

WORLD FUEL SERVICES CORP
Form 8-K/A
August 09, 2004

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

FORM 8-K/A

AMENDMENT NO. 2

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 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.)

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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

This Amendment No. 2 to Registrant's Current Report on Form 8-K filed on April 16, 2004 (the "Report") amends Items 7(a) and 7(b) of the Report to provide restated financial statements of the business acquired and revised pro forma financial information. The restated historical financial statements relate to periods ended prior to the acquisition, were prepared in accordance with the UK GAAP and were audited by PricewaterhouseCoopers LLP in accordance with auditing standards of the Public Company Accounting Oversight Board (United States), with a reconciliation to US GAAP. In the restatements, several adjustments were made to the UK GAAP accounts filed with Amendment No. 1. The revised pro forma financial information also contains several adjustments, but no material difference in pro forma net income.

Item 7. Financial Statements and Exhibits

(a) Financial Statements of the Business Acquired.

Consolidated balance sheets of Tramp Holdings Limited and its subsidiaries (THL) as of 31 January 2004 and 2003, and the related consolidated profit and loss account, cash flows and the statement of total recognized gains and losses for each of the three years in the period ended 31 January 2004. The consolidated financial statements of THL were prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) and audited in accordance with auditing standards of the Public Company Accounting Oversight Board (United States).

(b) Pro Forma Financial Information.

Pro forma combined condensed balance sheet as of December 31, 2003 and the combined condensed statement of income for the year ended December 31, 2003.

(c) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 23.1 | Consent of Independent Registered Public Accounting Firm. |

FINANCIAL STATEMENTS OF THE BUSINESS ACQUIRED

TRAMP HOLDINGS LIMITED

FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM TO THE DIRECTORS OF

TRAMP HOLDINGS LIMITED

We have audited the accompanying consolidated balance sheets of Tramp Holdings Ltd and its subsidiaries as of 31 January 2004 and 2003, and the related consolidated profit and loss account, cash flows and the statement of total recognised gains and losses for each of the three years in the period ended 31 January 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Companies Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of 31 January 2004 and 2003 and the results of its operations and its cash flows for each of the three years in the period ended 31 January 2004, in conformity with accounting principles generally accepted in the United Kingdom.

As discussed in Note 2, "Restatement of Previously Issued Financial Statements", the Company has restated its financial statements for the three years ended 31 January 2004 to correct for departures from UK GAAP.

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 30 to the consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

London

29 July 2004

TRAMP HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31st January 2004

| | Notes | 2004 | 2003 | 2002 |
|--|-------|----------------------|---------------|---------------|
| | | £ | £ | £ |
| | | (restated) | (restated) | (restated) |
| Turnover | 3 | 628,760,965 | 538,770,837 | 497,824,139 |
| Cost of sales | | (619,700,940) | (530,458,815) | (487,238,346) |
| Gross profit | | 9,060,025 | 8,312,022 | 10,585,793 |
| Administrative expenses | | (7,324,368) | (8,001,052) | (6,775,119) |
| Other operating income | 4 | 2,228,226 | 1,816,690 | 2,351,184 |
| Operating profit | 5 | 3,963,883 | 2,127,660 | 6,161,858 |
| Interest receivable and similar income | 8 | 571,380 | 437,672 | 476,342 |
| Interest payable | 9 | (73,614) | (102,584) | (226,554) |
| Profit on ordinary activities before taxation | | 4,461,649 | 2,462,748 | 6,411,646 |
| Taxation | 10 | (1,388,096) | (892,978) | (1,594,879) |
| Profit on ordinary activities after taxation | | 3,073,553 | 1,569,770 | 4,816,767 |
| Minority interests | | (503,839) | (250,212) | (693,444) |
| Profit for the financial year | | 2,569,714 | 1,319,558 | 4,123,323 |
| Appropriation for dividend on non-equity shares | 23 | (2,294,026) | (2,085,478) | (1,895,889) |
| Profit/(loss) for the financial year | 22 | 275,688 | (765,920) | 2,227,434 |
| STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES | | | | |
| Profit for the financial year | | 2,569,714 | 1,319,558 | 4,123,323 |
| Currency translation differences on foreign currency investments | | (277,315) | (475,711) | 53,857 |
| Total recognised gains and losses | | 2,292,399 | 843,847 | 4,177,180 |

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 | |
|--|-------|---------------------|-------------------|--------------|------------|
| | | £ | £ | £ | £ |
| | | (restated) | (restated) | (restated) | (restated) |
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 188,823 | | 174,009 |
| Investments | 14 | | 30,413 | | 42,022 |
| | | | 219,236 | | 216,031 |
| CURRENT ASSETS | | | | | |
| Stocks | 15 | 6,067,862 | | 6,339,945 | |
| Debtors | 16 | 57,959,031 | | 74,456,261 | |
| Investments | 17 | 938,581 | | 784,644 | |
| Cash at bank and in hand | | 32,173,145 | | 18,309,107 | |
| | | 97,138,619 | | 99,889,957 | |
| CREDITORS: amounts falling due within one year | 18 | (56,641,650) | | (62,257,698) | |
| Net current assets | | | 40,496,969 | | 37,632,259 |
| Total assets less current liabilities | | | 40,716,205 | | 37,848,290 |
| CREDITORS: amounts falling due after more than one year | 19 | (76,140) | | (52,319) | |
| PROVISIONS FOR LIABILITIES AND CHARGES | 20 | (232,765) | | (138,079) | |
| | | | (308,905) | | (190,398) |
| Net assets | | | 40,407,300 | | 37,657,892 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 21 | | 5,680,000 | | 5,680,000 |
| Profit and loss account | 22 | | 8,113,139 | | 8,122,424 |
| Other reserves | 23 | | 21,322,306 | | 19,020,622 |
| Shareholders funds | 24 | | 35,115,445 | | 32,823,046 |
| Minority interests - equity | | | 5,291,855 | | 4,834,846 |
| | | | 40,407,300 | | 37,657,892 |

The amount of shareholders funds attributable to equity interests was £9,881,161 (2003: £9,882,788) and to non equity interests was £25,234,284 (2003: £22,940,258).

TRAMP HOLDINGS LIMITED

GROUP CASH FLOW STATEMENT

for the year ended 31st January 2004

| | Notes | 2004 | 2003 | 2002 |
|--|-------|--------------------|-------------|-------------|
| | | £ | £ | £ |
| | | (restated) | (restated) | (restated) |
| Cash flow from operating activities | 25 | 6,949,107 | 7,089,518 | 5,635,691 |
| Returns on investments and servicing of finance | 26 | 485,402 | 289,478 | 202,140 |
| Taxation | 26 | (1,624,515) | (1,675,334) | (1,854,431) |
| Capital expenditure and financial investment | 26 | (70,540) | (128,216) | (188,183) |
| Acquisitions and disposals | 26 | 23,534 | 85,823 | 5,527 |
| | | 5,762,988 | 5,661,269 | 3,800,744 |
| Cash inflow before financing | | 5,762,988 | 5,661,269 | 3,800,744 |
| Financing | 26 | (16,240) | (21,582) | 14,146 |
| | | 5,746,748 | 5,639,687 | 3,814,890 |
| Increase in cash in the period | | 5,746,748 | 5,639,687 | 3,814,890 |
| | | 5,746,748 | 5,639,687 | 3,814,890 |
| Reconciliation of net cash flow to movement in net funds | 27 | | | |
| Increase in cash in the period | | 5,746,748 | 5,639,687 | 3,814,890 |
| Cash outflow from decrease in debt and hire purchase financing | | 16,240 | 21,582 | (14,146) |
| | | 5,762,988 | 5,661,269 | 3,800,744 |
| Change in funds resulting from cash flows | | 5,762,988 | 5,661,269 | 3,800,744 |
| New hire purchase agreements | | (53,003) | | |
| | | 5,709,985 | 5,661,269 | 3,800,744 |
| Movement in net debt in the period | | 5,709,985 | 5,661,269 | 3,800,744 |
| Net funds at 1st February 2003 | | 17,532,892 | 11,871,623 | 8,070,879 |
| | | 23,242,877 | 17,532,892 | 11,871,623 |
| Net funds at 31st January 2004 | | 23,242,877 | 17,532,892 | 11,871,623 |

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

Basis of consolidation

All group companies are consolidated. Tramp Oil Schiffahrts und Handels GmbH, Tramp Oil Germany GmbH & Co KG, Tramp Oil (Brasil) Ltda and Tramp Oil & Marine (South Cone) S.A. have been consolidated based on the accounts for the year ended 31st December 2003.

Basis of translation of foreign currencies

At the year end all foreign currency assets and liabilities of the group and company are translated at the applicable rates of exchange ruling on that date. The results of overseas subsidiary undertakings are translated into sterling at the average rates. Exchange differences which arise from the translation at rates different from those used in the previous year's financial statements of the share capital and reserves of overseas subsidiary undertakings are dealt with through reserves. Exchange profits and losses on trading transactions are included in the group's trading profits.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the group's ordinary activities after deduction of trade discounts and value added tax.

Deferred taxation

Deferred tax liabilities are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent they are considered recoverable. Deferred tax balances are not discounted.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. All repairs are written off as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives are:

| | |
|----------------------------------|-------------|
| Fixtures, fittings and equipment | - 3-5 years |
| Plant and machinery | - 4-5 years |
| Short leasehold | - 10 years |
| Freehold property | - 10 years |

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES *continued*

Investments

(i) Fixed assets

Fixed asset investments are stated at cost less provision for impairment.

(ii) Current assets

Current asset investments are stated at the lower of cost and net realisable value.

(iii) Leased assets

Rental payments under operating leases are charged to the profit and loss account as incurred

Stock

Stock, is valued at the lower of cost, on a first in first out basis, and net realisable value.

Pension costs

The group continues to operate a group personal pension plan and a death benefit scheme for which contributions are charged to the profit and loss account in the period for which they are paid. The liability of the group is limited to the contributions paid in the year.

2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

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In April 2004, World Fuel Services Corporation (World Fuel), a publicly traded company incorporated in the United States, through its wholly-owned subsidiary of World Fuel Services European Holding Company I, Limited, a company incorporated in the United Kingdom, acquired all the outstanding ordinary and preference shares of Tramp Holdings Limited. Due to the relative size of the acquisition to World Fuel, three years of income statements and two years balance sheets audited in accordance with US generally accepted auditing standards with a reconciliation to US GAAP were required to be included in World Fuel 's Form 8-K filing with the US Securities and Exchange Commission.

During the re-audit of the UK balances several adjustments were noted. Below is a description of those adjustments made to the UK GAAP accounts:

Accruals for indirect taxes

The audit of the indirect taxes revealed that there were under accruals in certain social security and excise taxes in the operations of one of the Company 's foreign subsidiaries. In addition to this under accrual, the Company incorrectly invoiced some aviation sales as zero rated value-added tax (VAT) when in fact VAT should have been charged. It is unlikely that this VAT liability will be recovered from customers and accordingly has been expensed.

NOTES TO THE FINANCIAL STATEMENTS

2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS *continued*Changes in Provisioning

Tramp had previously recorded provisions which were deemed, either to be unnecessary or did not meet the definition of a liability under UK accounting standards. Previously, Tramp would de-recognise these provisions in the following year, taking the amount to income. These financial statements have been restated to remove the unnecessary provision in the year booked and remove the credit to income when the provision was released.

Accrual for contingencies and claims

Tramp did not accrue for certain claims and contingencies which were in existence at the balance sheet date. As part of the re-audit, an accrual was established for the expected settlement of these claims.

Translation of income statement at average rates

Previously, Tramp had translated the income statement items using the end rate under UK GAAP. While this treatment is acceptable under SSAP 20, it is not the preferred method of accounting. With the implementation of FRS 18, it was determined that the income statement should be translated at average rates. This revised treatment is also in line with the requirements under US GAAP.

Profit and Loss (restated)

| | 2004 | 2003 | 2002 |
|--|------------------|------------------|------------------|
| | £ | £ | £ |
| Net income (before preferred dividend) previously reported | 3,332,563 | 1,788,623 | 4,762,691 |
| Additional liabilities for indirect taxes | (485,035) | (481,613) | (460,714) |
| Changes in provisioning for debtors and other assets | (233,016) | 3,056 | (163,586) |
| Increase provisioning for claims and contingencies | (67,300) | 0 | 0 |
| Translation of income statement at average rates | 22,502 | 9,492 | (15,068) |
| Net income (before preferred dividend) as restated | 2,569,714 | 1,319,558 | 4,123,323 |

NOTES TO THE FINANCIAL STATEMENTS

2 RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS *continued*

Balance Sheet (restated)

| | 2004 | 2003 | 2002 |
|---|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| Net assets previously reported | 42,122,074 | 38,527,617 | 37,032,585 |
| Additional liabilities for indirect taxes | (1,492,612) | (987,430) | (483,899) |
| Changes in provisioning for debtors and other assets | (355,768) | 119,247 | 33,354 |
| Changes in the tax liability as a result of the above adjustments | 133,606 | (1,542) | 78,341 |
| Net assets as restated | 40,407,300 | 37,657,892 | 36,660,381 |

3 TURNOVER AND OPERATING PROFIT

Turnover and operating profit information has not been disclosed as in the opinion of the directors the disclosure of turnover and operating profit by class of business and geographical area would be prejudicial to the interests of the group.

4 OTHER OPERATING INCOME

| | 2004 | 2003 | 2002 |
|---|------------------|------------------|------------------|
| | £ | £ | £ |
| | (restated) | (restated) | (restated) |
| Interest receivable from clients | 1,790,104 | 1,663,504 | 1,996,591 |
| Profit on disposal of tangible fixed assets | 35,249 | 13,478 | 3,610 |
| Profit on disposal of fixed asset investments | | 74,640 | 54,287 |
| Net profit on trading ships shares | 51,238 | 46,324 | 44,392 |
| Decrease in provision against current asset investments | 167,547 | | |
| Decrease in bad debt provisions | | | 120,279 |
| Decrease in provision against claims | 52,835 | | |
| Other income | 131,253 | 18,744 | 22,596 |
| Fee income | | | 109,429 |
| | 2,228,226 | 1,816,690 | 2,351,184 |

Interest receivable from clients arises as an integral element of trading activities and is therefore treated as an operating item.

TRAMP HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****5 OPERATING PROFIT** is stated after charging:

| | 2004 | 2003 | 2002 |
|---|----------------|------------|------------|
| | £ | £ | £ |
| | (restated) | (restated) | (restated) |
| Depreciation of tangible fixed assets - owned assets | 96,587 | 98,155 | 131,985 |
| Directors remuneration (including pension contributions) as executives (note 5) | 534,071 | 455,918 | 890,967 |
| Auditors remuneration for audit services | 45,644 | 65,700 | 63,319 |
| Non-audit fees paid to auditors | 33,200 | 42,338 | 31,850 |
| Amounts written off investments in ships | 13,427 | 12,869 | 12,019 |
| Operating lease rentals payable for land and buildings | 125,175 | 267,527 | 217,530 |
| Other operating lease rentals payable | 2,367 | 1,374 | |
| Increase in provision against current asset investments | 32,453 | 429,787 | 143,307 |
| Increase in bad debt provision | | 356,751 | |
| Increase in provision against claims | | 50,838 | |

6 DIRECTORS EMOLUMENTS

The directors set out below served throughout the year. C.C Carlsen has retired after the year end.

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 |

Remuneration

The remuneration of the directors was as follows:

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| | 2004 | 2003 | 2002 |
|---|----------------|---------|---------|
| | £ | £ | £ |
| Emoluments | 465,102 | 386,949 | 719,620 |
| Company contributions to money purchase pension schemes | 68,969 | 68,969 | 171,347 |
| | 534,071 | 455,918 | 890,967 |

NOTES TO THE FINANCIAL STATEMENTS

6 DIRECTORS EMOLUMENTS *continued***Pensions**

The number of directors who accrued benefits under pension schemes was as follows:

| | <u>Number</u> | <u>Number</u> | <u>Number</u> |
|---------------------------------|---------------|---------------|---------------|
| Money purchase schemes (Number) | 1 | 1 | 1 |

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

| | <u>£</u> | <u>£</u> | <u>£</u> |
|---|----------------|----------------|----------------|
| Emoluments | 234,750 | 193,622 | 394,404 |
| Company contributions to money purchase schemes | 68,969 | 68,969 | 102,378 |
| | <u>303,719</u> | <u>262,591</u> | <u>496,782</u> |

7 EMPLOYEES

The average monthly number of employees of the group, excluding directors, during the year was 80 made up as follows:

| | <u>2004</u> <u>Number</u> | <u>2003</u> <u>Number</u> | <u>2002</u> <u>Number</u> |
|----------------|------------------------------|------------------------------|------------------------------|
| Sales | 36 | 36 | 34 |
| Administration | 44 | 42 | 35 |

80 78 69

Staff costs during the year amounted to:

| | <u>£</u> | <u>£</u> | |
|-----------------------|-------------------------|------------------|------------------|
| Wages and salaries | 3,519,346 | 2,814,865 | 3,452,954 |
| Social security costs | 305,817 | 243,913 | 320,479 |
| Other pension costs | 144,077 | 132,442 | 113,658 |
| | <u>3,969,240</u> | <u>3,191,221</u> | <u>3,887,091</u> |

TRAMP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2004 | 2003 | 2002 |
|----------------------------------|----------------|------------|------------|
| | £ | £ | £ |
| | (restated) | (restated) | (restated) |
| Interest receivable | 537,313 | 408,057 | 444,371 |
| Income from listed investments | 21,510 | 21,702 | 20,898 |
| Income from overseas investments | 12,557 | 7,913 | 11,073 |
| | 571,380 | 437,672 | 476,342 |

Interest receivable from clients is detailed in note 3 above.

9 INTEREST PAYABLE

| | 2004 | 2003 | 2002 |
|---|---------------|------------|------------|
| | £ | £ | £ |
| | (restated) | (restated) | (restated) |
| On loans wholly repayable within five years | 73,614 | 100,897 | 217,288 |
| On overdue tax | | 1,687 | 9,266 |
| | 73,614 | 102,584 | 226,554 |

NOTES TO THE FINANCIAL STATEMENTS

10 TAXATION

| | 2004 | 2003 | 2002 |
|---|------------------|------------|------------|
| | £ | £ | £ |
| | (restated) | (restated) | (restated) |
| Current tax | | | |
| Corporation tax based on the adjusted profit for the year | 1,116,272 | 649,394 | 1,591,541 |
| Less: Double taxation relief | (268,236) | (219,076) | (432,490) |
| | 848,036 | 430,318 | 1,159,051 |
| Over provision in previous years | (28,191) | (25,111) | (4,799) |
| Overseas taxation | 566,100 | 485,589 | 438,550 |
| Tax credit on franked investment income written off | 2,151 | 2,182 | 2,077 |
| Tax on profit on ordinary activities | 1,388,096 | 892,978 | 1,594,879 |

Factors affecting tax charge for the period

The tax assessed for the period is greater than the standard rate of corporation tax in the UK (30%). The differences are explained below:

| | | | |
|---|------------------|-----------|-----------|
| Profit on ordinary activities before taxation | 4,461,649 | 2,462,748 | 6,411,646 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%) | 1,338,495 | 738,824 | 1,923,494 |
| Effects of: | | | |
| Expenses not deductible for tax purposes | (23,090) | 85,837 | (44,317) |
| Capital allowances for period in excess of depreciation | (13,313) | (10,153) | (1,730) |
| Utilisation of tax losses | 19,776 | 12,116 | (13,863) |
| Starting rate, small companies rate and marginal relief | (2,663) | (6,680) | (4,365) |
| Higher rate taxes on overseas earnings | 29,674 | 47,405 | 1,491 |
| Adjustments to tax charge in respect of previous periods | 39,217 | 25,629 | (265,831) |
| Current tax on charge for the period | 1,388,096 | 892,978 | 1,594,879 |

11 DEFERRED TAXATION

There is no provision for deferred taxation in the accounts of the group at 31st January 2004 (2003: £nil).

There are capital losses carried forward of £912,346 (2003: £846,246).

NOTES TO THE FINANCIAL STATEMENTS

12 TANGIBLE FIXED ASSETS

| Group | Freehold Property | Short leasehold | Fixtures, fittings and equipment | Plant and machinery | Total |
|--------------------------|----------------------|--------------------|---|------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| 1st February 2003 | 22,532 | 48,963 | 1,039,353 | 308,633 | 1,419,481 |
| Exchange difference | | 523 | (2,562) | (2,508) | (4,547) |
| Additions | | 169 | 38,538 | 88,540 | 127,247 |
| Disposals | | | (2,918) | (161,655) | (164,573) |
| 31st January 2004 | 22,532 | 49,655 | 1,072,411 | 233,010 | 1,377,608 |
| Depreciation | | | | | |
| 1st February 2003 | 11,265 | 37,907 | 948,645 | 247,655 | 1,245,472 |
| Exchange difference | | 39 | (1,788) | (2,777) | (4,526) |
| Charge for the year | 2,253 | 2,600 | 49,281 | 42,453 | 96,587 |
| Disposals | | | (2,918) | (145,830) | (148,748) |
| 31st January 2004 | 13,518 | 40,546 | 993,220 | 141,501 | 1,188,785 |
| Net book value | | | | | |
| 31st January 2004 | 9,014 | 9,109 | 79,191 | 91,509 | 188,823 |
| 31st January 2003 | 11,267 | 11,056 | 90,708 | 60,978 | 174,009 |

NOTES TO THE FINANCIAL STATEMENTS

13 SUBSIDIARY UNDERTAKINGS

The company owns 100% of the share capital of Tramp Oil Financial Products Limited, a company incorporated and operating in the UK, marketing and providing financial products to the bunker industry.

Tramp Holdings Limited owns 87.5% of Tramp Group Limited, a company operating in the UK. The company and its subsidiaries are primarily engaged in the business of oil trading.

The following are wholly owned subsidiary undertakings of Tramp Group Limited:

Tramp Shipping & Chartering Aps