

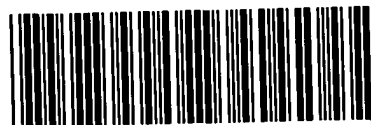
Company Registration No. 05786247

## **Marubeni Energy Europe Limited**

### **Report and Financial Statements**

31 March 2023

WEDNESDAY



\*AC82MNU\*

A05

19/07/2023

#34

COMPANIES HOUSE

---

## Marubeni Energy Europe Limited

### Directors

T Sano (Resigned on 1 April 2022)  
K Hashimoto  
W Yonehara (Resigned on 1 April 2023)  
T Ishida  
H Yanagi (Appointed on 1 April 2022)  
S Nakajima (Appointed on 1 April 2023)

### Auditors

Ernst and Young LLP  
1 More London Place  
London SE1 2AF

### Bankers

Mizuho Bank, Ltd  
Mizuho House  
30 Old Bailey  
London EC4M 7AU

MUFG Bank Ltd  
Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AN

### Registered Office

95 Gresham Street  
London EC2V 7AB  
United Kingdom

## Strategic report

The directors present their strategic report and the financial statements for the year ended 31 March 2023.

### Principal activity and review of the business

The Company was established specifically for trading in oil, LNG and petroleum products on behalf of Marubeni Petroleum, one of the subsidiaries of its ultimate parent undertaking, and its principal commodities for trading and activities are narrowly proscribed. Since April 2013 its main activity consists of acting as an intermediary between suppliers of energy products and Marubeni Petroleum, the entity within the wider Marubeni Corporation group.

The turnover for the year ended 31 March 2023 was US\$2,655,128 (2022 - US\$3,041,550) and comprises the commission received for the administration of transactions for the purchase of various petroleum products and oil commodities on behalf of Marubeni Petroleum.

The Company is focused on expanding its business relationships with the existing suppliers as well as developing a new supplier base, so it can source the best quality products, deliver favourable pricing and ensure shorter delivery terms for the transactions entered on behalf of Marubeni Group. The company had no customers or suppliers in either Ukraine or Russia within the period and, to date, the war has had no impact on operations.

### Risks and uncertainties

The Company has identified the following principal risks:

#### Operational management

The Company's main focus is to maintain its core operational activities. The Directors carry out regular risk assessments, which is implemented through the internal control system of the parent undertaking, Marubeni Corporation.

#### Risk management for financial instruments

The Company's business, in common with other subsidiaries of the general trading companies, is closely linked to its ultimate parent undertaking and one other entity within the wider Marubeni Corporation group with respect to its trading transactions, the ability to obtain funding and the management of credit risk. The Company faces a relatively narrow range of risks in conducting its trading activities and does not consider risk management to be an important part of its function. This is because it acts primarily as an intermediary (or agent) rather than as a principal, and, thus, it is not significantly exposed to the same range of risks as its two main principals Marubeni Corporation and one other entity within Marubeni group.

#### Employees

Marubeni Group shall respect the individual values and life goals of each and every employee and strive to improve the work environment and offer appropriate treatments. The Group also works hard to eliminate all forms of discrimination and foster an atmosphere this comfortable for all.

### Going concern

Marubeni Energy Europe Limited is a profitable business with net assets of US\$5,431,992 as at 31 March 2023 (2022 - US\$5,427,022) and a profit of US\$431,992 for the year ended 31 March 2023 (2022 - US\$427,022). As at 31 March 2023 the Company has cash reserves of US\$15,825 in the form of the cash balances held in banks and US\$5,364,518 of receivables balance due from other group undertakings under the existing cash pooling arrangements within the Marubeni Group. (2022 - US\$19,270 and US\$5,197,659, respectively)

The financial statements have been prepared on the assumption that the Company will continue as a going concern for the going concern period to 31 August 2024. In making this assessment the Directors have considered the effects of the outbreak of Covid-19 on the Company's ability to maintain its trading activity and, thus, service income at the level sufficient to meet its obligations as they fall due in the next twelve-month period. Operationally, as an intermediary company, Marubeni Energy Europe Limited is not expected to be significantly impacted by Covid-19 given that its service income for the fiscal year is guaranteed by Marubeni Group at a sufficient level to cover the operating costs associated with the running of the Company's business. However, the Company's performance in the subsequent period to date reflect overall

## Strategic report (continued)

### Going concern (continued)

volatility on the oil and petroleum products market caused by the pandemic and might affect its liquidity position during the next twelve months considering the timing of its cash flows, e.g., when the Company receives service income from Marubeni Group for the services rendered and is due to discharge its obligations.

The Parent has confirmed its ability to provide support to the Company by letter of support and that it will provide support until 31 August 2024. Through inquiries of the Parent to understand available liquidity, the Directors have assessed the Parent's financial ability to provide this support.

The Directors conclude that the Company has sufficient liquidity resources available from the existing cash and receivables balance due from other group companies under the cash pooling arrangements to meet its immediate obligations. Accordingly, these financial statements have been prepared on a going concern basis, which assumes that the Company will realise its assets and discharge its liabilities in the normal course of business.

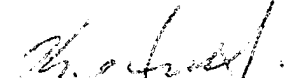
### Anti-Bribery and Corruption

The Company is committed to acting professionally, fairly and with integrity in all its business dealings. As part of its commitment to ethical business practices, the Company will not tolerate any form of bribery or corruption. The Company maintains a comprehensive Anti-Bribery and Corruption policy which outlines the behaviour and principles required to support this commitment.

### Environmental Information

The Company operates a comprehensive environmental policy, complying with legislation, standards and best practice.

On behalf of the Board



K Hashimoto

Director

11/07/2023

## **Marubeni Energy Europe Limited**

Registered No. 5786247

### **Directors' report**

The directors present their report and financial statements for the year ended 31 March 2023.

#### **Results and dividends**

The profit for the year after taxation amounted to US\$ 431,992 (2022 – profit of US\$427,022). During the year, an interim dividend of US\$427,022 was paid to the shareholders (2022 – US\$407,619). No final dividend was authorised by the directors.

#### **Future developments**

The directors expect to continue in the same business with increasingly competitive markets. The outlook for the next twelve months is challenging in terms of the trading margins.

#### **Directors**

The directors who served the Company during the year were as follows:

H Yanagi  
K Hashimoto  
W Yonchara  
T Ishida

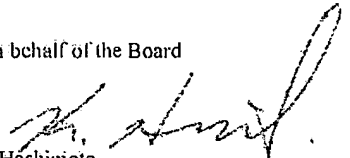
#### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Re-appointment of auditor**

Ernst and Young LLP are deemed to be reappointed as the Company's auditor in accordance with Section 487 (2) of the Companies Act 2006.

On behalf of the Board



K Hashimoto  
Director  
11/07/2023

## Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 the profit or loss for that period.

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 auditors' report**

### **to the members of Marubeni Energy Europe Limited**

#### **Opinion**

We have audited the financial statements of Marubeni Energy Europe Limited for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 11, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 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.

#### **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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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

## **Independent auditors' report**

to the members of Marubeni Energy Europe Limited (continued)

### **Other information (continued)**

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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 directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.



## Independent auditors' report to the members of Marubeni Energy Europe Limited (continued)

### Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, and relevant health and safety, data and tax laws and regulations.
- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries by reading board minutes as well as correspondence between the Company and its advisors, and consideration of the results of our audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand their risk assessment process and how these risks are being mitigated. We also considered performance targets and their influence on efforts made by management to manage revenue and profit.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved tailoring our audit procedures around revenue testing to address the risk of management manipulation of revenue.

A further description of our responsibilities for the audit of the financial statements is located 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.

Ernst & Young LLP

David Clark (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

11<sup>th</sup> July 2023

## Statement of Comprehensive Income

for the year ended 31 March 2023

	Notes	2023 US\$	2022 US\$
<b>Turnover</b>	2	2,655,128	3,041,550
<b>Gross profit</b>		2,655,128	3,041,550
Administrative expenses		(2,242,447)	(2,555,255)
<b>Operating profit</b>	3	412,681	486,295
Interest receivable and similar income		131,363	1,519
Interest payable and similar charges		(34)	(222)
<b>Profit on ordinary activities before taxation</b>		544,010	487,592
Income tax	5	(112,018)	(60,570)
<b>Total comprehensive income for the year</b>		<u>\$431,992</u>	<u>427,022</u>

All results in the current financial year derive from continuing operations and are attributable to the equity holders of the immediate parent undertaking.

The notes on page 12 to 17 are an integral part of these financial statements.

## Statement of Financial Position

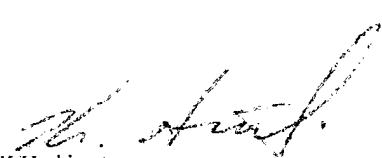
at 31 March 2023

	Notes	2023 US\$	2022 US\$
<b>Fixed assets</b>			
Tangible fixed assets	6	252	3,282
Deferred tax assets	5(c)	7,740	9,559
		<u>7,992</u>	<u>12,841</u>
<b>Current assets</b>			
Debtors	7	5,834,005	5,827,409
Cash and cash equivalents		15,825	19,270
		<u>5,849,830</u>	<u>5,846,679</u>
<b>Creditors: amounts falling due within one year</b>	8	(425,830)	(432,498)
Income tax payable		-	-
<b>Net current assets</b>		<u>5,424,000</u>	<u>5,414,181</u>
<b>Total assets less current liabilities</b>		<u>5,431,992</u>	<u>5,427,022</u>
<b>Net assets</b>		<u>5,431,992</u>	<u>5,427,022</u>
<b>Capital and reserves</b>			
Called up share capital	9	5,000,000	5,000,000
Profit and loss account		431,992	427,022
<b>Shareholders' funds</b>		<u>5,431,992</u>	<u>5,427,022</u>

All capital and reserves are attributable to the owners of the Company, as there is no non-controlling interest.

The financial statements on the pages from 9 to 17 of Marubeni Energy Europe Limited (registered number 5786247) were approved by the Board of directors and authorised for issue on 11<sup>th</sup> July 2023.

The notes on page 12 to 17 are an integral part of these financial statements.

  
K Hashimoto  
Director

## Statement of Changes in Equity

for the year ended 31 March 2023

	<i>Share capital (Note 9) US\$</i>	<i>Retained earnings US\$</i>	<i>Shareholders' funds US\$</i>
At 1 April 2021	5,000,000	407,619	5,407,619
Profit for the year	–	427,022	427,022
Dividend paid	–	(407,619)	(407,619)
Total comprehensive income for the year	<u>5,000,000</u>	<u>427,022</u>	<u>5,427,022</u>
At 1 April 2022	5,000,000	427,022	5,427,022
Profit for the year	–	431,992	431,992
Dividend paid	–	(427,022)	(427,022)
At 31 March 2023	<u>5,000,000</u>	<u>431,992</u>	<u>5,431,992</u>

The amount of dividend paid would equate to approximately US\$0.09 per share.

The notes on page 12 to 17 are an integral part of these financial statements.

## Notes to the financial statements

at 31 March 2023

### 1. Accounting policies

#### *Authorization of financial statements and statement of compliance with FRS 101*

The financial statements of Marubeni Energy Europe Limited (the "Company") for the year ended 31 March 2023 were authorized for issue by the Board of directors on 11<sup>th</sup> July 2023 and the Statement of Financial Position was signed on the Board's behalf by K Hashimoto. The Company is a private company limited by shares, incorporated, and domiciled in the United Kingdom. These financial statements were prepared in accordance with United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice). The principal accounting policies adopted by the Company are set out below.

#### *Basis of preparation*

The Company's financial statements are prepared in accordance with FRS 101 and under historical cost conversion and presented in United States dollars as the directors consider this to be the Company's functional currency and all the values are rounded to the nearest dollar.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2023.

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 requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1 and (ii) paragraph 73(c) of IAS 16 "Property, Plant and Equipment";
- d) the requirements of paragraphs 10(d), 16, 38A to 38D, 40A, 40B, 40C and 40D, 111 and 134 to 136 of IAS 1 "Presentation of Financial Statements";
- g) the requirements of IAS 7 "Statement of Cash Flows";
- i) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures";
- j) the requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- k) The requirement of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 "Revenue from Contracts with Customers".

#### *Going concern*

Marubeni Energy Europe Limited is a profitable business with net assets of US\$5,431,992 as at 31 March 2023 (2022 - US\$5,427,022) and a profit of US\$431,992 for the year ended 31 March 2023 (2022 - US\$427,022). As at 31 March 2023 the Company has cash reserves of US\$15,825 in the form of the cash balances held in banks and US\$5,364,518 of receivables balance due from other group undertakings under the existing cash pooling arrangements within the Marubeni Group. (2022 - US\$19,270 and US\$5,197,659, respectively) The financial statements have been prepared on the assumption that the Company will continue as a going concern for the going concern period to 31 August 2024. In making this assessment the Directors have considered the effects of the outbreak of Covid-19 on the Company's ability to maintain its trading activity and, thus, service income at the level sufficient to meet its obligations as they fall due in the next twelve-month period. Operationally, as an intermediary company, Marubeni Energy Europe Limited is not expected to be significantly impacted by Covid-19 given that its service income for the fiscal year is guaranteed by Marubeni Group at a sufficient level to cover the operating costs associated with the running of the Company's business. However, the Company's performance in the subsequent period to date reflect overall volatility on the oil and petroleum products market caused by the pandemic and might affect its liquidity position during the next twelve months considering the timing of its cash flows, e.g., when the Company receives service income from Marubeni Group for the services rendered and is due to discharge its obligations.

## Notes to the financial statements

at 31 March 2023

### 1. Accounting policies (continued)

#### *Going concern (continued)*

The Parent has confirmed its ability to provide support to the Company by letter of support and that it will provide support until 31 August 2024. Through inquiries of the Parent to understand available liquidity, the Directors have assessed the Parent's financial ability to provide this support.

The Directors conclude that the Company has sufficient liquidity resources available from the existing cash and receivables balance due from other group companies under the cash pooling arrangements to meet its immediate obligations. Accordingly, these financial statements have been prepared on a going concern basis, which assumes that the Company will realise its assets and discharge its liabilities in the normal course of business.

#### *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that the actual outcomes could differ from those estimates.

##### • *Taxation*

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in Note 5.

##### • *Impairment of financial assets*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the trade debtor is impaired.

#### *Tangible Fixed Assets – Furniture & Fittings and equipment*

Furniture & Fitting and Other equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. When significant parts of Furniture & Fittings and Other equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Furniture & Fitting and Other equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

	<i>Depreciation rate (%) or period</i>	<i>Method</i>
Furniture & Fittings	over 5 to 10 years	Straight-line, zero residual value
Other equipment	over 2 to 9 years	Straight-line, zero residual value

An item of Furniture & Fittings and Other equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate. The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

at 31 March 2023

### 1. Accounting policies (continued)

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible on other years and it further excludes items that are never taxable or deductible. The Company's liability for the current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based upon tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity in which case the deferred tax is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit and is accounted for using statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is not probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

### 2. Turnover

The turnover represents commission and service fees, which is stated net of value added tax, received and receivable from the Company's continuing activity on behalf of Marubeni Group.

No geographical analysis of turnover, profit or net assets is given as, in the opinion of the directors, to provide such information would be seriously prejudicial to the interests of the Company.

### 3. Operating profit

This is stated after:

	2023	2022
	US\$	US\$
Auditor's remuneration – audit services	31,271	27,073
– tax services (non-audit services)	-	-
Depreciation	4,030	3,880
Net foreign currency (gain)/loss	(29,447)	(25,131)
Operating lease rental – building	171,557	192,328

Marubeni Energy Europe Limited does not have future minimum lease payments under non-cancellable operating leases given that the Company has a one-month notice period to vacate their rented premises should they decide to do so.

## Notes to the financial statements

at 31 March 2023

### 4. Staff costs

	2023	2022
	US\$	US\$
Wages and salaries	1,300,586	1,673,630
Social security costs	7,309	12,501
Pension costs	3,281	3,591
	<u>1,311,176</u>	<u>1,689,722</u>

The average monthly number of employees was 5 (2022- 7).

The aggregate directors' remuneration in respect of services as directors of the Company during the year were US\$ 692,683 (2022 – US\$723,168) and the highest paid director for 2023 received US\$ 363,658 (2022 – US\$370,075). The highest paid director did not exercise any share options and receive or is due to receive a long-term incentive scheme as none was provided.

### 5. Tax

#### (a) Tax on profit on ordinary activities

The tax on profit is made up as follows:

	2023	2022
	US\$	US\$
<b>Current tax:</b>		
Current tax on the profit for the year	108,380	94,531
Adjustment in respect of prior years	-	(33,961)
Total current tax	<u>108,380</u>	<u>60,570</u>
<b>Deferred tax:</b>		
Current year	1,819	-
Effect of changes in tax rates	-	-
Total deferred tax	<u>1,819</u>	<u>-</u>
Tax per income statement	<u>110,199</u>	<u>60,570</u>

#### (b) Factors affecting current tax charge for the year:

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2022 – 19%). The differences are explained below:

	2023	2022
	US\$	US\$
Profit on ordinary activities before tax	<u>544,010</u>	<u>487,592</u>
profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 – 19%)	103,362	92,643
<b>Effects of:</b>		
Adjustments in respect of prior periods	0	(33,961)
Expenses not deductible for tax purposes	6,837	1,888
Tax rate changes	-	-
<b>Income tax on profit reported in the income statement</b>	<u>110,119</u>	<u>60,570</u>



## Notes to the financial statements

at 31 March 2023

### 5. Tax (continued)

(c) *Deferred tax*

	2023 US\$	2022 US\$
<i>Deferred tax assets</i>		
Assets at start of year	(9,559)	(9,559)
Deferred tax charge to I/S for the period	1,819	-
	<u>(7,740)</u>	<u>(9,559)</u>

	2023 US\$	2022 US\$
Deferred tax assets	<u>(7,740)</u>	<u>(9,559)</u>

### 6. Tangible fixed assets

	<i>Furniture and fittings</i> US\$	<i>Other equipment</i> US\$	<i>Total</i> US\$
Cost:			
At 1 April 2022	47,857	85,575	133,432
Additions	-	1,000	1,000
Disposals	-	-	-
At 31 March 2023	<u>47,857</u>	<u>86,575</u>	<u>134,432</u>
Depreciation:			
At 1 April 2022	47,857	82,292	130,149
Provided in year	-	4,030	4,030
Disposals	-	-	-
At 31 March 2023	<u>47,857</u>	<u>86,322</u>	<u>134,179</u>
Net book value:			
At 31 March 2023	<u>-</u>	<u>252</u>	<u>252</u>
At 1 April 2022	<u>-</u>	<u>3,282</u>	<u>3,282</u>

### 7. Debtors

	2023 US\$	2022 US\$
Amounts due from parent undertaking	22,416	26,766
Amounts due from fellow subsidiary undertakings	5,441,139	5,238,807
Accrued income and prepayments	55,906	141,401
Other debtors	314,544	420,435
	<u>5,834,005</u>	<u>5,827,409</u>

All the balances are due within one year and the amounts due from fellow group undertakings are interest bearing (Term SOFR). Other debtors represent receivables due from the suppliers of oil and petroleum products as a result of demurrage claims made by the Company in relation with its core trading activity.

## Notes to the financial statements

at 31 March 2023

### 7. Debtors (Continued)

which are then owed to other group entities or to the external customers. Under the service agreements with Marubeni, the Company is indemnified for the losses incurred in its core business activity, thus, does not bear a recoverability risk with regards to these receivables.

### 8. Creditors: amounts falling due within one year

	2023	2022
	US\$	US\$
Amounts due to parent undertaking	-	10,008
Amounts due to fellow subsidiary undertakings	39,621	50,682
Accruals	44,179	40,329
Other creditors	342,030	331,479
	<u>425,830</u>	<u>432,498</u>

All balances are non-interest bearing and due within one year. The amounts due to fellow subsidiary undertakings and, also, included in other creditors relate to demurrage claims made by the Company to the suppliers that are due to Marubeni entities or the external customers as part of the Company's core trading activity, which have not yet been settled by the suppliers.

As at 31 March 2023 Marubeni Energy Europe Limited has a total of US\$433,000,000 lines of credit available with the commercial traders and various financial institutions (2022 – US\$285,000,000). These credit facilities are being supported by the ultimate parent Marubeni Corporation with the parent guarantee agreements and used by the Company from time to time to draw letters of credit, etc. to finance its core trading activity. There have been no amounts drawn down from the above credit facilities and outstanding as of 31 March 2023 (2022 – US\$Nil.).

### 9. Issued share capital.

	No.	2023	No.	2022
		US\$		US\$
<i>Allotted, called up and fully paid</i>				
Ordinary shares of US\$1	5,000,000	<u>5,000,000</u>	5,000,000	<u>5,000,000</u>

### 10. Related party transactions

The Company has taken advantage of the exemptions afforded by paragraph 8(1e) of IFRS 101 not to disclose transactions with related parties where the related party is wholly owned within the Marubeni Corporation group, of which the Company is a wholly owned subsidiary. Balances with group undertakings are shown in Note 7 and 8.

### 11. Ultimate parent undertaking and controlling party.

The Company's immediate and ultimate parent undertaking and controlling party is Marubeni Corporation, which is incorporated in Japan. Copies of Marubeni Corporation's group financial statements, which include the Company, can be obtained from its registered office at 4-2, Ohtemachi 1-Chome Chiyoda-ku Tokyo, 100-8088, Japan.