

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Company Number: 4840112

MONDAY



L5ISP2SA

L16

31/10/2016

#4

COMPANIES HOUSE

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

<u>Contents</u>	Page
Strategic report	1
Directors' report	3
Independent auditors' report	6
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

STRATEGIC REPORT

For the Year Ended 31 December 2015

The directors present herewith their strategic report and directors' report together with the audited financial statements of World Fuel Services European Holding Company I, Ltd. (the "Company") for the year ended 31 December 2015.

Principal activities

The Company, incorporated in the United Kingdom ("UK"), is a wholly-owned subsidiary of World Fuel Services (Singapore) Pte. Ltd. incorporated in Singapore. Ownership of the Company transferred from World Fuel Singapore Holding Company I Pte. Ltd. to World Fuel Services (Singapore) Pte. Ltd., on 1 June 2015. The ultimate holding company is World Fuel Services Corporation ("ultimate parent undertaking") incorporated in the State of Florida, the United States of America.

The Company's principal activities include being an investment holding company and acting as the leader 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.

Business review and future outlook

The Company's loss for the financial year ended 31 December 2015 was \$5,008,849 (2014: loss of \$6,110,420). The Company had net current assets of \$12,326,552 at 31 December 2015 (2014: net current liabilities of \$33,055,052).

The Company's profitability is dependent upon dividends from subsidiaries in excess of finance costs on outstanding borrowings. The Company received no dividends for the year ended 31 December 2015 (2014: \$nil). The Company recorded interest expense on outstanding borrowings of \$5,696,128 for the year ended 31 December 2015 (2014: \$6,780,014).

The current directors are satisfied with the results for the year. There are no significant changes planned in the Company's operations in the foreseeable future.

Principal risks and uncertainties

The Company's principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. World Fuel Services Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The principal risks and uncertainties of World Fuel Services Corporation, the ultimate parent undertaking, are discussed on pages 4 to 15 of the 2015 annual report on Form 10-K which does not form part of this report.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

STRATEGIC REPORT

For the Year Ended 31 December 2015

Key performance indicators (“KPIs”)

The Company’s directors monitor progress and strategy by reference to the following KPIs:

	2015	2014	Change	Change
	\$	\$	\$	%
Loss for the year before income tax	(4,996,642)	(6,108,986)	1,112,344	18%
Loss for the year	(5,008,849)	(6,110,420)	1,101,571	18%

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

Company Number: 4840112
One Fleet Place
London, United Kingdom
EC4M 7WS
28 October 2016

On behalf of the board,



Christopher John White, Director

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

DIRECTORS' REPORT

For the Year Ended 31 December 2015

Directors

The directors who served during the financial year ended 31 December 2015 and up to the date of signing the financial statements are as follows:

Michael Scott Clementi (resigned 16 March 2015)

Richard Donald McMichael

Carlos Manuel Velazquez

Adrienne Beth Bolan

Christopher John White

Directors' indemnities

The ultimate parent undertaking maintains liability insurance for its directors and officers and 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. The qualifying third party indemnity was in place during the year ended 31 December 2015 and as at the date of approval of the Annual Report.

Dividends

The Company paid no interim dividend for the year ended 31 December 2015 (2014: nil). No final dividend was proposed for the year ended 31 December 2015.

Going concern

The Company is funded via intercompany loans from its ultimate parent undertaking, World Fuel Services Corporation. The directors have obtained confirmation from World Fuel Services Corporation that it will provide adequate financial support to enable the company to meet its current obligations for a period of at least one year from the date of approval of these financial statements.

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 Fuel Services Corporation group. The financial risk objectives, policies and exposures are described in the financial statements of the ultimate parent company on pages 4 to 15 of the 2015 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 in Sterling are subject to exposure to exchange rate changes. The company mitigates this risk through participation in foreign currency hedges entered into by a related company.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

DIRECTORS' REPORT

For the Year Ended 31 December 2015

Price risk

The Company has no exposure to price risk.

Interest rate risk

The Company has exposure to interest rate risk given a loan outstanding at 31 December 2015 and interest paid on the basis of Libor that is reset periodically. Therefore, interest paid may be higher or lower based on Libor being higher or lower in future period through the maturity dates of the loan.

Credit risk

Credit risk arises from cash and cash equivalents, and trade and other receivables. As at 31 December 2015, the Company has \$354,019 cash at bank or in hand held at financial institutions (2014: \$335,866). The maximum exposure to credit risk at the reporting date is the carrying value of cash and each class of receivables as presented on the balance sheet. The Company does not hold any collateral as security.

Liquidity risk

The Company relies on unsecured credit from related companies as a significant source of liquidity. Management believes that the company can obtain financing from related 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.

Subsequent events

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities reported at the balance sheet date of 31 December 2015.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

DIRECTORS' REPORT

For the Year Ended 31 December 2015

Statement of directors' responsibilities-continued

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

Disclosure of information to auditors

Each of the directors at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Company Number: 4840112
One Fleet Place
London, United Kingdom
EC4M 7WS
28 October 2016

On behalf of the board,



Christopher John White, Director

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

For the Year Ended 31 December 2015

Report on the financial statements

Our opinion

In our opinion, World Fuel Services European Holding Company I Ltd.'s financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

World Fuel Services European Holding Company I Ltd.'s financial statements comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

For the Year Ended 31 December 2015

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of the directors' responsibilities set out on page 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 October 2016

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2015

	2015	2014
	\$	\$
Administrative expenses	(68,095)	(58,814)
Other income	317,882	-
Operating profit/(loss)	249,787	(58,814)
Finance income (Note 6)	449,699	729,842
Finance costs (Note 5)	(5,696,128)	(6,780,014)
Loss for the year before income tax (Note 3)	(4,996,642)	(6,108,986)
Income tax expense (Note 7)	(12,207)	(1,434)
Loss for the year	(5,008,849)	(6,110,420)
Other comprehensive income	-	-
Total comprehensive loss for the year	(5,008,849)	(6,110,420)

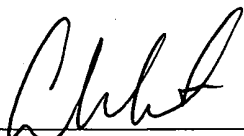
The notes to the financial statements on pages 11 to 20 form an integral part of these financial statements.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.**BALANCE SHEET****As at 31 December 2015**

	2015	2014
	\$	\$
ASSETS		
Non-current assets		
Investments (note 8)	147,596,195	147,278,313
Total non-current assets	<u>147,596,195</u>	<u>147,278,313</u>
Current assets		
Cash and cash equivalents	354,019	335,866
Trade and other receivables (note 9)	19,208,182	19,244,033
Total current assets	<u>19,562,201</u>	<u>19,579,899</u>
Total assets	<u><u>167,158,396</u></u>	<u><u>166,858,211</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital (note 12)	474,638	474,638
Share premium	24,999,842	24,999,842
Other reserves	353,018	353,018
Accumulated losses	(33,791,688)	(28,782,839)
Total equity	<u>(7,964,190)</u>	<u>(2,955,341)</u>
LIABILITIES		
Non-current liabilities		
Borrowings (note 11)	167,873,296	117,177,167
Deferred tax liability	13,641	1,434
Total non-current liabilities	<u>167,886,937</u>	<u>117,178,601</u>
Current liabilities		
Borrowings (note 11)	-	45,000,000
Trade and other payables (note 10)	7,235,649	7,634,951
Total current liabilities	<u>7,235,649</u>	<u>52,634,951</u>
Total liabilities	<u>175,122,586</u>	<u>169,813,552</u>
Total equity and liabilities	<u><u>167,158,396</u></u>	<u><u>166,858,211</u></u>

The notes to the financial statements on page 11 to 20 form an integral part of these financial statements.

The financial statements on pages 8 to 20 were approved by the board on 28 October 2016 and were signed on its behalf by:



Christopher John White, Director

Company Number: 4840112

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

STATEMENT OF CHANGES IN EQUITY
For the Year ended at 31 December 2015

	Share capital	Share premium account	Other reserves	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2014	474,638	24,999,842	353,018	(22,672,419)	3,155,079
Loss for the year and total comprehensive loss for the year	-	-	-	(6,110,420)	(6,110,420)
Balance at 31 December 2014	474,638	24,999,842	353,018	(28,782,839)	(2,955,341)
Loss for the year and total comprehensive loss for the year	-	-	-	(5,008,849)	(5,008,849)
Balance at 31 December 2015	474,638	24,999,842	353,018	(33,791,688)	(7,964,190)

The notes to the financial statements on pages 11 to 20 form an integral part of these financial statements.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(1) GENERAL INFORMATION

World Fuel Services European Holding Company I, LTD (“the Company”) is a private company incorporated and domiciled in the United Kingdom (“UK”). The Company is a wholly-owned subsidiary of World Fuel Services (Singapore) Pte. Ltd. incorporated in Singapore. The ultimate holding company is World Fuel Services Corporation (“ultimate parent undertaking”) incorporated in the State of Florida, the United States of America.

The Company’s principal activities include being an investment holding company and acting as the leader 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.

(2) ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied for all years presented, are as follows:

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

The following exemptions from the requirements of International Financial Reporting Standards as adopted by the European Union (“IFRS”) have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, ‘Financial Instruments: Disclosures’
- Paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, ‘Presentation of financial statements’:
 - 10(d) (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38 (comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(2) ACCOUNTING POLICIES – CONTINUED

2.1 Basis of preparation – continued

- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2.1.1 Transition to FRS 101

The financial statements for the year ended 31 December 2015 represent the first annual financial statements of the company prepared in accordance with FRS 101. Previously, the financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"). The date of transition to FRS 101 was 1 January 2014.

On transition to FRS 101, the Company has early adopted the amendments to FRS 100 "Application of Financial Reporting Requirements" and the company law changes of SI 2015/980. Early adoption has only impacted the presentation of the Statement of comprehensive income and the Balance sheet.

The accounting policies described in note 2 have been applied in preparing the financial statements for the year ended 31 December 2015, and the comparative information for the year ended 31 December 2014. Adoption of FRS 101 had no impact on amounts reported previously by the Company in its financial statements prepared under UK GAAP.

2.2 Going concern

The Company relies on funding via intercompany loans from its ultimate parent company, World Fuel Services Corporation. The directors have obtained confirmation from World Fuel Services Corporation that it will provide adequate support to enable the Company to meet its current obligations for a period at least one year from the date of approval of these financial statements.

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 they have adopted the going concern basis in preparing the financial statements.

2.3 Dividend income

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

2.4 Interest income

Interest income is recognised using the effective interest method.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS **For the Year ended at 31 December 2015**

(2) ACCOUNTING POLICIES – CONTINUED

2.5 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.7 Foreign currency translation

(a) Functional and presentation currency

The Company's functional currency is the U.S. dollar as this represents the currency of the primary economic environment in which the company operates ("functional currency"). The financial statements have been presented in U.S. dollars.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(2) ACCOUNTING POLICIES – CONTINUED

2.7 Foreign currency translation - continued

(b) Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2.8 Investments in subsidiaries

Investments in subsidiaries are recorded at cost less accumulated impairment losses.

2.9 Impairment of non-financial assets

For non-financial assets such as investments in subsidiaries, 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 non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts which are subject to insignificant risk of change in value.

2.11 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Trade and other payables

Trade and other payables represent obligations to pay for goods and services provided to the Company in the ordinary course of business. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(2) ACCOUNTING POLICIES – CONTINUED

2.14 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.

2.15 Dividend distribution

Dividend distributions to the company's shareholders are recognised in the period in which the dividends are approved by the company's shareholders.

2.16 Critical accounting judgements and estimates

The preparation of financial statements in accordance with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes.

Impairment of investments in subsidiaries

The Company makes an estimate of the recoverable value of investments in subsidiaries on an annual basis. When assessing impairment of investments in subsidiaries, management considers factors including current market and industry conditions and historical experience.

(3) OPERATING LOSS

Auditors' remuneration for the year ended 31 December 2015 was \$21,161 (2014:\$21,250).

(4) EMPLOYEE COSTS AND DIRECTORS' REMUNERATION

The Company had no employees during the years ended 31 December 2015 and 31 December 2014.

The Company's directors received no remuneration during the years ended 31 December 2015 and 31 December 2014 in connection with their services to the Company.

(5) FINANCE COSTS

	2015	2014
	\$	\$
Intercompany borrowings interest expense	5,696,128	6,780,014
	<u>5,696,128</u>	<u>6,780,014</u>

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(6) FINANCE INCOME

	2015	2014
	\$	\$
Bank interest from cash pooling arrangement	41,440	117,949
Foreign exchange gain	352,259	534,893
Group multi-currency cash pooling fee income	56,000	77,000
	<u>449,699</u>	<u>729,842</u>

The company acts as the leader 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 charges \$1,000 per month to group participants in the notional cash pooling arrangement earning \$56,000 during the year ended 31 December 2015 (2014: \$77,000). The Company receives/pays daily interest based on the net balance of the pool. Credit interest is paid at the participant level at a rate of "benchmark" less 1% and debit interest is charged at the participant level at a rate of "benchmark" plus 2.5%.

(7) INCOME TAX CREDIT

	2015	2014
	\$	\$
Current tax		
UK corporation tax on profit for the year	-	-
Deferred tax		
Origination and reversal of timing differences	12,207	1,434
Deferred tax	12,207	1,434
Tax on loss from ordinary activities for the year	<u>12,207</u>	<u>1,434</u>

The tax charge for the year is higher than the standard corporation tax rate of 20.25% (2014: 21.5%). The differences are explained below:

	2015	2014
	\$	\$
Loss for the year before income tax	(4,996,642)	(6,108,986)
Loss multiplied by UK corporation tax rate of 20.25% (2014: 21.5%)	(1,011,820)	(1,313,432)
Effects of:		
Origination and reversal of timing differences	12,207	1,434
Losses surrendered for nil consideration	1,011,820	1,313,432
Tax charge for the year	<u>12,207</u>	<u>1,434</u>

Factors affecting current and future tax charges

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(7) INCOME TAX CREDIT - CONTINUED

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the Company's losses for this year are taxed at a composite rate of 20.25%.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

(8) INVESTMENTS

	Shares in Subsidiary Undertakings
	\$
Cost	
As at 1 January 2015	147,278,313
Additions	327,101
Disposals	(9,219)
As at 31 December 2015	147,596,195
Net book value 31 December 2015	147,596,195
Net book value 1 January 2015	147,278,313

The directors believe that the carrying value of the investments is supported by their underlying net assets.

On 20 May 2015, the Company contributed 1% of its holding in the outstanding shares of Tramp Oil & Marine (Chile) Limitada with a book value of \$9,219 to its subsidiary, Tramp Holdings Limited. The Company received 1 share from Tramp Holdings Limited with a fair value of \$327,101 in consideration for the shares contributed. The Company recorded a gain on the disposal of shares of \$317,882.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(8) INVESTMENTS - CONTINUED

The following are wholly-owned subsidiary undertakings of the Company as at 31 December 2015:

<u>Subsidiary</u>	<u>Principal business activities</u>	<u>Address</u>	<u>Percentage of ownership</u>
Henty Oil Limited	Oil trading	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	100.00%
Tamlyn Shipping Limited	Chartering	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	100.00%
Falmouth Petroleum Limited	Oil trading	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	100.00%
Falmouth Oil Services Limited	Dormant	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	100.00%
Tank and Marine Engineering Limited	Chartering	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	100.00%
Tramp Holdings Limited	Provision of financial and administrative services	One Fleet Place, London, EC4M 7WS	100.00%
Henty Shipping Services Limited	Chartering	The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS	100.00%

The following entities are partly owned by the Company as at 31 December 2015:

Ecuacentair Cia. Ltda	Quito Airport service	(fka Ecuacentair SA), Av. Amazonas y Juan Pablo Saenz, No. N35-17, Quito, Ecuador	50.00%
Servicios WFSE Ecuador C.L.	Oil Trading	Avenida Amazonas No. N35-17 y Juan Pablo Sanz Edificio Xarox, Septimo Piso, Quito, Ecuador	50.00%
Tramp Oil (Brasil) Limitada	Oil trading	Avenida Rio Branco 181/3004, Rio de Janeiro, Brazil 20040 007	0.01%

The following are wholly-owned subsidiary undertakings of the Company's subsidiaries as at 31 December 2015:

<u>Subsidiary</u>	<u>Principal business activities</u>	<u>Address</u>	<u>Percentage of ownership</u>
Tramp Group Limited	Investment holding company	One Fleet Place, London, EC4M 7WS	100.00%
Tramp Oil & Marine (Romania) SRL	Dormant	Sat Vacanta B, Constanta, Romania	100.00%
Tramp Oil Schifffahrts und Handels GmbH & Co.	Oil Trading	Schlachte 38, 28195 Bremen, Germany	100.00%
Tramp Oil & Marine Limited	Trading	One Fleet Place, London, EC4M 7WS	100.00%
Tramp Oil Germany GmbH & Co. KG	Oil Trading	Schlachte 38, 28195 Bremen, Germany	100.00%

The following entities are partly owned by the Company's subsidiaries as at 31 December 2015:

Tramp Oil (Brasil) Limitada	Oil Trading	20040 007	99.99%
Tobras Distribuidora de Combustiveis Ltda.	Oil Trading	20040 007	51%

All shares in subsidiary undertakings disclosed in the above table relate to ordinary shares.

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(9) TRADE AND OTHER RECEIVABLES

	2015	2014
	\$	\$
Amounts owed by group undertakings	19,208,182	19,244,032
	<u>19,208,182</u>	<u>19,244,032</u>

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

The carrying values of trade and other receivables approximate their fair values.

(10) TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Amounts owed to group undertakings	7,221,600	7,630,735
Other creditors	14,049	4,216
	<u>7,235,649</u>	<u>7,634,951</u>

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

The carrying values of trade and other payables approximate their fair values.

(11) BORROWINGS

	2015	2014
Non-current		
Loans payable to related companies	134,000,000	89,000,000
Interest payable to related companies	33,873,296	28,177,167
	<u>167,873,296</u>	<u>117,177,167</u>
Current		
Loans payable to related companies	-	45,000,000
	<u>-</u>	<u>45,000,000</u>
Total borrowings	<u>167,873,296</u>	<u>162,177,167</u>

As at 1 April 2014, the Company obtained an extension totaling \$43,000,000 for two loans from World Fuel Services Finance Company S.a.r.L. ("WFS Finance"), a related company. The loan borrowings bear maturity terms of five years, with a lump sum repayment as at 1 April 2019 and bear an interest rate of 4%. Interest payable on the loans as at 31 December 2015 totaled \$9,928,254 (2014: \$7,892,552).

Additionally, during the year ended 31 December 2009, the Company obtained loans of \$26,000,000 and \$20,000,000 from WFS Finance, bearing an interest rate of LIBOR plus 3.5% and 8.8%,

WORLD FUEL SERVICES EUROPEAN HOLDING COMPANY I, LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended at 31 December 2015

(11) BORROWINGS - CONTINUED

respectively. The Company obtained an extension through 23 March 2019 of the \$26,000,000 loan from WFS Finance with an interest rate of 4%. The Company also obtained an extension on the \$20,000,000 loan through 25 November 2019. The Interest payable on the loans as at 31 December 2015 is \$14,386,742 (2014: \$12,625,165).

On 5 November 2010, the Company obtained a loan for \$45,000,000 from WFS Finance. The loan bears maturity terms of five years with a lump sum payment and bear an interest rate of twelve month LIBOR plus 3.5%. The Company obtained an extension at 30 November 2015 for an additional 5 years ending 30 November 2020. Interest payable on the loan as at 31 December 2015 is \$9,558,300 (2014: \$7,659,450).

(12) SHARE CAPITAL

	<u>2015</u>	<u>2014</u>
	\$	\$
Authorised		
3,000,100 (2014: 3,000,100) ordinary A shares of \$ 0.158 each	474,638	474,638
Allotted and fully paid		
3,000,100 (2014: 3,000,100) ordinary A shares of \$ 0.158 each	474,638	474,638

(13) ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking World Fuel Services (Singapore) Pte. Ltd., is incorporated in Singapore.

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

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 41st Street, Suite 400, Miami, Florida USA 33178.

(14) SUBSEQUENT EVENTS

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities reported at the balance sheet date of 31 December 2015.