Henty Oil Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 01453260

Henty Oil Limited

Company Information

Directors	Paul Thomas Vian Richard Donald McMichael
Company secretary	Reed Smith Corporate Services Limited
Registered number	01453260
Registered office	The Broadgate Tower, Third Floor 20 Primrose Street London EC2A 2RS United Kingdom
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Henty Oil Limited

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Henty Oil Limited

Strategic Report
For the Year Ended 31 December 2020

The directors present herewith their Strategic Report and Directors' Report together with the audited financial statements of Henty Oil Limited (the "Company") for the year ended 31 December 2020.

Principal activities

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

The Company's principal activity is the supply of marine fuel, lubricants and gas oil. The Company services a large number of ports on the Irish Sea and provides fuel and gas oil to a broad range of customers throughout the United Kingdom and Republic of Ireland. Up to 1 August 2020, the Company offered the sale of land fuel, lubricants and services in the land transportation market. On 1 August 2020, the Company sold the entirety of its wholesale land business contracts, relating to the sale of land fuels, lubricants and services, and related assets to WFL (UK) Limited, a related company. The marine reportable segments remain unchanged.

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

Business review and future outlook

Up to 1 August 2020, the business comprised of two individual segments: the bunkering of marine fuel, and the marketing of fuel to petroleum distributors in the land transportation market. On 1 August 2020, the Company sold the entirety of its wholesale land business contracts and related assets to WFL (UK) Limited, a related company and therefore will have one reportable segment during 2021. The sale of the land operation further consolidates the World Fuel Services Group (further referred to as ‘Group’) UK Land businesses under one business team and allows the Company to focus on its Marine business as a core business.

The financial statements show total revenues, comprising of both continuing and discontinued operations, for the year ended 31 December 2020 of $150,601,379 (2019: $287,440,531). The Company’s total sales decreased by 47.6% primarily as a result of a reduction in the marine fuel volumes and a lower average oil price. The reduction in volumes and oil prices was driven mainly by the effects on demand of the global pandemic coronavirus.

Operating profit, comprising of both continuing and discontinued operations for the year ended 31 December 2020 was $3,754,551 (2019: loss of $1,296,747) and the profit after tax for the financial year ended 31 December 2020 was $3,889,543 (2019: loss of $1,589,603). Despite lower demand, the Company increased overall operating profit through a reduction of volumes sold at lower margins, the implementation of expense reduction initiatives and the gain related to the sale of the land operations.

Total equity for the year ended 31 December 2020 was $10,857,621 (2019: $6,968,078).

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

The current directors are satisfied with the results for the financial 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 (further referred to as ‘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 from page 8 of the 2020 annual report on Form 10-K which does not form part of this report.

Key performance indicators ("KPIs")

The Company's directors monitor progress and strategy by reference to the following KPIs, which have been presented for both total operations as well as continuing operations to aide understanding of the Company's ongoing operations:

Continuing operations

	For the year ended 31 December 2020 $	For the year ended 31 December 2019 $	Change $	Change %
Revenue	**131,434,938**	237,837,934	(106,402,996)	(44.7%)
Operating profit/(loss)	**3,195,637**	(2,463,490)	5,659,127	229.7%

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

Total operations

	For the year ended 31 December 2020 $	For the year ended 31 December 2019 $	Change $	Change %
Revenue	**150,601,379**	287,440,531	(136,839,152)	(47.6%)
Operating profit/(loss)	**3,754,551**	(1,296,747)	5,0351,298	389.5%

Streamlined Energy and Carbon Reporting ('SECR')

In line with the UK reporting guidelines, under the new SECR regulations, the table below details the Company's UK emissions and energy consumed for the year ended 31 December 2020.

The calculation methodologies followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. The 2020 UK Government's Conversion Factors for Company Reporting have been used as well as an operational approach to define boundary and scope. Reasonable estimates and assumptions consistent with such guidance have been used where necessary.

The electricity consumption data was calculated using monthly meter reads. Marine Gas Oil data was calculated from beginning and end of year tank level reads and delivered quantities. Scope 3 transport usage was calculated using expense claims, on pence per mile for mileage claims. Vehicle fuel type was undefined and the mileage was split assuming 70% Diesel and 30% Petrol.

The SECR reporting covers only the sites operating within the UK.

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

	Units	2020
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO_2e	3,418.40
Emissions from purchased electricity (Scope 2)	tCO_2e	94.77
Emissions from generation of electricity consumed in a transmission and distribution system for which the Company does not own or control (Scope 3)	tCO_2e	8.15
Vehicles where the Company is responsible for purchasing the fuel (Scope 3)	tCO_2e	1.03
Total gross emissions		3,522.35
Energy consumption used to calculate above emissions	kWh	13,641,987
Intensity measurement	Turnover ($)	150,601,379
Intensity ratio	tCO_2e/ Turnover	23.39

The Company's energy usage and carbon footprint are integrated with the sustainability reporting of the Group and are not managed separately. The environmental commentary of World Fuel Services Corporation Group, is discussed from page 20 of the Sustainability Report, which does not form part of this report.

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

During 2020 the Group has improved fuel economy by reducing the overall age profile of our truck fleet through the procurement of newer, more fuel-efficient vehicles, whilst concurrently increasing the use of automation tools to optimise our delivery routes, enabling us to serve more customers per mile travelled.

In response to the challenges arising from the COVID-19 pandemic, the Group took swift action to ensure the safety of our employees and other stakeholders by implementing our business continuity and emergency response plans and maximizing remote work throughout our global offices. Since the first quarter of 2020, many of our employees have been collaborating virtually with our customers, suppliers and each other using the information-sharing tools and technology that we have invested in over the last several years. While we expect that a number of our offices will reopen in the latter half of 2021, we believe that remote work will continue to be an integral part of our response plan as we monitor and assess public health developments and make appropriate adjustments to support the well-being of our employees. Together with the transitioning our data centres to the cloud, these initiatives are expected to reduce office energy consumption, along with lessening the requirement for Heating, Ventilation and Air Conditioning (HVAC).

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

Section 172(1) statement

In line with the directors' duties, under section 172(1) of the Companies Act 2006, the directors 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 2020, whilst fulfilling their duties to promote the success of the Company, the directors considered the interests of key stakeholders, having regard, amongst other matters to:

Section 172(1) statement (continued)

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

The directors discharge their section 172 duty by taking these and other relevant factors into consideration when making decisions. The directors ensure key decisions are aligned with the strategy, vision and values of the Group, details of which can be found at: https://ir.wfscorp.com/corporate-responsibility.

The directors' duties and decisions made on behalf of the Company are supported by access to the Group and corporate governance policies and practices. The Group believes that good corporate governance is critical to support its efforts to achieve performance goals, while delivering long-term value to its shareholders, employees, customers, suppliers, communities and other stakeholders. Further, the Group collectively believes that successful stewardship of the environment and natural resources, as well as positive engagement with the communities in which the Group operates, will translate to long-term value for society and ultimately define the Company's success. Please refer to the Directors' Report (page 8) for additional details on stakeholder engagement.

In 2020, the directors discussed new opportunities and projects within various areas, taking into consideration the benefits and impacts to key stakeholders. The principal decisions made by the directors in the financial year included the following:

- The transfer of assets relating to the Company's Land business to a company within the Group with the aim of consolidating the Group's UK Land businesses under one business team, and allowing the Company to focus on its Marine business as a core business;
- Continuous reviews of growth opportunities, resulting in the Company being positioned for expansion within key markets;
- Conducting a strategic review of the Companies business, with the goal of optimising the fuel stockholding, to ensure the Company continues to offer the highest standards of service;
- Communication and ongoing review of health and safety guidelines.

The impact of the above key decisions included the following stakeholder considerations:

- Our customers: were considered throughout to promote the goal that decisions made properly balanced a desire to avoid adverse impact on the high standards and/or reliability of the services provided.
- Our people: appropriate consultations were held to consider the wellbeing and safety of our employees.
- Our community and regulators: were considered through continuous review of new and existing regulations in relation to the Company's impact on the environment and local community, to promote the goal that decisions made by the Company were in compliance with the relevant laws and regulations.

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

The United Kingdom's ("UK") proposed withdrawal from the European Union ("EU")

On 23 June 2016, the UK held a referendum in which British voters approved an exit from the EU, commonly referred to as "Brexit". On 31 January 2020, the UK finally exited the EU pursuant to the terms of a withdrawal agreement being concluded between the UK government and the EU Council (the "Withdrawal Agreement"). The Withdrawal Agreement allows for a transition period through 31 December 2020, during which the UK's trading relationship with the EU will remain largely unchanged whilst the UK and the EU will continue to negotiate the terms of their ongoing relationship.

After an 11-month transition period, in December 2020, the UK and the EU announced a new bilateral trade and cooperation deal which has been applied provisionally since 1 January 2021 but is subject to formal approval by the European Parliament and the Council of the European Union before it comes into effect. However, we continue to face risks associated with the unavoidable uncertainties related to Brexit and the new relationship between the UK and EU, including potential disruption of our supply chains and the free movement of goods, services and people between the UK and the EU. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations, including with respect to tax regulations and certain licenses or other rights granted to us under EU laws. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the UK and the other economies in which we operate. There can be no assurance that any or all of these events will not have a material adverse effect on our business operations, results of operations and financial condition.

Health and Safety

The Company's policy is to conduct its business in a manner that protects the safety of those involved in its operations, customers and the public. The Company strives to prevent all accidents, injuries and occupational illnesses through its Operations Integrity Management System. This is embedded into everyday work processes at all levels of the organisation and addresses all aspects of managing safety and health, as well as security, environmental and social risks at our facilities. The Company is committed to continuous efforts to identify, eliminate or manage health and safety risks associated with its activities.

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

Richard Donald McMichael
Director

Date: 23 September 2021

Directors

The directors who served during the year ended 31 December 2020 and up to the date of signing the financial statements are as follows:

Andrew Lee Beechall (Resigned 1 July 2020)
Paul Thomas Vian
Richard Donald McMichael

Directors' indemnities

The Company provides an indemnity for the directors of the Company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. In addition, the Ultimate Parent Undertaking maintains liability insurance for its directors and officers. The qualifying third party indemnity was in place during the year ended 31 December 2020 and as at the date of approval of the Annual Report.

Dividends

The Company did not pay an interim dividend for the year ended 31 December 2020 (2019: $nil). No final dividend is proposed for the year ended 31 December 2020 (2019: $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 2020 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 is exposed to exchange rate fluctuations since certain transactions that the Company enters into are denominated in Great British Pound (‘GBP’). The Company mitigates this risk through entry into group foreign currency hedges. The purpose of the hedges are to mitigate risk across a number of the 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 Group manages this through specified group undertakings.

Price risk
(i) Fixed price purchases and sales
The Company is exposed to price risk to the extent that it enters into fixed price fuel purchase and / or sale commitment contracts. The Company will mitigate its price risk associated with these fixed price fuel commitment contracts through the use of offsetting fixed price fuel commitment contracts or commodity derivative contracts. The Company does not enter into these derivative contracts directly, as the wider World Fuel Services Group manages this through specified group undertakings.

(ii) Fuel inventory
The Company is exposed to price risk to the extent that the Company may maintain fuel inventory for competitive reasons. The Company may not be able to sell inventory at market value or average cost reflected in the financial statements due to a decline in fuel price which may result in write down of inventory cost. The Company mitigates its price risk associated with fuel inventory holdings through the use of commodity derivative contracts. The Company does not enter into these derivative contracts directly, as the wider World Fuel Services Group manages this through specified group undertakings.

Interest rate risk
The Company has no exposure to interest rate risk.

Financial risk management (continued)

Credit risk
The Company has exposure to credit risk through the extension of unsecured credit to most of our customers in the normal course of business. The Company's exposure to credit losses will depend on the financial condition of customers and other factors beyond the control of the Company, such as deteriorating conditions in the world economy, political instability, terrorist activities and natural disasters in our market areas.

In addition, as part of our price risk management services, the Company offers customers various pricing structures on future purchases of fuel, as well as derivative products designed to assist customers in hedging their exposure to fluctuations in fuel prices. If there is a significant fluctuation in the price of fuel there is a risk customers could decide to, or be forced to, default under their obligations to the Company.

The Company has credit standards and performs credit evaluations of customers and suppliers, which are based in part on the credit history with the applicable party.

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

Future developments

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

Impact of COVID-19

In March 2020, the World Health Organization (“WHO”) declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. As a result, beginning in the first quarter of 2020, the industry and generally the global economic conditions have been significantly impacted by the pandemic.

In response to these developments, we took swift action to ensure the safety of employees and other stakeholders and initiated a number of initiatives relating to cost reduction, liquidity and operating efficiencies. We experienced a decline in demand and related sales, as large sectors of the global economy were adversely impacted by the crisis. Consequently, our results remained well below pre-pandemic levels. Since the level of activity in our business and that of our customers has historically been driven by the level of economic activity, we generally expect these negative impacts to continue through 2021. Any subsequent recovery will be dependent on, among other things, the actions taken by governments and businesses to contain and combat the virus, the speed and effectiveness of vaccine development and distribution, as well as how quickly, and to what extent, normal economic and operating conditions can resume on a sustainable basis.

The Company’s risks and uncertainties relating to COVID-19 are integrated with the principal risks of the World Fuel Services Corporation group and are not managed separately. The principal risks and uncertainties of World Fuel Services Corporation, are discussed from page 8 of the 2020 annual report on Form 10-K which does not form part of this report.

Going concern

The Company's profit after tax for the financial year was $3,889,543 (2019: loss of $1,589,603) and as at 31 December 2020 the Company had net assets of $10,857,621 (2019: $6,968,078).

World Fuel Services Corporation, the Ultimate Parent Undertaking of Henty Oil Limited, has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor’s Report for the Company’s year ended 31 December 2020, 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 2020, as and when they fall due.

Going concern (continued)

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

Whilst COVID-19 has had an effect on the World Fuel Services Corporation Group, due to initiatives taken relating to cost reduction, liquidity and operating efficiencies, it has not affected the parent's ability to provide adequate financial support for at least 12 months from the date of the Audit Report.

Stakeholders engagement statement

The Company's key stakeholder engagement and decision making are integrated with the principles of the Ultimate Parent Undertaking, World Fuel Services Corporation (note 17). The Company does not manage key stakeholder engagement separately. The Group regularly engages with key stakeholders to better understand their perspectives, including areas such as our business strategies, financial performance and matters of corporate governance. This dialogue has helped inform the Group's decision-making processes and ensure interests remain well-aligned with those of its key stakeholders.

The Group assessed the importance of a variety of stakeholders and the potential impact of the Group's operations and actions on those stakeholders in determining its key stakeholders. The key stakeholders to the Company include the other Group companies, our customers and suppliers, our people, and the communities in which we operate. The Group engages with key stakeholders in a number of ways. Stakeholder engagement includes, but is not limited to, regular communication with customers, suppliers and members of the communities in which the Company operates on matters that of importance to such stakeholders, regular employee town hall meetings, quarterly and year-end performance presentations and investing back into its communities through supporting charities and other initiatives.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

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

Richard Donald McMichael
Director

Date: 23 September 2021

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Henty Oil Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic Report and Directors’ Report have been prepared in accordance with applicable legal requirements.

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 Directors’ Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors’ remuneration specified by law are not made; or

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

Responsibilities of directors

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

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

Auditor’s responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Auditor's responsibilities for the audit of the financial statements (continued)

- We obtained an understanding of the legal and regulatory frameworks applicable to the entity and determined that the most significant which are directly relevant to the specific assertions in the financial statements are those related to the reporting framework (Financial Reporting Standard 101, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006);

- We determined how the entity is complying with those legal and regulatory frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance procedures, corroborating our enquiries through our review of board minutes;

- We used an engagement team with appropriate competence and capabilities to identify non-compliance with laws and regulations; and

- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it is considered there was a susceptibility to fraud. We also considered the process controls that the entity has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those process controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free of fraud or error.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities 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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 24 September 2021

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

Henty Oil Limited

Statement of Comprehensive Income
For the Year Ended 31 December 2020

	Note	Continuing Operations 2020 $	Discontinued Operations 2020 $	Total 2020 $	Continuing Operations 2019 $	Discontinued Operations 2019 $	Total 2019 $
Revenue	4	**131,434,938**	**19,166,441**	**150,601,379**	237,837,934	49,602,597	287,440,531
Cost of sales		**(129,571,260)**	**(18,124,627)**	**(147,695,887)**	(236,851,711)	(47,846,157)	(284,697,868)
Gross profit		**1,863,678**	**1,041,814**	**2,905,492**	986,223	1,756,440	2,742,663
Administrative expenses		**(3,048,040)**	**(534,340)**	**(3,582,380)**	(3,406,717)	(837,014)	(4,243,731)
Other operating (expenses)/income		**(165,373)**	**51,440**	**(113,933)**	(42,995)	247,316	204,321
Gain on disposal of operations	5	**4,545,372**	**-**	**4,545,372**	-	-	-
Operating profit/(loss)	6	**3,195,637**	**558,914**	**3,754,551**	(2,463,489)	1,166,742	(1,296,747)
Finance costs		**(13,974)**	**(8,223)**	**(22,197)**	(3,539)	-	(3,539)
Profit/(loss) before taxation		**3,181,663**	**550,691**	**3,732,354**	(2,467,028)	1,166,742	(1,300,286)
Income tax credit/(expense)	8	**133,997**	**23,192**	**157,189**	(551,834)	262,517	(289,317)
Profit/(loss) for the financial year after taxation and total comprehensive income/(loss) for the year		**3,315,660**	**573,883**	**3,889,543**	(3,018,862)	1,429,259	(1,589,603)

There was no other comprehensive income or loss during the year ended 31 December 2020, or the year ended 31 December 2019.

The notes on pages 16 to 31 form part of these financial statements.

Henty Oil Limited
Registered number: 01453260

Balance Sheet
As at 31 December 2020

	Note	2020 $	2019 $
Non-current assets			
Property, plant and equipment	9	**7,355,246**	9,238,973
		7,355,246	9,238,973
Current assets			
Inventory	10	**10,880,918**	19,962,652
Trade and other receivables	11	**11,610,097**	26,282,604
Cash and cash equivalents		**2,560,708**	1,951,255
		25,051,723	48,196,511
Total assets		**32,406,969**	57,435,484
Non-current liabilities			
Provisions for liabilities	12	**1,114,710**	1,100,346
Deferred tax liability	13	**1,130,979**	757,193
Trade and other payables	14	**1,055,606**	2,299,943
		3,301,295	4,157,482
Current liabilities			
Trade and other payables	14	**18,179,755**	45,895,943
Income tax liability		**68,298**	413,981
		18,248,053	46,309,924
Total liabilities		**21,549,348**	50,467,406
Net assets		**10,857,621**	6,968,078
Equity			
Share capital	15	**14,830**	14,830
Retained earnings		**10,842,791**	6,953,248
Total equity		**10,857,621**	6,968,078

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

Richard Donald McMichael
Director

Date: 23 September 2021

The notes on pages 16 to 31 form part of these financial statements.

Henty Oil Limited

Statement of Changes in Equity
For the Year Ended 31 December 2020

	Share capital $	Retained earnings $	Total equity $
Balance at 1 January 2019	14,830	8,542,851	8,557,681
Loss for the financial year after taxation and total comprehensive loss for the year	-	(1,589,603)	(1,589,603)
Balance at 31 December 2019	14,830	6,953,248	6,968,078
Profit for the financial year after taxation and total comprehensive income for the year	**-**	**3,889,543**	**3,889,543**
Balance at 31 December 2020	**14,830**	**10,842,791**	**10,857,621**

The notes on pages 16 to 31 form part of these financial statements.

1. General information

Henty Oil Limited (the “Company") is a private company limited by share capital incorporated and domiciled in England and Wales in the United Kingdom. The Company is a wholly-owned subsidiary of World Fuel Services European Holding Company I, Ltd., incorporated in England and Wales in the United Kingdom. World Fuel Services European Holding Company I, Ltd. is a wholly-owned subsidiary of World Fuel Services (Singapore) Pte. Ltd., incorporated in Singapore. The ultimate holding company is World Fuel Services Corporation (the "Ultimate Parent Undertaking"), incorporated in the State of Florida in the United States of America.

The Company's principal activity is the supply of marine fuel, lubricants and gas oil. The Company services a large number of ports on the Irish Sea and provides fuel and gas oil to a broad range of customers throughout the United Kingdom and Republic of Ireland. Up to 1 August 2020, the Company offered the sale of land fuel, lubricants and services in the land transportation market. On 1 August 2020, the Company sold the entirety of its wholesale land business contracts, relating to the sale of land fuels, lubricants and services, and related assets to WFL (UK) Limited, a related company. The marine reportable segments remain unchanged.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

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

2. Accounting policies (continued)

2.3 Going concern

The Company's profit after tax for the financial year was $3,889,543 (2019: loss of $1,589,603) and as at 31 December 2020 the Company had net assets of $10,857,621 (2019: $6,968,078).

World Fuel Services Corporation, the Ultimate Parent Undertaking of Henty Oil Limited, has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditor's Report for the Company's year ended 31 December 2020, 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 2020, as and when they fall due. As a result of the support from the Ultimate Parent Undertaking, the directors have reasonable expectations that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

Whilst COVID-19 has had an effect on the World Fuel Services Corporation Group, due to initiatives taken relating to cost reduction, liquidity and operating efficiencies, it has not affected the parent's ability to provide adequate financial support for at least 12 months from the date of the audit report.

2.4 Revenue recognition

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

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

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

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

2.5 Government grants

Grants are accounted for under the accruals model as permitted by FRS 101. Grants of a revenue nature are recognised in the Statement of Comprehensive Income within administrative expenses in the same period as the related expenditure. This relates to the UK Government's Coronavirus Job Retention Scheme ("furlough"). The Company has not directly benefited from any other forms of government assistance.

2. Accounting policies (continued)

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.

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 other operating income or other operating expenses.

2.8 Financial assets

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

2. Accounting policies (continued)

2.8 Financial assets (continued)

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables are non-derivative financial assets from related and non-related parties with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the Balance Sheet date which are classified as non-current assets. The Company's loans and receivables comprise "trade and other receivables" in the Balance Sheet.

Regular purchases and sales of financial assets are recognised on the trade-date - the date on which the Company commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.9 Trade and other receivables

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

The Company applies the IFRS 9 three stage expected credit loss model to measure expected credit losses. To measure the expected credit losses, the credit risk of amounts due from group undertakings has been assessed. The director has concluded that given the strong repayment position of the Group, the amounts receivable from related group companies are classified as stage 1 assets. Any expected credit losses for the foreseeable 12 months arising from these assets has been considered, and concluded as being immaterial to the financial statements.

2.10 Inventory

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

2. Accounting policies (continued)

2.11 Property, plant and equipment

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

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

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

	Useful lives
Leasehold improvements	5 to 15 years
Fixtures and office equipment	3 to 15 years
Machinery and equipment	5 to 40 years
Buildings	7 years

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

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

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

2.12 Impairment of property, plant and equipment

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

2.13 Trade and other payables

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

2. Accounting policies (continued)

2.14 Provisions

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

2.15 Dividends

Dividend distributions to the Company's shareholder are recognised in the period in which the dividends are approved by the Company's shareholder.

2.16 Share capital and reserves

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

The Company’s reserves are as follows:

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

2.17 Leases

Identifying Leases

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

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

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

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

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

2. Accounting policies (continued)

2.17 Leases (continued)

Identifying Leases (continued)

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

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

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

Lease Measurement

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

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

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

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

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

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

2. Accounting policies (continued)

2.17 Leases (continued)

Lease Measurement (continued)

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

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

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

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

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

In the application of the Company's accounting policies, the directors are 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Judgements in applying accounting policies

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

Intercompany payables

The Company has intercompany payables, which it expects will be settled without a reduction to the principal amount owed to the fellow Group undertaking. In assessing the Company’s ability to repay these amounts to the fellow Group undertakings when called for, management considers factors including current market and industry conditions, as well as historical experience of the Group’s financing arrangements.

The valuation of inventory

The Company's inventory consists of marine fuel products. In calculating the net realisable value of inventory, Management considers the nature and condition of the inventory, as well as applying assumptions around the saleability of inventory and the amount of related transportation costs to include within the valuation calculations.

Key sources of estimation uncertainty

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

Impairment of trade receivables

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

Impairment of Property, Plant and Equipment

The Company considers whether property, plant and equipment, is impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGU's). This requires estimation of the future cash flows from the CGU's and also a selection of appropriate discount rates in order to calculate the net present value of those cash flows. From this assessment, the net book value of the specified assets is reduced to the higher of the recoverable value or the value in use.

4. Revenue

An analysis of revenue by segment is as follows:

	2020 $	2019 $
Marine – continuing activities	**131,434,938**	237,837,934
Land – discontinued activities	**19,166,441**	49,602,597
	150,601,379	287,440,531

The Company generates all revenue in the United Kingdom and revenue is from the Company's principal activities.

5. Gain on disposal of operations

On 1st August 2020, the Company completed the sale of Henty Land Business to WFL (UK) Limited, a related group company, for $4,545,372. The total purchase price was equal to the fair market value of the assets and liabilities of the Henty Land Business, plus any applicable VAT. The sale resulted in a gain on disposal of the discontinued operation of $4,545,372.

6. Operating profit/(loss)

Operating profit/(loss) is stated after charging / (crediting):

	2020 $	2019 $
Operating lease expenses	**206,696**	282,041
Inventory recognised as an expense	**143,024,927**	274,941,665
Impairment charge/(reversal) of trade receivables	**33,314**	(92,130)
Foreign exchange gain	**(95,491)**	(585,337)
Depreciation of property, plant and equipment (note 9)	**700,737**	642,797
Depreciation of right-of-use assets (note 9)	**1,152,428**	3,523,918
Fees payable to the Company's auditor:		
- For the audit of the Company's annual financial statements	**49,488**	44,081
- For the preparation of the financial statements	**1,900**	1,900

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

The Company is a participant in a multi-currency notional cash pooling arrangement that allows the daily excess in certain currencies that may exist in any single group member to be used by other participating Group members. The Group participants are all related companies. The Company pays $1,000 per month to World Fuel Services European Holding Company I, Ltd., the Group leader of the multi-currency notional cash pooling arrangement. The Company paid $12,000 during the year ended 31 December 2020 (2019: $12,000).

7. Employee costs and directors' remuneration

Particulars of employee costs are as follows (including directors):	2020 $	2019 $
Wages and salaries	**2,054,890**	2,276,762
Pension costs and other employee expenses	**145,561**	174,695
Social security costs	**241,009**	312,207
	2,441,460	2,763,664

One of the Company's directors received remuneration during the year ended 31 December 2020 (2019: one) in connection with their services to the Company.

The amounts above represent remuneration paid to employees, however during the year the Company received government grants of $31,281 (2019: $nil) in relation to the UK Government's Coronavirus Job Retention Scheme ("furlough"). This amount is recorded in administrative expenses.

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

	2020 Number	2019 Number
Sales	**5**	8
Administrative	**18**	27
	23	35

The average numbers are inclusive of 4 (2019: nil) employees who were placed on furlough under the UK Government's Coronavirus Job Retention Scheme. Those employees were placed on furlough for an average of 2 months during the year ended 31 December 2020.

8. Income tax (credit)/expense

	2020 $	2019 $
Current taxation		
UK corporation tax on profit/(loss) for the year	**134,834**	448,218
Adjustments in respect of previous years	**(645,867)**	333
Total current taxation (credit)/charge	**(511,033)**	448,551
Deferred taxation		
Originating and reversal of timing differences	**(289,125)**	(76,296)
Changes to tax rates	**-**	(39,371)
Adjustments in respect of previous years	**642,969**	(43,567)
Total deferred taxation	**353,844**	(159,234)
Total taxation (credit)/charge for the year	**(157,189)**	289,317

8. Income tax (credit)/expense (continued)

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 $	2019 $
Profit/(loss) on ordinary activities before tax	**3,732,355**	(1,300,286)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**709,147**	(247,054)
Effects of:		
Expenses not deductible	**(863,438)**	695,272
Origination and reversal of timing differences	**642,969**	(76,296)
Changes to tax rates	**-**	(39,371)
Adjustments in respect of previous years	**(645,867)**	(43,234)
Total tax (credit)/expense for the year	**(157,189)**	289,317

Factors that may affect future tax charges

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, as used in these financial statements. However this was further updated as part of the Chancellor's Budget announced in March 2021, whereby it was confirmed that the standard rate of corporation tax would rise to 25% from 1 April 2023.

9. Property, plant and equipment

	Assets under construction $	Leasehold improvements $	Fixtures and office equipment $	Machinery and equipment $	Buildings $	Right-of-use asset $	Total $
Cost							
As at 1 January 2020	9,812	2,262,242	48,144	10,861,121	140,885	4,641,848	17,964,052
Transfers	-	-	(8,789)	8,789	-	-	-
Disposals	(9,812)	-	(25,825)	(22,985)	-	-	(58,622)
As at 31 December 2020	-	2,262,242	**13,530**	**10,846,925**	**140,885**	**4,641,848**	**17,905,430**
Accumulated depreciation							
As at 1 January 2020	-	1,511,112	23,974	5,851,092	140,885	1,198,016	8,725,079
Charge for the year	-	168,250	9,284	523,203	-	1,152,428	1,853,165
Disposals	-	-	(19,728)	(8,332)	-	-	(28,060)
As at 31 December 2020	**-**	**1,679,362**	**13,530**	**6,365,963**	**140,885**	**2,350,444**	**10,550,184**
Carrying amounts							
As at 31 December 2020	**-**	**582,880**	**-**	**4,480,962**	**-**	**2,291,404**	**7,355,246**
As at 31 December 2019	9,812	751,130	24,170	5,010,029	-	3,443,832	9,238,973

10. Inventory

	2020 $	2019 $
Marine fuel	**6,032,484**	6,669,578
Land fuel	**-**	857,910
Goods in transit	**4,848,434**	12,435,164
	10,880,918	19,962,652

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

11. Trade and other receivables

	2020 $	2019 $
Trade and other receivables	**11,277,502**	25,809,482
Less: provision for impairment of receivables	**(48,330)**	(64,527)
Trade receivables - net	**11,229,172**	25,744,955
Prepayments	**235,923**	159,982
Other receivables	**145,002**	377,667
	11,610,097	26,282,604

All amounts are due within one year.

12. Provisions for liabilities

	Asset retirement obligation $	Other provisions $	Total $
Balance as at 1 January 2019	901,924	181,575	1,083,499
Movement in foreign exchange	35,493	(18,646)	16,847
Balance at 31 December 2019	**937,417**	**162,929**	**1,100,346**
Movement in foreign exchange	29,262	(14,898)	14,364
Balance at 31 December 2020	**966,679**	**148,031**	**1,114,710**

The Company's asset retirement obligation relates to the costs associated with restoring the storage terminal (classified as leasehold improvements in note 9) at the existing Liverpool site. The change in the obligation during the year ended 31 December 2020 is due to revaluation of the Sterling payable. The provision is expected to be utilised in February 2029 when the current lease term expires.

13. Deferred tax liability

	Accelerated tax depreciation $	Provision for impairment of trade receivables $	Other timing differences $	Total $
1 January 2019	(916,525)	25,654	6,218	(884,653)
(Charged)/credited to profit or loss	154,318	(361)	5,277	159,234
Foreign exchange	(33,263)	1,052	437	(31,774)
31 December 2019	(795,470)	26,345	11,932	(757,193)
(Charged)/credited to profit or loss	(333,542)	(11,499)	(8,804)	(353,845)
Foreign exchange	(20,264)	267	56	(19,941)
At 31 December 2020	**(1,149,276)**	**15,113**	**3,184**	**(1,130,979)**

14. Trade and other payables

Trade and other payables due within one year:	2020 $	2019 $
Trade payables	**11,019,794**	31,953,367
Amounts owed to group undertakings	**5,195,634**	11,405,519
Value added tax payable	**151,519**	185,541
Other payables and accrued expenses	**569,094**	1,164,222
Lease liabilities	**1,243,714**	1,187,294
	18,179,755	45,895,943

Trade and other payables due after more than one year:

Lease liabilities	**1,055,606**	2,299,943

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

15. Share capital

	2020 $	2019 $
Authorised, allotted, called up and fully paid		
9,002 (2019: 9,002) ordinary A shares	**13,350**	13,350
998 (2019: 998) ordinary B shares	**1,480**	1,480
	14,830	14,830

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

16. Leases

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

The total cash outflow for leases during the year was $1,384,964 (2019: $7,694,076).

17. Controlling party

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

The Ultimate Parent Undertaking and controlling party is World Fuel Services Corporation, a company incorporated in the 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 41st Street, Miami, Florida USA 33178.

18. Guarantees

The Company participates in the senior credit agreement by and among the Company's ultimate parent, Word Fuel Services Corporation, and certain of its subsidiaries, as borrowers, Bank of America, N.A., as administrative agent, and the financial institutions named therein as lenders (the "Credit Agreement"). The Company is a guarantor for two of the borrowers under the Credit Agreement, World Fuel Services Europe Ltd. and World Fuel Services Singapore Pte. Ltd. (collectively, the "Foreign Borrowers"). As of 31 December 2020, the outstanding amounts owed by the Foreign Borrowers were $43.3,m under the Credit Agreement (2019: $44.4mm).

The Company has access to a foreign bills of negotiation facility as part of the BG New Borrowing Group and facilitated by HSBC for an amount of $8m (£6m) (2019: $7.9m (£6m)). As at the year end, no amounts were utilised under this facility (2019: $Nil). This facility is due for review in December 2021.