provisions \$	Total
<b>Balance as at 1 January 2022</b>	<b>956,504</b>	<b>126,932</b>	<b>1,083,436</b>
Movement in foreign exchange	(101,245)	(13,852)	(115,097)
<b>Balance at 31 December 2022</b>	<b>855,259</b>	<b>113,080</b>	<b>968,339</b>
Movement in foreign exchange	44,679	(23,470)	21,209
<b>Balance at 31 December 2023</b>	<b>899,938</b>	<b>89,610</b>	<b>989,548</b>

The Company's asset retirement obligation relates to the costs associated with restoring the storage terminal (classified as leasehold improvements in note 9) at the existing Liverpool site. The change in the obligation during the year ended 31 December 2023 is due to revaluation of the Sterling payable. The Company has calculated the asset retirement obligation to be GBP £707,000 (2022: GBP £707,000). The provision is expected to be utilised in February 2029 when the current lease term expires.



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

### 13. Deferred tax liability

	Accelerated tax depreciation \$	Provision for impairment of trade receivables \$	Other timing differences \$	Total
<b>Balance as at 1 January 2022</b>	<b>(1,269,315)</b>	<b>11,938</b>	<b>(1,797)</b>	<b>(1,259,174)</b>
Credited/(charged) to Statement of Comprehensive Income	(376,728)	9,650	(838)	(367,916)
Foreign exchange	(87,420)	1,166	(183)	(86,437)
<b>Balance at 31 December 2022</b>	<b>(1,733,463)</b>	<b>22,754</b>	<b>(2,818)</b>	<b>(1,713,527)</b>
Credited/(charged) to Statement of Comprehensive Income	676,017	219	(2,032)	674,204
Foreign exchange	(48,316)	1,107	(235)	(47,444)
<b>Balance at 31 December 2023</b>	<b>(1,105,762)</b>	<b>24,080</b>	<b>(5,085)</b>	<b>(1,086,767)</b>

### 14. Trade and other payables

	2023 \$	2022 \$
<b>Non-current</b>		
Lease liabilities in more than one year and not later than five years	724,416	585,148
Lease liabilities later than five years	—	241,678
Amounts due to group undertakings	25,640,382	22,119,887
	<b>26,364,798</b>	<b>22,946,713</b>
<b>Current</b>		
Trade payables	21,743,577	27,252,053
Other payables and accrued expenses	407,988	376,692
Lease liabilities not later than one year	115,617	85,471
	<b>22,267,182</b>	<b>27,714,216</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 \$28,000,000. 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 borrowings from UK FINCO of \$25,640,382 at 31 December 2023 (2022: \$22,119,887), and recognised \$583,513 interest expense on its net borrowings position during the year ended 31 December 2023 (2022:\$nil).

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

### 15. Share capital

	2023 \$	2022 \$
Authorised, allotted, called up and fully paid		
9,002 (2018: 9,002) ordinary A shares	13,350	13,350
998 (2018: 998) ordinary B shares	1,480	1,480
	<b>14,830</b>	<b>14,830</b>

Both categories of shares have the same characteristics, except that at some stage the Director may distinguish them for profit sharing purposes. The Company has authorised, allocated, called up and fully paid up 9,002 Class A shares for £1 each translated to \$13,350 at a 1.483 rate of exchange and 998 Class B shares for £1 each translated to \$1,480 at a 1.483 rate of exchange.

### 16. Leases

The Company leases certain items of plant and equipment. In some contracts for services with distributors, those contracts contain a lease of vehicles. Leases of plant, equipment and vehicles comprise only fixed payments over the lease terms.

The total cash outflow for leases during the year was \$169,115 (2022: \$978,391).

### 17. Controlling party

The immediate parent undertaking is World Fuel Services European Holding Company I, Ltd; a Company registered in England and Wales, in the United Kingdom.

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

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

### 18. 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 and 2022, the outstanding amounts owed by the Foreign Borrowers were \$nil under the Credit Agreement.

As of 31 December 2022, the Company had access to a foreign bills of negotiation facility as part of the BG New Borrowing Group and facilitated by HSBC for an amount of \$8m (£6m). As of July 2023, the bills of negotiation facility was exited and the amounts thereafter are therefore nil. As at the year end, no amounts were utilised under this facility.

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

### 19. Commitments

As at 31 December 2023, the aggregate undiscounted contractual commitments to acquire property, plant and equipment was \$1,737,030 (2022: \$nil) relating to ongoing construction in progress for the improvement and future proofing of the Company's marine terminals.