

Company Registration No. 02854737

Ruesch International Limited

Annual Report and Financial Statements

31 March 2006

**Deloitte & Touche LLP
London**



Ruesch International Limited

Report and financial statements

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Ruesch International Limited

Report and financial statements

Officers and professional advisers

DIRECTORS

Robert A. Minicucci
James R. Matthews
Brian T. Regan
Thomas P. Staudt

Secretary

David R. Fontaine

Registered Office

Whitebrook Park
Lower Cookham Road
Maidenhead
Berkshire
SL6 8XY

Bankers

HSBC Bank plc
Corporate Office
Canada Square
London
E14 5XL

Auditors

Deloitte & Touche LLP
Chartered Accountants & Registered Auditors
London

Ruesch International Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2006.

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 2006 are considered satisfactory and the directors are optimistic about future trading prospects. The actual performance is evaluated against the key performance indicators (KPI) at the group level rather than the individual entity level, for this reason the directors are of the opinion that no specific KPI's are relevant to the users of these financial statements. During 2005, the ultimate parent company Ruesch Holding Inc was acquired by RII Holdings, Inc (RIIH), which is majority owned by Welsh, Carson, Anderson and Stowe, a private equity investment firm.

Results and dividends

The profit for the year after tax amounted to £3,673,147 (2005 - £2,869,245), which has been transferred to reserves. The directors do not recommend the payment of a dividend (2005: £Nil).

Directors

The present directors of the company all of whom served throughout the year and upto the date of this report are set out on page 1. No director or a member of their family held shares in the company during the year to 31 March 2006.

Donations

No donations were paid, to any political parties or for a charitable purpose (2005 - £500), during the year.

Financial risk management

The disclosures required to be included in the directors' report in respect of the company's exposure to financial risk and its financial risk management policies are given in note 17 to the accounts.

Disclosure of information to auditors (Section 234ZA)

Each of the directors at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

Ruesch International Limited

Directors' report

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'AP Schmid', written over the printed name of the Director.

Director

16 October 2006

Ruesch International Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with the Companies Act 1985. In preparing those financial statements, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed; and
- (d) 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 keeping 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.

Independent auditors' report to the members of Ruesch International Limited

We have audited the financial statements of Ruesch International Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 if, in our opinion, the information given in the directors' report is 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 company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

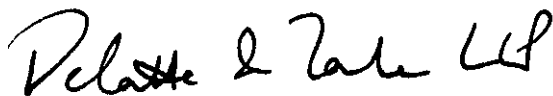
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London, England

~~October~~ 2006

8 November

Ruesch International Limited

Profit and loss account Year ended 31 March 2006

	Notes	2006 £	2005 £
Turnover	1	9,508,571	9,199,383
Administrative expenses		(5,814,016)	(6,506,201)
Other operating income	1	<u>1,508,236</u>	<u>1,420,115</u>
Operating profit	2	5,202,791	4,113,297
Interest payable and similar charges	3	<u>(13,221)</u>	<u>(10,093)</u>
Profit on ordinary activities before taxation		5,189,570	4,103,204
Tax on profit on ordinary activities	6	<u>(1,516,423)</u>	<u>(1,233,959)</u>
Profit on ordinary activities after taxation	11/12	<u><u>3,673,147</u></u>	<u><u>2,869,245</u></u>

All items of income and expenditure disclosed above are derived from continuing operations. There were no recognised gains or losses for the current or previous financial year other than as stated in the profit and loss account above, therefore, no statement of total recognised gains and losses is presented.

Ruesch International Limited

Balance sheet 31 March 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	7	<u>311,825</u>	<u>100,420</u>
Current assets			
Debtors	8	18,860,688	15,559,670
Cash at bank and in hand		<u>83,805</u>	<u>37,961</u>
		18,944,493	15,597,631
Creditors: amounts falling due within one year	9	<u>(4,827,860)</u>	<u>(4,942,740)</u>
Net current assets		<u>14,116,633</u>	<u>10,654,891</u>
Net assets		<u>14,428,458</u>	<u>10,755,311</u>
Capital and reserves			
Share capital	10	100	100
Profit and loss account	11	<u>14,428,358</u>	<u>10,755,211</u>
Equity shareholders' funds		<u>14,428,458</u>	<u>10,755,311</u>

These financial statements were approved by the Board of Directors on 16 October 2006.

Signed on behalf of the Board of Directors



Thomas P. Staudt
Director

Ruesch International Limited

Cash flow statement

Year ended 31 March 2006

	Notes	2006 £	2005 £
Net cash inflow from operating activities	14	1,783,761	1,583,922
Returns on investments and servicing of finance			
Interest paid		(13,221)	(10,093)
Taxation		(1,433,984)	(1,502,569)
Capital expenditure			
Payments to acquire tangible fixed assets		(290,713)	(36,923)
Increase in cash		<u>45,843</u>	<u>34,337</u>

Ruesch International Limited

Notes to the accounts

Year ended 31 March 2006

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the previous year, is set out below:

Basis of accounting

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

Turnover

Turnover comprises gross profit on spot sales of foreign currencies and is recognised upon consummation of the sales transactions. Turnover also comprises gross profit on forward contracts and is recorded on the date of inception for the contracted amount. The turnover is recognised on a net basis as the company acts as agent and is not the principal in respect of currency contract transactions on behalf of non-group third parties.

Other operating income

The other operating income comprises service charges earned during the year.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the profit and loss account.

Tangible fixed assets

Tangible fixed assets are recorded at cost net of depreciation and provision for impairment. Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The rates of depreciation are as follows:

Fixtures, fittings and equipment	20% per annum
Leasehold improvements	10% per annum
Software development	33% per annum

Leases

Lease rent payable under operating leases is charged to the profit and loss account over the term of the lease.

Deferred tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Pensions

The company operates a defined contribution pension scheme. The company pays contributions into individuals' personal pension plans and its commitment is limited to the regular contributions. The amount charged to profit and loss account in respect of pension costs represents contributions payable by the company in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Ruesch International Limited

Notes to the accounts Year ended 31 March 2006

2. Operating profit

Operating profit is after charging:

	2006 £	2005 £
Operating lease rentals – land and buildings	412,290	462,068
Depreciation of tangible fixed assets	79,308	93,055
Auditors' remuneration – audit services	13,500	12,000

3. Interest payable and similar charges

	2006 £	2005 £
Interest payable on security deposits	13,221	10,093

4. Staff costs

Average weekly number of employees, including directors:

	2006 No	2005 No
Administration	53	50

Staff costs, including directors:

	2006 £	2005 £
Wages and salaries	1,736,549	1,646,396
Social security costs	214,433	206,207
Other pension costs	51,371	63,227
	2,002,353	1,915,830

5. Directors

	2006 £	2005 £
Directors' emoluments		
Aggregate of directors' emoluments	83,304	218,635
Contributions to money purchase pension schemes	3,938	2,184
	87,242	220,819

The total remuneration of the highest paid Director was £87,242 (2005 - £105,207) inclusive of company contributions to money purchase pension schemes of £3,938 (2005 - £1,092).

Ruesch International Limited

Notes to the accounts Year ended 31 March 2006

6. Taxation on profit on ordinary activities

Analysis of tax charge on profit on ordinary activities:

	2006 £	2005 £
United Kingdom corporation tax charge at 30% based on current year profit	1,557,512	1,267,890
Prior year adjustments	(40,024)	(36,449)
Current year tax charge	1,517,488	1,231,441
Deferred tax:		
Timing differences, origination and reversal	7,242	2,518
Adjustments to the estimated recoverable amounts of deferred tax asset arising in previous periods	(8,307)	-
Tax on profit on ordinary activities	1,516,423	1,233,959

Factors affecting the tax charge in the current year

The current year UK taxation charge is lower than that resulting from applying the standard UK corporation tax rate of 30% (2005: 30%). The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before taxation	5,189,570	4,103,204
Tax at 30% (2005: 30%)	1,556,871	1,230,961

Effects of:

Expenses not deductible for tax purposes	7,883	34,411
Capital allowances in excess of depreciation	(7,242)	2,518
Prior year adjustment	(40,024)	(36,449)
Current tax charge for the year	1,517,488	1,231,441

Deferred taxation (see note 8)

	2006 £	2005 £
Excess of depreciation over capital allowances	7,679	6,614

The movement in the deferred tax asset in the year is as follows:

	2006 £	2005 £
Deferred tax asset at start of the year	6,614	9,132
Profit and loss charge	(7,242)	(2,518)
Adjustment in respect of prior year	8,307	-
Deferred tax asset at end of year	7,679	6,614

Ruesch International Limited

Notes to the accounts Year ended 31 March 2006

7. Tangible fixed assets

	Leasehold improvements £	Software development £	Fixtures & fittings £	Total £
Cost				
At 1 April 2005	159,522	138,796	317,758	616,076
Additions	119,153	23,130	148,430	290,713
At 31 March 2006	278,675	161,926	466,188	906,789
Accumulated depreciation				
At 1 April 2005	136,990	105,570	273,096	515,656
Charge for the year	27,623	21,860	29,825	79,308
	164,613	127,430	302,921	594,964
Net book value				
At 31 March 2006	114,062	34,496	163,267	311,825
At 31 March 2005	22,532	33,226	44,662	100,420

8. Debtors

	2006 £	2005 £
Amounts owed by group undertakings	18,588,770	15,157,623
Other debtors	221,211	227,122
Prepayments	43,028	168,311
Deferred tax asset (Note 6)	7,679	6,614
	18,860,688	15,559,670

9. Creditors: amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	4,292,994	4,101,753
Accruals and deferred rent payable	220,828	610,454
Corporation tax payable	314,038	230,533
	4,827,860	4,942,740

Ruesch International Limited

Notes to the accounts Year ended 31 March 2006

10. Called up share capital

	2006 £	2005 £
Authorised, allotted and fully paid		
100 ordinary shares called up at £1 each	100	100

11. Profit and loss account

	2006 £	2005 £
At 1 April	10,755,211	7,885,966
Retained profit for the year	3,673,147	2,869,245
At 31 March	14,428,358	10,755,211

12. Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Total retained profit for the year	3,673,147	2,869,245
Opening shareholders' funds	10,755,211	7,885,966
Closing shareholders' funds	14,428,358	10,755,211

13. Financial commitments

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

	2006 £	2005 £
Leases on land and buildings expiring in :		
One to five years	704,489	335,580
Beyond five years	-	-

Ruesch International Limited

Notes to the accounts

Year ended 31 March 2006

14. Reconciliation of operating profit to net cash inflow from operating activities

	2006 £	2005 £
Operating profit	5,202,791	4,113,297
Depreciation	79,308	93,055
Increase in debtors	(3,299,953)	(3,092,820)
(Decrease)/increase in creditors	(198,385)	470,390
Net cash inflow from operating activities	1,783,761	1,583,922

15. Analysis and reconciliation of net funds

	At 1 April 2005 £	Cash flow £	At 31 March 2006 £
Cash at bank and in hand	37,961	45,843	83,804

	At 1 April 2004 £	Cash flow £	At 31 March 2006 £
Cash at bank and in hand	3,624	34,337	37,961

16. Related party transactions

No disclosure has been made of transactions with group undertakings due to the exemption granted under FRS 8(17) to undertakings where 90% or more of the voting rights are controlled within the group.

17. Financial risk management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are currency risk and liquidity risk. These risks are mitigated by the fact that the all settlements take place through the centralised system operated by management at the group level which manages currency risk for all its component entities by maintaining a sufficient balance of principal currencies, executing currency forward contracts and continuous review of the currency requirements on a regular basis.

18. Ultimate parent company

The ultimate parent undertaking and parent of the smallest group into which the company is consolidated is Ruesch Holding Inc, a company incorporated in the United States of America. Copies of the accounts of Ruesch Holding Inc are available from Whitebrook Park, Lower Cookham Road, Maidenhead, Berkshire SL6 8XY.

Ruesch International Limited

Supplementary information

The following pages do not form part of the audited statutory financial statements and are for management purposes only

Ruesch International Limited

Trading profit and loss account (unaudited) Year ended 31 March 2006

	2006 £	2005 £
Turnover		
Gross profit	8,466,387	8,385,731
Gross profit – forwards	<u>1,042,184</u>	<u>813,652</u>
Gross profit	9,508,571	9,199,383
Administrative expenses (see analysis on the following page)	(5,814,016)	(6,506,201)
Other operating income		
Service charge income	<u>1,508,236</u>	<u>1,420,115</u>
Operating profit	5,202,791	4,113,297
Interest payable	<u>(13,221)</u>	<u>(10,093)</u>
Profit before taxation	<u><u>5,189,570</u></u>	<u><u>4,103,204</u></u>

Ruesch International Limited

Trading profit and loss account (unaudited) Year ended 31 March 2006

	2006 £	2005 £
Administrative expenses		
Depreciation and amortisation	79,308	93,055
Bank charges	407	295
Currency adjustments	43,786	11,371
Conferences	14,780	13,079
Dues and publications	3,135	1,870
Equipment rental/leasing	-	613
Insurance	229,956	225,383
Office expenses	20,289	35,142
Postage	32,053	46,809
Professional fees	97,920	101,869
Salaries	1,736,549	1,646,396
Administration charge	2,548,370	2,898,683
Shipping expense	12,676	9,630
Rent and rates	502,067	560,422
Telephone	58,335	72,514
Travel expenses	29,595	46,075
Bad debts	(11,398)	353,922
Computer supplies and maintenance	37,174	54,359
Printing and transaction	15,058	23,814
Pension plan	51,371	63,227
Business entertainment	5,163	69,717
Maintenance and repair	12,198	19,297
Management fee	160,127	40,944
Recruitment fees	124,189	109,701
Donations	-	200
Storage	5,107	2,582
Advertising	430	-
Utilities	5,371	5,232
	<u>5,814,016</u>	<u>6,506,201</u>