REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS

INVER ENERGY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2013

CONTENTS

DIRECTORS AND OTHER INFORMATION

Board of Directors

Mr BA O'Connell (resigned 9 April 2013)
Mr CP O'Callaghan
Mr R Brislane
Mr F O'Gorman
Mr N Murray (appointed 9 April 2013)

Solicitors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

McGuire Desmond
5 Lapp's Quay
Cork

Secretary and Registered Office

Mr CP O'Callaghan (appointed 30 April 2013)
River House
Blackpool Business Park
Blackpool
Cork

Mr C Reid (resigned 30 April 2013)
River House
Blackpool Business Park
Blackpool
Cork

Bankers

Bank of Ireland
Lower Baggot Street
Dublin 2

BNP Paribas (Suisse) SA
Geneva
Switzerland

Registered Number: 373915

Independent Auditor

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
6 Lapp's Quay
Cork

DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements of the group for the year ended 31 December 2013.

Principal activities and review of the business
The principal activities of the group continue to be the importation and distribution of oil, coal products and the storage of oil for third party customers.

The group manages its business by matching the pricing risk between sales and oil purchases using oil derivatives and forward contracts. The actual receipt of oil shipments from suppliers does not necessarily tie in with the delivery dates of the related oil to customers. Under historical cost accounting principles the timing differences between the receipt of oil from suppliers and related deliveries to customers result in fluctuations in gross profit between different accounting periods. To eliminate these fluctuations the Board prepare the financial statements in accordance with fair value/mark-to-market principles that more accurately reflect the performance of the business in the accounting year.

In 2013 the group had significant growth in sales volumes and revenues as it expanded its product line and customer portfolio. Revenues grew by 5% over the prior period. This was achieved in a very difficult trading environment. The group had an operating profit of €4.1 million in 2013 (2012: €3.5 million). The financial performance of the company in 2013 was in line with the director's expectations. The outlook for 2014 is positive with margins on sales expected to improve.

Profits, dividends and reserves

Profit after taxation for the financial year amounted to: €2,545,885 (2012: €1,582,022)

A dividend of €100,000 (2012: €Nil) was paid by Inver Energy Limited in 2013.

Financial risk management
The group's operations expose it to a variety of financial risks that include the effects of changes in debt, market prices, foreign exchange risk, credit risk, liquidity and interest rate risk. The group has in place a risk management programme that seeks to manage the financial exposures of the group by monitoring levels of debt finance and the related finance costs. The policies are set by the board of directors and are implemented by the group's management team including executive directors.

Price risk
The group is exposed to oil commodity price risk as a result of its operations. The group's policy on mitigating the effect of oil price fluctuations is to match the pricing basis of its sales and oil purchases and to use, where appropriate, oil swaps and future contracts.

Foreign exchange risk
The group is exposed to foreign exchange risks in the normal course of business, principally on purchases in US dollars. The group's policy on mitigating the effect of this currency exposure is to match the currency basis of its sales and oil purchases and to use, where appropriate, forward foreign exchange contracts.

Credit risk
The group has implemented policies that require appropriate credit checks on potential customers before sales are made.

DIRECTORS' REPORT - continued

Financial risk management - continued

Liquidity risk
The group actively maintains a mix of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate and cash flow risk
The group has both interest bearing assets and interest bearing liabilities. Cash balances are the only interest bearing asset which earn interest at a fixed rate. The group has a policy of maintaining debt using a combination of variable and fixed rate interest rates, and of using invoice discounting facilities for debtors at a variable interest rate, to ensure certainty of future interest cash flows.

Future developments
The group will continue to add forecourts to the Inver brand and develop its forecourt offering further in Ireland and it will continue to expand its product offering and sales in the UK.

Research and development
The group did not engage in any research and development activities during the year.

Directors and secretary
The names of the persons who were directors at any time during the year ended 31 December 2013 are set out on page 2.

In accordance with the Articles of Association the directors are not required to retire by rotation.

Directors' and secretary's interests in shares
The beneficial interests, including family interests, of the directors and secretary in office at 31 December 2013 in the share capital of the company's parent company, World Fuels Market Limited, and in the company at 1 January 2013 and 31 December 2013 were:

	Number of Ordinary €1.27 shares 31 December 2013	Number of Ordinary €1.27 shares 1 January 2013
World Fuels Market Limited		
Chris O'Callaghan	1,000	1,000

	Number of Ordinary €0.002 shares 31 December 2013	Number of Ordinary €0.002 shares 1 January 2013
Inver Energy Limited		
Directors:		
Mr. C.P. O'Callaghan	-	-
Mr. R. Brislane	10,000	10,000
Mr. F. O'Gorman	-	-
Mr. N. Murray	-	-
Secretary:		
Mr. C.P. O'Callaghan	-	-

DIRECTORS' REPORT - continued

Key performance indicators (K.P.I.'s)
The group is result orientated. Actual performance is measured against budgeted performance taking into account the impact of world oil prices and hedging strategy to minimise risks. The main KPI's used by the group to measure performance are gross margin, earnings before interest and tax, evaluation of working capital, capacity, litres sold and cashflow.

Subsequent events
There have been no significant events affecting the group since the year end.

Books of account
The measures taken by the directors to secure compliance with the company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at River House, Blackpool Business Park, Blackpool, Cork.

Independent auditor
The auditor, Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 160(2) of the Companies Act, 1963.

Signed on behalf of the Board:

)
) DIRECTORS
)

Date: 9/5/2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the group and parent company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Deloitte

Deloitte & Touche
Chartered Accountants &
Registered Auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVER ENERGY LIMITED

We have audited the financial statements of Inver Energy Limited for the year ended 31 December 2013 which comprise the Group Financial Statements: the Consolidated Profit and Loss Account, the Consolidated Note of Historical Cost Profits and Losses, the Consolidated Balance Sheet and the Consolidated Cash Flow Statement, the Company Financial Statements: the Balance Sheet and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. 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.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the reports and consolidated financial statements for the year ended 31 December 2013 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

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Deloitte

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVER ENERGY LIMITED

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company's financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2013 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception
We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Kevin Butler
Kevin Butler
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Cork

Date: 13/5/14

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2013

	Notes	2013 €	2012 €
TURNOVER - group and share of joint ventures	2	605,858,015	574,345,056
Less: share of joint venture turnover		(2,251,111)	(2,178,486)
GROUP TURNOVER - continuing activities		603,606,904	572,166,570
Cost of sales		(591,849,647)	(561,867,190)
GROSS PROFIT		11,757,257	10,299,380
Distribution costs		(3,355,457)	(3,003,136)
Administration expenses		(7,718,405)	(7,358,110)
Operating income	3	3,429,106	3,591,315
OPERATING PROFIT - continuing activities		4,112,501	3,529,449
Share of joint venture operating profit		586,975	533,868
		4,699,476	4,063,317
Interest receivable	4	-	168
Interest payable	4	(1,602,044)	(1,905,821)
Share of joint venture's net interest payable		(132,092)	(189,293)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,965,340	1,968,371
Taxation on profit on ordinary activities	6	(276,303)	(157,391)
Share of joint venture's taxation		(143,152)	(228,958)
PROFIT FOR THE FINANCIAL YEAR	17	2,545,885	1,582,022

Turnover and operating profit arose solely from continuing activities.

The financial statements were approved by the Board of Directors on 9/5/2014 and signed on its behalf by:

) DIRECTORS

CONSOLIDATED NOTE OF HISTORIC COST PROFIT AND LOSSES
Year ended 31 December 2013

	2013 €	2012 €
Reported profit on ordinary activities before taxation	2,965,340	1,968,371
Impact of recognising stock and financial instruments at fair value	(432,596)	2,098,170
Historical cost profit on ordinary activities before taxation	2,532,744	4,066,541
Historical cost profit after taxation	2,113,289	3,680,192

CONSOLIDATED BALANCE SHEET
As at 31 December 2013

	Notes	2013 €	2012 €
FIXED ASSETS			
Tangible assets	7	11,781,984	12,320,628
Intangible assets - goodwill	8	-	2,997
Financial assets	9	561,814	250,083
		12,343,798	12,573,708
CURRENT ASSETS			
Stocks	10	21,544,606	25,828,799
Debtors	11	39,213,007	45,176,955
Cash at bank and in hand		4,652,831	2,090,118
		65,410,444	73,095,872
CREDITORS - amounts falling due within one year	12	(55,134,513)	(64,933,854)
NET CURRENT ASSETS		10,275,931	8,162,018
TOTAL ASSETS LESS CURRENT LIABILITIES		22,619,729	20,735,726
CREDITORS - amounts falling due after more than one year	13	(3,875,794)	(4,636,381)
Provision for liabilities and charges	14	(746,435)	(499,071)
NET ASSETS		17,997,500	15,600,274
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Capital contribution		2,050,091	2,050,091
Profit and loss account	17	15,947,209	13,549,983
SHAREHOLDERS' FUNDS	18	17,997,500	15,600,274

The financial statements were approved by the Board of Directors on 9/5/2014
and signed on its behalf by:

) DIRECTORS

COMPANY BALANCE SHEET
As at 31 December 2013

	Notes	2013 €	2012 €
FIXED ASSETS			
Tangible assets	7	306,382	207,411
Financial assets	9	433,333	433,333
		739,715	640,744
CURRENT ASSETS			
Stocks	10	16,255,130	21,661,209
Debtors	11	35,710,686	39,969,307
Cash at bank and in hand		3,327,846	487,487
		55,293,662	62,118,003
CREDITORS - amounts falling due within one year	12	(41,791,882)	(49,890,927)
NET CURRENT ASSETS		13,501,780	12,227,076
NET ASSETS		14,241,495	12,867,820
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Capital contribution		2,050,091	2,050,091
Profit and loss account		12,191,204	10,817,529
SHAREHOLDERS' FUNDS		14,241,495	12,867,820

The financial statements were approved by the Board of Directors on 9/5/2014
and signed on its behalf by:

) DIRECTORS

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2013

	Notes	2013 €	2012 €
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	10,050,277	8,238,451
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	168
Interest paid		(1,608,463)	(1,886,115)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(1,608,463)	(1,885,947)
TAXATION			
Corporation tax		281,577	55,517
CAPITAL INVESTMENT			
Payments to acquire tangible fixed assets		(684,918)	(836,053)
Repayment of loan from joint venture		(131,609)	13,395
EQUITY DIVIDENDS PAID			
Dividends paid (net of withholding tax)		(100,000)	-
NET CASH INFLOW BEFORE FINANCING	21	7,806,864	5,585,363
FINANCING			
Movement on bank loans		(5,244,151)	(5,080,307)
NET CASH OUTFLOW FROM FINANCING		(5,244,151)	(5,080,307)
INCREASE IN CASH		2,562,713	505,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The significant accounting policies adopted by the group are as follows:

Basis of preparation
The consolidated financial statements have been prepared in accordance with accounting standards issued by the Financial Reporting Council and Irish statute comprising the Companies Acts, 1963 to 2013.

The financial statements are presented in euro.

Basis of consolidation
The consolidated financial statements include the financial statements of the parent company and its subsidiary together with the group's share of the profit/loss of joint ventures made up to the end of the financial year, all of which have been prepared to 31 December 2013. The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from the date of acquisition or up to the date of disposal.

Joint venture undertakings
Joint venture undertakings (joint ventures) are those undertakings over which the group exercises control jointly with one or more parties. The group's share of profits less losses of joint ventures are included in the consolidated profit and loss account. The group's interest in their net assets or liabilities is included as a financial asset or financial liability in the consolidated balance sheet using the gross equity method at an amount representing the group's share of the fair value of the net assets at acquisition plus the group's share of the post acquisition retained profits or losses. The amounts included in the consolidated financial statements in respect of the post acquisition profits and losses of joint ventures are taken from their latest financial statements prepared to the balance sheet date.

Historical cost convention
The financial statements are prepared under the historical cost convention subject to the revaluation of stocks to market value and the application of FRS 25 and FRS 26.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Plant and equipment (including terminal assets)	5 to 40 years
Computer equipment	3 to 10 years
Office fixtures and fittings	5 to 10 years
Computer software	3 years

Stocks
Stocks held for trading purposes are valued at fair value by reference to quoted market prices at the balance sheet date. Changes in fair value are recognised within profit and loss for the year. This accounting policy represents a departure from SSAP 9, which requires stock to be carried at the lower of cost and net realisable value. In the view of the directors, the treatment prescribed by SSAP 9 would not give a true and fair view because the stocks of petroleum products held are marketable commodities traded on international markets and are therefore immediately saleable.

1 ACCOUNTING POLICIES - continued

Income recognition
Turnover represents the invoiced value of goods sold including excise duties and excluding value added tax and is net of rebates. Income is recognised on shipment of product which is when transfer of title passes. Income is deferred when money is received from customers for goods or services and the risks and rewards of ownership do not transfer. Included in income is storage income recognised on an accruals basis, matched against the relevant and related period.

Leases
All operating lease rentals are charged to the profit and loss account on a straight line basis.

Goodwill
Goodwill, arising on the acquisition of energy trades, is amortised on a straight line basis over its estimated economic life of 7 and 8 years, subject to an acceleration of write off if impairment arises.

Current taxation
Corporation tax is charged to the profit and loss account based on taxable profits at current tax rates.

Deferred taxation
Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and revenues, costs and non-monetary assets at the exchange rates ruling at the dates of the transactions, except that where a transaction is covered by a forward exchange contract, the contracted exchange rate is used.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the profit and loss account.

Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets.

Financial instruments
All assets and liabilities are presented gross on the face of the balance sheet unless the group has a legally enforceable right to net off the recognised amounts and it intends to settle on a net basis.

Financial assets
Financial assets include cash, trade debtors, other debtors and derivative financial instruments. When financial assets are recognised initially, they are measured at fair value, normally being the transaction price. The subsequent measurement of financial assets depends on their classification as follows:

Trade and other debtors
Trade and other debtors are carried at the original invoice amount, less allowance made for doubtful debts. Provision is made when there is objective evidence that the company will be unable to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

1. ACCOUNTING POLICIES - continued

Financial assets - continued

Derivative financial instruments

The company uses derivative financial instruments to manage certain exposures to fluctuations in commodity prices and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value using quotes published by oil broker companies on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken to the profit and loss account within administration expenses.

Financial liabilities

Financial liabilities include bank loans and overdrafts, trade creditors, taxation and social security and derivative financial instruments. Financial liabilities are initially recognised at fair value and subsequently at amortised cost.

Pension

The cost of providing pensions under defined contribution scheme arrangements are charged to the profit and loss account in the period in which incurred.

Financial investments

Shares in subsidiary companies, joint ventures and other investments are stated at cost less provision for any permanent diminution in value.

2. TURNOVER

Turnover is comprised of the sale (net of VAT) of energy products (oil and coal) to customers in Ireland and the UK.

3. OPERATING INCOME

	2013 €	2012 €
Storage and other income	3,429,106	3,591,315

4. INTEREST RECEIVABLE AND INTEREST PAYABLE

	2013 €	2012 €
Interest receivable and similar income	-	168
Interest payable and similar charges	(1,602,044)	(1,905,821)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 €	2012 €
Profit on ordinary activities before taxation has been arrived at after charging:		
Staff costs:		
Wages and salaries	1,613,837	1,582,291
Social welfare costs	129,735	131,224
Pension costs	55,582	51,009
Auditor's remuneration		
- audit of individual accounts	13,000	13,000
- other assurance services	3,500	8,250
- taxation advisory services	4,400	13,584
- other non-audit services	50,000	47,190
Depreciation	960,848	909,476
Operating lease	45,600	45,600
Goodwill amortisation	2,880	91,956

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2013 €	2012 €
(a) Analysis of charge in the year		
Corporation tax - Ireland	23,127	-
Corporation tax refund – UK	-	(55,517)
Deferred tax (note 14)	253,176	212,908
	276,303	157,391
(b) Factors affecting tax charge for the year		
Profit on ordinary activities before taxation	2,965,340	1,968,371
Profit on ordinary activities multiplied by the effective corporation rate for the year	420,241	328,595
Effects of:		
Expenses not deductible for tax purposes	3,775	17,574
Accelerated capital allowances	(91,346)	(110,222)
Additional tax on income taxable at passive rate of 25%	36,420	25,922
Losses utilised	(345,963)	(261,869)
Current tax charge for the year	23,127	-

7. TANGIBLE ASSETS

	Plant and equipment	Computer equipment	Computer software	Office, fixtures & fittings	Total
	€	€	€	€	€
GROUP					
Cost					
At 1 January 2013	14,360,115	158,389	87,140	143,185	14,748,829
Additions	663,476	-	12,732	8,710	684,918
Translation reserve	(288,061)	-	-	(1,251)	(289,312)
At 31 December 2013	14,735,530	158,389	99,872	150,644	15,144,435
Accumulated depreciation					
At 1 January 2013	2,150,148	155,712	35,311	87,030	2,428,201
Charge for the year	881,518	325	51,426	27,579	960,848
Translation reserve	(26,312)	-	-	(286)	(26,598)
At 31 December 2013	3,005,354	156,037	86,737	114,323	3,362,451
Net book value					
At 31 December 2013	11,730,176	2,352	13,135	36,321	11,781,984
At 31 December 2012	12,209,967	2,677	51,829	56,155	12,320,628
COMPANY					
Cost					
At 1 January 2013	298,428	158,389	87,140	83,928	627,885
Additions	192,320	-	12,732	8,710	213,762
At 31 December 2013	490,748	158,389	99,872	92,638	841,647
Accumulated depreciation					
At 1 January 2013	171,945	155,712	35,311	57,506	420,474
Charge for the year	53,513	325	51,426	9,527	114,791
At 31 December 2013	225,458	156,037	86,737	67,033	535,265
Net book value					
At 31 December 2013	265,290	2,352	13,135	25,605	306,382
At 31 December 2012	126,483	2,677	51,829	26,422	207,411

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8. INTANGIBLE ASSETS – GOODWILL

	€
GROUP	
Original Cost	
At 1 January 2013 and 31 December 2013	2,171,492
Amortised	
At 1 January 2013	2,168,495
Charge for the year	2,880
Foreign currency translation reserve	117
At 31 December 2013	2,171,492
Net book value	
31 December 2013	-
31 December 2012	2,997

9. FINANCIAL ASSETS

	2013 €	2012 €
GROUP		
At beginning of year	250,083	134,466
Share of profit retained - joint venture	311,731	115,617
Closing balance	561,814	250,083
Joint venture analysed as follows:		
Fixed assets	13,027,239	13,731,940
Current assets	239,714	277,897
Share of gross assets	13,266,953	14,009,837
Liabilities due within one year	(1,522,967)	(1,452,031)
Liabilities due after more than one year	(11,252,590)	(12,335,590)
Share of gross liabilities	(12,775,557)	(13,787,621)
Share of net assets	491,396	222,216

COMPANY	2013 €	2012 €
Investment in subsidiary companies and joint venture		
At the end of year	433,333	433,333

10. STOCKS

	2013 €	2012 €
GROUP		
Fuels	21,544,606	25,828,799
COMPANY		
Fuels	16,255,130	21,661,209

Stocks of petroleum products are recognised at fair value by reference to quoted market prices of these products at year end. Duty paid on stock is recognised at cost. Movements in the fair values are recognised immediately in the profit and loss account. Measuring stocks at fair value is a departure from SSAP 9, which requires stock to be carried at the lower of cost and net realisable value.

In the view of the directors, the treatments prescribed by SSAP 9 would not give a true and fair view because the stocks of petroleum products held are marketable commodities traded on international markets and are therefore immediately saleable. In addition, the group uses derivatives to manage its price exposure on stocks held. As these derivatives are held at fair value with movements recognised in the profit and loss account, to also recognise the movement in fair value of the stocks in the profit and loss account is considered by the directors to present a better reflection of the financial performance of the group.

As at 31 December 2013 application of the group's accounting policy for the valuation of stock at fair value instead of valuation at either the lower of cost and net realisable value resulted in a downward adjustment to stocks on the balance sheet of €214,549 (2012: €172,082 upwards adjustment).

In total, for the year ended 31 December 2013, application of the group's accounting policy of recognising gains and losses on mark to market revaluation directly in the profit and loss account resulted in a gain of €432,596 (2012: €1,344,170 loss).

11. DEBTORS

	2013 €	2012 €
GROUP		
Amounts falling due within one year:		
Trade debtors	33,607,516	38,229,477
Prepayments and sundry debtors	585,516	1,651,850
Amount due from joint venture company	2,819,975	2,790,924
Corporation tax	-	304,704
	37,013,007	42,976,955
Amount falling due after more than one year:		
Amount due from parent company	2,200,000	2,200,000
	39,213,007	45,176,955
COMPANY		
Amounts falling due within one year:		
Trade debtors	28,229,427	31,210,525
Prepayments and sundry debtors	417,870	920,059
Amount due from joint venture company	2,819,975	2,790,924
Corporation tax	-	304,704
	31,467,272	35,226,212
Amount falling due after more than one year:		
Amount due from subsidiary company	2,043,414	2,543,095
Amount due from parent company	2,200,000	2,200,000
	35,710,686	39,969,307

Amounts owed by the parent company, the subsidiary company and the joint venture company are unsecured and interest free. The amount owed by the joint venture company is also repayable on demand. The amount due from the parent company and subsidiary company is not due until after one year.

12. CREDITORS - Amounts falling due within one year

	2013 €	2012 €
GROUP		
Bank overdraft (note 15)	8,742,464	12,557,870
Bank loan (note 15)	1,157,491	1,825,649
Trade creditors	20,081,774	24,346,813
Accruals and deferred income	6,872,259	7,186,308
Income tax deducted under PAYE/NI, including pay related social insurance	56,517	55,953
Value added tax	17,523,128	17,720,402
Derivative financial instruments	679,832	1,138,301
Corporation tax	21,048	-
Amount due to joint venture company	-	102,558
	55,134,513	64,933,854

12. CREDITORS - Amounts falling due within one year - continued

	2013	2012
	€	€
COMPANY		
Bank overdraft	3,825,288	7,682,271
Bank loan	-	128,553
Trade creditors	14,203,650	18,243,119
Accruals and deferred income	5,935,948	5,793,637
Income tax deducted under PAYE, including pay related social insurance	49,673	46,285
Value added tax, duty and other taxes	17,176,243	16,773,398
Derivative financial instruments	580,032	1,121,106
Amount due to joint venture company	-	102,558
Corporation tax payable	21,048	-
	41,791,882	49,890,927

13. CREDITORS – Amounts falling due after more than one year

	2013	2012
	€	€
GROUP		
Bank loan (note 15)	3,875,794	4,636,381

14 PROVISION FOR LIABILTIES AND CHARGES

	2013	2012
	€	€
At beginning of year	499,071	280,918
Charge for the year	253,176	212,908
Foreign exchange	(5,812)	5,245
At end of year	746,435	499,071

A deferred tax charge arises because the tax written down value of the fixed assets is lower than the net book value as shown in note 6.

15 BANK LOANS AND OVERDRAFTS - MATURITY AND SECURITY

	2013	2012
	€	€
GROUP		
Maturity of debt		
In one year or less, or on demand	9,899,956	14,383,519
In more than one year, but not more than two years	989,564	1,697,096
In more than two years, but not more than five years	2,886,230	2,939,285
	13,775,750	19,019,900

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

15 BANK LOANS AND OVERDRAFTS - MATURITY AND SECURITY – continued

The bank hold a fixed and floating charge over the assets of the company, subsidiary company and the parent company as security for facilities granted.

Inver Energy Limited has provided guarantees to the banks in respect of debts of Atlantic Fuel Supply Company Limited and Inver Energy (UK) Limited.

Bank of Ireland hold a counter indemnity relating to exposure under the letter of credit facility. A letter of set off also exists in relation to certain debtors.

BNP maintain a fixed and floating charge over stock which has been financed by BNP and not yet paid for by Inver Energy Limited.

16. CALLED UP SHARE CAPITAL

	2013 €	2012 €
Authorised		
50,000,000 ordinary shares of €0.002 each	100,000	100,000
Allotted and fully paid		
100,000 ordinary shares of €0.002 each	200	200

17. PROFIT AND LOSS ACCOUNT

	2013 €	2012 €
GROUP		
At beginning of year	13,549,983	11,928,362
Profit for the year	2,545,885	1,582,022
Dividend paid	(100,000)	-
Foreign exchange translation reserve	(48,659)	39,599
At end of year	15,947,209	13,549,983

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 €	2012 €
GROUP		
At beginning of year	15,600,274	13,978,653
Profit for the year	2,545,885	1,582,022
Dividend paid	(100,000)	-
Foreign exchange translation reserve	(48,659)	39,599
At end of year	17,997,500	15,600,274

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 €	2012 €
Operating profit	4,112,501	3,529,449
Depreciation charge	960,848	909,476
Amortisation of goodwill and impairment of financial assets	2,880	91,956
Foreign exchange translation	208,359	(236,461)
Decrease in stocks	4,284,193	1,988,512
Decrease/(increase) in debtors and prepayments	5,688,295	(385,280)
(Decrease)/increase in creditors and accruals	(4,748,330)	526,496
Non cash movement in derivative financial instruments	(458,469)	1,814,303
Net cash inflow from operating activities	10,050,277	8,238,451

20. RECONCILIATION OF NET DEBT

	At beginning of year €	Cash flow €	At end of year €
Cash and bank balances	2,090,118	2,562,713	4,652,831
Bank overdraft	(12,557,870)	3,815,406	(8,742,464)
	(10,467,752)	6,378,119	(4,089,633)
Debt due within one year	(1,825,649)	668,158	(1,157,491)
Debt due after one year	(4,636,381)	760,587	(3,875,794)
Total	(16,929,782)	7,806,864	(9,122,918)

21. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

	2013 €	2012 €
Net increase in cash and debt during the year	7,806,864	5,585,363
	7,806,864	5,585,363
Net debt at 1 January	(16,929,782)	(22,515,145)
Net debt at 31 December	(9,122,918)	(16,929,782)

22. EMPLOYEES

	2013 Number	2012 Number
The average number of persons employed by the group during the year was as follows:		
GROUP		
Selling and distribution	13	13
Administration	9	7
	22	20

23. PENSIONS

The company operates an independently administered defined contribution pension scheme. Payments to the scheme are charged to the profit and loss account in the period to which they relate. The pension charge for the year was €55,582 (2012: €51,009) and the amount due at year end was €Nil (2012: €Nil).

24. PARENT COMPANY

World Fuels Market Limited, an Irish registered company, owns an 80% interest in the company. The registered office of World Fuels Market Limited is River House, Blackpool Business Park, Blackpool, Cork.

25. RELATED PARTY TRANSACTIONS

Christopher P. O'Callaghan is a director and shareholder of World Fuels Market Limited and a director of Inver Energy Limited, Inver Energy (UK) Limited and Atlantic Fuel Supply Company Limited.

During the year an amount of €45,600 (2012: €45,600) was paid by Inver Energy Limited to Christopher P. O'Callaghan, in respect of lease property rental and an amount of €30,000 (2012: €30,000) was paid by Inver Energy Limited to World Fuels Market Limited for management services.

There was €2,819,975 (2012: €2,790,924) due from Atlantic Fuel Supply Company Limited to Inver Energy Limited at year end. Inver Energy Limited owed Atlantic Fuel Supply Company €Nil (2012: €102,558) at year end.

There was €2,200,000 (2012: €2,200,000) due from World Fuels Market Limited to Inver Energy Limited at year end.

During the year an amount of €1,294,361 (2012: €1,560,150) was paid by Inver Energy Limited to Atlantic Fuel Supply Company Limited in respect of product throughout charges and €54,000 (2012: 54,000) was paid to Inver Energy Limited by Atlantic Fuel Supply Company Limited for accounting, administration and management fees.

26. DIRECTORS' REMUNERATION

	2013	2012
	€	€
Emoluments		
- for other services	7,500	5,000
- for services as director	368,419	365,467

27. FINANCIAL INSTRUMENTS

In accordance with the company's policy on hedging, foreign currency exposure is managed by entering into forward exchange contracts and oil price exposure is managed by entering into forward oil swap contracts. The principal amount and the fair value of such contracts open at 31 December 2013 and 2012 were as follows:

USD forward contracts	2013	2012
Principal amount	$4,908,542	$3,092,916
Fair value difference	€2,712	€70,236
Principal amount	$1,069,031	$3,262,682
Fair value difference	Stg£117	Stg£11,228

Contracts to purchase oil	2013	2012
Principal amount	$42,107,109	$44,049,680
Fair value difference	$1,398,288	$4,964,380

Contracts to sell oil	2013	2012
Principal amount	$27,851,053	$32,005,639
Fair value difference	$1,222,616	$7,758,292

27. FINANCIAL INSTRUMENTS - continued

All financial instruments are held at fair value through profit and loss.

The fair value of financial instruments traded on active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regulatory occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in level 1. Level 1 comprises exchange trades commodity financial instruments and exchange traded foreign exchange financial instruments.

28. COMMITMENTS AND CONTINGENCIES

Operating lease commitments
At year end, the group had annual commitments under non cancellable operating leases in respect of land and premises expiring as follows:

	2013 €	2012 €
GROUP		
After more than 5 years	45,600	45,600

As at the year end, the group had committed to capital expenditure of €91,702 (2012: €136,030).

At year end, the company had contingent liabilities in respect of guarantees issued as follows:

Date of Issue	Currency	Amount
07 September 2012	USD	1,000,000
27 May 2013	EUR	400,000
19 June 2013	GBP	100,000

At year end, the company had contingent liabilities in respect of irrevocable letters of credit as follows:

Date of Maturity	Currency	Amount
In one year or less	USD	46,700,000
In one year or less	EUR	297,039

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

29. EVENTS AFTER THE BALANCE SHEET DATE

There have been no significant events affecting the company since the balance sheet date.

30. DIVIDEND PAID

	2013 €	2012 €
Equity dividend paid by Inver Energy Limited: €100,000 (2012: €Nil) on ordinary shares (€1 per share)	100,000	-

31. PRINCIPAL OPERATING SUBSIDIARIES AND JOINT VENTURES

	Group share %	Nature of business
(i) Wholly owned subsidiary		
Inver Energy (UK) Limited	100%	Importation, distribution and storage of oil.
(ii) Joint ventures		
Atlantic Fuel Supply Company Limited (AFSC)	50%	Receive, store and deliver fuel for the benefit of its shareholders, businesses and for third party customers.

32. PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS

	2013 €	2012 €
Profit for the financial year in the parent company amounted to	1,473,675	528,684

In accordance with Section 148(8) of the Companies Act, 1963 and Section 7 (1A) of the Companies (Amendment) Act 1986, the company is availing of the exemption from presenting its individual profit and loss account to the annual general meeting and from filing it with the Registrar of Companies. The company's profit for the financial year determined in accordance with Irish GAAP is €1,473,675 (2012 profit: €528,684).

33. COMPARATIVE AMOUNTS

Comparative amounts have been grouped on a basis consistent with the current year presentation.

34. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the consolidated financial statements on 9/5/2014.