

Portals Holdings Limited
(Registered Number: 1305413)

Directors' Report and Financial Statements

26 March 2005



Portals Holdings Limited

Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 26 March 2005.

Principal activity, results and dividends

The Company is dormant within the definition of section 249AA of the Companies Act 1985 and therefore made neither profit nor loss during the year (2004: £Nil). The Directors do not recommend the payment of a dividend for the year (2004: £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
S A King
R G McGowan (alternate, resigned on 10 September 2004)
S D Dasani (alternate, appointed on 10 September 2004)

Directors' interests

At 26 March 2005 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 S A King in the ordinary shares of the ultimate parent undertaking are shown in that company's accounts. The holdings and share options of Miss C L Fluker are shown in the accounts of De La Rue Holdings plc, an intermediate holding company. The share interests of Mr S D Dasani are set out below:

Interests in Shares	26 March 2005	27 March 2004
S. D. Dasani	8,000	0

Interests in Share Options	27 March 2004	Exercised during year	Granted during year	Lapsed during year	26 March 2005	Exercise price range (pence)	Exercise dates
S.D. Dasani							
Executive Share Options	25,800	-	42,584	-	68,384	237.33-340.50	Jul '06 – Jul '14
Sharesave Options	3,563	-	-	-	3,563	258.90	Mar '07 – Aug '07

Portals Holdings Limited

Directors' Report (Continued)

The market price of the ordinary shares at 26 March 2005 was 400 pence and the price range during the year was 302 pence to 408.75 pence.

Statement of Directors' responsibilities

The Companies Act 1985 requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those 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 accounting standards have been followed;
- prepare the financial statements on a going concern basis unless they consider it inappropriate to do so.

The Directors are responsible for:

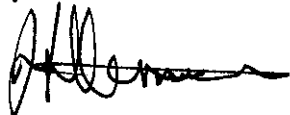
- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985;
- safeguarding the assets of the Company and for preventing and detecting fraud and other material irregularities.

The Directors consider that in preparing the financial statements on pages 4 to 6 the Company has consistently applied appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed.

Auditors

Pursuant to Sections 366A and 368 of the Companies Act 1985, the Company has dispensed with the requirement to hold annual general meetings and to reappoint auditors annually. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By Order of the Board



J F Hermans
Secretary
30 January 2006

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

Portals Holdings Limited

Independent Auditors' Report to the Member of Portals Holdings Limited

We have audited the financial statements which comprise the balance sheet and related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's member as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

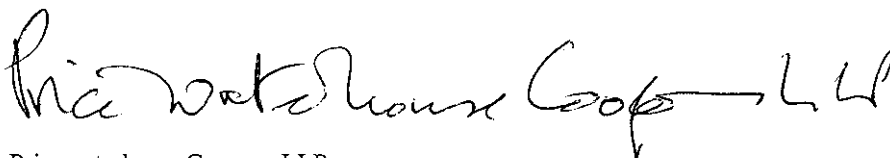
Basis of audit opinion

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 state of the Company's affairs at 26 March 2005 for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, 30 January 2006

Portals Holdings Limited

Profit and Loss Account For the Year Ended 26 March 2005

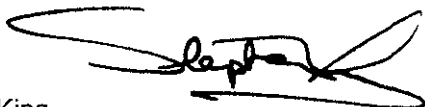
During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor loss and there were no recognised gains or losses.

Balance Sheet at 26 March 2005

	Note	2005 £'000	2004 £'000
Current assets			
Debtors – due after one year	3	2,475	2,475
Creditors - amounts falling due after one year	4	(14,249)	(14,249)
Net liabilities		(11,774)	(11,774)
Capital and reserves			
Called up share capital	5	-	-
Profit and loss account	6	(11,774)	(11,774)
Equity shareholders' funds	7	(11,774)	(11,774)

Approved by the Board on 30 January 2006

S A King
Director



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

Portals Holdings Limited

Notes to the Financial Statements - 26 March 2005

1 Accounting policies

Basis of preparation

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 26 March 2005, being the last Saturday in March. The comparatives for the 2004 financial year are for the year ended 27 March 2004.

2 Directors' remuneration and auditors' remuneration

Directors' emoluments for Mr S A King and Miss C L Fluker are disclosed in the accounts of the intermediate parent company De La Rue Holdings plc. No other Director received emoluments in his capacity as a Director of the Company (2004: £Nil).

There are no persons employed by the Company (2004: Nil)

The auditors' remuneration was borne by an intermediate parent company, De La Rue Holdings plc.

3 Debtors

	2005 £'000	2004 £'000
Amounts due after one year		
Amounts owed by Group undertakings	2,475	2,475

4 Creditors - amounts falling due after one year

	2005 £'000	2004 £'000
Amounts owed to Group undertakings	14,249	14,249

5 Called up share capital

	2005 £	2004 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

Portals Holdings Limited

Notes to the Financial Statements - 26 March 2005

6 Reserves

	Profit and loss account £'000
At 26 March 2005 and at 27 March 2004	(11,774)

7 Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Opening and closing shareholders' funds	(11,774)	(11,774)

8 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.

9 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. References to "Group" mean De La Rue plc and its subsidiaries.

10 Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is Portals Group Limited 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.