

**World Fuel Services European  
Holding Company I, Ltd.**

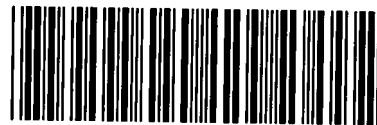
Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 04840112

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# World Fuel Services European Holding Company I, Ltd.

## Company Information

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|----------------------------|---|
| <b>Director</b>            | Richard Donald McMichael  |
| <b>Company secretary</b>   | Reed Smith Corporate Services Limited   |
| <b>Registered number</b>   | 04840112  |
| <b>Registered office</b>   | The Broadgate Tower Third Floor<br>20 Primrose Street<br>London<br>EC2A 2RS<br>United Kingdom |
| <b>Independent auditor</b> | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU   |

# World Fuel Services European Holding Company I, Ltd.

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# World Fuel Services European Holding Company I, Ltd.

## Strategic Report For the Year Ended 31 December 2019

The director presents his Strategic report and Director's report together with the audited financial statements of World Fuel Services European Holding Company I, Ltd. (the "Company") for the year ended 31 December 2019.

### Principal activities

The Company, incorporated in England and Wales in the United Kingdom, 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 in 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. The director does not envisage any material change in the Company's principal activities in the foreseeable future.

### Business review and future outlook

The Company's loss for the financial year ended 31 December 2019 was \$65,291,425 (2018: \$11,315,537) and the Company's net liabilities increased to \$101,408,451 at 31 December 2019 (2018: \$36,117,026).

The loss before tax and increase in net liabilities year-over-year is primarily due to the Company recording an impairment on its investments of \$52,456,364 (2018: \$nil). This impairment charge relates solely to the Company's investment in Tramp Holdings Limited to reflect the director's assessment of the recoverable value of the investment.

The Company's result for the year is dependent upon impairment losses on investments, dividends from subsidiaries and interest receivable from the multi-currency notional cash pooling arrangement in excess of finance costs on outstanding borrowings. The Company received no dividends for the year ended 31 December 2019 (2018: \$nil).

During the year ended 31 December 2019, the Company had net finance costs of \$12,588,424 (2018: \$11,283,223).

The current director is 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 World Fuel Services 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 in the 2019 annual report on Form 10-K which does not form part of this report.

### Key performance indicators ("KPIs")

The Company's director monitors progress and strategy by reference to the following KPI:

|                   | 2019<br>\$ | 2018<br>\$ | Change<br>\$ | Change<br>% |
|-------------------|------------|------------|--------------|-------------|
| Net finance costs | 12,588,424 | 11,283,223 | 1,305,201    | 11.57       |

Refer to the business review and future outlook as stated previously in this report for details explaining the operating results for the year.

# World Fuel Services European Holding Company I, Ltd.

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

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### Section 172(1) statement

The Company's key stakeholder engagement and decision making are integrated with the principles of the Ultimate Parent Undertaking, (note 14). The Company does not manage key stakeholder engagement separately. The Group regularly engages with key stakeholders to better understand their perspectives, including areas such as our business strategies, financial performance and matters of corporate governance. This dialogue has helped inform the Group's decision-making processes and ensure interests remain well-aligned with those of its key stakeholders. The key stakeholders relevant to the Company include other Group companies and regulators. The Company's key stakeholders are managed through the Group which maintains regular communication with the Company's stakeholders regarding the Company's activity.

In line with the Director's duties, under section 172(1) of the Companies Act 2006, the Director must act in a way that is considered in good faith and would most likely promote the success of the Company, for the benefit of its members, as a whole. In 2019, whilst fulfilling their duties to promote the success of the Company, the Director considered the interests of key stakeholders, having regard, amongst other matters to:

- a) The likely consequences of any decisions in the long term;
- b) The need to foster business relationships;
- c) The impact of the Company's operations on the community and the environment;
- d) The desirability of the Company to maintain a reputation for high standards of business conduct; and
- e) The need to act fairly between members of the Company.

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

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

In 2019, the Director continued to implement the Company's key objectives. The strategy of the Company's investments in the subsidiaries was managed by the Group, with the purpose to safeguard the investments' value and build sustainable long-term growth. In the pursuit of the Company's purpose, the interests of all stakeholders were considered by the Group. The principal decisions made by the Director in the financial year included the following:

- The Company performed an assessment on the recoverability of its investments during the year ended 31 December 2019. As a result, the Company recorded an impairment loss of \$52,456,364 relating to its investment in Tramp Holdings Limited. For further details please refer to Note 9.

Principal risks and uncertainties that could impact the Company's long-term performance are integrated with the principal risks of the Group, which are discussed above in the Strategic Report (page 1).

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



**Richard Donald McMichael**  
Director  
Date: 17 December 2020

# World Fuel Services European Holding Company I, Ltd.

## Director's Report For the Year Ended 31 December 2019

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### Director

The director who served during the financial year ended 31 December 2019 and up to the date of signing the financial statements is as follows:

Richard Donald McMichael

### Director's 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.

### Dividends

The Company paid no 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).

### 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 Undertaking in the 2019 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 foreign currencies 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. The purpose of the hedge is to mitigate risk across a number of the World Fuel Corporation group entities, the focus being on the foreign currency exposure of the group as opposed to individual entities. The Company does not enter into these derivative contracts directly, as the wider World Fuel Services Corporation manages this through specified group undertakings.

#### *Price risk*

The Company has no exposure to price risk.

#### *Interest rate risk*

The interest rate risk that the Company is exposed to is limited given the debt restructuring that took place on 29 December 2016, which replaced existing debt into a zero-coupon loan note. This has a fixed redemption price therefore the interest rate risk is mitigated.

#### *Credit risk*

Credit risk arises from cash and cash equivalents, and trade and other receivables. As at 31 December 2019, the Company has \$106,042 cash at bank or in hand held at financial institutions (2018: \$261,687) and has \$19,923,639 (2018: \$19,400,628) due from group undertakings. 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.

# **World Fuel Services European Holding Company I, Ltd.**

## **Director's Report (continued) For the Year Ended 31 December 2019**

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### **Financial risk management (continued)**

#### *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.

#### **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 Undertaking of World Fuel Services European Holding Company I, Ltd., has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended 31 December 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 31 December 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.

#### **Going concern**

The Company recorded a loss for the financial year ended 31 December 2019 of \$65,291,425 (2018: \$11,315,537) and had net liabilities as at 31 December 2019 of \$101,408,451 (2018: \$36,117,026).

World Fuel Services Corporation, the Ultimate Parent Undertaking of World Fuel Services European Holding Company I, Ltd., has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended 31 December 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 31 December 2019, as and when they fall due, and further confirms that no credit loss will be incurred by the Company in respect of the amounts owed to it by fellow group undertakings for the periods presented within these financial statements.

As a result of the support from the Ultimate Parent Undertaking, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company has adopted the going concern basis in preparing the financial statements.

#### **Special provisions relating to small companies**

The Director's Report has been prepared in accordance with the provisions applicable to the companies entitled to the small companies' exemption in accordance with part 15 of the Companies Act 2006.

# **World Fuel Services European Holding Company I, Ltd.**

## **Director's Report (continued) For the Year Ended 31 December 2019**

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

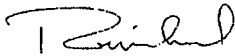
Each of the persons who are directors at the time when this Director's report is approved has confirmed that:

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

### **Auditors**

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

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



**Richard Donald McMichael**  
Director

Date: 17 December 2020

# **World Fuel Services European Holding Company I, Ltd.**

## **Statement of Director's Responsibilities For the Year Ended 31 December 2019**

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### **Statement of director's responsibilities**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# **World Fuel Services European Holding Company I, Ltd.**

## **Independent Auditor's Report to the members of World Fuel Services European Holding Company I, Ltd.**

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### **Opinion**

We have audited the financial statements of World Fuel Services European Holding Company I, Ltd. ("the Company") for the year ended 31 December 2019 which comprise Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity, and the 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 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.

### **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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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.

# **World Fuel Services European Holding Company I, Ltd.**

## **Independent Auditor's Report to the members of World Fuel Services European Holding Company I, Ltd. (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 Strategic report and Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Director's 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 and Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Director was not entitled to take advantage of the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report.

### **Responsibilities of director**

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

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or has 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.

# **World Fuel Services European Holding Company I, Ltd.**

## **Independent Auditor's Report to the members of World Fuel Services European Holding Company I, Ltd. (continued)**

### **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, UK

Date: 18 December 2020

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

# World Fuel Services European Holding Company I, Ltd.

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

|   | Note | 2019<br>\$                 | 2018<br>\$                 |
|---|------|----------------------------|----------------------------|
| Administrative expenses                           |      | (89,646)                   | (32,314)                   |
| Impairment loss on investment                     | 9    | (52,456,364)               | -                          |
| <b>Operating loss</b>                             | 4    | <b>(52,546,010)</b>        | <b>(32,314)</b>            |
| Finance income                                    | 6    | 211,828                    | 736,403                    |
| Finance costs                                     | 7    | (12,800,252)               | (12,019,626)               |
| <b>Loss before taxation</b>                       |      | <b>(65,134,434)</b>        | <b>(11,315,537)</b>        |
| Income tax charge                                 | 8    | (156,991)                  | -                          |
| <b>Loss for the financial year after taxation</b> |      | <b>(65,291,425)</b>        | <b>(11,315,537)</b>        |
| Other comprehensive income                        |      | -                          | -                          |
| <b>Total comprehensive loss for the year</b>      |      | <b><u>(65,291,425)</u></b> | <b><u>(11,315,537)</u></b> |

All amounts relate to continuing activities.

There was no other comprehensive income or loss during the year ended 31 December 2019, or the year ended 31 December 2018.

The notes on pages 13 to 25 form part of these financial statements.

# World Fuel Services European Holding Company I, Ltd.

Registered number: 04840112

## Balance Sheet As at 31 December 2019

|                                      | Note | 2019<br>\$           | 2018<br>\$          |
|--------------------------------------|------|----------------------|---------------------|
| <b>Non-current assets</b>            |      |                      |                     |
| Investments                          | 9    | 95,139,831           | 147,596,195         |
| <b>Total non-current assets</b>      |      | <u>95,139,831</u>    | <u>147,596,195</u>  |
| <b>Current assets</b>                |      |                      |                     |
| Trade and other receivables          | 10   | 19,923,639           | 19,400,628          |
| Cash at bank and in hand             |      | 106,042              | 261,687             |
| <b>Total current assets</b>          |      | <u>20,029,681</u>    | <u>19,662,315</u>   |
| <b>Total assets</b>                  |      | <u>115,169,512</u>   | <u>167,258,510</u>  |
| <b>Non-current liabilities</b>       |      |                      |                     |
| Borrowings                           | 11   | 209,891,331          | 197,091,079         |
| <b>Total non-current liabilities</b> |      | <u>209,891,331</u>   | <u>197,091,079</u>  |
| <b>Current liabilities</b>           |      |                      |                     |
| Trade and other payables             | 12   | 6,686,632            | 6,284,457           |
| <b>Total current liabilities</b>     |      | <u>6,686,632</u>     | <u>6,284,457</u>    |
| <b>Total liabilities</b>             |      | <u>216,577,963</u>   | <u>203,375,536</u>  |
| <b>Net liabilities</b>               |      | <u>(101,408,451)</u> | <u>(36,117,026)</u> |
| <b>Equity</b>                        |      |                      |                     |
| Share capital                        | 13   | 474,638              | 474,638             |
| Share premium                        |      | 24,999,842           | 24,999,842          |
| Other reserves                       |      | 353,018              | 353,018             |
| Accumulated losses                   |      | (127,235,949)        | (61,944,524)        |
| <b>Total shareholders' deficit</b>   |      | <u>(101,408,451)</u> | <u>(36,117,026)</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 by



**Richard Donald McMichael**  
Director

Date: 17 December 2020

The notes on pages 13 to 25 form part of these financial statements.

# World Fuel Services European Holding Company I, Ltd.

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

|                                       | Share capital<br>\$ | Share<br>premium<br>\$ | Other<br>reserves<br>\$ | Accumulated<br>losses<br>\$ | Total<br>shareholders'<br>deficit<br>\$ |
|---------------------------------------|---------------------|------------------------|-------------------------|-----------------------------|---|
| <b>Balance at 1 January 2018</b>      | 474,638             | 24,999,842             | 353,018                 | (50,628,987)                | (24,801,489)                            |
| Loss for the financial year           | -                   | -                      | -                       | (11,315,537)                | (11,315,537)                            |
| Other comprehensive income            | -                   | -                      | -                       | -                           | -                                       |
| Total comprehensive loss for the year | -                   | -                      | -                       | (11,315,537)                | (11,315,537)                            |
| <b>Balance at 31 December 2018</b>    | <b>474,638</b>      | <b>24,999,842</b>      | <b>353,018</b>          | <b>(61,944,524)</b>         | <b>(36,117,026)</b>                     |
| Loss for the financial year           | -                   | -                      | -                       | (65,291,425)                | (65,291,425)                            |
| Other comprehensive income            | -                   | -                      | -                       | -                           | -                                       |
| Total comprehensive loss for the year | -                   | -                      | -                       | (65,291,425)                | (65,291,425)                            |
| <b>Balance at 31 December 2019</b>    | <b>474,638</b>      | <b>24,999,842</b>      | <b>353,018</b>          | <b>(127,235,949)</b>        | <b>(101,408,451)</b>                    |

The notes on pages 13 to 25 form part of these financial statements.

# World Fuel Services European Holding Company I, Ltd

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

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### 1. General information

World Fuel Services European Holding Company I, Ltd. ("the Company") is a private company limited by share capital incorporated and domiciled in England and Wales 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 (the "Ultimate Parent Undertaking") incorporated in the State of Florida in 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

#### 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 judgement 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 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)
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures.

#### 2.3 Consolidated financial statements

These financial statements contain information about World Fuel Services European Holding Company I, Ltd. 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 consolidated financial statements as it and its subsidiary undertaking are included in the consolidated statements of its Ultimate Parent Undertaking, World Fuel Services Corporation, a company incorporated in the State of Florida in the United States of America, and whose financial statements are publicly available.

# World Fuel Services European Holding Company I, Ltd

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

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### 2. Accounting policies (continued)

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

IFRS 16 *Leases* and IFRIC 23 *Uncertainty over Income Tax Treatments* are new accounting standards effective for the year ended 31 December 2019. The standards were effective from 1 January 2019. The director has assessed the impact of these new accounting standards and concluded that the standards do not have a material impact on the Company (see note 15). There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019.

#### 2.5 Going concern

The Company recorded a loss for the financial year ended 31 December 2019 of \$65,291,425 (2018: \$11,315,537) and had net liabilities as at 31 December 2019 of \$101,408,451 (2018: \$36,117,026).

World Fuel Services Corporation, the Ultimate Parent Undertaking of World Fuel Services European Holding Company I, Ltd., has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended 31 December 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 31 December 2019, as and when they fall due, and further confirms that no credit loss will be incurred by the Company in respect of the amounts owed to it by fellow group undertakings for the periods presented within these financial statements.

As a result of the support from the Ultimate Parent Undertaking, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company has adopted the going concern basis in preparing the financial statements.

#### 2.6 Current and deferred income tax

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

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

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

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

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

# World Fuel Services European Holding Company I, Ltd

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

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### 2. Accounting policies (continued)

#### 2.7 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is USD.

##### Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

Foreign exchange gains and losses are presented in the Statement of comprehensive income within finance income/expense as these are primarily related to the Company's financing arrangements and therefore best represents the source of the transaction.

#### 2.8 Investments in subsidiaries

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

#### 2.9 Dividend income

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

#### 2.10 Interest income

Interest income is recognised using the effective interest method.

#### 2.11 Borrowings costs

All borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

#### 2.12 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.

#### 2.13 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.

# World Fuel Services European Holding Company I, Ltd

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

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### 2. Accounting policies (continued)

#### 2.14 Financial assets

##### *Classification*

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables in the Balance sheet.

##### *Impairment of financial assets*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

#### 2.15 Trade and other receivables

Trade and other receivables are amounts due from related companies for services performed in the ordinary course of business. 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.

#### 2.16 Trade and other payables

Trade and other payables represent both amounts owed to group companies and 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.

#### 2.17 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 Statement of comprehensive income over the period of the borrowings using the effective interest method.

#### 2.18 Share capital and reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are shown in equity as a deduction from the proceeds.

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

Other reserves consist of unrealised gains representing the excess of consideration against the cost of subsidiary shares.

# World Fuel Services European Holding Company I, Ltd

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

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### 2. Accounting policies (continued)

#### 2.18 Share capital and reserves (continued)

Accumulated losses represents cumulative profits or losses, net of dividends paid, resulting in accumulated net losses.

#### 2.19 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.

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

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

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

#### Judgement in applying accounting policies

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

##### *Intercompany transactions*

The Company determines whether transactions with other subsidiary undertakings of the group have been conducted on an arm's length basis. These decisions involve the input of internal and external tax advisors to the Company, including analysis of comparable companies and groups who operate in similar markets to World Fuel Services Corporation.

#### Key sources of estimation uncertainty

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

##### *Impairment of investments in subsidiaries*

The Company considers indicators of impairment annually. If indicators are present, Management 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.

##### *Recoverability of intercompany receivables*

The Company has intercompany receivables, which are expected to be received without a discount. In assessing the recoverability of amounts owed to the Company by fellow group undertakings, Management has considered the anticipated cash flow within the wider Group and the support from the Ultimate Parent Undertaking, and has deemed these balances recoverable.

# World Fuel Services European Holding Company I, Ltd

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

### 4. Operating loss

Operating loss is stated after charging:

|  | 2019<br>\$   | 2018<br>\$   |
|--|--------------|--------------|
| Impairment loss on investment                                | 52,456,364   | -            |
| Fees payable to the Company's auditors:                      |              |              |
| - for the audit of the Company's annual financial statements | 23,166       | 19,009       |
| - for preparation of the financial statements                | <u>1,950</u> | <u>1,950</u> |

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

### 5. Employee costs and director's remuneration

The Company had no employees during the years ended 31 December 2019 and 31 December 2018.

The Company's director received no remuneration during the years ended 31 December 2019 and 31 December 2018 in connection with their services to the Company.

### 6. Finance income

|  | 2019<br>\$     | 2018<br>\$     |
|--|----------------|----------------|
| Bank interest from cash pooling arrangement  | 124,029        | 207,204        |
| Group multi-currency cash pooling fee income | 60,000         | 60,000         |
| Foreign exchange gain                        | 27,799         | 469,199        |
|  | <u>211,828</u> | <u>736,403</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 \$60,000 during the year ended 31 December 2019 (2018: \$60,000). 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%. Total interest earned in relation to this totaled \$124,029 for the year (2018: \$207,204).

### 7. Finance costs

|   | 2019<br>\$        | 2018<br>\$        |
|---|-------------------|-------------------|
| Intercompany borrowing interest expense | <u>12,800,252</u> | <u>12,019,626</u> |

# World Fuel Services European Holding Company I, Ltd

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

### 8. Taxation

|  | 2019<br>\$     | 2018<br>\$ |
|--|----------------|------------|
| <b>Current tax</b>                             |                |            |
| Current tax on losses for the year             | 23,215         | -          |
| Adjustment in respect of previous years        | 133,776        | -          |
| <b>Total current tax</b>                       | <b>156,991</b> | <b>-</b>   |
| <b>Deferred tax</b>                            |                |            |
| Originating and reversal of timing differences | -              | -          |
| <b>Total deferred tax</b>                      | <b>-</b>       | <b>-</b>   |
| <b>Total tax charge for the year</b>           | <b>156,991</b> | <b>-</b>   |

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

|   | 2019<br>\$     | 2018<br>\$   |
|---|----------------|--------------|
| Loss on ordinary activities before tax  | (65,134,434)   | (11,315,537) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%) | (12,375,542)   | (2,149,952)  |
| <b>Effects of:</b>  |                |              |
| Expenses not deductible for tax purposes  | 12,398,757     | -            |
| Adjustment in respect of previous years   | 133,776        | -            |
| Profits surrendered to group companies for nil consideration  | -              | 2,149,952    |
| <b>Total tax charge for the year</b>  | <b>156,991</b> | <b>-</b>     |

#### Factors that may affect future tax charges

Changes in UK corporation tax rates were substantively enacted as part of the 2016 finance bill on 7 September 2016. These changes included reductions to the main UK corporation tax rate from 20% to 19% with effect from 1 April 2017 and from 19% to 17% with effect from 1 April 2020. On 12 March 2020, The Chancellor of the Exchequer announced that instead of the rate reducing to 17% from 1 April 2020, the main rate would remain at 19% for the foreseeable future.

# World Fuel Services European Holding Company I, Ltd

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

### 9. Investments

|  | Shares in<br>Subsidiary<br>Undertakings<br>\$ |
|--|---|
| <b>Cost</b>                                  |   |
| As at 1 January 2019 and 31 December 2019    | <u>147,596,195</u>                            |
| <b>Accumulated impairment</b>                |   |
| As at 1 January 2019                         | -   |
| Impairment                                   | (52,456,364)                                  |
|  | <u>(52,456,364)</u>                           |
| As at 31 December 2019                       | <u>95,139,831</u>                             |
| <b>Net book value as at 31 December 2019</b> | <u>95,139,831</u>                             |
| Net book value as at 31 December 2018        | <u>147,596,195</u>                            |

During the year ended 31 December 2019, the Company recorded an impairment loss of \$52,456,364 (2018: \$nil), which is presented separately in the statement of comprehensive income. This impairment charge relates solely to the Company's investment in Tramp Holdings Limited, reducing the carrying value of this investment to \$47,900,000 (2018: \$100,356,364). The carrying value was calculated by the Company as management's best estimate of the value in use of the company's trading subsidiaries, and the recoverable value for non-trading subsidiaries. This investment was considered impaired due to the difference between this assessment and the cost of the investment.

The following are wholly-owned subsidiary undertakings of the Company as at 31 December 2019:

| <u>Subsidiary</u>             | <u>Principal<br/>business<br/>activity</u> | <u>Address</u>   | <u>Percentage<br/>of ownership</u> |
|-------------------------------|--|--|------------------------------------|
| Henty Oil Limited             | Oil trading                                | The Broadgate Tower Third Floor,<br>20 Primrose Street,<br>London, EC2A 2RS, United<br>Kingdom | 100%                               |
| Tamlyn Shipping Limited       | Non-trading                                | The Broadgate Tower Third Floor,<br>20 Primrose Street,<br>London, EC2A 2RS, United<br>Kingdom | 100%                               |
| Falmouth Petroleum Limited    | Oil trading                                | The Broadgate Tower Third Floor,<br>20 Primrose Street,<br>London, EC2A 2RS, United<br>Kingdom | 100%                               |
| Falmouth Oil Services Limited | Dormant                                    | The Broadgate Tower Third Floor,<br>20 Primrose Street,<br>London, EC2A 2RS, United<br>Kingdom | 100%                               |

# World Fuel Services European Holding Company I, Ltd

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

### 9. Investments (continued)

| <u>Subsidiary</u>                   | <u>Principal business activity</u> | <u>Addresses</u>  | <u>Percentage of ownership</u> |
|-------------------------------------|------------------------------------|---|--------------------------------|
| Tank and Marine Engineering Limited | Non-trading                        | The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS, United Kingdom | 100%                           |
| Tramp Holdings Limited              | Investment holding company         | The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS, United Kingdom | 100%                           |
| Henty Shipping Services Limited     | Chartering                         | The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS, United Kingdom | 100%                           |
| World Fuel Services (Uruguay) S.A.  | Oil trading                        | Juncal 1392, Montevideo, Uruguay  | 100%                           |

The following are partially-owned subsidiary undertakings of the Company as at 31 December 2019:

| <u>Subsidiary</u>                                | <u>Principal business activity</u> | <u>Addresses</u>  | <u>Percentage of ownership</u> |
|--|------------------------------------|---|--------------------------------|
| Ecuacentair Cia. Ltda                            | Quito airport service              | (fka Ecuacentair SA), Av. Amazonas y Juan Pablo Saenz, No. N35-17, Quito, Ecuador           | 50%                            |
| Servicios WFSE Ecuador C.L.                      | Oil trading                        | Tito Antonio Rodríguez S/N y , Via Lumbisi Edificio Milano, Piso 6, Ecuador, Quito, Ecuador | 50%                            |
| Servicios Ecuatorianos de Energia-Secsa CIA LTDA | Oil trading                        | Impaqto Coworking Cumbaya, Diego de Robles y Av Pampite, esquina, Cumbaya, Ecuador          | 50%                            |
| Tramp Oil (Brasil) Limitada                      | Oil trading                        | Praia do Flamengo, 200, Suite 2201, Rio de Janeiro, 22210-065, Brazil                       | 0.01%*                         |

\*The Company indirectly holds 100% ownership of this entity through being the sole shareholder of the parent.

The following are wholly-owned subsidiary undertakings of the Company's subsidiaries as at 31 December 2019:

| <u>Subsidiary</u>  | <u>Principal business activity</u> | <u>Addresses</u>  | <u>Percentage of ownership</u> |
|--|------------------------------------|---|--------------------------------|
| Tramp Group Limited                                      | Investment holding company         | The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS, United Kingdom | 100%                           |
| Tramp Oil Schiffahrts and Handelsgesellschaft GmbH & Co. | Oil trading                        | Schlachte 38, 28195 Bremen, Germany   | 100%                           |

# World Fuel Services European Holding Company I, Ltd

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

### 9. Investments (continued)

| <u>Subsidiary</u>                             | <u>Principal business activity</u> | <u>Addresses</u>  | <u>Percentage of ownership</u> |
|---|------------------------------------|---|--------------------------------|
| Tramp Oil & Marine Limited                    | Non-trading                        | The Broadgate Tower Third Floor,<br>20 Primrose Street, London, EC2A<br>2RS, United Kingdom | 100%                           |
| Tramp Oil Germany GmbH & Co. KG               | Oil trading                        | Schlachte 38, 28195 Bremen,<br>Germany  | 100%                           |
| Energie-Tankdienstgesellschaft<br>Bremen GmbH | Into-plane<br>services             | Hanna-Kunath-Str.18 (Tor 17),<br>28199, Bremen, Germany                                     | 100%                           |
| Tobras Distribuidora de<br>Combustiveis Ltda  | Oil trading                        | Praia do Flamengo, 200, Suite<br>2201, Rio de Janeiro, 22210-065,<br>Brazil                 | 100%*                          |

\*The Company's subsidiaries own 100% of the Company via individual 51% and 49% shareholdings, meaning it is a wholly owned subsidiary of the Company's subsidiaries.

The following entities are partly owned by the Company's subsidiaries as at 31 December 2019:

| <u>Subsidiary</u>           | <u>Principal business activity</u> | <u>Addresses</u>  | <u>Percentage of ownership</u> |
|-----------------------------|------------------------------------|---|--------------------------------|
| Tramp Oil (Brasil) Limitada | Oil trading                        | Praia do Flamengo, 200, Suite<br>2201, Rio de Janeiro, 22210-065,<br>Brazil | 99.99%**                       |

\*\*The Company indirectly holds 100% ownership of this entity through being the sole shareholder of the parent.

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

One of the Company's indirectly held subsidiaries, Tramp Oil Germany GmbH & Co. KG, also has an interest in a number of Partnerships in Germany. These are all GbR format, which are partnerships based on a partnership agreement without legal capacity in order to support a purpose jointly pursued by the partners. GbR's are governed under sections 705-740 BGB (German Civil Code). Disclosure of the interest in the Partnerships has been provided below:

| <u>Partnership name</u>          | <u>Percentage interest</u> |
|----------------------------------|----------------------------|
| Berlin Fuelling Services GbR     | 12.5                       |
| Tanklager-Gesellschaft Tegel GbR | 12.5                       |
| Turbo Fuel Services Sachsen GbR  | 20                         |
| Düsseldorf Jet Services GbR      | 33.3                       |
| Frankfurt Jet Services GbR       | 33.3                       |
| Cologne Jet Services GbR         | 33.3                       |
| Sun Jet Services GbR             | 33.3                       |

# World Fuel Services European Holding Company I, Ltd

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

### 10. Trade and other receivables

|                                    | 2019              | 2018              |
|------------------------------------|-------------------|-------------------|
|                                    | \$                | \$                |
| Amounts owed by group undertakings | <u>19,923,639</u> | <u>19,400,628</u> |

The amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

### 11. Borrowings

|                                    | 2019               | 2018               |
|------------------------------------|--------------------|--------------------|
|                                    | \$                 | \$                 |
| Loans payable to related companies | <u>209,891,331</u> | <u>197,091,079</u> |

As at 29 December 2016, the Company's borrowings were re-structured into a single zero-coupon loan payable to a related Company, WFS UK Holding Company II Limited. The loan note was issued at a principal value of \$269,963,240 with a discounted subscription price of \$173,723,023 and an effective interest rate of 6.5% per annum. The zero-coupon loan is for a term of 7 years and is due to be repaid on 31 December 2023. Total interest incurred during the year in relation to this loan is \$12,800,252 (2018: \$12,019,626).

### 12. Trade and other payables

|                                    | 2019             | 2018             |
|------------------------------------|------------------|------------------|
|                                    | \$               | \$               |
| Amounts owed to group undertakings | 6,496,950        | 6,250,956        |
| Other creditors                    | 32,691           | 33,501           |
| Corporation tax                    | 156,991          | -                |
|                                    | <u>6,686,632</u> | <u>6,284,457</u> |

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

### 13. Share capital and reserves

|   | 2019           | 2018           |
|---|----------------|----------------|
|   | \$             | \$             |
| <b>Authorised, allotted, called up and fully paid</b>     |                |                |
| 3,000,100 (2018: 3,000,100) ordinary shares of £0.10 each | <u>474,638</u> | <u>474,638</u> |

Accumulated losses represents cumulative losses, net of dividends paid and other adjustments.

The share premium account represents the amount subscribed for share capital in excess of the nominal value.

Other reserves relate to historical foreign currency cash flow hedges relating to investments in foreign jurisdictions. This balance has remained unchanged since the year ended 31 December 2008.

# World Fuel Services European Holding Company I, Ltd

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

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### 14. Controlling party

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

The Ultimate Parent Undertaking and controlling party is World Fuel Services Corporation, a company incorporated in the State of Florida 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, Miami, Florida USA 33178.

### 15. 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.

#### Impact on the financial statements

IFRS 16 and IFRIC 23 were adopted without restating comparative information as the impact was concluded by the director as being immaterial. The impact of the adoption of IFRS 16 was concluded to be \$nil given that the business does not have leasing activities, therefore no adjustments have been made to the financial statements. The impact of the adoption of IFRIC 23 was concluded to be \$nil, therefore there is no impact on the closing Balance Sheet of the prior period as at 31 December 2018, nor the opening Balance Sheet as at 1 January 2019.

#### IFRS 16 *Leases*

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 leasing activities acting as a lessor.

The Company has adopted IFRS 16 *Leases* from 1 January 2019. As the business has no leasing activities, there are no adjustments to the amounts recognised in the financial statements.

#### 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.

# World Fuel Services European Holding Company I, Ltd

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

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

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

### 16. Facilities

The Company has access to a foreign bills of negotiation facility as part of the BG New Borrowing Group for an amount of \$8m (£6m) (2018 - \$8m (£6m)). As at the year end, no amounts were utilised under this facility (2018 – \$nil). This facility is due for review in December 2020.

### 17. 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 Undertaking of World Fuel Services European Holding Company I, Ltd., has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended 31 December 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 31 December 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.