

Portals Holdings Limited
(Registered Number: 1305413)

Directors' Report and Financial Statements

31 March 2001



Portals Holdings Limited

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 March 2001.

Principal activity, results and dividends

The Company did not trade during the year and therefore made neither profit nor loss (2000: £Nil). The Directors do not recommend the payment of a dividend for the year (2000: £Nil).

Future developments

The Directors intend to continue with the current arrangements whereby the Company's name is used for trading purposes only.

Directors

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

C L Fluker
P R Hollingworth.

Directors' interests

At 31 March 2001 no Directors or members of their families, as defined by the Companies Act 1985, held any beneficial interests in shares of any member of the Group other than the ultimate parent undertaking, De La Rue plc. The holdings and share options of Mr P R Hollingworth in the ordinary shares of the ultimate parent undertaking are shown in that company's accounts. The holdings of Ms C L Fluker are as follows:

	2 April 2000	31 March 2001
Ordinary Shares	7,152	7,152
Share Price Improvement Plan	99,400	136,000
Executive Share Options	46,900	46,900
Sharesave Options	5,580	6,967

Ms Fluker was granted a further 36,600 options under the De La Rue Share Price Improvement Plan on 4 July 2000. Ms Fluker was also granted 1,387 options under the De La Rue Sharesave Scheme on 22 December 2000. No other options were granted during the year and none were exercised or lapsed.

At 31 March 2001 Ms Fluker's options under the De La Rue Sharesave Scheme are exercisable from March to September 2004 at prices ranging between 150 pence and 351.9 pence. Those options under the De La Rue Executive Share Option Scheme are exercisable at various dates up to July 2007 at prices ranging between 365.67p and 934p and those under the De La Rue Share Price Improvement Plan are exercisable from November 2002 to July 2004 at prices ranging between 215.3 pence and 340.9 pence.

Portals Holdings Limited

Directors' Report (Continued)

The market price of the ordinary shares at 31 March 2001 was 405.5 pence and the price range during the year was 230.25 pence to 449.5 pence.

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By Order of the Board



J F Hermans
Secretary
30/1/2002

Registered Office:
De La Rue House
Jays Close
Viabes
Basingstoke
Hants
RG22 4BS

Auditors' Report to the Members of Portals Holdings Limited

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

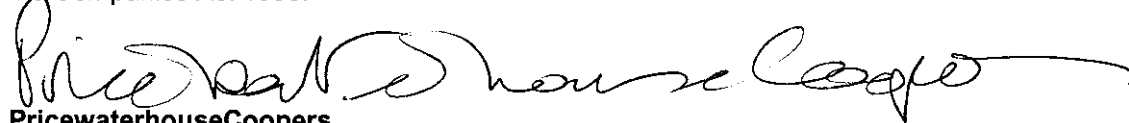
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 Company's state of affairs at 31 March 2001 and of its result for the year and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

30/1/2002

Portals Holdings Limited

Profit and Loss Account For the Year Ended 31 March 2001

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor loss and there were no recognised gains or losses.

Balance Sheet at 31 March 2001

	<i>Note</i>	2001 £'000	2000 £'000
Fixed assets			
Investments	3	-	2,475
Current assets			
Debtors – due after one year	4	2,475	-
Creditors - amounts falling due within one year	5	(14,249)	(14,249)
Net current liabilities		(11,774)	(14,249)
Total assets less current liabilities		(11,774)	(11,774)
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	(11,774)	(11,774)
Equity shareholders' funds	8	(11,774)	(11,774)

Approved by the Board on

30/11/2002



P R Hollingworth
Director

The notes on pages 5 and 6 form part of these financial statements.

Portals Holdings Limited

Notes to the Financial Statements - 31 March 2001

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The accounts have been prepared as at 31 March 2001. The comparatives for the 2000 financial year are for the year ended 1 April 2000, being the nearest Saturday to 31 March.

2 Directors' remuneration and auditors' remuneration

The Directors did not receive any remuneration in their capacity as directors of the Company (2000: £Nil).

There were no employees for the year (2000: Nil).

The auditors' remuneration was borne by the ultimate parent undertaking.

3 Investments

	Investments in subsidiaries £'000
Cost and net book value	
At 2 April 2000	2,475
Disposals	(2,475)
At 31 March 2001	-

The investment in De La Rue Inc was transferred to De La Rue Overseas Limited

4 Debtors

	2001 £'000	2000 £'000
Amounts due after one year		
Amounts owed by group undertakings	2,475	-

5 Creditors - amounts falling due within one year

	2001 £'000	2000 £'000
Amounts owed to Portals Group plc	14,249	14,249

Portals Holdings Limited

Notes to the Financial Statements - 31 March 2001

6 Share capital

	2001 £	2000 £
Authorised, allotted, called up and fully paid	100	100

7 Reserves

	Profit and loss account £'000
At 2 April 2000 and at 31 March 2001	(11,774)

8 Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Opening and closing shareholders' funds	(11,774)	(11,774)

9 Continued financial support

The ultimate parent undertaking, De La Rue plc, has confirmed that it will continue to finance the Company so as to enable it to meet its liabilities as they fall due.

10 Cash flow statement and related party disclosures

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 1. The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions (but not balances) with entities that are part of the De La Rue Group or investees of the De La Rue Group.

11 Immediate and ultimate parent undertaking

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

Portals Holdings Limited

Notes to the Financial Statements - 31 March 2001