

COMPANY NO: 02854737

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# **RUESCH INTERNATIONAL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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**◆ *Year ended 31 March 2002* ◆**

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## **RUESCH INTERNATIONAL LIMITED**

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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	Marble Arch Tower 55 Bryanston Street 14 <sup>th</sup> Floor London W1H 7AA
Registered number	02854737
Auditors	RSM Robson Rhodes Chartered Accountants 186 City Road London EC1V 2NU
Bankers	National Westminster Bank Bond Street London  National Westminster Bank Bishopsgate London

## **REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements for the year ended 31 March 2002.

### **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 2002 are considered satisfactory and the directors are optimistic about future trading prospects.

### **Results and dividends**

The profit for the year after tax amounted to £1,658,778 (2001: £1,053,247), which has been transferred to reserves. The directors do not recommend the payment of a dividend.

### **Directors**

The present directors of the company are set out on page 1. All 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 2002. The Directors' interest in the share capital of the company's ultimate holding company are shown in that company's financial statements.

### **Directors' responsibilities for financial statements**

Company law in the United Kingdom 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

**RUESCH INTERNATIONAL LIMITED**

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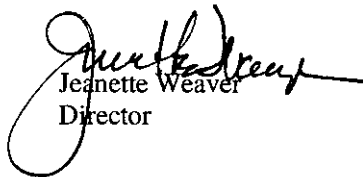
**REPORT OF THE DIRECTORS**  
(Continued)

**Auditors**

The auditors, RSM Robson Rhodes are willing to continue in office, and a resolution for their re-appointment will be proposed at the Annual General Meeting.

**Approval**

The report of the directors was approved by the Board on 8<sup>th</sup> of October 2002 and signed on its behalf by:

  
Jeanette Weaver  
Director

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

We have audited the financial statements on pages 5 to 15.

**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.

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 company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

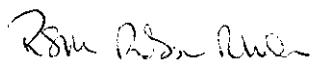
**Basis of audit opinion**

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 judgments 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 of the state of affairs of the company as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes  
Chartered Accountants and Registered Auditors  
11/12/2002  
London, England

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**RUESCH INTERNATIONAL LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2002**

	Note	2002 £	2001 £
<b>Turnover - continuing operations</b>	1	220,062,820	451,835,232
Cost of sales		(215,636,406)	(448,663,399)
		<hr/>	<hr/>
<b>Gross profit</b>		4,426,414	3,171,833
Administrative expenses		(1,979,341)	(1,695,243)
Other operating income		(46,356)	69,671
		<hr/>	<hr/>
<b>Operating profit - continuing operations</b>	2	2,400,717	1,546,261
Interest payable	3	(12,587)	(16,248)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		2,388,130	1,530,013
Tax on profit on ordinary activities	6	(729,352)	(476,766)
		<hr/>	<hr/>
<b>Retained profit for the year</b>	11	1,658,778	1,053,247
		<hr/>	<hr/>

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

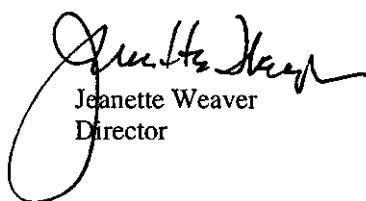
**RUESCH INTERNATIONAL LIMITED**

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**BALANCE SHEET  
at 31 March 2002**

	<b>Note</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Fixed assets</b>			
Tangible assets	7	211,668	254,693
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	8	324,792	42,580,487
Cash at bank and in hand		7,272,002	2,990,645
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	9	7,596,794 (3,523,881)	45,571,132 (43,200,022)
		<hr/>	<hr/>
<b>Net current assets</b>		4,072,913	2,371,110
		<hr/>	<hr/>
<b>Net assets</b>		4,284,581	2,625,803
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	10	100	100
Profit and loss account	11	4,284,481	2,625,703
		<hr/>	<hr/>
<b>Equity Shareholders' funds</b>	12	4,284,581	2,625,803
		<hr/>	<hr/>

The financial statements were approved by the Board on 8<sup>th</sup> of October 2002 and signed on its behalf by:



Jeanette Weaver  
Director



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**RUESCH INTERNATIONAL LIMITED**

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**CASHFLOW STATEMENT**  
**for the year ended 31 March 2002**

	<b>Note</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>15</b>	<b>4,932,353</b>	<b>5,910,761</b>
<b>Returns on investment and servicing of finance</b>			
- interest paid		(12,587)	(16,248)
<b>Taxation</b>		(596,834)	(214,288)
<b>Capital expenditure</b>			
-payments to acquire tangible fixed assets		(41,575)	(195,033)
<b>Increase/(Decrease) in cash in the period</b>		<u><b>4,281,357</b></u>	<u><b>5,485,192</b></u>
<b>Net (debt)/funds at beginning of period</b>		<b>2,990,645</b>	<b>(2,494,547)</b>
<b>Net funds/(debt) at end of period</b>		<u><b>7,272,002</b></u>	<u><b>2,990,645</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2002**

**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.

The company has recognised the first 5 months of revenue and cost of sales gross. This is consistent with the policy in the prior year. However for the last 7 months of the year, following the implementation of the Cross Currency Trading Platform ("CCT"), the revenue and cost of sales have been recognised on a net basis as the company was no longer the principle on any currency contracts with non-group, third parties. The affect of this change in policy does not have any impact on the profit before taxation of the company.

**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 of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit. The principal annual rates used for other assets are:

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

**Leased assets**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the lease.

**Taxation**

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19. Comparative amounts for 2001 have not been restated as the amounts involved are immaterial.

Previously under Statement of Standard Accounting Practice 15, provision for deferred taxation was necessary only to the extent that it was probable that the tax would be payable in the foreseeable future.

**Change in accounting policy**

The change in accounting policy for deferred tax has not changed the company's profit after taxation for the year nor the shareholders' funds, and has not affected the company's cash flows

**Pensions**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2002****2. OPERATING PROFIT**

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

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	7,900	9,500
Depreciation of tangible fixed assets	84,600	51,544
Operating lease rentals - land and buildings	346,600	184,200
- plant and equipment	34,437	62,068
	<u>          </u>	<u>          </u>

**3. INTEREST PAYABLE**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Interest on bank overdraft	12,587	16,248
	<u>          </u>	<u>          </u>

**4. EMPLOYEES**

Average weekly number of employees, including directors:

	<b>2002</b>	<b>2001</b>
	<b>No</b>	<b>No</b>
Administration	34	28
	<u>          </u>	<u>          </u>

Staff costs, including directors:

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Wages and salaries	844,785	664,636
Social security costs	89,821	85,691
Other pension costs	29,484	17,711
	<u>          </u>	<u>          </u>
	964,090	768,038
	<u>          </u>	<u>          </u>

**5. DIRECTORS**

The directors received emoluments in the period to 31 March 2002 of £nil (2001: £nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2002**

**6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Corporation tax charge for current year at 30% (2001: 30%)	734,022	471,526
Prior year adjustments	(983)	5,240
Current year tax charge	<u>733,039</u>	<u>476,766</u>
Deferred tax	<u>(3,687)</u>	<u>-</u>
	<u>729,352</u>	<u>476,766</u>

**Current Taxation**

The current taxation charge for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Revenue on ordinary activities before taxation	<u>2,388,130</u>	<u>1,530,013</u>
Theoretical tax at UK Corporation tax rate of 30% (2001 : 30%)	716,439	459,004
Effects of:		
- Prior year adjustment	(983)	5,240
- Expenditure which is not tax deductible	13,896	12,522
- Timing differences between treatment of certain items for tax and accounting purposes	3,687	-
Actual current tax charge/(credit)	<u>733,039</u>	<u>476,766</u>

**Deferred Taxation (See note 8)**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Excess of depreciation over capital allowances	<u>3,687</u>	<u>-</u>
	<u>3,687</u>	<u>-</u>

The movement in the deferred taxation provision/asset is as follows:

	<b>£</b>
Provision/asset at start of year	-
Deferred tax in Revenue account	<u>(3,687)</u>
Deferred taxation asset at end of year	<u>(3,687)</u>

Deferred taxation has been calculated at 30% because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

NOTES TO THE FINANCIAL STATEMENTS  
31 March 2002

7. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Software Development £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2001	164,092	38,244	274,746	477,082
Additions	11,211	29,234	1,130	41,575
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	175,303	67,478	275,876	518,657
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2001	34,969	15,987	171,433	222,389
Charge in period	32,467	17,886	32,247	84,600
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2002	67,436	33,873	205,680	306,989
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2002	107,867	33,605	70,196	211,668
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	129,123	22,257	103,313	254,693
	<hr/>	<hr/>	<hr/>	<hr/>

8. DEBTORS

	2002 £	2001 £
Trade debtors	-	42,212,408
Other debtors	218,200	243,165
Prepayments and accrued income	102,905	124,914
Deferred taxation	3,687	-
	<hr/>	<hr/>
	324,792	42,580,487
	<hr/>	<hr/>

Other debtors consist of security deposits that are due after more than one year.

The nil balance in trade debtors for the current year is due to the implementation of the new Cross Currency Trading Platform ("CCT"). Following the implementation of this system the company ceased to enter currency contracts with any non-group third party.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2002**

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	38,178,030
Amounts owed to group undertaking	2,877,986	3,982,056
Other creditors	-	498,824
Accruals and deferred income	127,180	158,602
Corporation tax	518,715	382,510
	<hr/>	<hr/>
	3,523,881	43,200,022
	<hr/>	<hr/>

The nil balance in trade creditors and other creditors for the current year is due to the implementation of the new Cross Currency Trading Platform ("CCT"). Following the implementation of this system the company ceased to enter currency contracts with any non-group third party.

**10. SHARE CAPITAL**

	<b>2002</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted and fully paid</b>		
100 Ordinary shares at £1 each	100	100
	<hr/>	<hr/>

**11. RESERVES**

	<b>Profit and loss account £</b>
Retained reserves at 31 March 2001	2,625,703
Profit for the year	1,658,778
	<hr/>
At 31 March 2002	4,284,481
	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 March 2002****12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Total recognised gains	1,658,778	1,053,247
Opening shareholders' funds	2,625,803	1,572,556
	<hr/>	<hr/>
Closing shareholders' funds	4,284,581	2,625,803
	<hr/>	<hr/>

**13. FINANCIAL COMMITMENTS**

## Operating lease commitments

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

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
(i) Land and buildings, leases expiring		
One to five years	-	103,000
beyond five years	243,600	243,600
	<hr/>	<hr/>

**14. PARENT UNDERTAKING**

The ultimate parent undertaking is Ruesch Holding Inc, a company incorporated in the United States of America. Copies of the accounts of Ruesch Holding Inc are available from Marble Arch Tower, 55 Bryanston Street, 14<sup>th</sup> Floor, London, W1H 7AA.



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**RUESCH INTERNATIONAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS****31 March 2002****15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2002</b> £	<b>2001</b> £
Operating profit	2,400,717	1,546,261
(Increase)/decrease in debtors	42,259,382	(12,433,391)
Increase/(decrease) in creditors	(39,812,346)	16,746,347
Depreciation/amortisation	84,600	51,544
	<hr/>	<hr/>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>4,932,353</b>	<b>5,910,761</b>
	<hr/>	<hr/>

**16. ANALYSIS OF NET DEBT**

	<b>At 31 March</b> <b>2001</b> £	<b>Cash Flow</b> £	<b>At 31 March</b> <b>2002</b> £
Cash at bank and in hand	2,990,645	4,281,357	7,272,002
Overdraft	-	-	-
	<hr/>	<hr/>	<hr/>
	<b>2,990,645</b>	<b>4,281,357</b>	<b>7,272,002</b>
	<hr/>	<hr/>	<hr/>

**17. RELATED PARTY TRANSACTIONS**

No disclosure has been made of transactions with group undertakings as advantage has been taken of the exemption granted to undertakings where 90% or more of the voting rights are controlled within the group.