



The Lubricant Company Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

Company Number SC258167

Company Information

Directors	Richard Donald McMichael Paul Thomas Vian
Company secretary	Reed Smith Corporate Services Limited
Registered number	SC258167
Registered office	Summit House 4-5 Mitchell Street Edinburgh Scotland EH6 7BD
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

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Strategic Report for the Year ended 31 December 2022

The Directors present herewith his Strategic Report and Directors' Report together with the audited financial statements of The Lubricant Company Limited (the "Company") for the year ended 31 December 2022.

Principal activities

The Company, limited by share capital and incorporated in Scotland in the United Kingdom, is a wholly owned subsidiary of WFS UK Holding Company II Limited, which is incorporated in England and Wales in the United Kingdom. The ultimate holding company is World Kinect Corporation (formerly known as World Fuel Services Corporation) (the "Ultimate Parent Undertaking"), incorporated in the State of Florida in the United States of America. On 15 June 2023, the Ultimate Parent Undertaking's shareholders approved an amendment to company's articles of Incorporation, as amended, changing the Ultimate Parent Undertaking's name from World Fuel Services Corporation to World Kinect Corporation.

The Company's principal activity continues to be that of an investment holding company.

Business review and future outlook

The Company had net assets as at 31 December 2022 of \$816,556k (2021: \$821,203k) and reported a loss after tax for the financial year of \$4,647k (2021: \$208,332k). The Company's activities include acting as an investment holding company and any profits or losses are limited to the receipt of dividend income or impairment losses recorded, net of the Company's finance costs on its debts.

On 29 December, 2022 the Company received a \$385,000k dividend from Nordic Camp Supply B.V. (the Investee) that was used by the Company to partially repay its loan payable balance held with World Fuel Services Europe, Ltd. The Company recorded \$200,000k as a return of investment, since this was funded by the subsidiary's Share Premium reserve. The remaining \$185,000k was recorded as dividend income.

During the year, management assessed the investment in Nordic Camp Supply B.V. for impairment as of 31 December 2022 and concluded that the carrying amounts of the investment were not fully recoverable as of the balance sheet date. As a result, the Company has recognised an impairment loss of \$176,651k (2021: \$197,687k) within administrative expenses within the statement of comprehensive income in the year ended 31 December 2022 to reduce the carrying value of the investment to the recoverable value of the subsidiary's net assets.

Principal risks and uncertainties

The Company's principal risks and uncertainties are integrated with the principal risks of the World Kinect Corporation Group (further referred to as 'Group') and are not managed separately. World Kinect Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The principal risks and uncertainties of World Kinect Corporation, the Ultimate Parent Undertaking, are discussed from page 8 of the 2022 annual report on Form 10-K which does not form part of this report but is publicly available.

Key performance indicators ("KPIs")

The Company's Director monitors progress and strategy by reference to the following financial KPIs:

	2022 \$	2021 \$	Change \$	Change %
Net Assets	816,556	821,203	(4,647)	(0.6)%

Refer to the business review and future outlook above for an explanation of the movement in the KPI.

Strategic Report for the Year ended 31 December 2022

Section 172(1) statement

The Company's stakeholder engagement and decision making are integrated with the principles and activity of the Ultimate Parent Undertaking (note 12). The stakeholder engagements are not managed separately, and the Group regularly engages with the stakeholders to better understand their perspectives, including in areas such as our business strategies, financial performance, and matters of corporate governance. This dialogue has helped inform the Group's decision-making 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 engages with key stakeholders in a number of ways.

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 2022, whilst fulfilling his duties to promote the success of the Company, the Directors 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 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 (defined below), 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. Informed decisions have been made through engagement with key stakeholders to better understand their perspectives.

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.

The principal decision made by the Directors in the financial year included the following:

- The Directors approved the partial repayment of the loan payable due to World Fuel Services Europe, Ltd.

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

- Our regulators and tax authorities': were considered to ensure compliance with relevant laws and regulations as part of the dissolution process.

Strategic Report for the Year ended 31 December 2022

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 previously in the Strategic Report (page 1).

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



Richard Donald McMichael
Director

Date: 8 September 2023

Directors' Report for the year ended 31 December 2022

Directors

The Directors who served during the year ended 31 December 2022 and up to the date of signing the financial statements is as follows:

Richard Donald McMichael
Paul Thomas Vian

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 2022 and as at the date of approval of the Annual Report.

Dividends

The Company paid no interim dividend for the year ended 31 December 2022 (2021: \$nil). No final dividend is proposed for the year ended 31 December 2022 (2021: \$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 Kinect Corporation group. The financial risk objectives, policies and exposures are described in the financial statements of the Ultimate Parent Undertaking in the 2022 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 exposure to exchange rate changes results from amounts due from related companies denominated in GBP. The Company mitigates the exchange risk through participation in a foreign currency hedge entered into by a related company. The purpose of the hedge is 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 directly enter into hedging arrangements as this is performed by other Group undertakings.

Price risk

The Company has no exposure to price risk given the activities the Company performs.

Interest rate risk

The Company has exposure to interest rate risk given that long-term debt outstanding at 31 December 2022 bears interest of variable rates. This is limited to an outstanding debt amount of \$35,233k (2021: \$375,026k) since this is based on one-year Libor +2.5% (note 9).

Directors' Report for the year ended 31 December 2022

Credit risk

Credit risk arises from trade and other receivables. As at 31 December 2022, the Company has receivables due from group undertakings of \$20,910k (2021: \$24,149k). The maximum exposure to credit risk at the reporting date is the carrying value of these receivables as presented on the Balance Sheet. The Company does not hold any collateral as security.

Liquidity risk

The Company relies on unsecured credit from related companies as a 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 (page 1) included previously in these financial statements for a description of future developments in the business.

Going concern

The Company's loss after tax for the financial year was \$4,647k (2021: loss after tax of \$208,332k) and as at 31 December 2022 the Company had net assets of \$816,556k (2021: \$821,203k).

World Kinect Corporation (formerly known as World Fuel Services Corporation), the Ultimate Parent Undertaking of The Lubricant Company 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 financial statements for the year ended 31 December 2022, 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 2022, 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 Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

Disclosure of information to auditor

All persons who were Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have 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.

Directors' Report for the year ended 31 December 2022

Special provisions relating to small companies

This report has been prepared in accordance with the special provisions relating to small companies' subject to the small companies' regime within part 15 of the Companies Act 2006 'The Small companies' and Groups (Accounts and Directors Report) Regulations 2008'.

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



Richard Donald McMichael
Director

Date: 8 September 2023

Statement of Directors' Responsibilities For the Year Ended 31 December 2022

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have 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 Statement of Comprehensive Income 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of The Lubricant Company Limited

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 2022 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.

We have audited the financial statements of The Lubricant Company Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of comprehensive income, the Balance sheet, the 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 Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

Independent Auditor's Report to the Members of The Lubricant Company Limited

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 the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' report have been prepared in accordance with applicable legal requirements.

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Members of The Lubricant Company Limited

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:

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

- 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 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 Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)*;
- 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.

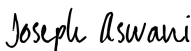
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:



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

Date: 08 September 2023

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

Statement of Comprehensive Income for the year ended 31 December 2022

		2022	2021
	Note	\$'000	\$'000
Administrative expenses		(176,750)	(197,749)
Operating loss	4	(176,750)	(197,749)
Finance expense	5	(12,897)	(10,583)
Dividend income from fixed asset investments	7	185,000	—
Loss before taxation for the year		(4,647)	(208,332)
Income tax expense	6	—	—
Loss after taxation for the financial year and total comprehensive loss for the year		(4,647)	(208,332)

All amounts relate to continuing operations.

There was no other comprehensive income or loss during the year ended 31 December 2022, or the year ended 31 December 2021

The notes on pages 14 to 24 form part of these financial statements

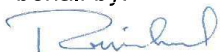
Balance Sheet as at 31 December 2022

Registered number: SC258167

	Note	2022 \$'000 USD	2021 \$'000 USD
Non-current assets			
Investments	7	840,362	1,217,013
Trade and other receivables	8	20,910	—
Total non-current assets		861,272	1,217,013
Current assets			
Trade and other receivables	8	—	24,149
Total current assets		—	24,149
Total assets		861,272	1,241,162
Non-current liabilities			
Borrowings	9	—	408,439
		—	408,439
Current liabilities			
Borrowings	9	35,233	—
Trade and other payables	10	9,483	11,520
		44,716	11,520
Total liabilities		44,716	419,959
Net current (liabilities)/assets		(44,716)	12,629
Net assets		816,556	821,203
Equity			
Share capital	11	—	—
Share premium		825,147	825,147
Retained earnings		(6,584)	(1,937)
Translation reserve		(2,007)	(2,007)
Total shareholder's funds		816,556	821,203

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: 8 September 2023

The notes on pages 14 to 24 form part of these financial statements

Statement of Changes in Equity for the year ended 31 December 2022

	Share capital	Share premium	Retained earnings	Translation reserve	Total shareholder's funds
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2021	—	825,147	206,395	(2,007)	1,029,535
Loss after taxation for the financial year and total comprehensive loss for the year	—	—	(208,332)	—	(208,332)
Balance at 31 December 2021	—	825,147	(1,937)	(2,007)	821,203
Loss after taxation for the financial year and total comprehensive loss for the year	—	—	(4,647)	—	(4,647)
Balance at 31 December 2022	—	825,147	(6,584)	(2,007)	816,556

The notes on pages 14 to 24 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2022

Note 1 – General Information

The Lubricant Company Limited ("the Company") is a private company, limited by share capital, and incorporated and domiciled in Scotland in the United Kingdom. The Company is a wholly-owned subsidiary of WFS UK Holding Company II Limited, which is incorporated in England and Wales in the United Kingdom. The ultimate holding company is World Kinect Corporation (formerly known as World Fuel Services Corporation) (the "Ultimate Parent Undertaking") incorporated in the State of Florida in the United States of America. On 15 June 2023, the Ultimate Parent Undertaking's shareholders approved an amendment to company's articles of Incorporation, as amended, changing the Ultimate Parent Undertaking's name from World Fuel Services Corporation to World Kinect Corporation.

The Company's principal activity is that of an investment holding company.

Note 2 – Accounting Policies

The following principal accounting policies have been applied in all periods presented:

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 (note 3). The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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 Kinect Corporation, which are publicly available (note 12). 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);
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group; and
- the requirements of paragraph 30 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Notes to the financial statements for the year ended 31 December 2022

2.3 Consolidated financial statements

The financial statements contain information about The Lubricant Company Limited as an individual company and do not contain consolidated financial information as the parent of the group. The Company has taken the exemption under Section 401 of the Companies Act 2006 from the requirement to prepare, for the current year, consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated statements of its Ultimate Parent Undertaking, World Kinect Corporation, a company incorporated in the State of Florida in the United States of America, and whose financial statements are publicly available. The consolidated financial statements of World Kinect Corporation may be obtained from World Kinect Corporation, 9800 NW 41st Street, Suite 400, Miami, Florida USA 33178.

2.4 Going concern

The Company's loss after tax for the financial year was \$4,647k (2021: Loss after tax of \$208,332k) and as at 31 December 2022 the Company had net assets of \$816,556k (2021: \$821,203k).

World Kinect Corporation, the Ultimate Parent Undertaking of The Lubricant Company 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 financial statements for the year ended 31 December 2022, 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 2022, 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 Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

2.5 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.

Notes to the financial statements for the year ended 31 December 2022

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is United States Dollar ("USD").

Foreign currency transactions are translated into the functional currency using the average exchange rate during the period that the transaction occurs. 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 within administrative expenses.

2.7 Investments in subsidiaries

Investments in subsidiary companies are held at cost less accumulated impairment losses.

2.8 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.

2.9 Financial Assets

Classification

The Company classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

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.

(ii) Offsetting financial instruments

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.

Notes to the financial statements for the year ended 31 December 2022

(iii) Impairment of financial assets carried at amortised cost

The Company assesses at each Balance Sheet date whether there is objective evidence that a financial asset or a 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.

2.10 Trade and Other Receivables

Current

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.

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 directors have 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.

Loans receivable from related parties

Loans receivable from related parties – Loans receivable from related parties are initially recognised at fair value net of any transaction costs directly attributable to the acquisition of the instrument. Such interest bearing assets are subsequently measured at amortised cost using the effective interest rate method.

2.11 Trade and other payables

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

2.12 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.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are shown in equity as a deduction from the proceeds. Called up share capital represents the nominal value of the shares issued.

2.14 Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Notes to the financial statements for the year ended 31 December 2022

2.15 Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

2.16 Translation reserve

Translation reserves represent the differences recognised on translation from the Company's presentational currency from GBP to USD.

2.17 Dividends

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

Dividend income is recognised as income within the Statement of Comprehensive Income in the period in which the dividends are declared by the Company's subsidiaries.

Note 3 – Judgements 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.

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 arms' 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 the Group.

Notes to the financial statements for the year ended 31 December 2022

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:

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.

Impairment of investments in subsidiaries

The Company considers indicators of impairments annually. If indicators are present, management makes an estimate of the recoverable value of investments in subsidiaries. When assessing impairment of investments in subsidiaries, management considers factors including current market and industry conditions and historical experience

Loan receivable from related party

The company has entered into a loan agreement with a related party during the year. The company considers a number of estimates when entering into these loan agreements to ensure that they are conducted on arms' length basis with interest being charged in line with relevant Market conditions. When assessing whether borrowings with other group companies have been conducted on an arms' length basis, the directors note that these decisions involve the input of internal and external tax advisers to the Company, including an analysis of comparable basic financial instruments between companies and groups who operate in similar markets to worldwide Group.

Note 4 – Loss before taxation

Operating loss is stated after charging:

	2022 \$'000	2021 \$'000
Impairment of investment in subsidiary (note 7)	176,651	197,687
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	56	60

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

The Company had no employees during the years ended 31 December 2022 and 31 December 2021.

The Company's directors received no remuneration for their services to the Company for the year ended 31 December 2022 (2021: \$nil).

Notes to the financial statements for the year ended 31 December 2022

Note 5 – Finance expense

	2022 \$'000	2021 \$'000
Interest expense on loans payable to group companies	12,897	10,583

The finance expense comprises of the interest charged on loan facilities entered into by the Company with various related group companies. See note 9 for details.

Note 6 – Taxation

Taxation	2022 \$'000	2021 \$'000
Total current tax	—	—
Total tax for the year	—	—

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard UK Corporation tax of 19% (2021: 19%). The factors affecting the tax charge are reconciled below.

	2022 \$'000	2021 \$'000
Loss on ordinary activities before tax	(4,647)	(208,332)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 – 19%)	(883)	(39,583)
Effects of:		
Impairment of investment	33,564	37,560
Dividend income	(35,150)	—
Other items not deductible	(71)	79
Group losses surrendered for nil consideration	2,540	1,944
Total tax charge for the year	—	—

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that from 1 April 2023, there is no longer a single Corporation Tax rate for non-ring fence profits. From 1 April 2023, the Corporation Tax main rate for non-ring fence profits will increase to 25% for profits above £250,000. For profits of £50,000 or less, a small profits rate of 19% will be applicable. A marginal relief scheme with a gradual increase in the effective Corporation Tax rate for profits in between these amounts will also be applicable.

Notes to the financial statements for the year ended 31 December 2022

Note 7 – Investments

	Shares in subsidiary undertakings \$'000
Cost	
As at 1 January 2022	1,414,700
Return of investment	(200,000)
As at 31 December 2022	1,214,700
Accumulated impairment	
As at 1 January 2022	(197,687)
Impairment Charge	(176,651)
As at 31 December 2022	(374,338)
Net book value 31 December 2022	840,362
Net book value 31 December 2021	1,217,013

On 29 December, 2022 the Company received a \$385,000k dividend from Nordic Camp Supply B.V (the Investee) that was used by the Company to partially repay its loan payable balance held with World Fuel Services Europe. The Company recorded \$200,000k as a return of investment, since this was funded by the subsidiary's Share Premium reserve. The remaining \$185,000k was recorded as dividend income.

During the year, management assessed the investment in Nordic Camp Supply B.V. for impairment as of 31 December 2022 and concluded that the carrying amounts of the investment were not fully recoverable as of the balance sheet date. As a result, the Company has recognised an impairment loss of \$176,651k (2021: \$197,687k) within administrative expenses within the statement of comprehensive income in the year ended 31 December 2022 to reduce the carrying value of the investment to the recoverable value of the subsidiary's net assets.

The following entities are wholly owned subsidiary undertakings of the Company as at 31 December 2022. All shares in subsidiary undertakings relate to ordinary shares:

Subsidiary or Associate	Principal business activity	Addresses	Percentage of Ownership
Nordic Camp Supply B.V.	Oil Trading	Weena 505, Office 17.14, Rotterdam, 3030 AL, Netherlands	100%
WFS Danish Holding Company I ApS	Holding Company	Torvebyen 8, 1th, 4600 Koge, Denmark	100%

Notes to the financial statements for the year ended 31 December 2022

Note 8 – Trade and other receivables

	2022 \$'000	2021 \$'000
Current		
Amounts due from group undertakings	—	24,149
Non-current		
Amounts due from group undertakings	20,910	—

Current trade and other receivables

Amounts due from by group undertakings are unsecured, non-interest bearing and are repayable on demand.

Non-current trade and other receivables

On 15 December 2022, as the effective date, the Company entered into an intercompany lending agreement with a related company, WFS UK Finance Limited (“UK FINCO”), ending on 30 June 2025. This agreement allows the Company to lend funds through deposits, or, alternatively, borrow funds from UK FINCO with a maximum borrowing by the Company of \$25,000k, of which, either position must be maintained net as either debtor or creditor with UK FINCO at the end of each period.

The net deposit position with UK FINCO bears interest at a rate determined based on the interest received for outstanding time deposits by UK Monetary Financial Institutions as published by The Bank of England, and, for any borrowing position, the applicable interest rate will be this rate plus 0.25%. No interest has been applied, due or payable by either party on any balance position of either the Company or UK FINCO, during the transitional period which begins on the effective date and ends on 30 June 2023.

The Company has outstanding deposits with UK FINCO of \$20,910k at 31 December 2022 (2021: \$Nil), and recognised zero interest income on its net borrowings position during the year ended 31 December 2022. The repayable term as stipulated by the agreement is 30 June 2025; however, the Company can demand repayment of all or any part of the net outstanding position with UK FINCO at any time and without notice or penalty before 30 June 2025, and, if any, any payment must be applied first to any amount of interest accrued. As at 31 December 2022, it is not the Directors’ intention to demand payment for the outstanding balances within the subsequent 12 months of the Balance Sheet date and therefore this balance is presented as non-current as at the year end date.

Notes to the financial statements for the year ended 31 December 2022

Note 9 – Borrowings:

	Current		Non-current		TOTAL
	\$'000		\$'000		
	Principal	Accrued interest	Principal	Accrued interest	
Balance at 1 January 2022	—	—	375,026	33,413	408,439
Interest expense	—	—	—	12,897	12,897
Repayments in year	—	—	(339,793)	(46,310)	(386,103)
Transfer to short-term	35,233	—	(35,233)	—	—
Balance at 31 December 2022	35,233	—	—	—	35,233

On 28 August 2019, the Company entered into a loan facility with a related group company, World Fuel Services Europe, Ltd., for a principal amount of \$625,026k and a term of 12 months. The loan facility bears interest of one-year LIBOR +2.5%. On 1 November 2019, the Company repaid \$250,000k of the outstanding principal balance, leaving an outstanding principal balance of \$375,026k. On 28 August 2020 the Company extended the loan agreement for a further 3 years extending the repayment date to 28 August 2023. On 29 December 2022, the Company made an additional payment on the loan of \$385,000k, consisting of a reduction of the principal \$339,793k and settlement of accrued interest of \$45,207k. On 31 December 2022, the Company made an additional payment of \$1,103k to settle the outstanding accrued interest expense as of the balance sheet date. Subsequent to the year end and up to the date of issuing these financial statements, the outstanding balance of the facility has not been repaid. The terms of the loan remain unchanged, and the outstanding balance is considered as repayable upon demand.

Note 10 – Trade and other payables:

	2022	2021
	\$'000	\$'000
Current liabilities		
Amounts due to group undertakings	9,396	11,429
Accrued expenses	87	91
Total	9,483	11,520

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

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

Note 11 – Share capital

	2022	2021
	\$	\$
Authorised, allotted, called up and fully paid		
106 (2021: 106) ordinary shares of £1 each (US\$1.80/£)	191	191

Notes to the financial statements for the year ended 31 December 2022

Note 12 – Controlling party

The immediate parent undertaking is WFS UK Holding Company II Limited, a company registered in England and Wales in the United Kingdom.

The Ultimate Parent Undertaking and controlling party is World Kinect Corporation, a company incorporated in the State of Florida in the United States of America.

World Kinect Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The consolidated financial statements of World Kinect Corporation may be obtained from World Kinect Corporation, 9800 NW 41st Street, Miami, Florida USA 33178.