

**REPORTS AND CONSOLIDATED FINANCIAL
STATEMENTS**

INVER ENERGY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2012

CONTENTS

	Page
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 5
STATEMENT OF DIRECTORS' RESPONSIBILITIES	6
INDEPENDENT AUDITOR'S REPORT	7 - 8
CONSOLIDATED PROFIT AND LOSS ACCOUNT	9
CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	10
CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES	10
CONSOLIDATED BALANCE SHEET	11
COMPANY BALANCE SHEET	12
CONSOLIDATED CASHFLOW STATEMENT	13
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	14 - 28

DIRECTORS AND OTHER INFORMATION

Board of Directors

Mr BA O'Connell
Mr CP O'Callaghan
Mr R Brislane
Mr F O'Gorman

Solicitors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

McGuire Desmond
5 Lapp's Quay
Cork

Secretary and Registered Office

Mr C Reid
River House
Blackpool Business Park
Blackpool
Cork

Registered Number: 373915

Bankers

Bank of Ireland
Lower Baggot Street
Dublin 2

BNP Paribas (Suisse) SA
Geneva
Switzerland

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 2012.

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 previously decided that the 2011 financial statements should be prepared in accordance with fair value/mark-to-market principles that more accurately reflect the performance of the business in the accounting period. The approach continued in the 2012 financial year.

In 2012 the group had significant growth in sales volumes and revenues as it expanded its product line and customer portfolio. Revenues grew by 28% over the prior period. This was achieved in a very difficult trading environment with overall market demand declining. The strong revenue growth resulted in several operational challenges and costs that are not expected to re-occur. The group had an operating profit of €3,529,449 in 2012 (2011: €205,244). The financial performance of the company in 2012 was in line with the director's expectations. The outlook for 2013 is positive with margins on sales expected to improve.

Profits, dividends and reserves

€

Profit after taxation for the financial year amounted to:

1,582,022

A dividend of €Nil (2011: €250,000) was paid by Inver Energy Limited.

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.

Research and development

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

Directors

The names of the persons who were directors at any time during the year ended 31 December 2012 are set out below. Except where indicated they served as directors for the entire year.

Brian O'Connell
 Chris O'Callaghan
 Rory Brislane
 Fintan O'Gorman

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 2012 in the share capital of the company's parent company, World Fuels Market Limited, and in the company at 1 January 2012 and 31 December 2012 were:

	Number of Ordinary €1.27 shares 31 December 2012	Number of Ordinary €1.27 shares 1 January 2012
<i>World Fuels Market Limited</i>		
Chris O'Callaghan	1,000	1,000
	Number of Ordinary €0.002 shares 31 December 2012	Number of Ordinary €0.002 shares 1 January 2012
<i>Inver Energy Limited</i>		
<u>Directors:</u>		
Brian O'Connell	10,000	10,000
Chris O'Callaghan	-	-
Rory Brislane	10,000	10,000
Fintan O'Gorman	-	-
<u>Secretary:</u>		
Colm Reid	-	-

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

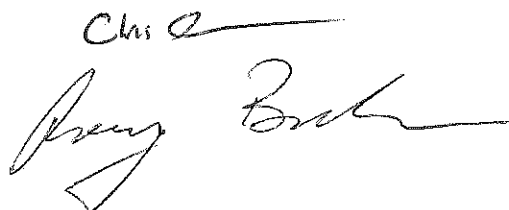
The measures taken by the directors to secure compliance with the group's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at River House, Blackpool Business Park, Blackpool, Cork.

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
)



Chris
Penny

Date: 2/9/2013

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 2012. 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.

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 2012 which comprise the Group Financial Statements: the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, 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 33. 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 to identify material inconsistencies with the audited financial statements. 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 2012 and of the group's profit for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2012.

Continued on next page/

/Continued from previous page

**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 2012

- 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 2012 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening on 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 2012 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

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

Date: 04 September 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2012

	Notes	2012 €	2011 €
TURNOVER - group and share of joint ventures	2	574,345,056	449,469,171
Less: share of joint venture turnover		<u>(2,178,486)</u>	<u>(2,060,284)</u>
GROUP TURNOVER - continuing activities		572,166,570	447,408,887
Cost of sales		<u>(561,867,190)</u>	<u>(438,321,198)</u>
GROSS PROFIT		10,299,380	9,087,689
Distribution costs		(3,003,136)	(2,550,229)
Administration expenses		(7,358,110)	(7,422,178)
Operating income	3	<u>3,591,314</u>	<u>1,089,962</u>
OPERATING PROFIT - continuing activities		3,529,448	205,244
Share of joint venture operating profit		<u>533,869</u>	<u>577,621</u>
		4,063,317	782,865
Interest receivable	4	168	95
Interest payable	4	(1,905,821)	(1,886,640)
Share of joint venture's net interest payable		<u>(189,293)</u>	<u>(309,723)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	1,968,371	(1,413,403)
Taxation on profit/(loss) on ordinary activities	6	(157,391)	115,560
Share of joint venture's taxation		<u>(228,958)</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	17	<u>1,582,022</u>	<u>(1,297,843)</u>

Turnover and operating profit arose solely from continuing activities.

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

2/9/2013

Chris

)
) DIRECTORS
)

Greg

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 2012

	2012 €	2011 €
Total recognised gains and losses for the year	<u>1,582,022</u>	<u>(1,297,843)</u>
Note on prior period adjustment		
Total recognised gains and losses for the year as above	1,582,022	(1,297,843)
Prior period adjustment	<u>-</u>	<u>(1,176,452)</u>
Total recognised gains and losses since the last annual report	<u>1,582,022</u>	<u>(2,474,295)</u>

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 December 2012


	2012 €	2011 €
Reported profit/(loss) on ordinary activities before taxation	1,968,371	(1,413,403)
Impact of recognising stock and financial instruments at fair value	<u>2,098,170</u>	<u>(1,412,452)</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>4,066,541</u>	<u>(2,825,855)</u>
Historical cost profit/(loss) after taxation	<u>3,680,192</u>	<u>(2,710,295)</u>

CONSOLIDATED BALANCE SHEET
31 December 2012

	Notes	2012 €	2011 €
FIXED ASSETS			
Tangible assets	7	12,320,628	12,113,169
Intangible assets	8	2,997	94,531
Financial assets	9	<u>250,083</u>	<u>134,466</u>
		<u>12,573,708</u>	<u>12,342,166</u>
CURRENT ASSETS			
Stocks	10	25,828,799	27,817,311
Debtors	11	45,176,955	45,481,070
Cash at bank and in hand		<u>2,090,118</u>	<u>1,585,062</u>
		73,095,872	74,883,443
CREDITORS - amounts falling due within one year	12	<u>(64,933,854)</u>	<u>(66,649,588)</u>
NET CURRENT ASSETS		<u>8,162,018</u>	<u>8,233,855</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		20,735,726	20,576,021
CREDITORS - amounts falling due after one year	13	(4,636,381)	(6,316,450)
Provision for liabilities and charges	14	<u>(499,071)</u>	<u>(280,918)</u>
NET ASSETS		<u>15,600,274</u>	<u>13,978,653</u>
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Capital contribution		2,050,091	2,050,091
Profit and loss account	17	<u>13,549,983</u>	<u>11,928,362</u>
SHAREHOLDERS' FUNDS	18	<u>15,600,274</u>	<u>13,978,653</u>

The financial statements were approved by the Board of Directors on 2/9/2013 and signed on its behalf by:

)
) DIRECTORS
)

Ch. A.


COMPANY BALANCE SHEET
31 December 2012

	Notes	2012 €	2011 €
FIXED ASSETS			
Tangible assets	7	207,411	196,869
Intangible assets	8	-	79,897
Financial assets	9	<u>433,333</u>	<u>433,333</u>
		<u>640,744</u>	<u>710,099</u>
CURRENT ASSETS			
Stocks	10	21,661,209	24,176,136
Debtors	11	39,969,307	43,138,739
Cash at bank and in hand		<u>487,487</u>	<u>550,332</u>
		62,118,003	67,865,207
CREDITORS - amounts falling due within one year	12	<u>(49,890,927)</u>	<u>(56,107,617)</u>
NET CURRENT ASSETS		<u>12,227,076</u>	<u>11,757,590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		12,867,820	12,467,689
CREDITORS - amounts falling due after one year	13	<u>-</u>	<u>(128,553)</u>
NET ASSETS		<u>12,867,820</u>	<u>12,339,136</u>
CAPITAL AND RESERVES			
Called up share capital	16	200	200
Capital contribution		2,050,091	2,050,091
Profit and loss account		<u>10,817,529</u>	<u>10,288,845</u>
SHAREHOLDERS' FUNDS		<u>12,867,820</u>	<u>12,339,136</u>

The financial statements were approved by the Board of Directors on 2/9/2013
and signed on its behalf by:

)
) DIRECTORS
)

Chris
Pray *Balke*

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2012

	Notes	2012 €	2011 €
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19	<u>8,251,846</u>	<u>(3,536,150)</u>
RETURN ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		168	95
Interest paid		<u>(1,886,115)</u>	<u>(1,915,197)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(1,885,947)</u>	<u>(1,915,102)</u>
TAXATION			
Corporation tax		<u>55,517</u>	<u>294,260</u>
CAPITAL INVESTMENT			
Payments to acquire tangible fixed assets		<u>(836,053)</u>	<u>(6,370,522)</u>
EQUITY DIVIDENDS PAID			
Dividends paid (net of withholding tax)		—	<u>(250,000)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING	21	5,585,363	(11,777,514)
FINANCING			
Movement on bank loans		<u>(5,080,307)</u>	<u>9,575,829</u>
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		<u>(5,080,307)</u>	<u>9,575,829</u>
INCREASE/(DECREASE) IN CASH		<u>505,056</u>	<u>(2,201,685)</u>

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 2012.

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 2012. 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	5 to 10 years
Computer equipment	3 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

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	2012	2011
	€	€
Storage agreement income and other income	3,462,387	1,003,582
Rental income	128,928	3,800
Management charges	-	82,580
	<u>3,591,315</u>	<u>1,089,962</u>
4. INTEREST RECEIVABLE AND INTEREST PAYABLE	2012	2011
	€	€
Interest receivable and similar income	168	95
Interest payable and similar charges	<u>(1,905,821)</u>	<u>(1,886,640)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

5. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2012 €	2011 €
Profit/(loss) on ordinary activities before taxation has been arrived at after charging:		
Staff costs:		
Wages and salaries	1,582,291	1,293,502
Social welfare costs	131,224	133,983
Pension costs	<u>51,009</u>	<u>17,811</u>
Auditor's remuneration (company)		
- audit of individual accounts	13,000	11,250
- other assurance services	8,250	-
- taxation advisory services	13,584	2,000
- other non-audit services	47,190	22,050
Depreciation	909,476	375,497
Goodwill amortisation	<u>91,956</u>	<u>268,154</u>
6. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	2012 €	2011 €
(a) Analysis of charge in the year		
Corporation tax - Ireland	-	-
- UK	-	-
Corporation tax refund - UK	(55,517)	-
Prior year overprovision - Ireland	-	(172,393)
Deferred tax (note 14)	<u>212,908</u>	<u>56,833</u>
	<u>157,391</u>	<u>(115,560)</u>
(b) Factors affecting tax charge for the year		
Profit/(loss) on ordinary activities before taxation	<u>1,968,371</u>	<u>(1,413,403)</u>
Profit/(loss) on ordinary activities multiplied by the effective corporation rate for the year	328,595	(142,592)
Effects of:		
Expenses not deductible for tax purposes	17,574	2,999
Accelerated capital allowances	(110,222)	(345,512)
Additional tax on income taxable at passive rate of 25%	25,922	16
Losses (utilised)/forward	<u>(261,869)</u>	<u>485,089</u>
Current tax charge for the year	<u>-----</u>	<u>-----</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

7. TANGIBLE ASSETS	Plant and equipment	Computer equipment	Computer software	Office, fixtures & fittings	Total
	€	€	€	€	€
GROUP					
Cost					
At 1 January 2012	13,228,995	157,412	83,437	140,859	13,610,703
Additions	830,380	977	3,703	993	836,053
Translation reserve	<u>300,740</u>	<u>-</u>	<u>-</u>	<u>1,333</u>	<u>302,073</u>
At 31 December 2012	<u>14,360,115</u>	<u>158,389</u>	<u>87,140</u>	<u>143,185</u>	<u>14,748,829</u>
Accumulated depreciation					
At 1 January 2012	1,282,230	150,919	6,529	57,856	1,497,534
Charge for the year	846,865	4,793	28,782	29,036	909,476
Translation reserve	<u>21,053</u>	<u>-</u>	<u>-</u>	<u>138</u>	<u>21,191</u>
At 31 December 2012	<u>2,150,148</u>	<u>155,712</u>	<u>35,311</u>	<u>87,030</u>	<u>2,428,201</u>
Net book value					
At 31 December 2012	<u>12,209,967</u>	<u>2,677</u>	<u>51,829</u>	<u>56,155</u>	<u>12,320,628</u>
At 31 December 2011	<u>11,946,765</u>	<u>6,493</u>	<u>76,908</u>	<u>83,003</u>	<u>12,113,169</u>
COMPANY					
Cost					
At 1 January 2012	236,616	157,412	83,437	83,928	561,393
Additions	<u>61,812</u>	<u>977</u>	<u>3,703</u>	<u>-</u>	<u>66,492</u>
At 31 December 2012	<u>298,428</u>	<u>158,389</u>	<u>87,140</u>	<u>83,928</u>	<u>627,885</u>
Accumulated depreciation					
At 1 January 2012	159,947	150,919	6,529	47,129	364,524
Charge for the year	<u>11,998</u>	<u>4,793</u>	<u>28,782</u>	<u>10,377</u>	<u>55,950</u>
At 31 December 2012	<u>171,945</u>	<u>155,712</u>	<u>35,311</u>	<u>57,506</u>	<u>420,474</u>
Net book value					
At 31 December 2012	<u>126,483</u>	<u>2,677</u>	<u>51,829</u>	<u>26,422</u>	<u>207,411</u>
At 31 December 2011	<u>76,669</u>	<u>6,493</u>	<u>76,908</u>	<u>36,799</u>	<u>196,869</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

8. INTANGIBLE ASSETS – GOODWILL	2012	
	€	
GROUP		
Original Cost		
At 1 January 2012 and 31 December 2012	<u>2,171,492</u>	
Amortised		
At 1 January 2012	2,076,961	
Charge for the year	91,956	
Foreign currency translation reserve	<u>(422)</u>	
At 31 December 2012	<u>2,168,495</u>	
Net book value		
31 December 2012	<u>2,997</u>	
31 December 2011	<u>94,531</u>	
COMPANY		
Original cost		
At 1 January 2012 and 31 December 2012	<u>2,091,979</u>	
Amortised		
At 1 January 2012	2,012,082	
Charge for the year	<u>79,897</u>	
At 31 December 2012	<u>2,091,979</u>	
Net book value		
31 December 2012	<u>-</u>	
31 December 2011	<u>79,897</u>	
9. FINANCIAL ASSETS	2012	2011
	€	€
GROUP		
At beginning of year	134,466	(133,432)
Share of profit retained - joint venture	<u>115,617</u>	<u>267,898</u>
Closing balance	<u>250,083</u>	<u>134,466</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

9. FINANCIAL INVESTMENTS - continued	2012 €	2011 €
Joint venture analysed as follows:		
Fixed assets	13,731,940	14,393,015
Current assets	<u>277,897</u>	<u>271,420</u>
Share of gross assets	14,009,837	14,664,435
Liabilities due within one year	(1,452,031)	(733,110)
Liabilities due after more than one year	<u>(12,335,590)</u>	<u>(13,824,726)</u>
Share of gross liabilities	<u>(13,787,621)</u>	<u>(14,557,836)</u>
Share of net assets	<u>222,216</u>	<u>106,599</u>
 COMPANY	2012 €	2011 €
Investment in subsidiary companies and joint venture		
At beginning of year	433,333	443,333
Impairment of investment	<u>-</u>	<u>(10,000)</u>
At end of year	<u>433,333</u>	<u>433,333</u>
 10. STOCKS	2012 €	2011 €
GROUP		
Fuels	<u>25,828,799</u>	<u>27,817,311</u>
COMPANY		
Fuels	<u>21,661,209</u>	<u>24,176,136</u>

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 2012 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 downwards adjustment to stocks on the balance sheet of €172,082 (2011: €78,000 upwards adjustment).

For the year ended 31 December 2012 application of the group's accounting policy of recognising gains and losses on market to market revaluation directly in the profit and loss account resulted in a €1,344,170 loss (2011: €754,000 profit).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

11. DEBTORS		2012	2011
		€	€
GROUP			
Amounts falling due within one year:			
Trade debtors		38,229,477	37,719,806
Prepayments and sundry debtors		1,651,850	1,772,441
Amount due from joint venture company		2,790,924	2,804,319
Corporation tax		304,704	304,704
Derivative financial instruments		-	<u>676,000</u>
		42,976,955	43,277,270
Amount falling due after more than one year:			
Amount due from parent company		<u>2,200,000</u>	<u>2,203,800</u>
		<u>45,176,955</u>	<u>45,481,070</u>
COMPANY			
Amounts falling due within one year:			
Trade debtors		31,210,525	32,223,865
Prepayments and sundry debtors		920,059	1,655,647
Derivative financial instruments		-	676,000
Amount due from joint venture company		2,790,924	2,804,319
Corporation tax		<u>304,704</u>	<u>304,704</u>
		<u>35,226,212</u>	<u>37,664,535</u>
Amount falling due after more than one year:			
Amount due from subsidiary company		2,543,095	3,270,404
Amount due from parent company		<u>2,200,000</u>	<u>2,203,800</u>
		<u>39,969,307</u>	<u>43,138,739</u>

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		2012	2011
		€	€
GROUP			
Bank overdraft (note 15)		12,557,870	15,861,210
Bank loan (note 15)		1,825,649	1,922,547
Trade creditors		24,346,813	21,507,523
Accruals and deferred income		7,203,503	13,224,316
Income tax deducted under PAYE/NII, including pay related social insurance		55,953	94,020
Value added tax		17,720,402	14,039,972
Derivative financial instruments		1,121,106	-
Amount due to joint venture company		<u>102,558</u>	-
		<u>64,933,854</u>	<u>66,649,588</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12. CREDITORS - Amounts falling due within one year - continued	2012	2011
	€	€
COMPANY		
Bank overdraft	7,682,271	12,755,442
Bank loan	128,553	264,460
Trade creditors	18,243,119	20,245,549
Accruals and deferred income	5,793,637	9,332,093
Income tax deducted under PAYE, including pay related social insurance	46,285	87,171
Value added tax, duty and other taxes	16,773,398	13,422,902
Derivative financial instruments	1,121,106	-
Amount due to joint venture company	<u>102,558</u>	<u>-</u>
	<u>49,890,927</u>	<u>56,107,617</u>
13. CREDITORS – Amounts falling due after more than one year	2012	2011
	€	€
GROUP		
Bank loan (note 15)	<u>4,636,381</u>	<u>6,316,450</u>
COMPANY		
Bank loan (note 15)	<u>-</u>	<u>128,553</u>
14 PROVISION FOR LIABILITIES AND CHARGES	2012	2011
	€	€
At beginning of year	280,918	208,324
Charge for the year	212,908	56,833
Foreign exchange	<u>5,245</u>	<u>15,761</u>
At end of year	<u>499,071</u>	<u>280,918</u>
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	2012	2011
	€	€
GROUP		
Maturity of debt		
In one year or less, or on demand	14,383,519	17,783,757
In more than one year, but not more than two years	1,697,096	1,786,640
In more than two years, but not more than five years	<u>2,939,285</u>	<u>4,529,810</u>
	<u>19,019,900</u>	<u>24,100,207</u>

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.

16. CALLED UP SHARE CAPITAL	2012	2011
	€	€
Authorised 50,000,000 ordinary shares of €0.002 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid 100,000 ordinary shares of €0.002 each	<u>200</u>	<u>200</u>
17. PROFIT AND LOSS ACCOUNT	2012	2011
	€	€
GROUP		
At beginning of year	11,928,362	13,413,903
Profit/(loss) for the year	1,582,022	(1,297,843)
Dividend paid	-	(250,000)
Foreign exchange translation reserve	<u>39,599</u>	<u>62,302</u>
At end of year	<u>13,549,983</u>	<u>11,928,362</u>
18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2012	2011
	€	€
GROUP		
At beginning of year	13,978,653	15,464,194
Profit/(loss) for the year	1,582,022	(1,297,843)
Dividend paid	-	(250,000)
Foreign exchange translation reserve	<u>39,599</u>	<u>62,302</u>
At end of year	<u>15,600,274</u>	<u>13,978,653</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		2012	2011
		€	€
Operating profit		3,529,449	205,244
Depreciation charge		909,476	375,497
Amortisation of goodwill and impairment of financial assets		91,956	278,154
Foreign exchange translation		(236,461)	(325,432)
Decrease/(increase) in stocks		1,988,512	(5,425,430)
Increase in debtors and prepayments		(371,885)	(130,633)
Increase in creditors and accruals		526,496	1,486,450
Non cash movement in derivative financial instruments		<u>1,814,303</u>	-
Net cash inflow/(outflow) from operating activities		<u>8,251,846</u>	<u>(3,536,150)</u>
20. RECONCILIATION OF NET DEBT			
	At beginning of year	Cash flow	At end of year
	€	€	€
Cash and bank balances	1,585,062	505,056	2,090,118
Bank overdraft	<u>(15,861,210)</u>	<u>3,303,340</u>	<u>(12,557,870)</u>
	<u>(14,276,148)</u>	<u>3,808,396</u>	<u>(10,467,752)</u>
Debt due within one year	(1,922,547)	96,898	(1,825,649)
Debt due after one year	<u>(6,316,450)</u>	<u>1,680,069</u>	<u>(4,636,381)</u>
Total	<u>(22,515,145)</u>	<u>5,585,363</u>	<u>(16,929,782)</u>
21. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT		2012	2011
		€	€
Net increase/(decrease) in cash and debt during the year		<u>5,585,363</u>	<u>(11,777,514)</u>
		5,585,363	(11,777,514)
Net debt at 1 January		<u>(22,515,145)</u>	<u>(10,737,631)</u>
Net debt at 31 December		<u>(16,929,782)</u>	<u>(22,515,145)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

22. EMPLOYEES	2012 Number	2011 Number
<p>The average number of persons employed by the group during the year was as follows:</p>		
<p>GROUP</p>		
Selling and distribution	13	15
Administration	<u>7</u>	<u>7</u>
	<u>20</u>	<u>22</u>

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 €51,009 (2011: €17,811) and the amount due at year end was €Nil (2011: €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

CP 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 (2011: €45,600) was paid by Inver Energy Limited to Chris O'Callaghan, in respect of lease property rental and an amount of €30,000 (2011: €30,000) was paid by Inver Energy Limited to World Fuels Market Limited for management services. There was €3,800 due from Inver Energy Limited to Chris O'Callaghan at year end.

The company has taken advantage of the exemption available under Financial Reporting Standard 8, Related Party Transactions, from the requirement to disclose transactions with other wholly owned group companies.

There was €2,790,924 (2011: €2,804,319) due from Atlantic Fuel Supply Company Limited to Inver Energy Limited at year end. Inver Energy Limited owed Atlantic Fuel Supply Company Limited €102,558 at year end (2011: €Nil).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

26. DIRECTORS' REMUNERATION

	2012	2011
	€	€
Emoluments		
- for other services	5,000	5,000
- for services as director	<u>365,467</u>	<u>365,715</u>

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 2012 and 2011 were as follows:

USD forward contracts	2012	2011
Principal amount	\$3,092,916	\$1,302,770
Fair value difference	€70,236	€88,752
Principal amount	\$3,262,682	-
Fair value difference	Stg£11,228	-
Sterling forward contracts	2012	2011
Principal amount	-	Stg£4,285,659
Fair value difference	-	(€7,631)
Euro forward contracts	2012	2011
Principal amount	-	€19,450
Fair value difference	-	€3
Contracts to purchase oil	2012	2011
Principal amount	\$44,049,680	\$919,500
Fair value difference	\$4,964,380	\$1,742
Contracts to sell oil	2012	2011
Principal amount	\$30,460,839	\$22,456,854
Fair value difference	\$7,727,192	\$451,579

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 traded commodity financial instruments and exchange traded foreign exchange financial instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

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:

	2012 €	2011 €
GROUP		
Between 2 and 5 years	207,066	295,587
After more than 5 years	<u>45,600</u>	<u>136,354</u>
	<u>252,666</u>	<u>431,941</u>

As at the year end, the group had committed to capital expenditure of €136,030 (2011: €783,762).

29. EVENTS AFTER THE BALANCE SHEET DATE

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

30. DIVIDEND PAID

	2012 €	2011 €
Equity dividend paid by Inver Energy Limited: €Nil (2011: €2.50) on ordinary shares	<u>-</u>	<u>250,000</u>

31. PRINCIPAL OPERATING SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

32. PROFIT/(LOSS) ATTRIBUTABLE TO GROUP SHAREHOLDERS	2012	2011
	€	€
Profit/(loss) for the financial year (as restated) in the parent company amounted to	<u>528,684</u>	<u>(1,761,380)</u>

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 €528,684 (2011 loss: €1,761,380).

33. APPROVAL OF THE FINANCIAL STATEMENTS

The directors approved the consolidated financial statements on 2/9/13.