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# **RUESCH INTERNATIONAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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*◆ Year ended 31 March 1998 ◆*

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COMPANY NO: 02854737



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# **RUESCH INTERNATIONAL LIMITED**

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## **COMPANY INFORMATION**

Directors                      Otto J Ruesch  
                                    Jeanette Weaver  
                                    Pierre F V Merle

Secretary                     Pierre F V Merle

Registered office            5 Great College Street  
                                    Westminster  
                                    London SW1P 3SJ

Registered number         02854737

Auditors                      Robson Rhodes  
                                    Chartered Accountants  
                                    186 City Road  
                                    London EC1 2NU

Bankers                       NatWest Bank  
                                    Bond Street  
                                    London

NatWest Bank  
Bishopsgate  
London

## **REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements for the year ended 31 March 1998.

### **Principal activities**

The company operates as a financial institution specialising in international payments and related services.

### **Business review and future developments**

The results for the year ended 31 March 1998 are considered satisfactory and the directors are optimistic about future trading prospects.

### **Results and dividends**

The profit for the year after tax amounted to £288,129 (1998 - £192,637) which has been transferred to reserves. The directors do not recommend the payment of a dividend.

### **Year 2000**

The company has a strategic plan in place for insuring the company is year 2000 compliant. The overall cost of the plan is not expected to be significant due to the fact that computer equipment and software have been regularly updated. The company's project team began implementation of the plan during 1997 and the major phases of the plan are progressing on schedule.

### **Directors**

The present directors of the company are set out on page 1. All of the directors served throughout the year.

Those directors serving at the end of the year had no interests in the share capital of the company at 31 March 1998.

**REPORT OF THE DIRECTORS**

(Continued)

**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 of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

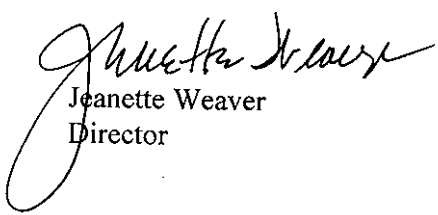
- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

**Auditors**

The auditors, Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on *January 24* 1999 and signed on its behalf by:

  
Jeanette Weaver  
Director

**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF RUESCH INTERNATIONAL LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 as at 31 March 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Robson Rhodes*

Robson Rhodes  
Chartered Accountants and Registered Auditor

London

*January 24* 1999

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 1998

	Note	1998 £	1997 £
<b>Turnover - continuing operations</b>	1	163,116,920	118,956,936
Cost of sales		<u>(162,256,535)</u>	<u>(118,361,293)</u>
<b>Gross profit</b>		860,385	595,643
Administrative expenses		(641,002)	(508,499)
Other operating income		232,085	168,156
<b>Operating profit - continuing operations</b>	2	<u>451,468</u>	<u>255,300</u>
Interest payable		(22,499)	(12,633)
<b>Profit on ordinary activities before taxation</b>		<u>428,969</u>	<u>242,667</u>
Tax on profit on ordinary activities	5	(140,840)	(50,030)
<b>Retained profit for the year</b>	10	<u>288,129</u>	<u>192,637</u>

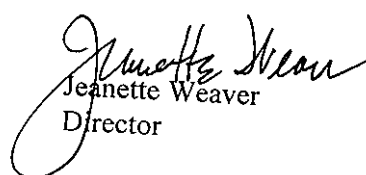
There were no recognised gains or losses other than those reported above.

# RUESCH INTERNATIONAL LIMITED

## BALANCE SHEET at 31 March 1998

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	6	95,511	58,347
<b>Current assets</b>			
Debtors			
Cash at bank and in hand	7	11,647,805 1,499,801	3,513,099 536,634
<b>Creditors: Amounts falling due within one year</b>	8	13,147,606 (12,846,321)	4,049,733 (3,999,413)
<b>Net current assets</b>		301,285	50,320
<b>Net assets</b>		396,796	108,667
<b>Capital and reserves</b>			
Share capital	9	100	100
Profit and loss account	10	396,696	108,567
<b>Equity shareholders' funds</b>	11	396,796	108,667

The financial statements were approved by the Board on January 24, 1999 and signed on its behalf by:

  
Jeanette Weaver  
Director



**RUESCH INTERNATIONAL LIMITED****CASHFLOW STATEMENT**  
**for the year ended 31 March 1998**

	Note	1998 £	1997 £
Net cash inflow from operating activities	14	1,104,189	79,484
Returns on investment and servicing of finance - interest paid		(22,499)	(12,633)
Taxation		(52,405)	-
Capital expenditure - payments to acquire tangible fixed assets		(66,118)	(3,185)
		<u>963,167</u>	<u>63,666</u>
Increase in cash		963,167	63,666
Net funds at beginning of period		536,634	472,968
Net funds at end of period		<u><u>1,499,801</u></u>	<u><u>536,634</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 1998**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Turnover**

Turnover from spot sales of foreign currencies is recognised upon consummation of the sales transactions.

Turnover from forward contracts is recorded on the date of inception for the contracted amount.

Service charge income is recognised when the services are performed.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 March. Exchange differences are taken to the profit and loss account.

**Tangible fixed assets and depreciation**

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives.

No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Fixtures, fittings and equipment	20%
Leasehold improvements	10%

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

**Pensions**

The company pays contributions into individuals' personal pension plans. The pension costs represent contributions payable by the company in the year

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 1998 (continued)**

**2. OPERATING PROFIT**

Operating profit is arrived at after charging/(crediting):

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	8,750	9,500
Depreciation of tangible fixed assets	28,954	22,805
Operating lease rentals - land and buildings	44,625	44,625
	<u>          </u>	<u>          </u>

**3. EMPLOYEES**

Average weekly number of employees, including directors:

	<b>1998</b>	<b>1997</b>
	<b>No</b>	<b>No</b>
Administration	11	10
	<u>          </u>	<u>          </u>

Staff costs, including directors:

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Wages and salaries	261,238	221,628
Social security costs	26,124	22,572
Other pension costs	4,194	-
	<u>          </u>	<u>          </u>
	<u>291,556</u>	<u>244,200</u>
	<u>          </u>	<u>          </u>

**4. DIRECTORS**

The directors received emoluments in the period to 31 March 1998 of £nil (1997: £4,500).

NOTES TO THE FINANCIAL STATEMENTS

31 March 1998 (continued)

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
UK Corporation tax for the current year at 31%	138,465	50,030
Under provision in respect of the prior year	2,375	-
	<u>140,840</u>	<u>50,030</u>

6. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures & Fittings £	Total £
<b>Cost or valuation</b>			
At 1 April 1997	23,019	103,841	126,860
Additions	3,155	62,963	66,118
At 31 March 1998	<u>26,174</u>	<u>166,804</u>	<u>192,978</u>
<b>Depreciation</b>			
At 1 April 1997	7,673	60,840	68,513
Charge in period	2,753	26,201	28,954
At 31 March 1998	<u>10,426</u>	<u>87,041</u>	<u>97,467</u>
<b>Net book value</b>			
At 31 March 1998	<u>15,748</u>	<u>79,763</u>	<u>95,511</u>
At 31 March 1997	<u>15,346</u>	<u>43,001</u>	<u>58,347</u>

7. DEBTORS

	1998 £	1997 £
Trade debtors	11,596,379	3,470,889
Other debtors	23,627	23,627
Prepayments and accrued income	27,799	18,583
	<u>11,647,805</u>	<u>3,513,099</u>

NOTES TO THE FINANCIAL STATEMENTS

31 March 1998 (continued)

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	9,120,900	1,759,293
Amount owed to group undertaking	3,218,351	2,016,018
Other creditors	308,104	133,297
Accruals and other deferred income	60,501	40,775
Corporation tax	138,465	50,030
	<u>12,846,321</u>	<u>3,999,413</u>

9. SHARE CAPITAL

	1998 £	1997 £
<b>Authorised, allotted and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10. RESERVES

	Profit and loss account £
Retained reserves at 31 March 1997	108,567
Profit for year	288,129
At 31 March 1998	<u>396,696</u>

NOTES TO THE FINANCIAL STATEMENTS

31 March 1998 (continued)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Total recognised gains	288,129	192,637
Opening shareholders' funds	108,667	(83,970)
Closing shareholders' funds	<u>396,796</u>	<u>108,667</u>

12. FINANCIAL COMMITMENTS

Operating lease commitments

The payments which the company is committed to make in the next year under operating leases are as follows:

	1998	1997
	£	£
(i) Land and buildings, leases expiring beyond five years	44,625	44,625

13. PARENT UNDERTAKING

The immediate parent undertaking is Ruesch Holding, Inc, a company incorporated in the United States of America.

The ultimate parent undertaking is Ruesch International Monetary Services, Inc, a company incorporated in the United States of America.

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

	1998	1997
	£	£
Operating profit	451,468	255,300
Increase in debtors	(8,134,706)	(2,187,691)
Increase in creditors	8,758,473	1,989,070
Depreciation/amortisation	28,954	22,805
Net cash inflow from operating activities	<u>1,104,189</u>	<u>79,484</u>