

**De La Rue Investments Limited**  
(Registered Number: 2527386)

**Directors' Report and Financial Statements**

**30 March 2002**



# 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 30 March 2002.

### Principal activity

The Company is a holding company.

### Results and dividends

The profit for the year after taxation was £4,398,000 (2001 profit: £5,651,000). No dividend was paid during the period (2001: Nil). The retained profit of £4,398,000 (2001 profit: £5,651,000) has been transferred to reserves.

### Directors

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

C L Fluker  
P R Hollingworth (resigned 30 June 2002)

D W Finnett was appointed a Director on 30 June 2002.

### Directors' interests

At 30 March 2002 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 were as follows:

	1 April 2001	30 March 2002
Ordinary Shares	7,152	7,152
Share Price Improvement Plan	136,000	163,600
Executive Share Options	46,900	18,100
Sharesave Options	6,967	6,967

Ms Fluker was granted a further 27,600 options at 506.42 pence under the De La Rue Share Price Improvement Plan on 25 June 2001. Ms Fluker exercised 5,000 options at 449.00 pence and 23,800 options at 365.67 pence under various De La Rue Executive Share Option Schemes on 10 August 2001. The market value of shares in De La Rue plc at the date of exercise was 509.00 pence. No other options were granted or exercised during the year and none lapsed.

At 30 March 2002 Ms Fluker's options under the De La Rue Sharesave Scheme are exercisable from March to September 2004 at prices ranging between 150.00 pence and 351.90 pence. Those options under the De La Rue Executive Share Option Scheme are exercisable at various dates up to July 2006 at prices ranging between 607.00 pence and 934.00 pence and those under the De La Rue Share Price Improvement Plan are exercisable from November 2002 to June 2005 at prices ranging between 215.30 pence and 506.42 pence.

# **De La Rue Investments Limited**

## **Directors' Report (Continued)**

The market price of the ordinary shares at 30 March 2002 was 463.50 pence and the price range during the year was 400.00 pence to 535.00 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.

### **Auditors**

Pursuant to Sections 366A and the 386 of the Companies Act 1985 the Company has dispensed with the requirement to hold annual general meetings and to reappoint the auditors annually. The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office.

By order of the Board



J F Hermans  
**Secretary**  
15 January 2003

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

## **Independent Auditors' Report to the Members of De La Rue Investments Limited**

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

### **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 opinion has been prepared for and only for the Company's members 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 in to 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.

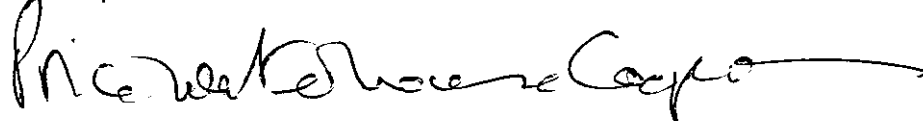
### **Basis of audit opinion**

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 30 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London  
15 January 2003

**Profit and Loss Account**  
**For the Year Ended 30 March 2002**

	<i>Note</i>	<b>2002 £'000</b>	<b>2001 £'000</b>
Interest receivable	3	<b>4,398</b>	5,651
Profit on ordinary activities before taxation		<b>4,398</b>	5,651
<b>Retained profit for the financial year</b>	<b>8</b>	<b>4,398</b>	<b>5,651</b>

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

There were no recognised gains or losses apart from those shown in the above profit and loss account.


The notes on pages 6 to 9 form part of these financial statements.

# De La Rue Investments Limited

## Balance Sheet at 30 March 2002

	<i>Note</i>	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Investments	4	205,804	205,804
<b>Current assets</b>			
Debtors	5	121,186	116,788
<b>Net current assets</b>		<b>121,186</b>	<b>116,788</b>
<b>Total assets less current liabilities</b>		<b>326,990</b>	<b>322,592</b>
Creditors – amounts due after one year	6	(320,330)	(320,330)
<b>Net Assets</b>		<b>6,660</b>	<b>2,262</b>
<b>Capital and reserves</b>			
Called up share capital	7	95,000	95,000
Profit and loss account	8	(88,340)	(92,738)
<b>Equity shareholders' funds</b>	9	<b>6,660</b>	<b>2,262</b>

Approved by the Board on 15 January 2003



D W Finnett  
Director

The notes on pages 6 to 9 form part of these financial statements.

# **De La Rue Investments Limited**

## **Notes to the Financial Statements – 30 March 2002**

### **1 Accounting policies**

#### **(1) 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 30 March 2002, being the nearest Saturday to 31 March. The comparatives for the 2001 financial year are for the year ended 31 March 2001.

#### **(2) 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 parent, De La Rue plc, a company registered in England and Wales.

#### **(3) New accounting standard**

Financial Reporting Standard 18 "Accounting Policies" has been adopted in the current year but this did not require any change in accounting policy.

#### **(4) 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.

#### **(5) Investments**

Investments are stated at valuation in the balance sheet, less provision for any permanent diminution in the value of the investment. 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**

No Director received any emoluments in their capacity as a Director of the Company (2001: £Nil).

There are no persons employed by the Company (2001: Nil).

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

# De La Rue Investments Limited

## Notes to the Financial Statements – 30 March 2002

### 3 Interest receivable

	2002 £'000	2001 £'000
Interest receivable from Group undertakings	4,398	5,651

### 4 Investments

#### Investments in subsidiaries

	£'000
<b>Cost</b>	
At 1 April 2001 and at 30 March 2002	426,516
<b>Provision for diminution in value</b>	
At 1 April 2001 and at 30 March 2002	(220,712)
<b>Net book value</b>	
At 1 April 2001 and at 30 March 2002	205,804

The Company's subsidiary investments are summarised as follows:

Subsidiary	Ownership	Country of Registration	Trade
De La Rue Scandinavia Limited	100%	England	Holding Company
Portals Group plc	100%	England	Holding Company
Harrison & Sons Limited	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.

### 5 Debtors

	2002 £'000	2001 £'000
Amounts owed by Group undertakings within one year	4,398	-
Amounts owed by Group undertakings after one year	116,788	116,788
	121,186	116,788

### 6 Creditors – amounts due after one year

	2002 £'000	2001 £'000
Amounts owed to Group undertakings	(320,330)	(320,330)



# De La Rue Investments Limited

## Notes to the Financial Statements – 30 March 2002

### 7 Called up share capital

	2002 £'000	2001 £'000
<b>Authorised:</b>		
95,000,000 Ordinary shares of £1 each	95,000	95,000
<b>Allotted, called up and fully paid:</b>		
95,000,000 Ordinary shares of £1 each	95,000	95,000

### 8 Reserves

	Profit and loss account £'000
At 1 April 2001	(92,738)
Retained profit for the financial year	4,398
<b>At 30 March 2002</b>	<b>(88,340)</b>

### 9 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 £'000
Retained profit for the financial year	4,398	5,651
Opening shareholder' funds/(deficit)	2,262	(3,389)
<b>Closing shareholders' funds</b>	<b>6,660</b>	<b>2,262</b>

### 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.

# **De La Rue Investments Limited**

## **Notes to the Financial Statements – 30 March 2002**

### **11 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.