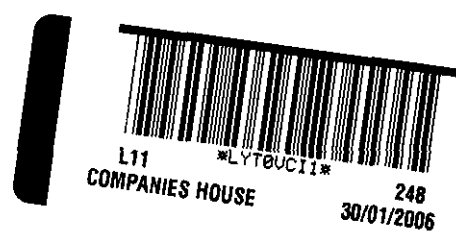


De La Rue Investments Limited
(Registered Number: 2527386)

Directors' Report and Financial Statements

26 March 2005



De La Rue Investments Limited

Directors' Report

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

Principal activity

The Company is a holding company.

Review of business and future developments

The Company will continue to operate in accordance with its principal activities for the immediate future.

Results and dividends

The profit for the year after taxation was £4,386,000 (2004: £3,556,000). No dividend was paid during the period (2004: £Nil). The retained profit of £4,386,000 (2004: £3,556,000) has been transferred to reserves.

Post balance sheet event

On 16 May 2005 the Company purchased De La Rue Cash Systems AB from De La Rue International Limited for the Sterling equivalent of SEK 948,000,000.

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 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

De La Rue Investments Limited

Directors' Report (Continued)

Directors' interests (continued)

<u>Interests in Share Options</u>	27 March 2004	Exercised during year	Granted during year	Lapsed during year	26 March 2005	Exercise price range (pence)	Exercisable dates
<u>S. D. Dasani</u> 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

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 5 to 10 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.

De La Rue Investments Limited

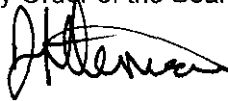
Directors' Report (Continued)

Statement of Directors' responsibilities (continued)

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

De La Rue Investments Limited

Independent Auditors' Report to the Member of De La Rue Investments Limited

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, 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.

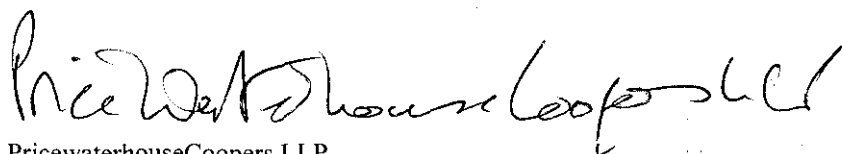
Basis of audit opinion

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 and of its profit 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

De La Rue Investments Limited

Profit and Loss Account For the Year Ended 26 March 2005

		2005	2004
	Note	£'000	£'000
Income from investment in Group Companies		46	46
Operating profit		46	46
Interest receivable	3	4,340	3,510
Profit on ordinary activities before taxation		4,386	3,556
Retained profit for the financial year	8	4,386	3,556

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

	2005	2004
	£'000	£'000
Profit for the financial year	4,386	3,556
Total recognised gains since last annual report	4,386	3,556

The notes on pages 7 to 10 form part of these financial statements.

De La Rue Investments Limited

Balance Sheet at 26 March 2005

		2005	2004
	Note	£'000	£'000
Fixed assets			
Investments	4	33,383	33,383
Current assets			
Debtors	5	115,708	111,368
Net current assets		115,708	111,368
Total assets less current liabilities		149,091	144,751
Creditors – amounts due after one year	6	(144,369)	(144,415)
Net Assets		4,722	336
Capital and reserves			
Called up share capital	7	95,000	95,000
Profit and loss account	8	(90,278)	(94,664)
Equity shareholders' funds	9	4,722	336

Approved by the Board on 30 January 2006



S A King
Director

The notes on pages 7 to 10 form part of these financial statements.

De La Rue Investments Limited

Notes to the Financial Statements – 26 March 2005

1 Accounting policies

(a) 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.

(b) Consolidation of subsidiaries

The financial statements contain information about De La Rue Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 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.

(c) Taxation

Provision for UK corporation tax on profits of the Company is made in the financial statements of the parent company, De La Rue Holdings plc.

The parent company also accounts for deferred taxation in accordance with FRS 19 "Deferred Tax" which requires the recognition of deferred tax assets and liabilities on the balance sheet to the extent that they will more likely than not materialise.

(d) Investments

Investments are stated at cost in the balance sheet, less provision for any impairment. Revaluation movements due to foreign exchange are transferred to the foreign exchange reserve and those due to changes in the currency value of the investment are taken to the revaluation reserve.

2 Directors' emoluments 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.

De La Rue Investments Limited

Notes to the Financial Statements – 26 March 2005

3 Interest receivable

	2005 £'000	2004 £'000
Interest receivable from Group undertakings	4,340	3,510

4 Investments

Investments in subsidiaries

	£'000
Cost	
At 27 March 2004 and 26 March 2005	267,914
Provision for impairment	
At 27 March 2004 and 26 March 2005	(234,531)
Net book value	
At 27 March 2004 and 26 March 2005	33,383

The Company's subsidiary investments are summarised as follows:

Subsidiary	Class	Ownership	Country of Registration	Trade
De La Rue Scandinavia Limited	Ordinary share capital	100%	England	Holding Company
Portals Group Limited	Ordinary and preference share capital	100%	England	Holding Company
Harrison & Sons Limited	Ordinary share capital	100%	England	Non Trading

In the opinion of the Directors the value of investments in subsidiary undertakings is not less than that shown in the balance sheet.

De La Rue Investments Limited

Notes to the Financial Statements – 26 March 2005

5 Debtors

	2005	2004
	£'000	£'000
Amounts owed by Group undertakings due within one year	16,004	11,664
Amounts owed by Group undertakings due after one year	99,704	99,704
	<u>115,708</u>	<u>111,368</u>

6 Creditors – amounts due after one year

	2005	2004
	£'000	£'000
Amounts owed to Group undertakings	<u>(144,369)</u>	<u>(144,415)</u>

7 Called up share capital

	2005	2004
	£'000	£'000
Authorised:		
95,000,000 Ordinary shares of £1 each	<u>95,000</u>	<u>95,000</u>
Allotted, called up and fully paid:		
95,000,000 Ordinary shares of £1 each	<u>95,000</u>	<u>95,000</u>

8 Reserves

	Profit and loss account £'000
At 27 March 2004	(94,664)
Retained profit for the financial year	4,386
<u>At 26 March 2005</u>	<u>(90,278)</u>

De La Rue Investments Limited

Notes to the Financial Statements – 26 March 2005

9 Reconciliation of movements in shareholders' funds

	2005 £'000	2004 £'000
Retained profit for the financial year	4,386	3,556
Opening shareholder's funds/(deficit)	336	(3,220)
Closing shareholders funds	4,722	336

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 Post balance sheet event

On 16 May 2005 the company purchased De La Rue Cash Systems AB from De La Rue International Limited for the Sterling equivalent of SEK 948,000,000.

12 Immediate and ultimate parent undertaking

The immediate parent undertaking of the Company is De La Rue Holdings plc and the ultimate parent company 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 of De La Rue plc at De La Rue House, Jays Close, Viables, Basingstoke, Hants, RG22 4BS.