

## **Orchard (Holdings) UK Limited**

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 07817445

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# Orchard (Holdings) UK Limited

## Company Information

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<b>Directors</b>	Terence Patrick Cogan Richard Donald McMichael Paul Thomas Vian
<b>Company secretary</b>	Reed Smith Corporate Services Limited
<b>Registered number</b>	07817445
<b>Registered office</b>	The Broadgate Tower Third Floor 20 Primrose Street London EC2A 2RS
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# Orchard (Holdings) UK Limited

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# Orchard (Holdings) UK Limited

## Directors' Report For the Year Ended 31 December 2019

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The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

### Principal activities

The Company, incorporated in England and Wales in the United Kingdom ("UK"), is a wholly-owned subsidiary of World Fuel Services Europe, Ltd., which is a wholly-owned subsidiary of WFS UK Holding Company II Limited, both of which are also incorporated in England and Wales in the United Kingdom. The ultimate holding company is World Fuel Services Corporation (the "Ultimate Parent Undertaking"), incorporated in the State of Florida, in the United States of America.

The principal activity of the Company in the year under review continued to be that of an intermediate holding company. The Directors do not envisage a change in the principal activities of the Company in the foreseeable future.

### Business review and future outlook

The loss on ordinary activities before taxation was £Nil for the year ended 31 December 2019 (2018: £nil).

The directors are satisfied with the results for the financial year. No further acquisitions are planned in the foreseeable future.

### Dividends

The Company did not pay an interim dividend for the year ended 31 December 2019 (2018: £nil). No final dividend is proposed for the year ended 31 December 2019 (2018: £nil).

### Going concern

The loss after tax for the year was £nil (2018: £nil). Net assets as at 31 December 2019 were £5,469,744 (2018: £5,469,744). The directors have obtained confirmation from World Fuel Services Corporation that it will 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 December 31, 2019, 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 December 31, 2019, as and when they fall due.

As a result of the support from the ultimate parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

### Directors and directors' interests

The directors who held office during the year and thereafter, except as noted, were as follows:

Terence Patrick Cogan  
Richard Donald McMichael  
Paul Thomas Vian  
Maria Charash Koundina (resigned on 21 March 2019)

None of the directors who held office at the end of the financial year had any interests in the ordinary shares of the Company.

### 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 company maintains liability insurance for its directors and officers. The qualifying third party indemnity was in place during the year ended 31 December 2019 and as at the date of approval of the Annual Report.

# Orchard (Holdings) UK Limited

## Directors' Report (continued) For the Year Ended 31 December 2019

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### Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

### Events after the reporting period

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, have been significantly disrupted by the pandemic.

World Fuel Services Corporation, the ultimate parent company of Orchard (Holdings) UK Limited, has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended December 31, 2019, 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 December 31, 2019, as and when they fall due.

### Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

# Orchard (Holdings) UK Limited

## Directors' Report (continued) For the Year Ended 31 December 2019

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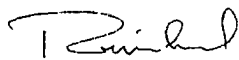
### Auditors

The auditors, BDO LLP have expressed their willingness to continue in office and will be reappointed during the year in accordance with section 485 of the Companies Act 2006.

### Special provisions relating to small companies

This report has been prepared in accordance with the special provisions relating to small companies subject to the small companies regime within part 15 of the Companies Act 2006 'The Small companies and Groups (Accounts and Directors Report) Regulations 2008'. The Company is not required to prepare a Strategic Report.

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



Richard Donald McMichael

Director

Date: 23 November 2020

# Orchard (Holdings) UK Limited

## Independent Auditor's Report to the Members of Orchard (Holdings) UK Limited

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### Opinion

We have audited the financial statements of Orchard (Holdings) UK Limited ("the Company") for the year ended 31 December 2019 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its result 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# Orchard (Holdings) UK Limited

## Independent Auditor's Report to the Members of Orchard (Holdings) UK Limited (continued)

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### 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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



# Orchard (Holdings) UK Limited

## Independent Auditor's Report to the Members of Orchard (Holdings) UK Limited (continued)

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### 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.



Joseph Aswani (*Senior Statutory Auditor*)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

Date: 23 November 2020

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

# Orchard (Holdings) UK Limited

Registered number: 07817445

## Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Other operating expenses		-	-
<b>Result on ordinary activities before taxation</b>	4	-	-
Income tax expense		-	-
<b>Result on ordinary activities after taxation</b>		-	-
Other comprehensive income		-	-
<b>Total comprehensive result for the year</b>		-	-

All amounts relate to continuing activities.

The notes on pages 10 to 15 form part of these financial statements.

# Orchard (Holdings) UK Limited

Registered number: 07817445

## Balance Sheet As at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	5	5,469,744	5,469,744
<b>Net assets</b>		<u>5,469,744</u>	<u>5,469,744</u>
<b>Equity</b>			
Called up share capital	6	250,002	250,002
Share premium		4,200,000	4,200,000
Retained earnings		1,019,742	1,019,742
<b>Total shareholders' funds</b>		<u>5,469,744</u>	<u>5,469,744</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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



Richard Donald McMichael  
Director

Date: 23 November 2020

The notes on pages 10 to 15 form part of these financial statements.

# Orchard (Holdings) UK Limited

## Statement of Changes in Equity For the Year Ended 31 December 2019

	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	250,002	4,200,000	1,019,742	5,469,744
Result for the year	-	-	-	-
<b>At 31 December 2018</b>	<u>250,002</u>	<u>4,200,000</u>	<u>1,019,742</u>	<u>5,469,744</u>
Result for the year	-	-	-	-
<b>At 31 December 2019</b>	<u>250,002</u>	<u>4,200,000</u>	<u>1,019,742</u>	<u>5,469,744</u>

The notes on pages 10 to 15 form part of these financial statements.

# Orchard (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 1. General information

Orchard (Holdings) UK 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 Europe, Ltd. incorporated in England and Wales in the United Kingdom. The ultimate holding company is World Fuel Services Corporation ("the ultimate parent undertaking"), incorporated in the State of Florida, in the United States of America.

The address of the registered office is The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS. The principal activity of the Company in the year under review continued to be that of an intermediate holding company.

### 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' 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 (see note 3).

The following principal accounting policies have been applied:

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

The Company has taken advantage of the following disclosure exemptions under FRS 101:

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

#### 2.3 New standards, amendments and IFRIC interpretations

IFRS 16 *Leases* and IFRIC 23 *Uncertainty over income Tax Treatments* (IFRIC 23) are new accounting standards effective for the year ended 31 December 2019. The standards are effective from 1 January 2019. The Directors have assessed the impact of these new accounting standards and concluded that the standards will not have a material impact on the Company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019.

# Orchard (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The loss after tax for the year was £nil (2018: £nil). Net assets as at 31 December 2019 were £5,469,744 (2018: £5,469,744). The directors have obtained confirmation from World Fuel Services Corporation that it will 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 December 31, 2019, 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 December 31, 2019, as and when they fall due.

As a result of the support from the ultimate parent company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

#### 2.4 Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

#### 2.5 Impairment of investments

At each balance sheet date, the Company tests the carrying amounts of investments to determine whether those investments have suffered an impairment loss. The recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# Orchard (Holdings) UK Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### **2 Accounting policies (continued)**

#### **2.6 Consolidated financial statements**

The financial statements contain information about Orchard (Holdings) UK Limited as an individual company and do not contain consolidated financial information as the parent of the Group. The Company has taken the exemption under Section 401 of the Companies Act 2006 from the requirement to prepare, for the current year, consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated statements of its ultimate parent undertaking, World Fuel Services Corporation, a company incorporated in the United States of America, and whose financial statements are publicly available. A copy of the consolidated financial statements can be obtained from the Group's website.

#### **2.7 Foreign currency translation**

##### **Functional and presentation currency**

The Company's functional and presentational currency is GBP (£).

##### **Transactions and balances**

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

At each year 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

#### **2.8 Share capital**

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.

#### **2.9 Dividends**

Dividend distributions to the Company's shareholders are recognised in the year in which the dividends are approved by the Company's shareholders.

Dividends received from investment undertakings are recorded within the Statement of Comprehensive Income at the point at which dividends are declared provided the inflow of positive economic resources is expected.

# Orchard (Holdings) UK Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 December 2019

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

#### Sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

#### Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of turnover and expenses during the reporting period.

The directors believe the following to be the key areas of estimation and judgement:

#### Impairment of investments

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

### 4. Operating result

The audit fees for the year ended 31 December 2019 of £5,248 (2018: £8,000) are borne by another group company and are not recharged to Orchard (Holdings) UK Limited. Fees associated with the preparation of the financial statements for the year are £1,400 (2018: £1,400), which are also borne by another group company.

The Company had no employees for the year ended at 31 December 2019 (2018: nil). The Company's directors received no remuneration during the year ended 31 December 2019 (2018: £nil) in connection with their services to the Company.

### 5. Investments

	Shares in subsidiary undertakings £
Cost at 1 January and 31 December 2019	<u>5,469,744</u>
Carrying value at 31 December 2018 and 31 December 2019	<u>5,469,744</u>

The directors believe that the carrying value of the investments is supported by their projected future cash flows.



# Orchard (Holdings) UK Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 December 2019

### 5 Investments (continued)

The Company holds 20% or more of the share capital of the following companies:

Entity	Country of registration	Nature of business	Shares held class	Proportion of shares held
Orchard Energy Limited	England and Wales	Energy Broker	A, B and C Ordinary	100%

The registered address for this company is the same as that listed on the Company information page.

### 6. Share capital

	2019 £	2018 £
<b>Authorised</b>		
250,002 (2018: 250,002) Ordinary shares of £1 each	<u>250,002</u>	<u>250,002</u>
<b>Allotted, called up and fully paid</b>		
250,002 (2018: 250,002) Ordinary shares of £1 each	<u>250,002</u>	<u>250,002</u>

Retained earnings represent all other net gains and losses and transactions with owners not recognised.

Share premium represents the amounts received in excess of the value of each individual ordinary share in issue.

### 7. Controlling party

The immediate parent undertaking is World Fuel Services Europe, Ltd., a company registered in England and Wales in the United Kingdom.

The ultimate parent undertaking and controlling party is World Fuel Services Corporation, a company incorporated in the United States of America.

World Fuel Services Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The consolidated financial statements of World Fuel Services Corporation may be obtained from World Fuel Services Corporation, 9800 NW 41<sup>st</sup> Street, Suite 400, Miami, Florida USA 33178. World Fuel Services Corporation is the only company that consolidates the Company's results.

### 8. Changes in accounting policy

This note explains the impact of the adoption of IFRS 16 *Leases* and IFRIC 23 *Uncertainty over Income Tax Treatments* on the Company's financial statements.

The Company adopted IFRS 16 and IFRIC 23 with a transition date of 1 January 2019. The Directors have assessed the impact of these new accounting standards and concluded that the standards will not have a material impact on the Company. Other new and amended standards and Interpretations issued by the IASB did not impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

# Orchard (Holdings) UK Limited

## Notes to the Financial Statements (continued) For the Year Ended 31 December 2019

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### 8. Changes in accounting policy (continued)

#### IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have any leasing activities acting as a lessor.

#### IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation requires:

- The Company to determine whether uncertain tax treatments should be considered separately, or together as a Company, based on which approach provides better predictions of the resolution;
- The Company to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

The Company has adopted IFRIC 23 Uncertainty over Income Tax Treatments from 1 January 2019. The adoption did not result in material changes to corporate tax liabilities and there are no adjustments to the amounts recognised in the financial statements.

### 9. Events after the reporting period

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, have been significantly disrupted by the pandemic.

World Fuel Services Corporation, the ultimate parent company of Orchard (Holdings) UK Limited, has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended December 31, 2019, 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 December 31, 2019, as and when they fall due. The director has further satisfied himself that the impacts of COVID-19 does not change the availability of this support. Thus, the Company has adopted the going concern basis in preparing the financial statements.

The COVID-19 pandemic and associated impacts on economic activity are not expected to have a significant effect on the Company due to the investment holding nature of the Company.