De La Rue International Limited

(Registered Number: 00720284)

Annual Report and Financial Statements

For the period ended 28 March 2015

Strategic Report

Strategy and objectives

The Company is primarily a trading company. Its strategic objective is to further develop its leading position as a commercial provider of banknotes, banknote paper, security features and associated services, in addition to expanding its market share in the areas of government revenues, brand authentication, identity solutions and cash sorting and authentication equipment.

Delivery of the strategy continues to focus on building on the Company's proven track record in innovation, sophisticated design capability and in the production and delivery of high quality products and services in an industry with high barriers to entry. The Company seeks to build long term relationships with its customers and form trusted partnerships where its experience and the quality of its products and services add value.

The Company is investing in its people, assets, processes and innovation, enabled by its cash generative business model. This ensures the Company has the technology and capacity to meet customer needs, maintain an industry leading position and deliver sustainable growth while providing attractive returns for its shareholders.

The Company is also a holding company and as such its objective is to ensure that the carrying value of the investments is appropriate as well as ensuring that the investments maximise the Company's shareholder returns. During the year no adjustments for the provision for impairment on investments were made (2014: £1,274,000 provision increase), and dividends of £2,093,000 were received from investments (2014: £nil). The Company's subsidiaries are disclosed in note 13 to these financial statements.

The strategies and objectives of the companies in which De La Rue International Limited holds an investment in, are in line with those published in the consolidated financial statements of its ultimate parent company De La Rue plc, a copy of which can be obtained from the Company Secretary of De La Rue plc at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS.

Business Review

The Company manages its operations on a divisional basis.

Currency

Market conditions in both print and paper were challenging throughout the period. Through adopting a more tactical approach to both pricing and the utilisation of spare capacity we have achieved satisfactory volumes. Banknote print volumes were up 5 per cent at 6.5bn notes, while paper volumes at 9,400 tonnes were marginally down reflecting the continuing overcapacity and high level of competition in the banknote paper market. The operational excellence, process improvement and asset care programmes have been maintained and the benefits have partially mitigated the impact of lower pricing.

Revenue decreased largely caused by lower average print and paper prices, reflecting the challenging Currency market conditions and the continuing overcapacity in the paper market partly mitigated by increased revenues from sales of security components. Operating profit reduced as a result of the lower revenues, partly offset by further operational efficiencies and an improved margin on security components reflecting increased volumes and improved contractual arrangements.

Strategic Report (continued)

Cash Processing Solutions (CPS)

As a result of the completion during the period of the restructuring programme, notwithstanding reduced large sorter and machine upgrades, CPS has moved back into an underlying profitable position.

Security Products

Operating profit decreased due to lower volume call-offs on a number of mature market products. During the period, in addition to ongoing cost reduction initiatives, the De La Rue Group further rationalised its manufacturing footprint with the closure of its Dulles facility, with some of its operations relocating into sites operated by this Company.

The rate of adoption of new tax stamp schemes during the period has been disappointing. This has meant that contracts for tax stamps have not mitigated the expected declines in some of the other more mature product lines.

Identity Systems (IDS)

Identity Systems operating profit decreased reflecting lower than expected tenders for new contracts in the International business and also, the corresponding period benefited from a larger than normal number of contract completions.

The trend towards ePassports from machine readable passports has been slower than expected. In addition a number of tenders for prospective orders have not been issued as early as originally anticipated. As authentication of individual identity and border security is a major concern for governments around the world, we will continue to focus on higher value, longer term ePassport and ID schemes and the development of our digital and service offering.

The UK Passport contract continues to perform well and successfully met all performance measures in a period of unusually high demand. During the period, the milestone of issuing the 20 millionth passport under this contract, which commenced in October 2010, was achieved.

Outlook and future developments

The Company will continue to operate in accordance with its principal activities.

Currency

The global demand for banknotes continues to grow, although the rate of growth for individual countries will vary; reflecting local economic circumstances. The demand for banknotes and the substrates on which they are printed is largely satisfied by state print works (SPW), state paper mills (SPM) and a small number of commercial manufacturers such as De La Rue. As well as the supply of finished banknotes to central banks and substrates to SPWs, De La Rue also supplies security components that SPWs and SPMs can incorporate directly into their products.

Variability in demand is a feature of the market, with short term fluctuations in the timing and size of orders, including overspill, reflecting the decisions taken by central banks. This has the potential to create material volume variation year on year.

Strategic Report (continued)

Key factors affecting banknote issuance by central banks are note retirement, changes in the underlying level of GDP, and changes in using cash as a means of payment. Of these, note retirement is the most important and is affected by:

- The timing and frequency of changes in note design
- Changes in cash circulation policy and technology
- Growth in automated cash handling requiring notes to be in good condition
- Changes in 'clean note' policy
- Changes in denomination structure
- The introduction of new anti-counterfeiting security features

Cash Processing Solutions (CPS)

Cash processing is an essential aspect of the currency lifecycle to authenticate the cash in circulation and ensure its integrity. There is also a market requirement within banknote print works for end of line inspection and processing of newly printed banknotes.

With the increasing volumes of cash in circulation, both central and commercial banks are under pressure to provide efficient, secure cash processing solutions. Using sophisticated vault software and hardware solutions, much of the process can be automated while also providing the data and controls needed to minimise cost and ensure the quality and integrity of the notes processed.

The ongoing support and maintenance of installed cash processing systems is another market requirement. As well as supplying advanced cash sorting machines, market leading vault management software, and single note inspection systems, De La Rue has a global network of engineers.
The cash processing industry is a mature market with a number of suppliers providing a variety of different products to manage and control the handling of cash.

We have initiated a 'root and branch' review to address poor performance in this area, which will be completed by the end of the 2015/16 financial year.

Security Products

Security Products' customers fall into two broad categories: governments and commercial brand owners, both of which continue to come under attack from criminal activity.

Governments continue to work hard to protect indirect tax revenues on products such as alcohol and tobacco by minimising illicit trade. A major catalyst for change has been the need to respond to the World Health Organization Framework Convention on Tobacco Control, which is committed to eliminating illicit trade in tobacco products. This will require governments to apply unique and secure codes onto cigarette packs and also the ability to track and trace the products through the supply chain, driving more rapid and broader adoption of authentication solutions.

Revenue loss from counterfeit goods remains a real threat to global brands and consumer confidence. Advanced technology within labels, linked to digital authentication and tracking solutions, ensures brands are protected and that consumers can be confident of buying genuine products. There are market opportunities to utilise track and trace and revenue collection solutions outside the government market, the pharmaceutical industry being an example.

Strategic Report (continued)

Identity Systems (IDS)

With increased focus by governments on population authentication and border security, the passport and identity market is increasingly seeking complete end-to-end solutions. This means there is a requirement for the full integration of highly secure passports and ID cards with other government systems and processes, and efficient and reliable personalisation and issuance procedures.

Countries continue to adopt ePassports, although transition has been slower than expected. This is driving not only the demand for further system integration, but also the need for expertise to manage projects efficiently and without undue risk.

Increased focus and value are being placed on security components and the systems and services that surround the physical product, which may be traditional paper based passports or plastic and electronic forms of identification.

Key performance indicators

The Directors monitor and manage the performance of the Company against its published financial statements and against key performance indicators (KPIs). The KPIs of the Company are revenue and operating profit, which can be found on page 11 and volumes, which are described in the Business Reviews above. Details of the Group's KPIs, which includes the Company, are set out in the Strategic Report section on page 15 of the 2015 Annual Report of De La Rue plc, which does not form part of this report.

Principal risks and uncertainties

The Company operates in a changing economic and competitive environment that presents risks, many of which are driven by factors that cannot easily be controlled or predicted.

The key risks facing the Company, its subsidiaries and associate investments are disclosed in the Risk and Risk Management section, on pages 21 to 23 of the 2015 Annual Report of De La Rue plc. These do not form part of this report.

On behalf of the Board

J F Hermans
Secretary
16 December 2015

Registered Office:
De La Rue House
Jays Close
Viables
Basingstoke
Hampshire
RG22 4BS

Directors' Report

The Directors submit their report together with the audited financial statements of the Company for the period 29 March 2014 to 28 March 2015.

Result and dividends

De La Rue International Limited (the "Company") is an intermediate subsidiary of De La Rue plc. The Directors report a profit on ordinary activities after taxation amounting to £19,092,000 (2014: £47,857,000). No interim dividend was paid during the period (2014: £nil) and the retained profit for the period of £19,092,000 was transferred to reserves (2014: £47,857,000). The Directors do not recommend the payment of a final dividend.

Directors

The names of the Directors holding office during the period were as follows:

E H D Peppiatt
J F Hermans (alternate Director for E H D Peppiatt)
C C Child (resigned 10 August 2015)

K A Robinson (alternate Director for C C Child, ceased 10 August 2015)

The following Directors were appointed after the period end:

J H Sodha (appointed 10 August 2015)
K A Robinson (alternate Director for J H Sodha, commenced 10 August 2015)

Research and development

During the period a total of £10,937,000 was charged to the profit and loss account in respect of research, development and design (2014: £13,697,000).

Exceptional items

The Company has had unresolved issues since 2010 with a major customer regarding banknote paper production contracts. In April 2015, the Company was advised that guarantees, which have been in place since the contracts were entered into, with a value of £13.3m, had been invoked by the customer concerned. As this cost related to a matter pre-existing at the balance sheet date it has been accounted for as an adjusting post-balance sheet event. The Directors consider this to be a material step towards resolution of this issue and discussions continue with this important customer. The warranty provision relating to this matter, previously charged as an exceptional item, has been reviewed resulting in a £3.0m release.

Directors' Report (continued)

Employees

Details of employee related costs can be found in note 5 to the financial statements on page 19. The Company follows the employment policies of the De La Rue Group, details of which are set out on pages 25 to 28 of the 2015 Annual Report of De La Rue plc which does not form part of this report. This may be summarised as follows: The Company aims to employ people of high quality and encourages creativity and initiative. It recognises individual and team contributions and will give all employees the chance to develop their potential. The Company promotes employee involvement through a policy of communication and consultation. The Company's intranet communication channels, and more traditional house notices, are further strengthened through regular briefings; a two-way communications programme designed to maximise dialogue.

The Company offers equal opportunities in recruitment, training and promotion and in terms and conditions of employment, irrespective of gender, sexual orientation, religious beliefs, age, colour, ethnic or racial origin, nationality, disability or trade union membership. If an employee becomes disabled when in the Company's employment, full support is given through the provision of special training, equipment or other resources to facilitate continued employment wherever possible. All managers are required to ensure that all employees understand their responsibility for the active implementation of Company policy.

The Company sustains strategic management development initiatives to enhance the commercial awareness of its managers and to improve both customer and shareholder value.

Political donations

There were no political donations made in the year (2014: £nil).

Going Concern

The Directors continue to adopt the going concern basis in preparing the financial statements, as reported in note 1.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board

J F Hermans
Secretary

16 December 2015

Registered Office:
De La Rue House
Jays Close
Viables
Basingstoke
Hampshire
RG22 4BS

Independent Auditor's Report to the Member of De La Rue International Limited

We have audited the financial statements of De La Rue International Limited for the period from 30 March 2014 to 28 March 2015, set out on pages 11 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 8), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 March 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Member of De La Rue International Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ian Bone
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London
E14 5GL

18 December 2015

Profit and Loss Account
For the period ended 28 March 2015

		2015	2014
	Note	£'000	£'000
Turnover	3	**462,308**	495,505
Operating profit	4,5,6	**21,055**	58,271
Comprising:			
Operating profit before exceptional items	5	**32,678**	58,759
Exceptional items	6	**(11,623)**	(488)
Income from fixed asset investments		**2,073**	-
Profit on ordinary activities before interest and taxation		**23,128**	58,271
Interest receivable and similar income	7	**881**	1,067
Interest payable and similar charges	8	**(1,111)**	(1,542)
Profit on ordinary activities before taxation		**22,898**	57,796
Taxation on profit on ordinary activities	9	**(3,806)**	(9,939)
Profit for the financial period	23	**19,092**	47,857

There is no difference between the results in the profit and loss account and the results on an historical cost basis.

Statement of Total Recognised Gains and Losses
For the period ended 28 March 2015

	2015	2014
	£'000	£'000
Profit for the financial period	**19,092**	47,857
Currency translation differences	**481**	(364)
Total gains and losses recognised since last financial statements	**19,573**	47,493

The notes on pages 13 to 35 form part of these financial statements.

Balance Sheet at 28 March 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	**116,511**	113,143
Investments	12	**3,412**	3,711
		119,923	116,854
Current assets			
Stocks	14	**52,340**	55,462
Debtors – amounts due within one year	15	**100,841**	91,890
Debtors – amounts due after one year	16	**289,136**	285,768
Deferred tax asset	17	-	-
Cash at bank and in hand		**44,957**	59,031
		487,274	492,151
Creditors – amounts falling due within one year	18	**(227,077)**	(199,613)
Net current assets		**260,197**	292,538
Total assets less current liabilities		**380,120**	409,392
Creditors – amounts falling due after more than one year	19	**(18,771)**	(76,365)
Provisions for liabilities and charges	20	**(28,375)**	(19,626)
Net assets		**332,974**	313,401
Capital and reserves			
Called up share capital	21	-	152,000
Profit and loss account	23	**332,974**	161,401
Equity shareholders' funds	24	**332,974**	313,401

Approved by the Board on 16 December 2015

J H Sodha
Director

The notes on pages 13 to 35 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

The principal accounting policies adopted by the Company are as follows:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The accounts have been prepared as at 28 March 2015, being the last Saturday in March. The comparatives for the 2014 financial period are for the period ended 29 March 2014.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and Directors' report on pages 2 to 8.

The Company meets its funding requirements through cash generated from operations and a Group revolving credit facility which expires in December 2019. The Company's forecasts and projections, which cover a period of more than twelve months, taking into account reasonably possible changes in normal trading performance, show that the Company should be able to operate within its currently available facilities. The Company has sufficient financial resources together with assets that are expected to generate cash flow in the normal course of business. As a consequence and not withstanding the uncertainty as to the outcome of the paper production issues discussed in note 27, the Directors have a reasonable expectation that the Company is well placed to manage its business risks and to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual financial statements.

The Company is a wholly owned subsidiary of De La Rue plc and is included in the consolidated financial statements of De La Rue plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions (but not balances) with entities that are wholly owned within the De La Rue Group.

(b) Consolidation of subsidiaries

The financial statements contain information about De La Rue International Limited as an individual company and do not contain consolidated financial information as the parent of a group of companies. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, De La Rue plc, a company registered in England and Wales. References to "Group" mean to De La Rue plc and its subsidiaries.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(c) Foreign currencies

Foreign currency transactions
Transactions in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the dates of the individual transactions or if hedged forward at the rate of exchange under the related forward contract. Monetary assets and liabilities denominated in foreign currencies are subsequently retranslated at the rate of exchange ruling at the balance sheet date, and such exchange differences are taken to the profit and loss account.

Translation of the results of foreign branches
The assets and liabilities of foreign branches denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Income and expenses within the income statement of the branches are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and all resulting exchange differences are recognised as a separate component of equity.

(d) Turnover
Company turnover predominantly represents sales to external customers of manufactured products which fall within the Group's ordinary trading activities. This excludes VAT and other sales taxes.

Turnover is recognised in the profit and loss account to the extent that it is probable that the economic benefits associated with the transaction will flow into the Company and the amount can be reliably measured. In practice, the timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement. For sales of products and associated components, when sold separately, the transfer usually occurs on loading the goods onto the relevant carrier or, at an earlier point in time when conditions are met for recognition of turnover on a bill-and-hold basis.

Revenue is recognised on a bill-and-hold basis when a formal contract is in place, and the product is in hand and ready for delivery, the customer has acknowledged acceptance of the bill–and-hold transaction and normal payment terms apply.

Turnover on service based contracts is recognised as services are provided. If the services under a single arrangement are rendered in different reporting periods, or under an arrangement that also includes the sale of goods, then the consideration is allocated on a relative fair value basis between the sale of goods and rendering of services and then allocated to the appropriate reporting periods in accordance with the transfer of risks and rewards and the contractual life of the service contract.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

Turnover (continued)
Turnover and costs on project based contracts are recognised by reference to the stage of completion, based on the work performed to date and the overall contract profitability. The assessment of the stage of completion is dependent on the nature of the contract and is assessed by reference to reviews of work performed, achievement of contractual milestones and costs incurred.

(e) Goodwill amortisation
Upon the acquisition of a business, fair values that reflect the conditions at the date of acquisition are attributed to the identifiable net assets acquired. When the consideration paid for a business exceeds such net assets, the difference is treated as goodwill and is capitalised and amortised over an appropriate period not exceeding 20 years. For acquisitions prior to 1 April 1998 all goodwill is eliminated in the Company Balance Sheet against reserves. On disposal of a business the profit or loss on disposal is determined, after including the attributable amount of purchased goodwill to the extent that this has not been amortised through the profit and loss account. Negative goodwill is capitalised and amortised through the profit and loss account over the estimated life to which the goodwill relates.

(f) Other intangible assets
Intellectual property and distribution rights are amortised over their useful economic lives as determined by the life of the products to which they relate.

(g) Fixed assets and depreciation
Fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets is calculated on a straight line basis at rates sufficient to write down the assets over their expected useful lives.

The principal annual rates of depreciation are as follows:

Leasehold properties with less than 50 years unexpired	Written off over life of lease
Plant and equipment	Ranging from 4% to 33%
Fixtures and fittings	10%

(h) Leases

Operating lease rentals are charged to the profit and loss account as incurred. Tangible fixed assets acquired under finance leases are included in the balance sheet at their equivalent capital value and are depreciated over their useful lives. The corresponding liabilities are recorded as a creditor and the interest elements of the finance lease rentals are charged to the profit and loss account.

(i) Research and development
Product research and development expenditure is written off in the year in which it is incurred.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(j) Taxation

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

(k) Stocks

Stocks and work in progress are valued at the lower of cost, including relevant production overheads, and net realisable value.

(l) Retirement benefits

The Company is a participating employer in the De La Rue Group pension schemes. The pension rights of De La Rue International Limited employees are dealt with through self administered schemes. The major schemes are defined benefit pension funds with assets held separately from the Group. The major defined benefit pension funds are based in the UK and are now closed to future accrual, with all members being deferred members or pensioners. In accordance with FRS 17, De La Rue International Limited accounts for its contributions as though it were a defined contribution scheme, where contributions payable to the scheme in respect of the accounting period are charged to the profit and loss account. This is because the underlying assets and liabilities of the scheme cover De La Rue plc and a number of its subsidiaries and it cannot be split between each subsidiary on a consistent and reasonable basis. Full details of the scheme and its deficits (measured on an IAS 19 basis) can be found in note 22 to the consolidated financial statements of De La Rue plc.

Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(m) Share based payments

De La Rue International Limited participates in various equity settled and cash settled option schemes that are operated by its ultimate parent entity De La Rue plc. For the equity settled schemes, services received from employees are measured by reference to the fair value of the share options. The fair value is calculated at grant and recognised in the profit and loss account, together with a corresponding increase in shareholder's funds, on a straight line basis over the vesting period, based on an estimate of the number of shares that will eventually vest. The fair values under the Executive Share Option Plan were modelled on a binomial lattice and those under the remaining schemes are calculated using the Black-Scholes option pricing formula. The share based payment expense incurred is recharged by De La Rue plc to the Company via an intercompany loan account. Vesting conditions, other than non market conditions, are not taken into account when estimating the fair value. FRS 20 has been applied to share settled share options granted after 7 November 2002.

For cash settled share options, the services received from employees are measured at the fair value of options outstanding and recognised in the profit and loss account on a straight-line basis over the vesting period. The grant of cash settled share based payments by De La Rue plc to employees of the Company are initially recognised as a capital contribution and disclosed as other contributed equity. De La Rue plc recharges this expense to the Company.

(n) Investments

Investments are stated at cost or valuation in the balance sheet, less provision for any impairment in the value of the investment.

(o) Adoption of new UK GAAP

The Company will be adopting FRS102 from the 2015/16 financial year. The Company will be recognising the De La Rue plc Group's UK pension deficit upon its balance sheet from that point onwards. As at 28 March 2015, the pension deficit was £234.1m. The Company will also be required to recognise derivative financial instruments upon its balance sheet for the first time, which would have been expected to reduce net assets by approximately £5m as at 28 March 2015.

2 Directors' emoluments

During the period under review Messrs C C Child (resigned 10 August 2015), E H D Peppiatt and J F Hermans were employed by De La Rue plc, Mr K A Robinson was employed by De La Rue Holdings plc and all were remunerated in respect of their services to the Group as a whole by their employing companies. Their emoluments are dealt with in those companies' financial statements.

Notes to the Financial Statements (continued)

3 Turnover

Turnover by business segment is analysed below:

	2015 £'000	2014 £'000
Currency	**351,337**	373,041
CPS	**16,791**	15,685
Security Products	**27,552**	35,414
IDS	**66,628**	71,365
	462,308	495,505

Turnover by sales destination is analysed below:

	2015 £'000	2014 £'000
United Kingdom	**90,212**	108,801
Rest of Europe	**92,187**	88,037
Rest of World	**279,909**	298,667
	462,308	495,505

The Company's business is based in the UK. The majority of net assets of the Company are located in the UK. The Company has taken advantage of the exemption for segmental reporting contained in SSAP 25 as segmental information is given in the consolidated financial statements of the ultimate parent undertaking, De La Rue plc.

4 Operating costs

Operating profit is stated after the following operating cost charges:

	2015 £'000	2014 £'000
Cost of sales	**404,595**	415,912
Distribution costs	**10,441**	12,005
Administrative expenses	**14,594**	8,829
Exceptional costs (note 6)	**11,623**	488
Operating costs	**441,253**	437,234

Notes to the Financial Statements (continued)

5 Operating profit (excluding exceptional items)

	2015	2014
	£'000	£'000
Operating profit is stated after the following amounts have been charged/(credited):		
Staff costs		
- Wages and salaries	**89,923**	85,437
- Social security costs	**9,003**	8,714
- Other pension costs	**20,993**	19,060
- Share based payment expense	**(335)**	62
Depreciation of tangible fixed assets		
- purchased	**14,893**	13,942
Auditor's remuneration		
- statutory audit of this Company	**149**	146
- other services	**-**	-
- tax services	**-**	-
Operating leases		
- hire of plant and machinery	**357**	245
Research and development	**10,937**	13,697
Loss/(profit) on disposal of fixed assets	**351**	1,408

Notes to the Financial Statements (continued)

6 Exceptional items

	2015 £'000	2014 £'000
Site relocation and restructuring	**1,278**	3,962
Multi year contract bid costs	**-**	995
Gain on sale of assets	**-**	(4,469)
Invocation of guarantees	**13,310**	-
Warranty provisions	**(2,965)**	-
	11,623	488

Exceptional costs of £1.3m have been incurred in 2014/15 mainly in connection with the ongoing costs of implementing the Improvement Plan (2013/14: £4.0m).

As previously indicated, the Company has had unresolved issues since 2010 with a major customer regarding banknote paper production contracts. In April 2015 the Company was advised that guarantees, which have been in place since the contracts were entered into, with a value of £13.3m, had been invoked by the customer concerned. As this cost related to a matter pre-existing at the balance sheet date, it has been accounted for as an adjusting post-balance sheet event. The Directors consider this to be a material step towards resolution of this issue and discussions continue with this important customer. The warranty provision relating to this matter, previously charged as an exceptional item, has been reviewed resulting in a £3.0m release.

7 Interest receivable and similar income

	2015 £'000	2014 £'000
Interest receivable from Group undertakings	**725**	858
Other interest receivable	**126**	27
Foreign exchange gains on translation of Group loans	**30**	182
	881	1,067

8 Interest payable and similar charges

	2015 £'000	2014 £'000
Interest payable on Group undertakings	**809**	1,062
Foreign exchange losses on translation of Group loans	**-**	-
Other interest payable	**302**	480
	1,111	1,542

Notes to the Financial Statements (continued)

9 Taxation on profit on ordinary activities

	2015	2014
	£'000	£'000
Current tax		
UK corporation tax at 21% (2014: 23%)	2,102	8,630
Prior year (over)/under provision	435	(479)
Foreign tax	286	406
	2,823	8,557
Deferred tax		
Origination and reversal of timing differences	(415)	1,590
Change in tax rate	20	(160)
Prior year movement	1,378	(48)
	983	1,382
Total tax charge on ordinary activities	3,806	9,939

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2014: lower) than the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below.

	2015	2014
	£'000	£'000
Current tax reconciliation		
Profit on ordinary activities before taxation	22,898	57,796
Expected tax charge at 21% / 23%	4,809	13,293
Effects of:		
Non taxable dividends received	(425)	-
Permanent differences	(271)	(1,790)
Origination and reversal of timing differences	415	(1,590)
Foreign tax	286	406
Prior year adjustments	435	(479)
Group relief not paid for	(2,426)	(1,283)
Total current tax charge	2,823	8,557

The main rate of UK corporation tax will be reduced to 20 per cent from April 2015. This amendment was substantively enacted on 2 July 2013. The main rate of UK corporation tax will reduce further to 19% from April 2017 and then to 18% from April 2020. These amendments were substantively enacted on 26 October 2015. Deferred tax has been recognised at a rate of 20% reflecting the rate that was substantively enacted at the balance sheet date. A deferred tax asset has not been recognised in relation to capital losses (£308m) as there is insufficient evidence that this asset will be recovered.

Notes to the Financial Statements (continued)

10 Intangible assets

	Goodwill £'000	Intellectual property rights £'000	Distribution rights £'000	Total £'000
Cost or valuation				
At 29 March 2014 & 28 March 2015	**3,164**	**1,047**	**314**	**4,525**
Accumulated amortisation				
At 29 March 2014 & 28 March 2015	**3,164**	**1,047**	**314**	**4,525**
Net book value				
At 29 March 2014 & 28 March 2015	-	-	-	-

11 Tangible assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Assets in course of construction £'000	Total £'000
Cost or valuation					
At 29 March 2014	14,959	227,671	22,767	8,745	274,142
Transfer from/(to) Group Companies	-	1,885	(39)	(63)	1,783
Transfers from assets in the course of construction	7	14,596	954	(15,557)	-
Additions	-	2,041	757	16,165	18,963
Disposals	-	(4,135)	(127)	(613)	(4,875)
At 28 March 2015	**14,966**	**242,058**	**24,312**	**8,677**	**290,013**
Accumulated depreciation					
At 29 March 2014	2,645	144,561	13,793	-	160,999
Transfer from/(to) Group Companies	-	1,785	-	-	1,785
Provision for the period	698	12,868	1,327	-	14,893
Disposals	-	(4,048)	(127)	-	(4,175)
At 28 March 2015	**3,343**	**155,166**	**14,993**	**-**	**173,502**
Net book value					
At 29 March 2014	12,314	83,110	8,974	8,745	113,143
At 28 March 2015	**11,623**	**86,892**	**9,319**	**8,677**	**116,511**

Notes to the Financial Statements (continued)

12 Investments

	£'000
Cost or valuation	
At 29 March 2014	5,387
Disposals	(1,694)
At 28 March 2015	**3,693**
Provisions for impairment	
At 29 March 2014	1,676
Eliminated on disposal	(1,395)
At 28 March 2015	**281**
Net book value	
At 28 March 2015	**3,412**

In the opinion of the Directors the investments in, and amounts due from, the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

Notes to the Financial Statements (continued)

13 Subsidiary undertakings

Name of subsidiary	Country of registration or incorporation	Class of shares	Nature of business	Proportion of nominal value of issued shares held by the Company
De La Rue (Malaysia) Sdn Bhd	Malaysia	Ordinary	Trading	100%
De La Rue Global Services (Proprietary) Limited	South Africa	Ordinary	Trading	100%
De La Rue South Africa (Proprietary) Limited	South Africa	Ordinary	Trading	100%
De La Rue Systems (Proprietary) Limited	South Africa	Ordinary	Dormant	100%
De La Rue Cash Processing Solutions Limited	Ireland	Ordinary	Trading	100%
De La Rue (Thailand) Limited	Thailand	Ordinary	Trading	100%
De La Rue (Guernsey) Limited	Channel Islands	Ordinary	Non-trading	100%
De La Rue Consulting Services Limited	United Kingdom	Ordinary	Dormant	100%
De La Rue Cash Processing Solutions FZCO	United Arab Emirates	Ordinary	Trading	100%
De La Rue Cash Processing Solutions (Philippines), Inc.	Philippines	Ordinary	Trading	100%
De La Rue Commercial Services Limited	Nigeria	Ordinary	Trading	100%
De La Rue Cash Processing Solutions Mexico Limited S.A. de C.V.	Mexico	Ordinary	Trading	100%
De La Rue Mexico, S.A. de C.V.	Mexico	Ordinary and Redeemable Preference	Trading	100%
De La Rue Security Products (Suzhou) Co. Ltd	China	Capital	Trading	100%
De La Rue Trading (Shenzhen) Corporation Limited	China	Capital	Trading	100%

Notes to the Financial Statements (continued)

14 Stocks

	2015	2014
	£'000	£'000
Raw materials	**18,110**	16,061
Work in progress	**6,425**	13,410
Finished goods and spares	**27,282**	25,926
Goods in transit	**523**	65
	52,340	55,462

15 Debtors - amounts due within one year

	2015	2014
	£'000	£'000
Trade debtors	**79,572**	71,037
Amounts owed by Group undertakings	**14,475**	12,043
Taxation and social security	**-**	98
Other debtors	**1,430**	1,618
Prepayments and accrued income	**5,364**	7,094
	100,841	91,890

16 Debtors - amounts due after one year

	2015	2014
	£'000	£'000
Amounts owed by Group undertakings	**289,136**	285,768
	289,136	285,768

Amounts owed by Group undertakings are unsecured and interest bearing.

Notes to the Financial Statements (continued)

17 Deferred taxation

Deferred tax liability relates to the following:

	2015	2014
	£'000	£'000
Timing differences between capital allowances and depreciation	**(5,042)**	(4,304)
Other short term timing differences	**2,992**	3,237
Deferred Tax (liability)/asset	**(2,050)**	(1,067)

The movement on the deferred taxation account is explained as follows:

	£'000
At 29 March 2014	(1,067)
Amount charged to the profit and loss account for the period	(983)
At 28 March 2015	**(2,050)**

18 Creditors - amounts falling due within one year

	2015	2014
	£'000	£'000
Bank loans and overdrafts	**71,971**	47,283
Payments received on account	**25,208**	28,897
Trade creditors	**33,402**	36,798
Amounts owed to Group undertakings	**31,677**	23,659
Other creditors	**10,846**	13,231
Taxation and social security	**2,291**	4,947
Deferred tax liability	**2,050**	1,067
Accruals and deferred income	**49,632**	43,242
Share based payment accrual	**-**	489
	227,077	199,613

Amounts owed to group undertakings are unsecured and have no fixed repayment date. Interest rates charges on group loans with subsidiaries are based on the appropriate currency LIBOR rate and an interest margin determined by the creditworthiness of the borrower.

Notes to the Financial Statements (continued)

19 Creditors - amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts owed to Group undertakings	**3,239**	60,187
Other creditors	**15,532**	16,178
Obligations under finance leases:		
- Between one and two years	-	-
- Between two and five years	-	-
	18,771	76,365

Amounts owed to Group undertakings are unsecured. These amounts are repayable within 5 years.

20 Provisions for liabilities and charges

	Restructuring & reorganisations £'000	Delarunians £'000	Warranty provisions £'000	Other £'000	Total £'000
At 29 March 2014	4,767	-	11,222	3,637	19,626
Provided in the period	1,941	-	19,298	2,366	23,605
Transfer	-	2,455	-	-	2,455
Utilised in the period	(1,471)	-	(2,965)	(813)	(5,249)
Released in the period	(2,306)	-	(8,784)	(972)	(12,062)
At 28 March 2015	**2,931**	**2,455**	**18,771**	**4,218**	**28,375**

Restructuring and reorganisation provisions represent amounts principally provided in 2011/12 for various reorganisations, in Currency and Security Products, involving the closure of two sites and the relocation of manufacturing activity to our facilities in Gateshead and Westhoughton. These provisions include amounts for staff compensation and site exit costs, which are expected to be utilised over three years reflecting the contractual commitments to which they relate.

The Delarunians pension contributions provision relates to those employees and former employees who had achieved 37 years' service and qualify for free medical cover plus a monthly allowance. During the period this provision was transferred from De La Rue Holdings Limited to reflect where the ongoing responsibility for pensions lies.

Warranty provisions relate to present obligations for defective products and include known claims as well as anticipated claims that had not been reported at the balance sheet date. The provisions are management judgements based on information currently available, past history and experience of the products sold. However, it is inherent in the nature of the business that the actual liabilities may differ from the provisions. The precise timing of the utilisation of these provisions is uncertain but is generally expected to fall within one year. The charge for the year includes £13.3m in respect of the invocation of guarantees, more fully described in note 6. Existing warranty provisions in respect of this matter have been reassessed resulting in a release of £3.0m.

Other provisions comprise a number of liabilities with varying expected utilisation rates. There are no individually material provisions within this total.

Notes to the Financial Statements (continued)

21 Called up share capital

	2015	2014
Authorised:		
1 Ordinary shares of £1 each (2014: 152,000,000)	**£1**	£152,000,000
29,000 Redeemable preference shares of CHF 1,000 each	**CHF 29,000,000**	CHF 29,000,000

	2015	2014
	£'000	£'000
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each (2014: 152,000,000)	**-**	152,000

On 25 March 2015 there was a resolution passed to reduce the issued share capital from 152,000,000 Ordinary shares of £1 each then in issue to 1. The aim of this capital reduction was to improve the balance sheet presentation of the accounts, facilitate future dividend flows through the company from its subsidiaries, and mitigate the future recognition of the pension deficit under FRS102.

The 29,000 redeemable preference shares of CHF1,000 each are redeemable. They are redeemable at £Nil per share and carry no voting rights.

22 Share Based Payments

At 28 March 2015, De La Rue International Limited employees participate in three share settled share option schemes in the shares of De La Rue plc, which are described below. These plans have been accounted for in accordance with the fair value recognition provisions of FRS 20 'Share Based Payments' which means that FRS 20 has been applied to all grants of employee share based payments granted after 7 November 2002 that had not vested at 1 January 2005 and cash settled awards outstanding at 1 January 2005.

The compensation cost and related liability that have been recognised for the Company's participation in share based compensation plans are set out in the table below:

	Expenses recognised for the period		Liability at end of period	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Annual Bonus Plan	**335**	329	-	-
Deferred Bonus and Matching Share Plan	-	-	-	-
Performance Share Plan	**(589)**	(841)	-	-
Savings Related Share Option Scheme	**(81)**	574	-	-
	(335)	62	**-**	-

Notes to the Financial Statements (continued)

22 Share Based Payments (continued)

Arrangement	**Performance Share Plan**	**Savings related share option scheme**
Dates of current year grants	27 June 2014	6 January 2015
Number of options granted	199,768	1,867,583
Exercise price	n/a	438.0p
Contractual life (years)	3 or 4	3 or 5
Settlement	Shares	Shares
Vesting period (years)	3 or 4	3 or 5
Dividend yield	n/a	4.5%
Fair value per option at grant date	830.0p	96p for 3 year plan 107p for 5 year plan

Arrangement	**Annual Bonus Plan**	**Annual Bonus Plan**	**Annual Bonus Plan**	**Annual Bonus Plan**
Dates of current year grants	01 Sept 2014	01 Dec 2014	19 Jan 2015	24 Mar 2015
Number of options granted	10,334	54,792	23,307	49,464
Exercise price	n/a	n/a	n/a	n/a
Contractual life (years)	3	2, 3 or 4	2, 3 or 4	1, 2 or 3
Settlement	Shares	Shares	Shares	Shares
Vesting period (years)	3	2, 3 or 4	2, 3 or 4	1, 2 or 3
Dividend yield	n/a	n/a	n/a	n/a
Fair value per option at grant date	711.0p	548.0p	517.0p	562.0p

An expected volatility rate of 30 per cent (2013/14: 20 per cent) has been used for grants in the period. This rate is based on historical volatility over the last three years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon UK government bonds of a term consistent with the assumed option life. The rate applied during the year was 0.8 or 1.1 per cent depending on the vesting period.

Reconciliations of option movements over the period to 28 March 2015 for each class of options are shown below.

Notes to the Financial Statements (continued)

22 Share Based Payments (continued)

Annual Bonus Plan

Awards under the Annual Bonus Plan are made to Executive Directors and selected senior executives on achievement of the annual bonus targets set at the beginning of the financial year, and comprise both a cash element and a share element.

Share based awards under the Plan vest a minimum period of one year up to a maximum period of four years from the date of grant while the award holder remains an employee within the Group. Awards may vest early where employment ceases in specified good leaver circumstances and awards in these circumstances will vest in full in accordance with the rules of the Plan.

Additional awards may be made equivalent in value to the amount of dividends that would have been received since the award date in respect of the number of shares that the participant acquires under the Plan.

	2015 Number of options '000	2014 Number of options '000
Options outstanding at start of period	**93**	161
Granted	**138**	-
Forfeited	**(3)**	(12)
Exercised	**-**	(56)
Transferred to another Group company	**-**	-
Expired	**-**	-
Outstanding at end of period	**228**	93
Exercisable at period end	**-**	-

The 2014/15 share allocation was based on a share price of 516.5p – 561.6p.

Notes to the Financial Statements (continued)

Share Based Payments (continued)

Performance Share Plan

Awards are made annually to Executive Directors and selected senior executives generally following the announcement of results.

Awards vest after three or four years if relevant post grant performance targets have been met. Awards may be allowed to vest early where employment ceases in specified good leaver circumstances and in these circumstances performance conditions and apportionment for the time that the award has been held shall be applied in accordance with the rules of the Plan.

	2015 Number of options '000	2014 Number of options '000
Options outstanding at start of period	**764**	746
Granted	**200**	122
Forfeited	**(319)**	(29)
Exercised	**(102)**	(75)
Transferred from another Group company	**-**	-
Expired	**-**	-
Outstanding at end of period	**543**	764
Exercisable at period end	**-**	-

The awards have been allocated based on a share price of 991.1p for the 10 July 2012 grants and 892.9p for the 4 December 2014 grants, and 830.0p for the 27 June 2014 grants.

Savings Related Share Option Scheme

The Scheme is open to all UK employees. Options are granted at the prevailing market price at the time of the grant (with a discretionary discount of a maximum of 20% to the market share price), to employees who agree to save between £5 and £500 per month over a period of three or five years.

There are no performance conditions attaching to the options. After the three or five year term has expired, employees normally have six months in which to decide whether or not to exercise their options. A pre vesting forfeiture rate of 5 per cent has been assumed.

Notes to the Financial Statements (continued)

Share Based Payments (continued)

Savings Related Share Option Scheme (continued)

	2015 Number of Options '000	**2015 Weighted average exercise price per share**	2014 Number of Options '000	2014 Weighted average exercise price per share
Options outstanding at start of period	**1,228**	**635.02**	1,610	527.07
Granted	**1,868**	**438.00**	486	705.70
Forfeited	**(535)**	**708.30**	(106)	628.32
Exercised	**(46)**	**451.25**	(748)	457.79
Transferred (to) / from another Group company	**24**	**728.39**	(5)	1,064.30
Expired	**(31)**	**668.59**	(9)	552.60
Outstanding at end of period	**2,508**	**476.53**	1,228	635.02
Exercisable at period end	**-**	**-**	-	-

The range of exercise prices for the share options outstanding at the end of the period is 438.00p – 819.55p (2014: 444.14p – 819.55p). The weighted average remaining contractual life of the outstanding share options is a period of 2.5 years, ending 1 September 2017 (2014:1 September 2017).

23 Reserves

	Profit And Loss Account 2015 £'000
At 29 March 2014	**161,401**
Currency translation differences	481
Profit for the financial period	19,092
Capital reduction	152,000
Dividends payable	-
At the end of the period	**332,974**

Notes to the Financial Statements (continued)

24 Reconciliation of movements in shareholders' funds

	2015	2014
	£'000	£'000
Profit for the financial period	**19,092**	47,857
Share based payments credit / (expense)	**335**	(62)
Capital contribution in respect of share based payment expense	**(335)**	62
Other recognised (losses)/gains relating to the period (net)	**481**	(364)
Net increase in shareholders' funds	**19,573**	47,493
Opening shareholders' funds	**313,401**	265,908
Dividends	**-**	-
Closing shareholders' funds	**332,974**	313,401

25 Particulars of employees

	2015	2014
	Number	Number
The average number of persons employed by the Company during the period was:		
United Kingdom	**2,021**	2,017
Rest of the world	**7**	13
	2,028	2,030

26 Capital commitments

	2015	2014
	£'000	£'000
The following capital commitments existed at the balance sheet date:		
Contracted but not provided for in the financial statements	**4,443**	9,256

Notes to the Financial Statements (continued)

27 Contingent liabilities

De La Rue has extensive international operations and is subject to various legal and regulatory regimes, including those covering taxation matters from which, in the ordinary course of business, contingent liabilities can arise. While the outcome of litigation, disputes and investigations by regulatory authorities can never be predicted with certainty, having regard to legal advice received and the insurance arrangements of the Company and its subsidiaries, the Directors believe that adequate provision has been made to cover these matters. The Group also provides guarantees and performance bonds which are issued in the ordinary course of business. In the event that a guarantee or bond is called, provision may be required subject to the particular circumstances, including an assessment of its recoverability.

Cross guarantees

The company has jointly guaranteed the bank borrowings of group companies under the group four and a half year revolving facility which expires December 2019. The amount guaranteed is £250,000,000 (2014: £200,000,000). At 28 March 2015, the amount of loans drawn down on the £250m facility is £139.9m (29 March 2014: £146.1m).

28 Leases

	2015	2014
	£'000	£'000
Annual commitments under non cancellable operating leases are:		
Land and buildings		
Leases expiring:		
- Within one year	**56**	775
- Between two and five years	**-**	-
- After five years	**1,564**	2,756
Others		
Leases expiring:		
- Within one year	**79**	78
- Between two and five years	**17**	1
- After five years	**-**	-

Notes to the Financial Statements (continued)

29 Pension costs

The Company is a participating employer in the De La Rue Group pension schemes. The principal scheme is of the defined benefit type with assets held in separate trustee administered funds. The contributions to the scheme are assessed in accordance with advice of AON Consulting, independent consulting actuaries, using the Defined Accrued Benefits Method. The Company is unable to identify the share of the underlying assets and liabilities of the Group scheme that relates to its business and is permitted under FRS 17 to treat this scheme as a defined contribution scheme.

The Group's last formal (triennial) funding valuation of the Group's defined benefit pension scheme took place on 5 April 2012 and identified the Scheme to have a deficit of £180.0m (5 April 2009: £204.0m). Details of the latest actuarial valuations and the assumptions underlying them are contained in the financial statements of De La Rue plc.

Following the completion of the 2009 valuation and in addition to a one-off contribution resulting from the Group's sale of its investment in Camelot in 2011 (£35m), the Group agreed with the Trustee to an annual funding plan of £15m per annum (commencing in 2010/11 and running for approximately 11 years) with a 4 per cent annual increment.

During 2014/15, the Group made special funding payments of £18.6m (2013/14: £11.5m) to the Group pension fund. Total pension costs for the Company were £20,993,000 (2014: £19,060,000).

30 Post Balance Sheet Event

Adjusting event
In April 2015, the Group was advised that guarantees with a value of £13.3m had been invoked, see note 6 for further details

31 Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is De La Rue Holdings Limited and the ultimate parent undertaking is De La Rue plc, both of which are registered in England and Wales. The De La Rue plc Group is the only group of which the Company is a member for which consolidated group financial statements are prepared. Copies of the Group financial statements are available from the Company Secretary, De La Rue plc at De La Rue House, Jays Close, Viables, Basingstoke, Hampshire, RG22 4BS.