

World Fuel PG Trading Limited

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Company Number: 07107627



World Fuel PG Trading Limited
Directors' Report and financial statements
For the Year Ended 31 December 2020

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|---------------------------|--|
| Directors | Peggy Joann Meyer Paul Thomas Vian |
| Secretary | Reed Smith Corporate Services Limited |
| Registered number | 07107627 |
| Registered address | The Broadgate Tower, Third Floor 20 Primrose Street London EC2A 2RS United Kingdom |
| Auditor | BDO LLP 55 Baker Street London W1U 7EU United Kingdom |

World Fuel PG Trading Limited

DIRECTORS' REPORT
For the Year Ended 31 December 2020

The Directors present herewith their report together with the audited financial statements of World Fuel PG Trading Limited (the "Company") for the year ended 31 December 2020.

Principal activities and future developments

The Company is a private company limited by share capital, incorporated and domiciled in England and Wales in the United Kingdom ("UK"). The Company is a wholly owned subsidiary of World Fuel Services Regulatory Holdings, LLC, a company incorporated in the State of Florida in the United States of America. The ultimate holding company is World Fuel Services Corporation (the "Ultimate Parent Undertaking"), also incorporated in the State of Florida in the United States of America. The Company's registered office is shown in the Directors' report.

For the year ended 31 December 2020, the Company's principal activity was that of acting as an arranging entity for a related company, World Fuel Services (Singapore) Pte Ltd that as a principal sold power and gas derivative products to third parties. The Company recognised revenue of either (i) \$0.07 per metric ton, (ii) \$0.006 per Megawatt hour, (iii), 0.011 per barrel or (iv) \$0.00026 per gallon, depending upon the notional quantity stated in the contract, in its role as an agent for related company that provide derivative contracts to third party customers. The Company's compensation would not be less than \$50k under the applicable agreement. All turnover originated in the UK from related group companies.

For the year ended 31 December 2020, the Company had Financial Conduct Authority approval to act as an Energy Market Participant. In March 2021, due to Company ceasing to carry out regulated activities, the Company cancelled the Financial Conduct Authority approval.

In 2021 due to the cancellation of the Financial Conduct Authority approval, the Company's principal activities will cease and management are considering various options for the future activities and use of the Company.

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:

Peggy Joann Meyer
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 2020 and at the date of approval of the Annual Report.

World Fuel PG Trading Limited

DIRECTORS' REPORT *(continued)*
For the Year Ended 31 December 2020

Dividends

The Company did not pay an interim dividend for the year ended 31 December 2020 (2019: dividend in specie of \$4,400,000). No final dividend is proposed for the year ended 31 December 2020 (2019: \$nil).

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. The pandemic and associated impacts to the global economic conditions had no effect on the Company due to the Company's compensation agreement leading to revenue not being less than \$50k.

Impact of the UK's withdrawal from the European Union (EU)

The United Kingdom (UK) departed from the European Union (EU) on 1 January 2020 ('Brexit'), announcing a new bilateral trade and cooperation deal in December 2020. This deal has been applied provisionally since 1 January 2021 but is subject to formal approval by the European Parliament and the Council of the EU before it comes into effect. The Company has not experienced any direct impact as a result of Brexit, however, we continue to face risks associated with the unavoidable uncertainties related to Brexit and the new relationship between the UK and EU.

Going concern

World Fuel Services Corporation, the Ultimate Parent Undertaking of World Fuel PG Trading Limited, has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditors' 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, 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 has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Company has adopted the going concern basis in preparing the financial statements.

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.

Events after the reporting period

In March 2021, due to Company ceasing to carry out regulated activities, the Company cancelled the Financial Conduct Authority approval.

World Fuel PG Trading Limited

DIRECTORS' REPORT (continued)
For the Year Ended 31 December 2020

Disclosure of information to auditor

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

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

Special provisions relating to small companies

This Director's Report has been prepared in accordance with the provisions applicable to companies entitled to take the small companies' exemption in accordance with part 15 of the Companies Act 2006 'The Small companies and Groups (Accounts and Director's Report) Regulations 2008'. The Company was entitled to the small companies exemption in relation the he strategic report under s414b of Companies Act 2006 and as such a separate Strategic Report is not required to be prepared.

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:



Paul T. Vian, Director

Date: 30 March 2021

Company Number: 07107627
The Broadgate Tower, Third Floor
20 Primrose Street
London, EC2A 2RS
United Kingdom

World Fuel PG Trading Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the Year Ended 31 December 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

World Fuel PG Trading Limited

INDEPENDENT AUDITOR'S REPORT

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

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

World Fuel PG Trading Limited

INDEPENDENT AUDITOR'S REPORT *(continued)*

Other information (continued)

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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 the 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 and from the requirement to prepare a Strategic Report.

World Fuel PG Trading Limited

INDEPENDENT AUDITOR'S REPORT *(continued)*

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 Auditors' 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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the entity, including the requirements of FCA registered companies, 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 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 performed audit procedures over appropriate revenue recognition to ensure there was no manipulation of revenue contracts. 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

World Fuel PG Trading Limited

INDEPENDENT AUDITOR'S REPORT (continued)

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

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: 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.



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

Date: 31 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number 0C305127).

World Fuel PG Trading Limited

STATEMENTS OF COMPREHENSIVE INCOME
For the Year Ended 31 December 2020

| | Note | 31 December 2020 \$ | 31 December 2019 \$ |
|--|------|---------------------------|---------------------------|
| Revenue | | 50,000 | 50,000 |
| Administrative expenses | | <u>(26,489)</u> | <u>(37,468)</u> |
| Operating profit and profit before tax | 3 | <u>23,511</u> | <u>12,532</u> |
| Income tax expense | 4 | <u>(4,586)</u> | <u>(56,007)</u> |
| Profit/(loss) for the financial year and total comprehensive profit/(loss) for the financial year | | <u>18,925</u> | <u>(43,475)</u> |

All amounts relate to continuing operations, however subsequent to the year end, the Company's revenue operations were discontinued, as disclosed in note 9.

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

The notes are an integral part of these financial statements. The notes are present on pages 12 to 19.

World Fuel PG Trading Limited

BALANCE SHEET
As at 31 December 2020

| | 31 December 2020 | 31 December 2019 |
|--|---------------------------|---------------------------|
| Note | \$ | \$ |
| ASSETS | | |
| Current assets | | |
| Trade and other receivables | 5 719 | 12,595 |
| Cash and cash equivalent | <u>560,408</u> | <u>543,445</u> |
| Total assets | <u>561,127</u> | <u>556,040</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Capital and reserves | | |
| Called up share capital | 6 1 | 1 |
| Translation reserve | 6 (368,479) | (368,479) |
| Retained earnings | 6 <u>903,613</u> | <u>884,688</u> |
| Total shareholder equity / net assets | <u>535,135</u> | <u>516,210</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 7 <u>25,992</u> | <u>39,830</u> |
| Total liabilities | <u>25,992</u> | <u>39,830</u> |
| Total equity and liabilities | <u>561,127</u> | <u>556,040</u> |

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

The financial statements including the notes were approved by the Board of Directors and were signed on its behalf by:



Paul T. Vian, Director

Date: 30 March 2021

Company Number: 07107627

The notes are an integral part of these financial statements. The notes are present on pages 12 to 19.

World Fuel PG Trading Limited

STATEMENTS OF CHANGES IN EQUITY
For the Year Ended 31 December 2020

| | Note | Called up share capital \$ | Translation reserve \$ | Retained earnings \$ | Total equity \$ |
|---|------|--|------------------------------|----------------------------|-----------------------|
| Balance at 1 January 2019 | | 1 | (368,479) | 5,328,163 | 4,959,685 |
| Loss for the financial year and total comprehensive loss for the year | | - | - | (43,475) | (43,475) |
| <i>Contributions by and distributions to owners</i> | | | | | |
| Dividend in specie | | - | - | (4,400,000) | (4,400,000) |
| Balance at 31 December 2019 | | 1 | (368,479) | 884,688 | 516,210 |
| Profit for the financial year and total comprehensive profit for the year | | - | - | 18,925 | 18,925 |
| Balance at 31 December 2020 | | 1 | (368,479) | 903,613 | 535,135 |

The notes are an integral part of these financial statements. The notes are present on page 12 to 19.

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

1. GENERAL INFORMATION

World Fuel PG Trading Limited (the "Company") is a private company limited by share capital, incorporated and domiciled in England and Wales in the United Kingdom ("UK"). The Company is a wholly owned subsidiary of World Fuel Services Regulatory Holdings, LLC, a company incorporated in the State of Florida in the United States of America. The ultimate holding company is World Fuel Services Corporation (the "Ultimate Parent Undertaking"), also incorporated in the State of Florida in the United States of America. The Company's registered office is shown on the contents page.

For the year ended 31 December 2020, the Company's principal activity was that of acting as an arranging entity for related company, World Fuel Services (Singapore) Pte Ltd that as a principal sold power and gas derivative products to third parties. The Company recognised revenue of either (i) \$0.07 per metric ton, (ii) \$0.006 per Megawatt hour, (iii), 0.011 per barrel or (iv) \$0.00026 per gallon, depending upon the notional quantity stated in the contract, in its role as an agent for related company that provide derivative contracts to third party customers. The Company's compensation would not be less than \$50k under the applicable agreement. All turnover originated in the UK from related group companies.

For the year ended 31 December 2020, the Company had Financial Conduct Authority approval to act as an Energy Market Participant. In March 2021, due to Company ceasing to carry out regulated activities, the Company cancelled the Financial Conduct Authority approval.

In 2021 due to the cancellation of the Financial Conduct Authority approval, the Company's principal activities will cease and management are considering various options for the future activities and use of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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 conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies (note 2.11).

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

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1);
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraph 17 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; and
- The requirements of paragraph 30 of IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

2.2 Going concern

The Company reported a profit for the financial year ended 31 December 2020 of \$18,925 (2019: loss \$43,475) and had net assets as at 31 December 2020 of \$535,135 (2019: \$516,210), including a cash balance of \$560,408 (2019: \$543,445). World Fuel Services Corporation, the Ultimate Parent Undertaking of World Fuel PG Trading Limited, has agreed to provide adequate financial support for a period of at least twelve months following the date of the Independent Auditors' 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, 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 period 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.

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.

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Revenue recognition

Revenue is measured at the consideration for which the entity expects to receive for the rendering of agency services in the ordinary course of the Company's activities. The Company recognises revenue for agency fees upon the entry by related parties into derivative swap contracts with third parties; it is at this point that the performance obligations are satisfied and when control has passed to the customer, being the related party. The Company's compensation will not be less than \$50k under the applicable agency agreement.

2.4 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 is 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 retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. 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.

2.5 Foreign currency

(a) Functional and presentation currency

The Company's functional currency is the U.S. dollar as this represents the currency of the primary economic environment which influences the results of the Company, and is the currency specified in active contracts with related parties. The financial statements have been presented in U.S. dollars.

(b) Transactions and balances

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

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Foreign currency (continued)

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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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.

2.6 Financial assets

Classification

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. All of the Company's financial assets are currently classified as loans and receivables, which comprise trade and other receivables in the Balance Sheet. If any financial assets have a maturity date of greater than 12 months after the end of the reporting period, these are classified as non-current assets.

Impairment of financial assets

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

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Trade and other receivables

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

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.

2.9 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.

2.10 Called up share capital

Ordinary shares are classified as equity. Incremental costs attributable to the issuance of new ordinary shares are deducted against the share capital amount.

2.11 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.

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.

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the Year Ended 31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Judgements in applying accounting policies (continued)

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.

Key sources of estimation uncertainty

In the opinion of the directors there are no key sources of estimation uncertainty, apart from those involving judgement (which are dealt with separately above), that have been made in the process of applying the Company's accounting policies and that would have a significant effect on the amounts recognized in the financial statements.

3. OPERATING PROFIT AND PROFIT BEFORE TAX

Operating profit and profit before tax is stated after charging / (crediting):

| | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Foreign exchange gain | (4,164) | (934) |
| Fees payable to the Company's auditor: | | |
| – for the audit of the Company's annual financial statements | 23,515 | 30,103 |
| – for the preparation of the financial statements | 1,900 | 1,900 |

The fees payable to the Company's auditor are settled by a group company.

The Company had no employees during the years ended 31 December 2020 and 31 December 2019. The Company's directors received no remuneration during the years ended 31 December 2020 and 31 December 2019 in connection with their services to the Company.

The foreign exchange gain of \$934 recognised in the year ended 31 December 2019 has been reclassified to administrative expenses in these financial statements to better reflect group policy. This change has not resulted in a change to operating profit, profit for the year or shareholders' equity, as previously reported.

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 December 2020

4. INCOME TAX EXPENSE

| | <u>2020</u> | <u>2019</u> |
|---|--------------|---------------|
| | \$ | \$ |
| Current taxation | | |
| UK corporation tax on profits of the year | 4,467 | 2,381 |
| Adjustment in respect of prior years | 119 | 53,626 |
| Total current tax expense | <u>4,586</u> | <u>56,007</u> |

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

| | <u>2020</u> | <u>2019</u> |
|---|--------------|---------------|
| | \$ | \$ |
| Profit before tax | 23,511 | 12,532 |
| Profit multiplied by the UK corporation tax rate of 19% (2019: 19%) | 4,467 | 2,381 |
| Adjustment in respect of prior years | 119 | 53,626 |
| Tax expense | <u>4,586</u> | <u>56,007</u> |

The adjustment in respect of prior years for the year ended 31 December 2019 relates to 2017 and 2018 tax charges which were previously anticipated to be offset using group losses from related group companies. Upon settlement of these tax filing obligations, no group relief was claimed, which gave rise to a charge of \$53,626.

Factors affecting current and 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.

5. TRADE AND OTHER RECEIVABLES

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------|-------------|---------------|
| | \$ | \$ |
| Amounts due from group undertakings | - | 11,390 |
| Prepaid expenses | 719 | 1,205 |
| | <u>719</u> | <u>12,595</u> |

World Fuel PG Trading Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the Year Ended 31 December 2020

6. SHARE CAPITAL AND RESERVES

| | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Authorised, allotted, called-up and fully paid: 1 (2019: 1) ordinary share of £1 each | <u>1</u> | <u>1</u> |

The Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Retained earnings represent cumulative profits or losses, net of dividends paid and other adjustments.
- Translation reserve represents cumulative conversion to the presentation currency.

7. TRADE AND OTHER PAYABLES

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------|---------------|---------------|
| | \$ | \$ |
| Accrued expenses | 6,092 | 2,522 |
| Amounts due to group undertakings | 12,995 | - |
| Income tax payable | <u>6,905</u> | <u>37,308</u> |
| | <u>25,992</u> | <u>39,830</u> |

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

8. ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking is World Fuel Services Regulatory Holdings, LLC, a company incorporated in the State of Florida in the United States of America.

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

World Fuel Services Corporation is the parent undertaking of the only group of undertakings to consolidate these financial statements. The consolidated financial statements of World Fuel Services Corporation may be obtained from World Fuel Services Corporation, 9800 NW 41st Street, Suite 400, Miami, Florida USA 33178.

9. POST BALANCE SHEET EVENTS

In March 2021, due to Company ceasing to carry out regulated activities, the Company cancelled the Financial Conduct Authority approval.