

WORLD FUEL SERVICES CORP
Form 8-K/A
June 15, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 16, 2004 (April 2, 2004)

COMMISSION FILE NUMBER 1-9533

WORLD FUEL SERVICES CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction

of incorporation)

59-2459427
(I.R.S. Employer

Identification No.)

9800 N.W. 41st Street, Suite 400

Miami, Florida
(Address of principal executive offices)

33178
(Zip Code)

Registrant's telephone number, including area code: (305) 428-8000

Item 2. Acquisition or Disposition of Assets

On April 16, 2004, World Fuel Services Corporation (the Company or World Fuel) filed a Current Report on Form 8-K with the Securities and Exchange Commission and reported the April 2, 2004 purchase of all of the outstanding shares of Tramp Holdings Limited (THL), a United Kingdom corporation, and shares of Tramp Group Limited (TGL), a United Kingdom corporation and subsidiary of THL, which were not otherwise held by THL prior to the Company's purchase of THL. In addition, the Company issued approximately 19 thousand shares of its stock to one of the sellers of THL as restricted stock, which vest after 5 years. The fair value of these restricted shares was based on the market value of the Company's stock at acquisition date and represented additional purchase price. The aggregate purchase price of these acquisitions was approximately \$86.2 million, including \$1.1 million in acquisition costs. On a preliminary basis, we identified intangible assets of approximately \$7.6 million relating to customer relations. Also on a preliminary basis, goodwill, representing the cost in excess of net assets acquired, totaled approximately \$6.0 million.

This report amends Item 7 Financial Statements and Exhibits filed on April 16, 2004, to include the Financial Statements of the Business Acquired and the Pro Forma Financial Information required by Item 7.

Item 7. Financial Statements and Exhibits

Listed below are the financial statements and pro forma financial information filed as a part of this report.

- (a) Financial Statements of the Business Acquired.

Attached are the directors' reports and audited financial statements of THL for the years ended January 31, 2004 and 2003, which were prepared in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP). The audited consolidated financial statements of THL include the financial position and results of operations of TGL, a subsidiary of THL.

The only significant reconciling item for stockholders' equity between UK GAAP and United States Generally Accepted Accounting Principles relates to the increase in shareholders' funds by £73,504 and £31,016 as at January 31, 2004 and 2003, respectively, for the fair value of available for sale investments. There were no significant reconciling items for net income.

- (b) Pro Forma Financial Information.

Pro forma consolidated condensed financial statements of World Fuel Services Corporation as of December 31, 2003 and for the year then ended.

2004 FINANCIAL STATEMENTS OF THE BUSINESS ACQUIRED

**TRAMP HOLDINGS LIMITED
DIRECTORS REPORT AND
FINANCIAL STATEMENTS
for the year ended 31st January 2004**

TRAMP HOLDINGS LIMITED

DIRECTORS REPORT

for the year ended 31st January 2004

DIRECTORS

C C Carlsen (Chairman)

J R Cole

FINANCIAL STATEMENTS

The directors present their report and financial statements for the year ended 31st January 2004.

DIRECTORS RESPONSIBILITIES

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 or loss of the group for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

FINANCIAL RESULTS AND DIVIDENDS

The results of the group for the year and amounts transferred to reserves are set out on page 4.

An amount of £2,294,026 (2003: £2,085,478) has been charged in respect of dividends on the 10% cumulative preference shares of £1 each. The directors do not recommend payment of any dividends this year (2003: £nil) and accordingly the liability to pay these dividends has been included in a redemption reserve.

PRINCIPAL ACTIVITY

The principal activities of the group during the year were those of oil trading and distribution, ship chartering and agency and ship owning.

The principal activity of the company for the year remained that of providing administration and financial services for its subsidiary undertakings.

TRAMP HOLDINGS LIMITED**DIRECTORS REPORT****for the year ended 31st January 2004****REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The consolidated results show a good recovery over the previous year notwithstanding the continuing decline in the value of the US dollar. Forward sales of the dollar during the year offset the sharp decline seen in the second half of the year. Margins continued to be under pressure but an increase in the volume of oil supplied by the principal trading companies more than compensated for these difficult conditions.

Looking to the future, the directors believe that the group's strong presence in the Far East will enable it to participate in the positive impact on shipping caused by the growth of Chinese related trade and the recent increase in physical supply activities in the UK will enhance both the profitability of its UK operations and the overall profile of the group in international shipping. While the bunker markets remain competitive, the group is well placed to continue its growth and has put in place internal arrangements which should ensure a focused approach in the current year.

More detailed comments on individual company results and developments are dealt with in the directors' reports of those companies.

DIRECTORS

The interests of the directors, who both served throughout the year, in the share capital of the company were as follows:

	31st January 2003 and 2004
10% cumulative preference shares of £1 each	
C C Carlsen	4,980,000
J R Cole	
Ordinary shares of £1 each	
C C Carlsen	620,000
J R Cole	80,000

AUDITORS

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On 31 December 2003 BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly, BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

This report was approved by the Board on 30 March 2004.

C C Carlsen
Director

J R Cole
Director

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BDO Stoy Hayward LLP
Northside House
69 Tweedy Road
Bromley
Kent
BR1 3WA

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF TRAMP HOLDINGS LIMITED

We have audited the financial statements of Tramp Holdings Limited for the year ended 31st January 2004 on pages 4 to 24 which have been prepared under the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and group as at 31st January 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

Bromley

Date: 30 March 2004

TRAMP HOLDINGS LIMITED**GROUP PROFIT AND LOSS ACCOUNT**

for the year ended 31st January 2004

	Notes	2004	2003
		£	£
Turnover	2	576,372,354	503,044,482
Cost of sales		(568,081,846)	(495,355,097)
Gross profit		8,290,508	7,689,385
Administrative expenses		(6,770,965)	(6,834,486)
Other operating income	3	3,542,699	1,819,714
Operating profit	4	5,062,242	2,674,613
Interest receivable and similar income	7	569,496	435,803
Interest payable	8	(73,573)	(101,091)
Profit on ordinary activities before taxation		5,558,165	3,009,325
Taxation	9	(1,667,878)	(959,269)
Profit on ordinary activities after taxation	10	3,890,287	2,050,056
Minority interests		(557,724)	(261,433)
Profit for the financial year		3,332,563	1,788,623
Appropriation for dividend on non-equity shares	22	(2,294,026)	(2,085,478)
Profit/(loss) for the financial year	21	1,038,537	(296,855)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES			
Profit for the financial year		3,332,563	1,788,623
Currency translation differences on foreign currency investments		(256,826)	(462,017)
Total recognised gains and losses		3,075,737	1,326,606

All the above results were derived from continuing activities and there were no acquisitions in the year.

TRAMP HOLDINGS LIMITED

GROUP BALANCE SHEET

as at 31st January 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		188,823		174,009
Investments	12		30,413		42,022
			<u>219,236</u>		<u>216,031</u>
CURRENT ASSETS					
Stocks	13	6,067,862		6,339,945	
Debtors	14	57,991,500		74,302,781	
Investments	16	1,138,581		984,644	
Cash at bank and in hand		32,173,145		18,309,107	
		<u>97,371,088</u>		<u>99,936,477</u>	
CREDITORS: amounts falling due within one year	17	(55,392,067)		(61,488,396)	
Net current assets			<u>41,979,021</u>		<u>38,448,081</u>
Total assets less current liabilities			<u>42,198,257</u>		<u>38,664,112</u>
CREDITORS: amounts falling due after more than one year	18	(76,140)		(52,319)	
PROVISIONS FOR LIABILITIES AND CHARGES	19	(43)		(84,176)	
			<u>(76,183)</u>		<u>(136,495)</u>
Net assets			<u>42,122,074</u>		<u>38,527,617</u>
CAPITAL AND RESERVES					
Called up share capital	20		5,680,000		5,680,000
Profit and loss account	21		9,742,375		8,968,322
Other reserves	22		21,322,306		19,020,622
			<u>36,744,681</u>		<u>33,668,944</u>
Shareholders funds	23		<u>36,744,681</u>		<u>33,668,944</u>
Minority interests - equity			5,377,393		4,858,673
			<u>42,122,074</u>		<u>38,527,617</u>

The amount of shareholders funds attributable to equity interests was £11,510,397 (2003: £10,728,686) and to non-equity interests was £25,234,284 (2003: £22,940,258).

TRAMP HOLDINGS LIMITED**COMPANY BALANCE SHEET**

as at 31st January 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Investments	12		5,655,189		5,653,404
CURRENT ASSETS					
Debtors	14	152,009		142,862	
CREDITORS: amounts falling due within one year	17	(120,815)		(108,937)	
Net current assets			31,194		33,925
Total assets less current liabilities			5,686,383		5,687,329
CAPITAL AND RESERVES					
Called up share capital	20		5,680,000		5,680,000
Profit and loss account	21		(20,247,901)		(17,952,929)
Other reserves	22		20,254,284		17,960,258
Shareholders funds			5,686,383		5,687,329

The amount of shareholders funds attributable to equity interests was a deficit of £19,547,901 (2003: deficit of £17,252,929) and to non-equity interests was funds of £25,234,284 (2003: funds of £22,940,258).

The financial statements on pages 4 to 24 were approved by the Board on 30 March 2004.

C C Carlsen
Director

J R Cole
Director

TRAMP HOLDINGS LIMITED

GROUP CASH FLOW STATEMENT

for the year ended 31st January 2004

	Note	2004	2003
		£	£
Cash flow from operating activities	24	6,952,524	7,089,733
Returns on investments and servicing of finance	25	483,559	289,102
