

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2005-05-02** | Period of Report: **2005-04-27**
SEC Accession No. **0001193125-05-091709**

([HTML Version](#) on [secdatabase.com](#))

FILER

WORLD FUEL SERVICES CORP

CIK: **789460** | IRS No.: **592459427** | State of Incorporation: **FL** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-09533** | Film No.: **05789214**
SIC: **5172** Petroleum & petroleum products (no bulk stations)

Mailing Address
*9800 N.W. 41ST STREET
SUITE 400
MIAMI FL 33178*

Business Address
*9800 N.W. 41ST STREET
SUITE 400
MIAMI FL 33178
305-428-8001*

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 2, 2005 (April 27, 2005)

WORLD FUEL SERVICES CORPORATION

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

1-9533
(Commission File Number)

59-2459427
(I.R.S. Employer
Identification No.)

9800 N.W. 41st Street, Suite 400
Miami
(Address of principal executive offices)

33178
(Zip Code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 4.02. Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.

- (a) On April 27, 2005, the executive officers of World Fuel Services Corporation (the "Company") authorized to take such action concluded that the presentation of borrowings and repayments under the Company's revolving credit facility contained in the Company's consolidated statements of cash flows needed to be corrected to reflect such borrowings and repayments on a gross basis rather than net basis. As a result, the Company's consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 and the nine months ended December 31, 2002 included in the Company's Form 10-K for the year ended December 31, 2004 are being restated and should no longer be relied upon. In addition, the consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q for all periods of 2004 and 2003 are being restated and should no longer be relied upon. The decision to restate was made by the executive officers of the Company authorized to take such action following consultation with the Audit Committee of the Board of Directors. The decision to restate, and the underlying reasons for the restatement, were discussed with the Company's independent registered public accounting firm. The Company will restate its consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 and the nine months ended December 31, 2002, including interim financial information for 2004 and 2003, in an amendment to the Company's Annual Report on Form 10-K for the year ended December 31, 2004. The consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q for 2004 and 2003 will be restated in amendments to the Company's Quarterly Reports on Form 10-Q for the periods ended March 31, 2004, June 30, 2004 and September 30, 2004.

Management had previously concluded that as of December 31, 2004 the Company did not maintain effective internal control over financial reporting because the Company 1) was recognizing revenue and cost of sales when supporting documentation relating to fuel deliveries and related services had been received from third parties utilized by the Company to provide fuel and related services rather than at the time fuel deliveries were made and related services were performed as required by generally accepted accounting principles and 2) did not maintain effective controls to ensure the accuracy and presentation and disclosure of inventory derivative instruments. Furthermore, management has concluded that as of December 31, 2004 the Company did not maintain effective controls over the presentation of borrowings and repayments under the Company's revolving credit facility in the statement of cash flows. This control deficiency will result in the restatement of previously issued financial statements. Management has concluded that this control deficiency constitutes a material weakness. A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. Management's report on internal control over financial reporting as of December 31, 2004 is being restated to reflect inclusion of this additional material weakness. Accordingly, management's report on internal control over financial reporting as of December 31, 2004 should no longer be relied upon. The decision to restate Management's report, and the underlying reasons for the restatement, were also discussed with the Company's independent registered public accounting firm.

Also, the report of the Company's independent registered public accounting firm is expected to continue to express an adverse opinion with respect to the effectiveness of the Company's internal control over financial reporting as of December 31, 2004. However, the report is expected to be modified to reflect inclusion of the additional material weakness.

Item 7.01. Regulation FD Disclosure

Incorporated by reference is a press release issued by the Company on May 2, 2005. The press release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits**(c) Exhibits**

<u>Exhibit No.</u>	<u>Description</u>	<u>_____</u>
99.1	Press Release dated May 2, 2005.	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 2, 2005

World Fuel Services Corporation

/s/ Michael J. Kasbar _____

Michael J. Kasbar

President and Chief Operating Officer

-3-



NEWS RELEASE for May 2, 2005

Contact: Allen & Caron Inc
 Michael Mason (Investors)
 michaelm@allencaron.com
 (212) 691-8087
 or
 Len Hall (Media)
 len@allencaron.com
 (949) 474-4300

World Fuel Services Corporation
 Robert S. Tocci, CFO & EVP
 btocci@wfsCorp.com
 (305) 428-8000

WORLD FUEL SERVICES CORPORATION ANNOUNCES MATERIAL WEAKNESS IN INTERNAL CONTROLS AND RESTATEMENT OF ITS FINANCIAL STATEMENTS DUE TO A CORRECTION IN THE PRESENTATION OF BORROWINGS AND REPAYMENTS UNDER ITS REVOLVING CREDIT FACILITY.

FIRST QUARTER 2005 EARNINGS CONFERENCE CALL SCHEDULED FOR TUESDAY, MAY 3rd AT 11:00AM ET

MIAMI, FLORIDA, May 2, 2005 –

World Fuel Services Corporation (NYSE: INT) today announced that its management has determined that the presentation of borrowings and repayments under the Company's revolving credit facility contained in the Company's consolidated statements of cash flows must be revised to reflect such borrowings and repayments on a gross basis rather than net basis. As a result, the Company will be restating its consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 and the nine months ended December 31, 2002 included in the Company's Form 10-K for the year ended December 31, 2004. In addition, the consolidated interim financial statements included in the Company's Quarterly Reports on Form 10-Q for 2004 and 2003 will be restated. The restatement will have no impact on the Company's previously reported net income or on net cash from operating activities, investing activities and financing activities.

The following table sets forth the impact of the restatement on amounts previously reported in the Company's consolidated financial statements for the years ended December 31, 2004, 2003 and 2002 and the nine months ended December 31, 2002 (in thousands):

	<u>For the Year ended December 31,</u>			<u>For the Nine</u>
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>Months Ended</u>
	<u>(Unaudited)</u>			<u>December 31,</u>
				<u>2002</u>
Borrowings under revolving credit facility, as restated	\$285,000	\$32,000	\$10,000	\$ 10,000
Repayments under revolving credit facility, as restated	(235,000)	(32,000)	(10,000)	(10,000)

Net borrowings under revolving credit facility, as previously reported

\$50,000	\$-	\$-	\$-
----------	-----	-----	-----

The following table sets forth the impact of the restatement on amounts previously reported in the Company's consolidated financial statements for the three months ended March 31, 2004 and 2003, the six months ended June 30, 2004 and 2003, and the nine months ended September 30, 2004 and 2003 (in thousands):

	For the Three Months ended March 31,		For the Six Months ended June 30,		For the Nine Months ended September 30,	
	2004	2003	2004	2003	2004	2003
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Borrowings under revolving credit facility, as restated	\$10,000	\$16,000	\$90,000	\$22,000	\$160,000	\$27,000
Repayments under revolving credit facility, as restated	(10,000)	–	(40,000)	(17,000)	(125,000)	(22,000)
Net borrowings under revolving credit facility, as previously reported	\$–	\$16,000	\$50,000	\$5,000	\$35,000	\$5,000

Management had previously concluded that as of December 31, 2004 the Company did not maintain effective internal control over financial reporting because the Company 1) was recognizing revenue and cost of sales when supporting documentation relating to fuel deliveries and related services had been received from third parties utilized by the Company to provide fuel and related services rather than at the time fuel deliveries were made and related services were performed as required by generally accepted accounting principles and 2) did not maintain effective controls to ensure the accuracy and presentation and disclosure of inventory derivative instruments. Furthermore, management has concluded that as of December 31, 2004 the Company did not maintain effective controls over the presentation of borrowings and repayments under the Company's revolving credit facility in the statement of cash flows. This control deficiency will result in the restatement of previously issued financial statements. Management has concluded that this control deficiency constitutes a material weakness. A material weakness is a control deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. Management's report on internal control over financial reporting as of December 31, 2004 is being restated to reflect inclusion of this additional material weakness. Accordingly, management's report on internal control over financial reporting as of December 31, 2004 should no longer be relied upon.

Also, the report of the Company's independent registered public accounting firm is expected to continue to express an adverse opinion with respect to the effectiveness of the Company's internal control over financial reporting as of December 31, 2004. However, the report is expected to be modified to reflect inclusion of the additional material weakness.

First Quarter Results Conference Call and Webcast

A conference call has been scheduled for Tuesday, May 3rd at 11:00AM ET to discuss the restatement, as well as the Company's first quarter 2005 results.

To join the call from Canada and the US, dial 888 343 7145; International calls may be placed by dialing 415 537 1859. In addition, the call will be broadcast live simultaneously over the Internet and may be access online by going to the Company's site at www.wfscorp.com or by going to <http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=101792&eventID=1060987>.

A replay of the call will be available through May 10, 2005, and may be accessed from Canada and the US by dialing 800 633 8284 and entering conference ID number 21245122; International calls may be placed by dialing 402 977 9140. A replay of the webcast will also be available through June 30, 2005, at the URLs noted above.

About World Fuel Services Corporation

Headquartered in Miami, Florida, World Fuel Services Corporation is a global leader in the downstream marketing and financing of aviation and marine fuel products and related services. As the marketer of choice in the aviation and shipping industries, World Fuel Services provides fuel and services at more than 2,500 airports and seaports worldwide. With 42 offices strategically located throughout the world, World Fuel Services offers its customers a value-added outsource service for the supply, quality control, logistical support and price risk management of marine and aviation fuel.

The Company's global team of market makers provides deep domain expertise in all aspects of marine and aviation fuel management. World Fuel Services' aviation customers include commercial, passenger and cargo operators as well as corporate clientele. The Company's marine customers include premier blue-chip companies from all segments of the market. For more information, call (305) 428-8000 or visit www.wfscorp.com.

With the exception of historical information in this news release, this document includes forward-looking statements that involve risks and uncertainties, including, but not limited to, quarterly fluctuations in results, the management of growth, fluctuations in world oil prices or foreign currency, major changes in political, economic, regulatory, or environmental conditions, the loss of key customers, suppliers or key members of senior management, uninsured losses, competition, credit risk associated with accounts and notes receivable, and other risks detailed from time to time in the Company's Securities and Exchange Commission filings. Actual results may differ materially from any forward-looking statements set forth herein.